SALMON RECOVERY FUNDING BOARD

MINUTES - REGULAR MEETING

December 13, 2007 | Kitsap Conference Center, Bremerton, Washington

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

Steve Tharinger (Chair)	Clallam County
Joe Ryan	Seattle
David Troutt	Dupont
Don "Bud" Hover	Okanogan
Bob Nichols	Olympia
Carol Smith	Designee, Conservation Commission
Dick Wallace	Designee, Department of Ecology
Tim Smith	Designee, Department of Fish and Wildlife
Craig Partridge	Designee, Department of Natural Resources
Barb Aberle	Designee, Department of Transportation

CALL TO ORDER
Chair Steve Tharinger opened the meeting at 9:08 a.m.

Steve welcomed our new Director Kaleen Cottingham and board members.

Steve Tharinger approved agenda as presented.

REVIEW AND APPROVAL OF SEPTMBER 2007 MEETING MINUTES

Joe Ryan **MOVED** to approve the September 2007 meeting minutes. David Trout **SECONDED**. Board **APPROVED** September 27, 2007 minutes as presented.

MANAGEMENT AND STATUS REPORTS
Director Cottingham provided this agenda item. (See notebook item #2 for details)

Director Cottingham highlighted a few items from the report.

- So far RCO has been informed of two culverts under the Family Forest Fish Passage Program that were damaged during the flooding.
- No final decision has been made on federal funds for the next year but it is somewhere between $65 million - 90 million.
- The new Biodiversity Council Strategy recently was adopted by the Council. In the future, she would like to discuss whether and how to incorporate some of biodiversity strategy into the SRFB work
- The Recreation and Conservation Funding Board (RCFB) funded a round of grants at its last meeting and the Invasive Species Council is preparing for the adoption of its Strategic Plan in June.

- At a future meeting staff will provide an update on the Berk and Associates report to streamline grant process for both RCFB and SRFB. The final report is due to RCO in February.
- The RCO is in the process of hiring a board liaison.
- RCO has applied for an Environmental Protection Agency grant as an acting agent for the Puget Sound Partnership, along with other agencies. The grant is requesting $500,000 for a data exchange network. It is unknown if we will receive these funds but it has some great opportunities.

GOVERNOR'S SALMON RECOVERY OFFICE (GSRO) REPORT
Chris Drivdahl presented this agenda item. (See notebook item #3 for details)

Chris noted that she had no additional comments to add to the written report but was available to answer any questions the board may have. There were no questions for Chris.

LEAD ENTITY ADVISORY GROUP (LEAG) REPORT
LEAG chair Jeanette Dorner presented this agenda item. (See notebook item #4 for details)

Jeanette noted that before the board today is a list of projects that lead entities have been preparing since the last funding meeting. This is a process of putting together a package of projects that is consistent with the approach to have a strategic list of projects that is the wisest use of funds.

She welcomed Rich Osborn, the new lead entity coordinator for North Pacific (WRIA 20) that split from the North Olympia Peninsula Lead Entity (NOPLE).

Jeanette noted the work done with Washington Department of Fish and Wildlife to support the request submitted for the Governor's budget. This $400,000 request is to add to lead entity capacity. The original legislation does not capture all lead entities' responsibilities. LEAG thought that legislative language would be the most effective way to articulate lead entities' role but decided not to proceed and to support the supplemental request. The LEAG Executive Committee will hold a conference call next week to discuss the next steps and will put together a one-page memo to articulate lead entity roles. The Governor's budget is due next week and LEAG is hopeful that a number of organizations will continue to support lead entities.

At the last LEAG meeting members discussed the regional allocation issue and were unable to come to a consensus but did agree that they do not want a long, drawn out discussion on regional allocation but to discuss ways to increase overall support for salmon recovery projects.
Jeanette noted that LEAG members supported the idea of having a standing review panel.

Cheryl Bauman, NOPLE coordinator, has taken the lead in working with lead entities on how they can work together statewide to elevate the awareness of lead entities and

their roles. She is chairing a committee of lead entities and will declare next May as Lead Entity Month. There will be a series of events all over Washington to demonstrate why lead entities are valuable.

Dick Wallace appreciates the decision not to take the role of lead entities to the Legislature. He asked about the Puget Sound integration grants that coordinate watershed planning and regional efforts. He believes that coming out of these grants we will have a sense of how to better integrate.

Jeanette said lead entities understand the need to integrate activities but are not interested in being the primary coordinators because they are asked to do more then they can sustain.

Tim Smith noted his disappointment that LEAG decided not to go forward with legislation that would provide authority to those at a local level to decide what role the lead entities want to play.

COUNCIL OF REGIONS (COR) REPORT
Alex Conley presented this agenda item. (See notebook item #5 for details)

Alex highlighted a memo presented.

- Monitoring Forum – The council has discussed how to coordinate funding for regional monitoring packages.
- Habitat Work Schedule. COR members are working with WDFW to integrate the Habitat Work Schedule with the regional implementation schedule.
- Regional funding needs – How does each region fit in the total package. There is discussion on the 2008 funding process and alterations to it. They would like to see status quo and would like to start working on the 2009 allocations.

Dick Wallace would like to hear from COR about its experiences with the broader all H (hatchery, hydropower, habitat, harvest) integration. He asked whether there is value in this effort and how this may lead to better informed projects. The more we can build on these successes would be great.

2007 GRANT ROUND REPORT INTRODUCTION
Brian Abbott and Steve Leider, Governor's Salmon Recovery Office, presented this agenda item. (See notebook item #6a for details)

Brian reviewed the process used for the 2007 grant round and highlighted the major changes:

- PSAR funds
- Design-only projects
- Revised criteria for assessments
- An early, joint meeting with the Review Panel in July to review projects and to give lead entities and regions early comment.

Steve Leider, Review Panel lead, noted the Review Panel report and asked the Review Panel to join him at the table and provide comments to the board.

Steve commented on the regional processes and the approaches used, which were similar to last year. Steve highlighted:

- Regional lists presented from Lower Columbia, Upper Columbia, and Snake.
- Significant increase in number in projects.
- Percentage of Projects of Concern (POCs) is similar to last year.

Steve noted comments from the Review Panel:

- The role of the Review Panel tried to apply the existing SRFB criteria to the projects proposed for the PSAR funds to the extent possible. If it was clear that a project did not fit, they did not evaluate the project but simply brought it to the Board's attention. There are two projects of this type.
- The Review Panel identified a need for improved coordination and standardization of nearshore fish distribution assessments.
- Future clarification and coordination regarding invasive species. The Review Panel would like the SRFB to provide more guidance on how to deal with invasive species for future rounds.

David Troutt commented on the rating summary chart of "Fit to List". Is there concern that the strategies have not changed and the number of "fair" projects has not decreased? If so, is there some way to move those to "excellent"? He asked if this is a concern to the Review Panel.

Steve Leider noted the issues associated with the strategy quality. He has heard that there are limits to the technical capacity these areas have. They could use more help from the Review Panel to build and change their strategies. The fit will change each year depending on the list. There would be more confidence if the strategies were improved.

David asked about the nearshore issues. He does not understand the concerns raised around the limited geographic scope of studies. He is familiar with freshwater studies where limiting geographic scope is a benefit. Is that not the same approach we should be taking with marine water as well? Steve noted that it is a combination of local issues and scale content. It is the larger context that has been elusive. Until we have sense of what we are trying to build we will have a hard time finding the answer.

Tim noted that WDFW has struggled with the nearshore project. There is no right or wrong scale but it's important that the scales nest so you can build from each project site and see how it fits into the bigger context. In order to do that, there needs to be consistency with protocols and design, etc. There is no best scale to work at but to understand the context and how it fits.

Steve Tharinger noted that the most highlighted area in the report is the nearshore issues. It is clear the board needs to continue to work on these issues. He is not sure

what the pathway to resolution is, but at some point he would like to have that discussion.

Carol Smith asked if there were plans to update regional recovery plans to better connect with the steelhead listings. Steve Leider noted that the Review Panel did not address that issue this round. We are aware that the listing is upon us and a response at some point will be coming.

2007 GRANT ROUND REPORT – REVIEW PANEL COMMENTS (See notebook item #6a for details)

Will Hall noted that this is his third year on the Review Panel. He commented on the discussion about the strategy ranking. He noted that a lot of the "fair" rankings are in the community column where the bar is set pretty high. What it takes to be "excellent" would be to identify the specific types of projects your community does not support and have a process to build that support. This can be very hard to do. The watershed process question is a similar situation. The most advanced lead entities have clear connection between the large scale processes and the individual pieces of habitats. They have that connection well documented, while others still focus on the Salmon Recovery Act, pushing for the process approach. He commented on Fit to Strategy and indicated that lack of sponsor capacity is what was heard from lead entities that fell short. In some of these areas there are only a handful of sponsors.

Pat Powers is a private consultant and has been on the Review Panel for three years. He commented on the quality of applications and the lack of project sponsors. This spring when projects came in and there was an increase of funding, people scrambled to find projects. He noted that the board has moved forward effectively with planning processes and habitat strategies, but sponsors are left scrambling to catch up and find staff. He made a suggestion for the future to do some pre-scoping.

Patty Michak is a private consultant who is a new review panel member. She believes moving toward a standing review panel concept will help assist lead entities to identify and develop projects.

Michelle Cramer is a WDFW engineer from the Habitat Division and first year on the review panel. She agrees with the previous member comments and found the early process involvement very beneficial. She sees the need for some early time with sponsors.

Steve Toth is a hydrologist and geomorphologist, who has been on the review panel for six years. He has seen many rounds of projects. There are only one to two projects per year that stand out and affect large areas and restore the natural processes that the smaller projects do not address. The current process does support the development of large scale multi-year projects that will really benefit salmon recovery and make a difference. He would like to investigate a way to encourage the development of larger projects like this year's Nisqually project. These projects will require more time, money, and resources.

The board discussed the needs of the larger projects, such as coordination of landowners, political issues, less probability of completing, and the many years and money necessary to make them viable. The board discussed stringing smaller projects together to result in the benefits of the larger projects and that maybe with the year-round review panel, more large scale projects such, as the Nisqually project, will come to them.

Scott Nicolai is a habitat biologist in the Yakima watershed and in his fourth year on the review panel. He spent a bulk of time this year in rural watersheds where he sees huge opportunities to do the really big projects but everyone out there working is already overloaded with brush fire management, regulatory review, landowner outreach, and coordination. The board needs to identify a process to focus on larger projects and working with Regional Fish Enhancement Group may be a start. He noted that after the meeting, he hopes they will look at the review panel report because a lot of concerns he has are articulated in the report. He noted the need for better criteria for habitat protection projects. Scott commented on the "Building Better Projects" Conference held last year and believes it was a huge success to see all the networking and project sharing.

Tom Slocum is from the North Sound Conservation Districts. Tom commented on the standard of review for different project types. They struggle to have a consistent review for the different regions and they know there are gaps and inconsistencies. One tool that was helpful this year was having the list of four to five bullets for assessment projects. This not only benefited the Review Panel but the sponsors as well and he would like to go further and have standards and review for other types of projects. He would like the Review Panel to have the opportunity to give some guidance. This would not be difficult as they have already drafted up some criteria in their discussion. This would need to be published statewide.

Chair Steve Tharinger believes this would be very helpful and asked if these criteria would be ready for the Manual 18 approval in February for the 2008 grant round.

Steve Leider noted the next steps from the Review Panel will be to provide a memo with observations and recommendation for future rounds, which could include a starting point for discussion on criteria.

Tim Smith commented that he was pleased when the board added the technical assistance role to the Review Panel. A few rounds ago the board would be reviewing a large number of Projects of Concern and seeing that the Review Panel was able to address 90 percent of them shows their extra effort.

Steve Tharinger gave thanks to the Review Panel for its hard work this year.

Steve Leider proposed three questions that he would like to include in the Review Panel report to the board.

- How would the panel recommend its role be improved given the current context and statues under which the SRFB is operating?
- What does the panel need from the SRFB to make the improvement of input?
- What advice can the panel provide about how to integrate recovery plans?

Chair Steve believes these are suggestions and important questions to have answered.

2007 GRANT ROUND STAFF REPORT

Steve Leider and Brian Abbott presented this agenda item. (See notebook item #6c for details)

Steve Leider provided an overview of the staff report. He noted the report was broken into two sections: Criteria for Success and General Observations and Conclusions.

Four criteria were proposed:

1. Is the regional process focused on the priorities of the recovery plan?
2. How did the process use the recovery plan?
3. How did the internal independent science review process work?
4. Are affected parties, primarily lead entities, supportive of the results?

David Troutt noted that a concern of the board was the independence of the independent review and asked if it was evaluated in this process. Steve noted that a question was asked about the conflict of interest. His sense is it's the same as previous rounds where some areas are more independent, largely because of large external mechanisms like National Oceanic and Atmospheric Administration Technical Review Team, while other areas do not have a lot of resources and are struggling to find ways to build more independence and still maintain that level of knowledge.

David noted that the issue is that the board has confidence that, because the Review Panel is not looking at fit-to-strategy on the recovery planning areas, that the projects truly are a part of the recovery plan and are independently assessed.

Steve Leider believes this is an area that needs some attention by the board, Governor's Salmon Recovery Office and local areas. NOAA is in the process of ending the Technical Review Teams but they still feel the need for this type of function, modification, and implementation. They are in the process of soliciting a new review panel.

David asked if the board could add this issue to the February meeting agenda. He would like to have a better sense that we are having an independent review. Steve Tharinger noted that this would be a good topic.

Craig Partridge noted that at this time we only have one project level which is a Project of Concern and suggested maybe having a level added for Process of Concern or the ability to look at the process where warranted with a better review.

Steve Tharinger believes this is a good question but the board would need direction if this would be a Review Panel or NOAA role. He would like to have this discussion and noted that the Policy Summit Conference may be a good place. Dick Wallace agreed and would like a matrix of different levels of independence. He believes it would be helpful if these are going to change to know what they will become. He is hopeful for a more region-wide view.

Steve Tharinger asked that Steve Leider add this issue to the Review Panel report. Steve Leider noted that this is listed as a topic in the draft report. He has started discussions with NOAA about its timelines and what to expect from its new structure. This is a work in progress.

Brian provided more updates on the general observations and conclusions sections of the report. He highlighted questions for the board to think about as it moves towards making decisions.

- Should the SRFB fund Projects of Concern?
- What should be done with the unspent, pre-allocated funds?
- Does the SRFB support the Review Panel's recommendation regarding the need for consistency for nearshore fish assessments?

Steve Tharinger clarified that in the past the board has not funded Projects of Concern and that any unspent, pre-allocated funds were put back in the general pot and lead entities did not moved further down their lists. This has been the policy so the questions is do we change this.

Public Comments:
Shirley Solomon, Skagit Watershed, gave thanks to the SRFB staff and Review Panel. The PSAR funds were welcomed on one hand and overwhelming on the other. They did not receive the support by the Review Panel that was needed to review $7 million of projects. She asked the board to think seriously about a year-round panel and a staggered review of projects. She would like to see projects funded in a staggered cycle once scrubbed and clean.

Regional Area's Comment Period:

Coastal Region:
Lee Napier, Grays Harbor County, and lead entity coordinator, provided an update on the projects submitted this round. There are four projects and two alternates. Sponsors were able to work and meet the regional allocations and make adjustment to projects. She commented on the "Fit to Strategy" based on her role with the Chehalis Basin. The strategy has had four revisions and has faced some challenges including: the size of the watershed, and which actions are a priority, and the time spent striving to line things up. She attends all board meeting and hears the feedback from the Review Panel and shares it with her counterparts in the lead entity but the struggle is that they are only getting her interpretation. This would be a way to use the year-round Review Panel and have its time accessible to her and other Coast lead entities who do not have a

technical review group. She feels that having more Review Panel time would help her area create the larger projects noted earlier today.

Tim Smith noted that in past rounds some of the challenges the Coastal lead entities have faced is the recruitment of sponsors and asked if it is improving. Lee noted each year there are one or two new sponsors but it is still a challenge.

Middle Columbia:
Alex Conley, Angie Begosh, Richard Visser and Dan McCarty highlighted the regional process and planning, and presented each lead entity project list.

Steve Tharinger referred to the Taneum Creek project and asked what a Conditioned project was. Alex noted that this project was a draft project of concern and that is now labeled as a conditioned project, which means there are concerns that are required to be addressed before they will release funding for the project.

Steve Tharinger noted that the Review Panel made comments on the "Fit to Strategy" and noted that the projects do not address all the limiting factors and highest priorities. He asked why they went after these projects and not the ones address in the strategy. Dan noted that they are very limited with the organizations that can bring these projects forward, and landowner willingness.

Steve asked about cattle grazing at Simmons Creek and noted that there are concerns of accountability of SRFB funds. These funds are for restoration of the stream that has been damaged by grazing and to provide alternative water sources for cattle so that the steam is no longer affected. There may be question why SRFB funds are being used to fix this. Dan noted that the stretch downstream is high gradient so they are trying to reduce the sedimentation getting into that area because it can get flushed through that system.

Northeast Region:
Kathleen Werr, Pend Oreille lead entity coordinator, addressed the shortfall on their allocation. This is a result of the Review Panel request to remove a portion of the road decommissioning project. They have chosen to remove 3 miles of road from the proposal. Kathleen has just finished her first year in this role. The lead entity plans to respond to the strategy comments received by the Review Panel. She agrees with the comments made earlier today about the larger complex projects that have not had the support to be funded. They have objectives that could benefit from more assistance and the larger projects. They struggle with a small community and low number of sponsors and strive to work with them to the best of their ability.

Lower Columbia:
Jeff Breckle, lead entity coordinator, provided background on the region including the size and number of WRIAs. They are still trying to coordinate with Oregon to complete an Evolutionary Significant Unit plan, which they hope to complete by the end of next year. Jeff described the process used from the beginning of the year to the present. Jeff noted the great support from the Review Panel during site visits and final review. This

has really helped their project sponsors create great proposals. Jeff highlighted a couple of his projects and clarified the reason for the Chinook River diversion project being labeled as conditioned. Jeff noted the Lower Dean project and highlighted the concerns being addressed. There has been some concern about a consent decree that addresses mining operations upstream from the project. They have reviewed the decree and have asked the Friends of the East why they believe this project is in conflict with the decree and have not received and response.

David Troutt is concerned and noted that the SRFB has never had a project that has been so opposed by neighbors and believes the board needs to be thoughtful as they work through this project.

The board discussed the concerns with this project and Jeff provided more details about the process and review. David asked if the consent decree could be reviewed by our legal advisor before funding this project. Steve noted we could take it into consideration but believe the concerns have been addressed.

MEETING SCHEDULE AND LOCATIONS FOR 2008: (WORKING LUNCH)
The board discussed conflicts with the May meeting and would prefer to have the meeting the week before or after. Members will tentatively hold May 1 & 2. Staff will revisit schedules and confirm at a later date.

The board discussed how members felt about two-day meetings. There was consensus that although time is limited, two-day meetings are helpful to have discussions such as ones with the biodiversity and invasive species Councils, the work of the science panel, and more time with the Review Panel. They discussed the need to have meetings around the state as they are feeling disconnected from the project side. They discussed visiting projects that will lead to making decisions. They recommended having meetings in different regions and inviting the regional organization to give presentations.

Meeting reconvenes at 1:50.

Snake Region:
Steve Martin, lead entity coordinator and director of the Snake Recovery Board, expressed appreciation for the regional allocations. He believes it provides a high level of certainty and predictability and allows the lead entity to have an expectation with multiple partners, which is very valuable to the process. He gave thanks to the SRFB staff, Governor's Salmon Recovery Office, and Review Panel members. The Snake Recovery Board likes the idea of the Standing Review Panel so there is early interaction.

Steve noted the Touchet River enhancement project that was submitted is labeled as a Projects of Concern and provided the board with details of wood installation and assessments. He feels that if there were more time to interact with the Review Panel that this would have been resolved and he asked that because they are under the funding allocation, he would like to see this project funded with the understanding that installation would not happen until the assessment is done.

Brian Abbott noted that the Review Panel would need to review this project to remove the Project of Concern label to fund the assessment and the enhancement. Steve Leider noted that he would have a discussion with Review Panel members and make a decision.

Steve Martin asked the board to consider allowing regions to carry forward unspent allocated funds from one grant round to the next and to consider allowing monitoring as an eligible expense. They also would like to request the match requirement for design projects, such as the PSAR funds be removed. It is difficult to find match for the design only phase of projects.

Upper Columbia Region:
Derek Van Marter, lead entity coordinator and Julie Morgan, executive director presented for the Upper Columbia Region.

Derek thanked regional staff, SRFB staff, and Review Panel members. Continued close collaboration with the Review Panel in the regional context is a valuable part of the process. They recognize the decision before the board regarding regional allocations. With three lead entities, two endangered species, and one threatened in the Upper Columbia Region they support funding at historic allocations or better. The region also supports keeping unspent funds in the region to which they are allocated. Salmon recovery actions are becoming more complex and, as a consequence, this leads to projects becoming more expensive. Leaving funds within the regions may alleviate pressure on the funding allocation decision. The Upper Columbia region continues to evolve with better information and better processes.

Dick Wallace noted that the Technical Panel comment on how it was unclear how the two lead entities merged their lists and asked Derek if he had anything to add as to how they made this decision.

Derek noted that each lead entity goes through their technical and citizens ranking and then the two lists are pulled together for a joint citizens committee ranking where a final decision is made.

Julie noted that the Upper Columbia Technical team has been together working for eight years and has heard the need for the standing Review Panel; they are very happy with the process of evaluation and really appreciate their time. If there is a change, she requested that the Review Panel work closely with the Upper Columbia Technical Review Team.

Hood Canal Coordinating Council Region:
Jay Watson and Richard Brocksmith presented for the HCCC Region. Richard presented the board an update on past rounds and highlighted the work done to broaden their match, and project development process.

Richard thanked the Review Panel and the SRFB staff. He provided an overview of the projects submitted this round. He noted that the dollar allocation cut through project number 19. The cost of one or two projects is still being cleaned up. They have requested that the Review Panel condition a project to make sure they have the best cost estimates. The intent, if the board approves the entire list, is to scrub a couple projects and continue to push funds further down their list.

Steve Tharinger asked Richard for clarification about what he meant by "scrubbing projects and moving funds down the list". He noted that the board's understanding is that projects submitted on the list are funded and any funds above or below that line return to the general pot.

Richard noted that his understanding is that the Review Panel reviews the entire list of projects and the board approves the entire list even if it is under the funding line and there are 120 days after the funding is approved before the agreements are signed which allows time to make changes. They need the incentives to make sure they are putting the right cost estimates on these projects to gain more salmon recovery for each dime per year. It is his understanding that this process was approved last year.

Steve Tharinger noted that if there is a Project of Concern, he would have to make a decision today whether to present the project. If the board decides not to fund the project, those funds will go into the general pot. They would appreciate any scrubbing and have looked at how these funds should be handled in the future but presently the policy is that those funds will go back to the general pot.

Joe Ryan asked about the Pope headwaters project and noted that he would expect that those lands would be covered under the Family Forest Fish Passage Program and asked for more detail. Richard noted the SRFB part of the project is to add additional no-cut buffers above the regulatory protections. When the appraisal process is completed they will exclude any tree value that is already protected under regulations. The second piece is tying this program with the family forest legacy program.

Jay Watson noted the concern about the implementation of the recovery plan and those plans need to be summed up at the ESU level and that means a solid link between the lead entity list and the recovery plans. HCCC's goal for next round is to send one list for all salmonids in that area that is supported by all parties.

Puget Sound Region:
Jeanette Dorner and Margee Duncan presented for the Puget Sound region. Margee highlighted the funding requests, the progress made, 2007 issues, and future considerations. She noted that the Puget Sound region includes 22 Chinook populations, 15 lead entities, 17 tribes with federal recognized treaty fishing rights, and 12 counties. The Puget Sound region has submitted a total of 120 projects this round.

Margee reviewed Puget Sound's Recovery Plan, which was adopted in January 2007. The work plans developed in 2006 were updated in 2007 based on the Technical

Review Team and the recovery plan. Puget Sound used multiple funding sources to reach its goals.

Three notable projects were presented: Darrington Park in the Skagit Watershed, North wind weir in the Green/Duwamish watershed, and the Nisqually estuary restoration project. This latter project was contributed to by five lead entities.

Jeanette noted an assessment project, which is a Project of Concern (POC) left on the Skagit Watershed list (Cockreham Island Enhancement Study – 07-1835N) and would like to request additional time to continue revising the proposal. The timeline was difficult and the sponsor, Skagit County, needs more time to work through the technical concerns with the Review Panel. She suggested two options. Option 1: fund now with the proviso that the issues will be worked out before the grant contract is signed. Option 2: fund at the May SRFB meeting once the issues are resolved.

Another issue is the remaining $790,173 in funds that Skagit has not assigned to projects. There are projects in the review process to use these funds but they were not ready for the application submittal process, but would be ready for the May or July 2008 SRFB meeting. The request is for the board to consider funding the whole Skagit list at this time. Chair Steve Tharinger noted that both requests are outside the board process.

Joe Ryan noted he is very impressed with what the RCO, Puget Sound, and the Skagit watershed have done to gear up for the additional PSAR funds. He suggested that if there is need for additional time for the PSAR funds that the board refines the process. He noted that these PSAR funds are not set like the SRFB funds. David Troutt agreed they have done a great job and noted that both projects requesting more time are requesting PSAR funds. This is a new process and a new funding source.

Steve Tharinger clarified that the projects being considered are the Cockreham Island enhancement project and the early 08 restoration project.

Bob Nichols noted that this is the first year of infusion and that to some extent the Board may need to be flexible and adjust to this situation.

Brian Abbott noted the $790,000 of remaining funds is not far off the PSAR construction reserve policy, and if they assigned a name to the funds it would have been considered a construction reserve. The Project of Concern is resolvable after they have additional time with the Review Panel. The PSAR funds have a tight timeline and do stay with the region and a commitment to keep the funds with the lead entity.

Joe Ryan made a **MOTION** to approve additional time for the Cockreham Island project, and to reserve the early 08 restoration projects with PSAR funds on the Skagit watershed list with the understanding that these funds are different from the SRFB funds because the PSAR funds are a special legislative appropriation, the projects stay within the region by appropriate language, consistent with Manual 18, and at this time

there is no next grant cycle for these funds. Bob Nichols **SECONDED.** Board **APPROVED**.

Public Comment:
Martha Parker, resident of Renton, provided testimony about the danger of large woody debris in rivers. She has traveled 46 rivers and documented the death of a young girl that was trapped against a log structure that was constructed. Has anything changed, or should people on rivers expect more deaths. She noted one large boulder in the Stillaguamish in Goldbar and stated that these could easily trap and drown boaters who may be fisherman. She asked if the Technical Review Panel examined the effect of others on river in Washington. She has reviewed all projects submitted this round and has found 13 projects that concern her.

Richard Brocksmith, HCCC, noted the importance of distinguishing the Projects of Concern. He highlighted some policies in last years' Manual 18 and asked if it would be appropriate to apply the policies for this year and allow unused funds to move further down project lists. This would allow projects above the line to be funded and others below the line to be funded as alternates to bring back to the board. These policies did not make it into Manual 18 this year but he asks that they approve alternates at future meetings.

The board discussed the need to look at past language and clarify this for future rounds. They are not comfortable allocating funds without the correct language in the manual. No motion was made to approve alternate projects at this time.

2007 GRANT ROUND – DECISIONS

Coastal Region
David Troutt made a **MOTION** to approve SRFB funds not to exceed $2,000,000 for the entire Coastal list. Bud Hover **SECONDED**. Board **APPROVED** funding projects within the allocation projects #1-4 for Grays Harbor, projects #1-3 for Pacific County, projects #1-2 for Quinault, and project #1 for WRIA 20 with the noted conditions.

Middle Columbia Region
Joe Ryan **MOVED** to approve projects #1-9 for Yakima Basin, and projects #1-2 for Klickitat County, for a total not to exceed $2,500,000 SRFB dollars. David Troutt **SECONDED** and noted conditions on projects #1, 3, and 4. Board **APPROVED.**

Northeast Region
Bud Hover **MOVED** to approve projects #1-4, for a total not to exceed $486,760 SRFB funds. Bob Nichols **SECONDED**. Board **APPROVED**.

Lower Columbia
Bud Hover **MOVED** to approve projects #1-15, for a total not to exceed $3,750,000 SRFB dollars with a noted condition on project #2. Joe Ryan **SECONDED**. Board **APPROVED**.

David Troutt **MOVED** to make an amendment on project #5, Lower Dean Creek restoration to get an Attorney General's perspective in the next 30 days. No second was made to the motion. Board **APPROVED** original motion.

Snake River
Steve Tharinger noted that the board asked the Review Panel for clarification on the Touchet River mile project labeled as a POC. Steve Leider noted that he and the Review Panel members discussed this project and it is now labeled as a conditioned project.

Bud Hoover **MOVED** to approve projects #1-15, not to exceed $2,190,705 SRFB funds with noted conditions on projects #4, 6, 7, 13, 14. Joe Ryan **SECONDED**. Board **APPROVED**.

Upper Columbia Region
David Troutt **MOVED** to approve projects #1-8 and 10, not to exceed $2,750,000 SRFB funds with noted conditions on projects #4 and 7. Bud Hover **SECONDED**. Board **APPROVED**.

Hood Canal Region
Joe Ryan **MOVED** to approve projects # 1-3 not to exceed $1,568,629 SRFB funds with noted condition on project #1. Bud Hover **SECONDED**. Board **APPROVED**.

Bud Hover **MOVED** to approve projects #3-19 not to exceed $5,056,689 PSAR funds with conditions on projects #10, 11, 13, and 14. Joe Ryan **SECONDED**. Board **APPROVED.**

Steve Tharinger recued himself from the room and moved the chair role to acting chair Joe Ryan.

Island County
Bud Hover **MOVED** to approve projects #2 and 3 not to exceed $339,128 SRFB funds. David Troutt **SECONDED.** Board **APPROVED.** Bud Hover **MOVED** to approve projects #1, 2, 4, 5, not to exceed $1,119,639 PSAR funds with a noted condition on project 4. David Troutt **SECONDED**. Board **APPROVED**.

Kitsap County
David Troutt **MOVED** to approve project #3 not to exceed $415,002 SRFB funds. Bud Hover **SECONDED**. Board **APPROVED**. David **MOVED** to approve projects #1-8 not to exceed $1,370,139 PSAR funds with noted conditions on projects #1-2. Bud Hover **SECONDED**. Board **APPROVED**.

Mason County
Bud Hover **MOVED** to approve projects #1-3 not to exceed $328,083 SRFB funds. David Troutt **SECONDED**. Board **APPROVED**. Bud Hover **MOVED** to approve Nisqually estuary, plus projects #1-6 with noted conditions on project #4. David Troutt **SECONDED**. Board **APPROVED**.

Nisqually
Bud Hover **MOVED** to approve project #1, not to exceed $587,039 SRFB funds. David Troutt **SECONDED**. Board **APPROVED**. Bud Hover **MOVED** to approve projects #1-2 not to exceed $1,938,124 PSAR funds. David Trout **SECONDED**. Board **APPROVED**.

NOPLE
David Trout **MOVED** to approve projects #5, 6, 7, and 10, not to exceed $1,119,327 SRFB funds. Bud Hover **SECONDED**. Board **APPROVED**. David Troutt **MOVED** to approve projects #1, 2, 3, 4, 6, 8, 9, and 11 not to exceed $3,817,666 PSAR funds, with a noted condition on project #8. Bud Hover **SECONDED**. Board **APPROVED**.

Pierce County
Bud Hover **MOVED** to approve projects #1-2 not to exceed $791,563 SRFB funds. David Troutt **SECONDED**. Board **APPROVED**. Bud Hover **MOVED** to approve projects #2-6 not to exceed $2,613,363 PSAR funds with noted conditions on SRFB and PSAR project #2. David Trout **SECONDED**. Board **APPROVED**.

San Juan
David Troutt **MOVED** to approve projects #3, 5, 8, and 11 not to exceed $432,770 SRFB funds. Bud Hover **SECONDED**. Board **APPROVED**. David Troutt **MOVED** to approve projects #1, 2, 4, 6, 7, 9, and 11 not to exceed $1,428,800 PSAR funds with noted conditions. Bud Hover **SECONDED**. Board **APPROVED.**

Skagit County
Bud Hover **MOVED** to approve project #1 not to exceed $1,746,206 SRFB funds. David Troutt **SECONDED**. Board **APPROVED**. Bud Hover **MOVED** to approve projects #1-11, 13 and 14 with the understanding that projects #12 and the early 08 restoration project will come back at a later date, not to exceed $5,765,143 using PSAR funds with project #5 noted as conditioned. Bob Nichols **SECONDED**. Board **APPROVED**.

Snohomish
David Troutt **MOVED** to approve projects #3, 6, 8, and 10 not to exceed $796,845 SRFB funds. Bob Nichols **SECONDED**. Board **APPROVED**. David Troutt **MOVED** to approve projects #1, 2, 4, 5, 7, 9, and 10 not to exceed $2,630,803 PSAR funds with noted conditioned. Bob Nichols **SECONDED**. Board **APPROVED**.

Stillaguamish
Bud Hover **MOVED** to approve projects #3 and 6 not to exceed $777,636 SRFB funds. David Troutt **SECONDED**. Board **APPOVED**. Bud Hover **MOVED** to approve projects #1-5, 7, 8, 9, 11, and 12 not to exceed $2,568,386 PSAR funds with noted conditions on project #12. David **SECONDED**. Board **APPROVED**.

Thurston
David Troutt **MOVED** to approve project #2, 3 not to exceed $274,299 SRFB funds. Bob Nichols **SECONDED**. Board **APPROVED**. David **MOVED** to approve projects #0

(Nisqually), 1, 3, 4, and 5 not to exceed $905,604 PSAR funds with noted conditions. Bob Nichols **SECONDED**. Board **APPROVED**.

WRIA 1
Bud Hover **MOVED** to approve projects #2 and 3 not to exceed $1,002,065 SRFB funds. Bob Nichols **SECONDED**. Board **APPROVED**. Bud Hover **MOVED** to approve projects #1 and 3-11 not to exceed $3,308,342 PSAR funds with noted conditions. Bob Nichols **SECONDED**. Board **APPROVED**.

King 8
David Troutt **MOVED** to approve projects #2 and 3 not to exceed $610,353 SRFB funds. Bud Hover **SECONDED**. Board **APPROVED**. David Troutt **MOVED** to approve projects #1, 2, and 4 not to exceed $2,015,097 PSAR funds. Bob Nichols **SECONDED**. Board **APPROVED**.

King 9
Bud Hover **MOVED** to approve projects #3, 4, and 5 not to exceed $461,055 SRFB funds. Bob Nichols **SECONDED**. Board **APPROVED**. Bud Hover **MOVED** to approve projects #1, 2, and 4, not to exceed $1,522,183 PSAR funds with noted conditions. Bob Nichols **SECONDED**. Board **APPROVED**.

Steve Tharinger thanked Brian Abbott and SRFB staff for their hard work. The efficiency is credited to the SRFB staff, Review Panel members, and LEAG. He is please with the process and hard work. He thanked the board and believes it was a great day.

The board discussed the need for comments from staff at the February meeting to clarify the policy decisions such as the ones brought up by Hood Canal.

2008 GRANT ROUND ALLOCATION
Brian Abbott and Leslie Ryan-Connelly presented this agenda item. (See notebook item #8a for details)

Brian provided some history on the regional area allocation. Staff was asked to revisit the regional allocations in April 2007. It was a board decision to have RCO and Governor's Salmon Recovery Office staff work with lead entities, Lead Entity Advisory Group and Council of Regions to gather input on the allocation issue. Staff have been working with the transitional allocation recommendations from the Issues Task Force process. Staff would like the board to make a decision on allocation percentages at the February meeting.

The board discussed whether the SRFB members agreed that the allocation percentages were transitional and would like to see past minutes for clarification. The Issues Task Force (ITF) produced a set of recommendations for 2006.The Council of Regions made a proposal that was different that the ITF recommendations. The SRFB accepted the Council of Regions proposal and called it a transitional allocation because it was different then the ITF recommendation.

David Troutt asked if this discussion is being driven by pressure from regions showing displeasure with the current allocation amount. Brian noted that in April 2007 the board directed staff to reexamine the region allocation.

Brian noted that the staff recommendation is only a shift of 2.5 percent, which is $500,000. This is not a huge shift in allocation but seen as a way to even out the previous allocation. In the recommendation, Hood Canal has been divided from Puget Sound because it has since become its own region.

Steve Tharinger noted that there is some work to be done between now and February. It is his hope to make a decision in February on the allocation formula along with the manuals so that we can proceed with the 2008 grant round.

Carol Smith asked about the Hood Canal region and understands that they would be a region for summer chum but what does that mean for Chinook?

Chris Drivdahl noted the confusion usually comes with the distinction between a region and a regional organization. When funding allocations were set last, HCCC had not been recognized by the Governor's Office as a regional organization, but Hood Canal has always been a region. One thing the Governor's Office asked of the HCCC before they were designated as a regional organization was that they look at all fish within their boundaries. Governor's Salmon Recovery Office believes Hood Canal should look at all fish needs.

Steve Tharinger made a point that the board should use the right measures for determining if the allocations are going for what's best for salmon recovery and the board's obligation.

Bob Nichols asked if the staff recommendation is meant to be a permanent decision or is this a transitional phase 2?

Chris Drivdahl said the thought was that this was another transitional phase. She noted that Alex Conley mentioned the Council of Regions has been discussing if this should be looked at more thoroughly. But not for 2008 because we do not have the time. We can start now for a 2009 recommendation and call it a transition.

Steve noted that what he is now hearing is not to address this in the 2008 round but to have staff, GSRO, and regions think about how we need to adjust this with the new knowledge and new information available for the 2009 grant round.

Chris Drivdahl asked for direction between now and February. David Troutt suggested meeting with Lead Entity Advisory Group and Council of Regions and coming back with a sense of what they feel about the proposed changes. He noted two key points: the 2001-05 historic funding was not set percentages but rather a competitive process. There are scientific biological issues, around the Issues Task Force recommendation that the board struggled with. He recommended looking at 2009 as a target and status quo for 2008 to get us through the process.

STANDING REVIEW PANEL
Brian Abbott and Leslie Ryan-Connelly presented this agenda item. (See notebook item #8b for details)

Brian provided background on the year-round review panel. This will allow the review panel to assist with post project funding issues as well as early project review. No additional funding would be required as he believes we have enough to proceed into 2008 unless additional tasks are added. He highlighted that current tasks of the Review Panel and noted the expanded role, including the task to update the regional organization process review and lead entity strategy review. Staff also would like to propose that the pre-application phase start earlier in the year. Review Panel members will need to review the PSAR design-only and construction reserve projects.

Staff envisions using the Review Panel for project implementation and these tasks would include reviewing amendment requests, special conditions added to agreements, and non-capital project reviews. The next steps are to work with stakeholders and come back to the board in February with a proposal that will be consistent with Manual 18. Staff would like to retain a couple of Review Panel members on contract through spring to get this process set up.

Kaleen noted that as the proposal stands the cost should look the same by managing the number of review panel members or maintaining the number of hours. As they have heard today, lead entities would like more access to them. If the board would like to maintain the current level of service but extend throughout the year staff could scrub some numbers and show the source of those funds.

Joe Ryan noted the he has heard there is a benefit of the Review Panel reviewing assessments after they are completed and would like to hear some comments from lead entities on whether they think it is a good use of the Review Panel time. Brian noted that this is something SRFB staff will take to LEAG and COR and bring that answer back to the board in February.

Craig Partridge is concerned on how this may change the character of the Review Panel. This proposal is like an on-call consulting firm. Some Review Panel members do have other jobs and they might not have the time. Brian noted that year-round does not mean full-time.

Brian noted that staff is looking for an agreement on the concept and staff will come back in February with a concept after talking with LEAG, COR, sponsors, and others.

Joe Ryan would like to hear from COR and LEAG about what they think of the concept.

Steve Martin spoke on the behalf of Council of Regions and noted that they support the concept of the year-round panel.

Jeanette Dorner spoke on behalf of LEAG and noted that they are supportive and believe the key is finding ways to streamline the process and alleviate the crunch time. The way the process is set up now, review panel members are only available a few months out of the year, and there is little time to discuss projects between October and November.

Julie Morgan spoke on behalf of Upper Columbia and expressed concern with having a clash with the regional Technical Review Team. They would like more certainty. She cautioned that sponsors will shop around when they hear something they do not want to hear and look to the other panel for a different answer.

The board discussed the need for more clarity on the role of the Review Panel and the regional Technical Review Teams to avoid duplication.

Brian noted enhancements for the 2008 grant round. He would like to send a memo next week to lead entities, regions, and sponsors to start the discussions. Most enhancements are procedural and will be included in Manual 18. This would include:

- Year-round Review Panel
- Pre-application materials entered in PRISM
- Review Panel members assigned to each region or lead entity
- Update evaluation proposal questions
- Adding a question to the application that links projects to their recovery plan or strategy

The next steps are to move ahead and have the changes reviewed internally then by the Board and LEAG. Steve Tharinger noted that the board's hope is to finalize allocations and manuals for approval in February.

CONFERENCES

Brian Abbott presented this agenda item. (See notebook item #9 for details)

Brian referred to a project conference held last year and noted that staff would like to continue to provide a conference every other year. This would be the same process as last year and he would develop an agenda with the help of a consultant.

Steve Tharinger asked for a motion to approve funding not to exceed $50,000 for the April 2009 Conference. Bud Hover **MOVED** to approve up to $50,000. Bob Nichols **SECONDED.** Board **APPROVED.**

Brian presented that Council of Regions, Governor's Salmon Recovery Office, and Recreation and Conservation Office would like to pursue a one-day conference for board members of regional organizations in May 2008. The purpose of the conference is to bring together regional boards, staff, and interested parties to discuss major policy issues facing regional recovery plan implementation.

Joe Ryan **MOVED** to approve up to $23,000 for a policy summit conference in May 2008. Bud Hover **SECONDED** with the understanding that the agenda will be developed and an update provided at the February board meeting.

ADJOURN
Meeting adjourned at 6:15 p.m.

Steve Tharinger, Chair

Next meeting: December 13 & 14, 2007
Kitsap Conference Center
Bremerton, WA