

SALMON RECOVERY FUNDING BOARD SUMMARIZED MEETING AGENDA AND ACTIONS, DECEMBER 10, 2010

Agenda Items without Formal Action

Item	Follow-up Actions
Management Report	The board approved a letter to state agencies regarding potential budget cuts. The letter has been signed and mailed.
Regional operating funds report	Board members requested the following be considered for future reports: <ul style="list-style-type: none"> • Ask the regions if they are expanding their functions and associated funding • Consider expanding the report to include more information on how funds are spent

Agenda Items with Formal Action

Item	Formal Action	Follow-up Actions
Minutes	Approved the minutes as presented, with edits requested by Carol Smith.	None
Recognizing the Service of Bob Nichols	Approved Resolution 2010-01	None
2010 Grant Round	<p>Granted conditional approval to project #10-1847, requiring the lead entity to provide an alternatives analysis to the Review Panel within 90 days.</p> <p>Approved the project lists and funding as follows:</p> <ul style="list-style-type: none"> • \$1,784,880 for projects and project alternates in the Snake River Region • \$1,983,870 for projects and project alternates in the Mid-Columbia Region • \$2,180,850 for projects and project alternates in the Upper Columbia Region • \$3,015,000 for projects and project alternates in the Lower Columbia Region • \$1,809,000 for projects and project alternates in the Coastal Region • \$1,334,601 for projects and project alternates in the Hood Canal Region • \$7,587,789 for projects and project alternates in the Puget Sound Region • \$402,000 for projects and project alternates in the Northeast Region 	
Manual 18 Administrative Edits	Approved administrative edits to Manual 18 for the 2011 grant cycle.	
Proposed Expansion of Eligible Project Types	Deferred decision	Staff briefing in March on how the board funding would fit with other sources; Prepare the proposal for a work group.
Proposed Farmland Acquisition Notice Policy	Deferred decision	Member Smith and the Conservation Commission should work with the lead entity coordinators to identify problem areas so that the board can address specific issues. As part of that work, the lead entities should explain how they have dealt with – or avoided – problems.

SALMON RECOVERY FUNDING BOARD SUMMARY MINUTES

Date: December 10, 2010

Place: Room 172, Natural Resources Building, Olympia, WA

It is intended that this summary be used with the notebook provided in advance of the meeting. A recording is retained by RCO as the formal record of meeting.

Salmon Recovery Funding Board Members Present:

Steve Tharinger, Chair	Clallam County	Melissa Gildersleeve	Department of Ecology
David Troutt	DuPont	Sara LaBorde	Department of Fish and Wildlife
Bob Nichols	Olympia	Carol Smith	Conservation Commission
Harry Barber	Washougal	Mike Barber	Department of Transportation
Bud Hover	Okanogan County	Craig Partridge	Department of Natural Resources

- David Troutt arrived at 9:17 a.m.
 - Chair Tharinger and Craig Partridge arrived at 9:35 a.m.
 - Sara LaBorde was absent from 10:30 a.m. until 12:45 p.m.
 - Carol Smith arrived at 12:55 p.m.
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Opening and Welcome

Chair Designee Bud Hover called the meeting to order at 9:07 a.m. and a quorum was determined. Members Hover, Nichols, H. Barber, M. Barber, LaBorde, and Gildersleeve were in attendance. Mike Barber, Department of Transportation, introduced himself as the new WSDOT member.

- The Salmon Recovery Funding Board (board) approved the agenda, revising it to move the Mid-Columbia Region to the end of item #6.
- Director Cottingham noted that staff had provided revised copies of the October minutes, making two changes from the version presented in the notebooks.

Bob Nichols moved to adopt the October minutes as presented at the meeting, with the changes noted by Director Cottingham.

Seconded by: Harry Barber

Motion: APPROVED

Management and Partner Reports

Management Status Report

Director Cottingham noted that they would address only items 1B and 1E at the meeting. Steve McLellan provided an update on the budget and stated that there would be a special session on Saturday, December 11 to deal with the shortfalls in the current biennium. He explained how the RCO cut \$93,000 from its budget for this biennium.

He noted that the operating budget shortfall had increased for the next biennium, and that the RCO would need to come up with a 10 percent cut. Nearly the entire general fund budget for RCO is in the salmon programs, so the board will be asked to make decisions at a later date. The Governor will begin to roll out her budget on Monday, December 13. Steve also noted that the size and capacity of the capital budget had decreased dramatically for the next biennium; the best case scenario appears to be about 42 percent of what was expected last spring. The competition for funding will be intense.

Steve also noted that the budget situation creates difficulties in providing the required match for the Pacific Coastal Salmon Recovery Fund (PCSRF). He also anticipates a moratorium on land acquisitions; it is unclear what the scope would be. The board may need to make decisions about both issues in March. He concluded by noting that the budget is difficult for RCO, SRFB, and our partner agencies. Director Cottingham noted that we may not have information by March; it could be as late as May or June.

Member Troutt suggested that the board take a position on acquisition, as it relates to salmon recovery, noting that it could limit the ability to achieve salmon recovery. Member Hover agreed, noting the conservation values. Director Cottingham noted that the RCO has advocated that position. She reminded the board that once the Governor announces her budget, they cannot, as a board, work against its contents. Member LaBorde suggested that while she agrees that the money should go to the highest priorities, she doesn't want the board to take a position that puts it in a weak position in competition for funding. Director Cottingham clarified that they may be able to accomplish acquisitions with federal funds. Members Harry Barber and Nichols voiced support of that approach, and Member Hover noted that it makes it very important to get the match.

Ken Dzinbal, Executive Coordinator for the Forum on Monitoring, then discussed a draft letter to the state agencies describing the board's priorities, as requested by the board at the October meeting. The letter asks agency directors to consider the impacts of any reductions on the board's ability to leverage future federal grants and additional investments by others. The board approved the letter for signature by the chair.

No General Public Comment was provided

Salmon Recovery Management Reports and Partner Reports

Director Cottingham noted that these reports were in writing only.

Briefings

Annual Regional Operating Funds Report 2010

Governor's Salmon Recovery Office (GSRO) Executive Coordinator Phil Miller presented the Annual Regional Operating Funds Report for fiscal year 2010. He discussed the data in detail, and concluded with the following findings:

- Total operating funding available for regional organizations, lead entities, and watershed planning units in fiscal year 2010 and in added out-year(s) is \$17.7 million. There is some uncertainty in funding after fiscal year 2010 for lead entities and watershed planning units.
- The SRFB is the largest source of operating funds for FY 2010 for all organizations in six out of seven regions.

- The seven regional organizations relied upon SRFB funding for 77 percent of their fiscal year 2010 funding for regional operations.
- The operations of 27 lead entity organizations in fiscal year 2010 relied upon a mix of mostly federal and state funds (61%) and upon local government contributions (31%).
- In an overall sense, there does not appear to be a great deal of diversity or variation in availability or reliance on fund sources across the salmon recovery regions.

He noted that the report does not include funds for the watershed planning units that are unrelated to salmon recovery. He also noted that local government's in-kind contributions are not included. Phil suggested that the information could help the board with their funding decisions in March and May.

Members Nichols, Hover, and Tharinger noted that the information is useful, makes the process transparent, and gives a good overall perspective. Member Hover noted that a significant amount of time and resources were needed to set up the system and that they need to keep the momentum. Chair Tharinger suggested that in future reports, the GSRO look at how the regions spend the funds, consider how efficient and effective they are, and consider whether that is a basis for expanding their mission to other natural resources work, if that's something the regions want to do. Phil noted that the efficiency is achieved through scope and deliverables in the contracts. Member Troutt noted that the next report should consider whether funds are sufficient for meeting the regions' mission. Member Nichols noted that the Puget Sound Partnership is a test-case of how to do the broader mission, and suggested a progress report. He reminded the board that they need to look at their work from the watershed perspective. Member LaBorde reminded everyone to focus on the field work, and to not prioritize coordinating bodies over functional pieces.

Board Decisions

The board took action on four topics, as follows.

Recognition of Service for Board Member Bob Nichols

The board recognized the service of board member Bob Nichols, who is retiring from state service in December 2010.

Bud Hover moved to adopt Resolution 2010-01 to recognize the service of Bob Nichols.

Seconded by: David Troutt

Motion: APPROVED

2010 Grant Round

Salmon Section Manager Brian Abbott reviewed the funding report and grant round process. He noted that the state funds are all under contract, per the board direction at previous meetings. He discussed the schedule, projects of concern, and noteworthy projects.

Review Panel members Kelley Jorgenson and Tom Slocum then spoke about the Review Panel's observations, which are described in detail in the funding report. They recognized the efforts of sponsors, lead entities, and regions for putting together a set of quality, innovative projects. They noted the value of involving the review panel early in the process, and suggested approaches that could improve the efficiency of the process. They also highlighted three specific areas of concern:

- conflicts between board policies and those in the Conservation Reserve Enhancement Program (CREP);
- conflicts between board policies and those set by federal agencies such as FEMA;
- sponsor capacity to develop projects, especially those that are more complex; and
- the need for more effectiveness monitoring information to inform project design.

Brian Abbott then reviewed the regional allocations and the projects within each region. He noted that the spreadsheets provided to the board for voting include project alternates, and explained some changes that took place after the funding report was mailed in mid-November.

The regional directors then presented information about their project selection processes and activities in the region.

Steve Martin, Snake Region, stated that the projects are good across the regions, and thanked the board for using an allocation method because it reduces the uncertainty for those working in salmon recovery. He also noted project successes in the Snake Region.

Derek VanMarter, Upper Columbia Region, discussed their various funding sources, and noted that the SRFB provides a critical portion of the \$22 million they are currently managing. They recently hosted an adaptive management conference, and noted that a significant challenge was the genetic diversity of the species; he encouraged the board to look at hatchery reform. He noted that the Upper Columbia Salmon Recovery Board Implementation Team had won the *Partners in Conservation Award*.

Jeff Breckel, Lower Columbia Region, stated that it was a good grant round, and encouraged the board to seriously consider the comments made by the review panel. He stated that the SRFB funds are their habitat funding source, although the sponsors are creative in getting match. He explained that their approach to acquisitions is careful and limited, designed to make the best contribution to recovery. He also stated that the early involvement of the review panel has contributed to a decline in projects of concern.

Miles Batchelder, Coastal Region discussed the coast's organizational milestones and allocation of SRFB funds. He also noted that they have a noteworthy project on the list, which will restore over 700 acres of estuary. It is part of a much larger project that will ultimately restore over 1200 acres. He also discussed the development of their regional salmon plan.

Scott Brewer and Richard Brocksmith, Hood Canal reviewed the projects that were before the board for funding, including the conditions placed on the Dosewallips Engineered Log Jams project. Richard described their efforts at knotweed eradication and replanting, and thanked the board for their support of the programs. They are excited about the RCO's work to integrate HWS and PRISM. Scott noted their integrated watershed management plan, which looks at salmon recovery from an ecosystem perspective.

John Meyer, Puget Sound Region discussed the project list, and thanked the board for their support of this list and the PSAR projects approved in October. He noted that they have a list of \$55 million in PSAR projects for the next biennium.

Nick Bean, Lead Entity Coordinator WRIA 62 thanked the board for their support. He described the projects on the list, and noted that in the past they have funded designs and assessments; this list includes a project that builds on it. He noted some additional funding sources that they have.

Alex Conley, Middle Columbia addressed project #10-1847, Teanaway River - Red Bridge Road Project, which is a project of concern. He described the history of the project, noting the impact of a flood in 2009, the current state, and the reasons that the situation must be fixed. It is a project of concern because a future flood could compromise the structure, and there are specific concerns with the preliminary design. He noted that they are working with several engineers to rework the design. He noted that NOAA, BPA, Ecology, and WDFW support the project. They understand the risks – (1) that it's a short-term fix in a volatile reach and (2) it could cause problems downstream – but believe that they are manageable, and provide sufficient short-term benefits.

The board considered the following in their discussion:

- Would the lead entity absorb the risk of the project failing?
- What is the risk to fish if the project is not funded?
- Where is spawning located, and is this a barrier for the fish?
- How does a different design mitigate the risk?
- What would the cost be to the irrigators if the work was not done, and are they willing to contribute to the project cost?

The board discussed whether the solution could be to condition the project and require the lead entity to submit a new design to the Review Panel within a certain timeframe. Patty Michak of the Review Panel said that they would like to see an alternatives analysis within 90 days that includes a relocation of the pump station intake to a less volatile location.

David Troutt moved to conditionally approve the project, giving the lead entity 90 days to submit an alternatives analysis to the Review Panel.

Hover Seconded.

Motion APPROVED

Bud Hover moved to approve \$1,784,880 for projects and project alternates in the Snake River Region, as listed on Funding Table 2010-01, dated December 10, 2010.

Seconded by: David Troutt

Motion: APPROVED

Bud Hover moved to approve \$1,983,870 for projects and project alternates in the Mid-Columbia Region, as listed on Funding Table 2010-02A, dated December 10, 2010, subject to earlier vote on conditioning project #10-1847.

Seconded by: David Troutt

Motion: APPROVED

Bud Hover moved to approve \$2,180,850 for projects and project alternates in the Upper Columbia Region, as listed on Funding Table 2010-03, dated December 10, 2010.

Seconded by: David Troutt

Motion: APPROVED

Bud Hover moved to approve \$3,015,000 for projects and project alternates in the Lower Columbia Region, as listed on Funding Table 2010-04, dated December 10, 2010.

Seconded by: David Troutt

Motion: APPROVED

Bud Hover moved to approve \$1,809,000 for projects and project alternates in the Coastal Region, as listed on Funding Table 2010-05, dated December 10, 2010.

Seconded by: David Troutt

Motion: APPROVED

Bud Hover moved to approve \$1,334,601 for projects and project alternates in the Hood Canal Region, as listed on Funding Table 2010-06, dated December 10, 2010.

Seconded by: David Troutt

Motion: APPROVED

Bud Hover moved to approve \$7,587,789 for projects and project alternates in the Puget Sound Region, as listed on Funding Table 2010-07, dated December 10, 2010.

Seconded by: David Troutt

Motion: APPROVED

Bud Hover moved to approve \$402,000 for projects and project alternates in the Northeast Region, as listed on Funding Table 2010-08, dated December 10, 2010.

Seconded by: David Troutt

Motion: APPROVED

Item 7: Changes to Manual 18 for 2011 Grant Cycle

Administrative Edits to Manual 18

Brian Abbott presented administrative edits to Manual 18 for the 2011 grant round. Stakeholders would have an opportunity to review the edits beginning on December 21. He noted that staff would like to publish the manual by January 3 so that it is ready for lead entities to use in developing their project lists. He reviewed the edits as described in the memo, noting that the staff already has done some outreach with lead entities, the review panel, and staff.

Bud Hover moved to adopt the Manual 18 administrative changes as presented.

Seconded by: David Troutt

Motion: APPROVED

Proposed Expansion of Eligible Project Types

Megan Duffy, Policy Specialist, presented the proposal for expanding the eligible project types, as described in the board memo. She then noted that they sent the proposal out for feedback, but that comments revealed lack of consensus and numerous questions and concerns regarding details of implementation. She explained the reasons for both opposition and support. She presented three options for board action: defer action, direct staff to refine the proposal for a decision in December 2011, or adopt the proposal as presented.

Chair Tharinger noted that the staff recommendation was to refine the proposal. The board concurred with the staff recommendation, asking that staff return in March with a briefing on how the board funding would fit with other sources, and prepare the proposal for a work group. Members made the following observations in the discussion:

- Member Hover noted that the board needs to define its objectives for hatcheries, and how it would evaluate them as compared to habitat projects.
- Member Harry Barber suggested that this is a time for the board to stay with their existing list of eligible projects, given the budget situation; there are sources that would fund other project types.
- Member Troutt stated that the board shouldn't limit its focus to habitat because it could limit the ability to maximize salmon recovery. Member LaBorde agreed that the board should support the highest priorities in each region, regardless of project type.
- Member Smith requested more information about monitoring, suggesting that it be broadly applicable and scientifically valid. Member Hover concurred, noting that it also should include how data will be used and stored.

Proposed Farmland Acquisition Notice Policy

Dominga Soliz, Policy Specialist, presented the farmland acquisition notice policy requested by the board in May 2010, as presented in the board memo. She noted that the stakeholder feedback was polarized, with some respondents strongly favoring the proposal while others strongly opposed it. Staff revised the policy proposal based on feedback. She concluded that staff recommended either adopting the revised proposal or deferring a decision so that staff could develop alternatives.

The board discussion focused on what problem they were trying to solve, whether it was widespread or limited to certain areas, and how to ensure that solutions work for all participants. They also noted that there are roles for both the board and the Conservation Commission, and recognized the importance of both lead entities and conservation districts.

Member Smith noted that the involvement of agricultural groups with lead entities doesn't happen consistently across the state. She also noted that it is not effective for the conservation district to sit in on the lead entity meetings, and reminded the board that communication is part of the board's strategic plan.

The board asked Member Smith and the Conservation Commission to work with the lead entity coordinators to identify problem areas so that the board can address specific issues. As part of that work, the lead entities should explain how they have dealt with – or avoided – problems. The policy was deferred pending this work.

Public Comment:

Alex Conley, Mid-Columbia Region, testified that this is best addressed by local lead entities. He said that while it won't cause them any problems, the policy needs more clarity regarding timeliness. The application deadline in August is too late.

Jeff Breckel, Lower Columbia Region, stated that they work hard to build relationships, and that if there's an agricultural community issue that isn't addressed, it is a problem. He noted that they require sponsors to explain why easements cannot be used. He is concerned that this opens the door to notifications to other parties. He thinks that the problem should be solved in other ways.

Final Comments

Chair Tharinger noted that he can no longer serve on the board because he has been elected to the Legislature. His departure will be effective when he is sworn in on January 10, 2011. Board members thanked him for his years of service. Formal service recognition will occur at the March 2011 meeting.

Meeting adjourned at 4:10 p.m.

Approved by:



Bud Hover, Chair



Date



10/27/84

10/27/84