

SALMON RECOVERY FUNDING BOARD

MINUTES - REGULAR MEETING

As revised

February 10, 2005

Natural Resources Building Room 172
Olympia, Washington

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

Steve Tharinger	Clallam County
Brenda McMurray	Yakima
Jim Peters	Olympia
Mark Clark	Director, Conservation Commission
Dick Wallace	Designee, Department of Ecology
Tim Smith	Designee, Department of Fish and Wildlife
Craig Partridge	Designee, Department of Natural Resources

CALL TO ORDER:

The meeting was opened at 9:37 a.m. by acting Chair Steve Tharinger

As the meeting was opened a quorum had not been reached. Jim Peters arrived shortly after the meeting was opened satisfying quorum requirements.

Director Johnson reported that Chair Bill Ruckelshaus sends his regrets but was ill and unable to attend today's meeting.

The agenda was reviewed and the decision was made that it would be a one-day meeting focusing on discussion of the 2005 grant cycle.

REVIEW AND APPROVAL OF MINUTES

Brenda McMurray **MOVED** to approve the January meeting minutes. Jim Peters **SECONDED** the motion. The January minutes were **APPROVED** as presented.

MANAGEMENT & STATUS REPORTS

Director's Report

Director Laura Johnson presented this agenda item.

President Bush's Fiscal 2006 budget has been released although this will change over the next several months. There is good news for salmon recovery with \$90 million budgeted for the Pacific Coastal Salmon Recovery Funding (PCSRF) which is \$2 million higher than last year. This amount will be divided by the Pacific Coast states. Language in the budget stresses endangered fish stocks, a matching requirement increase from 25% to 33%, and the need to measure results. On the Interagency Committee for Outdoor Recreation (IAC) side of the agency, the Land and Water Conservation Fund (LWCF) has been zeroed out in

the budget due to results not being shown, although there are probably other reasons this program was zeroed out. This shows the importance of the state's effort to monitor the work that has been done so far, and has helped the continued funding of the salmon recovery efforts.

Dick Wallace reported that the President's budget also calls for the Bonneville Power Administration to charge full rate, which will cause additional concerns for the state.

Brenda McMurray thanked Tim Smith for the good work he and Rich Innes are doing in Washington, DC.

Tim reported that Rich attended the budget meeting and PCSRF was highlighted for continued funding. The key is for the state to show its dedication by providing matching funds. Original request to the governor's budget is \$30 million and we need to continue to work toward that amount.

Financial Services Report

Rob Kirkwood presented this agenda item. (See notebook item #2b for details.)

Rob reviewed the memorandum and highlighted attachment number 1 and the proposed budget for 2005-07.

Brenda asked about the monitoring components and the multiple agency work on monitoring. She asked if the Governor's Forum on Monitoring had an idea of the dollar amount for the overall state-monitoring budget yet.

Bruce Crawford reported that this would be part of the focus at the upcoming monitoring workshop. We are still not clear on what the state can afford for monitoring. It depends on what questions are asked and what questions need to be answered. The Forum is a new organization. They recognize the need to find the questions and answers but haven't been together long enough to get to that point yet. The SRFB has been a leader in the monitoring efforts. The workshop will look at 6 of the 12 dials the governor's office is tracking in the *State of the Salmon Report*.

Dick Wallace and Craig Partridge responded to the monitoring efforts and their thoughts on confidence and level of effort needed. Need to communicate better with the scientists on what monitoring is needed. This is a complicated issue.

The next Forum meeting is April 13, still working on the date of the workshop. The next SRFB meeting is scheduled for April 14 and 15.

Legislative Report

Jim Fox provided this agenda item.

The first legislative cutoff is March 2. This is when bills must be out of the house of origin.

Jim reviewed several bills of interest to the SRFB:

- SB 5355 – repeals the sunset of the Lower Columbia Fish Recovery Board (LCFRB).
- SB 5539 – new grant program for SRFB to administer – restoration projects for veterans with post-traumatic stress syndrome. Would add one member to the SRFB and \$5 million for these projects.
- SB 5610 is of most interest to the board. Sponsored by Senator Jacobsen, it authorizes regional offices, defines role of regional offices and gives them authority to prioritize the Lead Entity habitat project lists. Extends sunset of and clarifies role of the Governor's Salmon Recovery Office (GSRO). Hearing on February 9 with strong support – a few suggested changes were discussed.

Dick Wallace provided an update on the 2514/2496 issues. Dick met on this issue and on the house side there is an alternate proposal. Found that water bills and salmon bills are being held by different committees so it will take a lot of work to make sure the different efforts work together.

Director Johnson reported that this is a big issue for the SRFB and Jim Fox will be providing e-mail updates on this bill.

Steve Tharinger asked whether the SRFB would still make the project funding decisions.

Jim responded that, as the bill is currently written, the SRFB would still make the funding decisions but the regional councils would prioritize the list across the region.

Steve asked about whether or not the SRFB staff or the board itself should take a position on this legislation.

Jim responded that he will need to continue to watch this bill and, if needed, poll board members for comments, feedback, and support or rejection of parts of this bill.

The board discussed this legislation and pros and cons of the various aspects of the bill. The end product will probably not look like the current proposal.

Director Johnson provided the annual reminder for the PDC 2004 report due on April 15. From an agency perspective, if board members lobby on any items, make sure to let Jim know so we can make sure we put it on our quarterly report, if needed.

Communications Report

Susan Zemek provided this report. (See notebook item #2d for more details.)

Brenda McMurray complimented Susan on a nice piece of work. One thing she would like to see added to the SRFB fact sheet would be the partnerships including the local partners and matching funds.

Susan reported that, in the annual report, all the partners are listed and that she agrees with the need to show matching amounts.

Dick Wallace reported that the Habitat Conservation Plan (HCP) through the Forests and Fish efforts was presented to the federal government on February 10. This was a big event, a rewarding day and a milestone.

Craig Partridge noted that he was pleased that the governor's office was able to participate in this effort.

Subcommittee Report

Brenda McMurray presented this agenda item. She handed out an amendment proposal for the Donkey Creek cost increase. The subcommittee is recommending board approval of this \$64,250 cost increase.

Brenda McMurray **MOVED** approval of the cost increase recommendation. Jim Peters **SECONDED** the motion.

Discussion:

Tim Smith asked for clarification on the shift in sponsorship and the cost increase. Brenda reported that, even without the change in sponsorship, the cost increase would have been needed.

Motion **PASSED** unanimously.

It was noted that requests such as this don't come to the full board very often as the subcommittee works through the authority matrix. The subcommittee is working on recommendations for the Unspent Funds Policy and hopes to bring this issue to the full board at the next meeting in April.

Project Management Report

Brian Abbott provided the project presentation. (See notebook item #2f for details.)

Brian highlighted the following projects:

- Beatty Creek Barrier Removal, SRFB project #01-1236R
- 96th Street Oxbow, SRFB project #00-1076R
- WRIA 14: Fish Passage Project Development, SRFB project #01-1243N
- Foothills Trail Culvert, SRFB project #02-1579R
- Wynoochee #4 Barrier Correction, SRFB project #02-144R
- Slide, Straight, and Burns Creek Barrier Removal and Road Abandonment, SRFB project #00-1834R

Jim Peters asked about the new standards and how the counties are supporting these efforts.

Brian explained the new culvert size requirements and perpetuity requirements.

AQUATIC HABITAT GUIDELINES

Pat Powers, WDFW, Doug Pineo, Ecology, and Brian Abbott presented this agenda item. (See notebook item #3 for details.)

Brian provided an overview of this multi-agency effort.

Pat Powers explained this project through his presentation.

Pat highlighted the three major products that have been completed:

- A series of five white papers (over-water structures, marine and estuarine shoreline modifications, ecological issues in floodplain and riparian corridors, and dredging and gravel removal).
- Three guideline documents (*Fish Passage Design at Road Culverts*, *Integrated Streambank Protection Guidelines*, and *Stream Habitat Restoration Guidelines*).
- Two draft guidelines (*Fishway Guidelines for Washington State* and *Fish Protection Screen Guidelines for Washington State*).

Doug Pineo provided a report on the next steps for the Aquatic Habitat Guidelines (AHG) and training efforts.

To find out more, information is posted on the Fish and Wildlife Web page <http://wdfw.wa.gov/hab/ahg>.

The board and panel discussed how these guidelines are used and presented to the project sponsors.

Jim Peters has some concern with streamlining the process so much that something might get missed on an individual project level. The tribe is gathering data on the streams in their area so that when they hear about a project they are able to raise concerns or support in a short timeframe depending on the data that they have already gathered.

Doug Pineo noted that while they want to provide technical and policy prescriptions, they don't want to lose the ability to identify site-specific concerns. This is a concern that many share and will continue to be looked at.

Jim's other concern is the gravel mining issue. He asked if the recommendation is for the gravels to get put back into the system for spawning.

Doug responded that this remains to be addressed in the gravel mining guidelines. Gravel mining is a big issue that needs to be addressed but not at as high of demand as other restoration efforts.

Dick thanked the panel and Doug Pineo for his work.

2004 GRANTS

Status and Trend Monitoring

Bruce Crawford presented this agenda item. At the last SRFB meeting, it was decided to postpone any decision until the Forum was able to provide input. At the Forum meeting, they

were presented with several options and cost scale options from low to high. The Forum looked at the options and still had questions whether existing efforts can be used for data. The Forum, under the request of co-chair Jeff Koenings, proposed a workshop to go through the monitoring efforts. The original proposed date was March 24 but the tribes wouldn't be available on that date due to the North of Falcon process. They are now looking at having the workshop on April 13.

Dick Wallace noted that federal money is increasingly attached to endangered species and the timing effort for this process is critical.

Brenda McMurray stressed the need to send a strong signal to get this process in place.

Craig Partridge agreed that it is very appropriate that this board express a sense of urgency but not to Bruce as he is working this issue as best he can. This is worth doing right and efficiently.

Bruce will bring the proposal back to the board at the April 14 and 15 meeting after the April 13 monitoring workshop. Bruce thanked the board for what they have funded to date since these efforts are showing progress and getting attention.

Multiple Lead Entity Assessments

Director Laura Johnson presented this agenda item. (See notebook item #4 for details.)

This is a continuation on one of the programmatic requests that was not funded in December. Mr. Ruckelshaus feels strongly about this issue and requested staff to work on this issue. Staff has not had time to complete the work on the chair's requests yet.

Director Johnson reported that the chair's concern has less to do with individual projects but the big picture look. He wants the larger science perspective and what the SRFB believes its role is in providing funding for some of these efforts. The review and context is the issue, not availability of funds. If there are answers to these questions, the Chair indicated he would be willing to address this issue in April.

The Puget Sound Nearshore Estuary Restoration Project (PSNERP) and Puget Sound Action Team (PSAT) have been very active in this process. The chair had asked staff to develop a white paper on the nearshore issue, working with PSNERP and PSAT and possibly the Forest Practices Board to pull together the results. PSNERP has already been working on developing a report on this and it should be drafted by mid-March.

Tim Smith noted that, within the group of multiple lead entity projects, there are three fish use projects and then three very different requests. He can't envision what the science would look like that would cover the full list of projects. Tim reviewed the projects and which projects he believes fall into a separate category from the projects the chair has concern with.

Brenda McMurray totally understands the chair's desire to get continuity around the nearshore topic. The science agenda is very broad; she's struggling with a science agenda statewide. She's not sure where this would come from other than the local efforts that are

already in place. Not sure we will be able to get the science agenda that the chair is looking for. She is also concerned with having these projects come through a different process than the other grant proposals that went through the full lead entity review process.

Director Johnson noted that since this is such a large task, she believes the Chair recognizes this but that he is still looking for a white paper to offer context on the level of effort that is going on and if it is the board's role or some other entity's role to fund these various requests.

The board discussed the various scientific efforts and how to get answers to the questions the chair has to be able to make a decision at the April meeting.

Public Testimony:

Jamie Glasgow, Washington Trout, and *Mike Kuttel, Jr.*, Thurston County Lead Entity, provided testimony on the 3rd ranked project (WRIA 13 & 14 Water Typing Assessment) and pointed out that their project has gotten lost in the shuffle. Agrees with the need to coordinate the nearshore efforts. Their project is a water-typing project that is like many other projects that have been funded by the board in the past. Jamie urged the board to fund the project at this meeting since it is a time sensitive project that has partnership interest now that may not be there in the future.

Jim Peters asked if there was a decision to not make a decision today?

Steve Tharinger informed Jim that before he arrived at this meeting there was a discussion on delaying decisions and the chair expressed concern that the board may not have enough information to make decisions on all the remaining projects at this meeting.

Jim encouraged the board to make a decision on the four projects that don't fall under the nearshore issue at this meeting.

Steve responded that he would not feel comfortable making a decision on projects, as he doesn't have the information before him.

Tim asked if the project would still be viable on April 14? Jamie reported that the project window for some of the data gathering is from March 15-April 15, and if funded today, it would be able to fit, otherwise the project would not meet the timing.

Dick asked what efforts have been used in work with DNR's forest and fish process to do the water-typing. Jamie reported that water-typing is the process they are using but this is not a DNR water-typing effort.

The Board discussed the project.

Jim Peters made a **MOTION** to fund the Washington Trout project. Brenda McMurray **SECONDED**. Board **APPROVED** funding of the Washington Trout project.

Brenda asked to clarify which projects Tim believes are part of the nearshore science discussion and which projects were separate from other projects.

Public Testimony:

Doug Osterman, King 9 Lead Entity, confirmed that funding of the Washington Trout project was a good decision. King 9 had this process completed a couple years ago and this filled a huge data gap and updated the existing data so was very helpful in their Watershed and he is sure it will be helpful in WRIAs 13 and 14.

Dick Wallace asked Doug to help the board capture successful project information such as this so the board and lead entities are able to show results.

Jeanette Dorner and Theresa Moon, Nisqually River Lead Entity, discussed project 4 out of 6 (WRIA 11-12 Nearshore Assessment and Restoration). This proposal is to do an assessment of the shoreline. Tim Smith spoke a little about this issue and this type project that has been funded by the board many times in the past. They have worked on this project for quite some time and recently gotten support for this project from Burlington Northern. They are concerned that they will lose this commitment if the project doesn't get funded soon. This project had gone through the lead entity review process and was later pulled into the multi-lead entity process since it was recommended by staff that this might be the more appropriate fund source for this project.

Tim Smith noted that the tribe and the lead entity did bring this project to the nearshore group.

Brenda asked that the board not do a separate process like this again.

Brenda McMurray **MOVED** to approve funding of project 4 of 6 (WRIA 11-12 Nearshore Assessment and Restoration). Jim Peters **SECONDED**. Board **APPROVED** funding of project 4 of 6.

Jim Fox reported that the board hasn't had a presentation from projects 5 of 6 (Multi-Lead Entity Rivers Restoration Assessment) or 6 of 6 (Riverine Salmonid Habitat Change) and unless otherwise directed will have the presentations at the April meeting.

LEAG REPORT

Doug Osterman, LEAG Chair, provided the LEAG report. (See notebook item #5 for details.)

Doug reviewed the LEAG recommendations for the 6th Round.

Dick Wallace asked about the possible mixed message in the request for assurance in first funding increment and the need to present the whole list.

PARTNERSHIP REPORT

Tim Smith reported that Brian Walsh has returned to the Department of Ecology in the Water Resource Program Policy and Planning Section. Marnie is currently on maternity leave and so they are looking at some internal shuffling to cover while Marnie is on leave and until Brian's position is filled.

Doug recognized Brian's dedication to the lead entities and appreciated his work.

2005 GRANT ROUND PREPARATION

Neil Aaland provided an overview of the 6th Round Process Proposals. (See notebook item #6 for details.)

Rollie Geppert provided an overview of the eligibility of the forestlands regulated under the Forest and Fish agreement.

Craig Partridge asked for the Forest and Fish topic be an explicit agenda item at the April meeting. This issue needs to be a full discussion.

Jim Peters would ask staff to work on this issue with the Forest and Fish policy group and get a recommendation from them before the April meeting.

Director Johnson stressed the need for clear direction to staff about the eligibility of projects before the start of the cycle. Funding date is currently set for December, working back from that date the board needs to have guidelines for lead entities and staff soon. April is the last chance for the board to make decisions on the guidelines.

Public Testimony:

Jeanette Dorner, Nisqually River Lead Entity – If their lead entity uses the same process as last year and if the board process is the same, they won't have time to have the funding meeting in December. The board can't fund in December unless the process is streamlined.

#1 – *How should strategies and recovery plans be used?*

Doug Osterman knows of several lead entities that have already updated their strategy since last year. This should provide better strategies.

The board discussed strategies and how to use in this grant cycle.

The Statewide Guidance on Strategies was a good document and both Doug Osterman and Jeff Breckel believe it was used by most lead entities. The regional plans contain everything in the guidance document along with additional items.

Talked about the recovery plans and the three types: still in process, done but not yet accepted, and, accepted.

Steve Leider also believes the guidance document is good. It does cover issues the Technical Review Team (TRT) will be addressing in the recovery plans.

Brenda believes the board should tell the lead entities where they want them to be with their strategies and not leave it up to them to update at their own discretion.

Dick Wallace suggested the board find a way to look at the quality of the strategies in the next round. While this will not be easy, the board had some disconnects in the last round where there may have been a good fit of the list to the strategy but the strategy was not as

focused as it could have been. There was general agreement by board members present that there needs to be a process to review quality of the strategies.

Guidance to Staff:

Three tiered approach depending on where the lead entity is:

1. Recovery Plan in place
2. Recovery Plan not yet in place
3. No listed species – no Recovery Plan

Statewide guidance will be used in the 2nd two tiers. Lead entities need to update strategy to meet statewide guidance.

Staff will get proposal out for LEAG review and comment before the April board meeting.

Looking at LEAG meeting week of March 21.

Staff will get proposal out for LEAG review, revise after LEAG comment, and then get out for wider review and comment prior to the April SRFB meeting.

#2 – What does the project list look like?

Need to be clear on what the board is asking the lead entities for – recovery plans include the total list. May want to have lead entities present the full list as part of their packet but only list those requesting SRFB funding on a separate list. Some agreement in that it should be up to the lead entity as to what projects they want to put on their lists.

On the Community Issues topic the board needs to decide how to weight this issue. This could be one of the topic priorities in an area but need to make sure they can recognize that in their strategy.

Director Johnson commented that the average amount likely available to lead entities is about \$1 million. She asked for advice on how to address that, such as caps on certain projects. How does the board face the fact that no matter how many good projects there are, there will be limited funding? How can we help right-size a list?

#3 – What does the review process look like?

Jeff Breckel believes the SRFB should look at the quality of the projects.

#4 – How should a review panel process be structured?

Discussed involvement of the TRTs. Asked staff to float some of the thinking from today out to the Puget Sound TRT to get their thinking on how to best do this.

Doug Osterman noted one benefit for the “low-medium-high” ranking was that the board could be real clear on and articulate what they were funding.

Jim Fox discussed the reasoning behind not having the “low-medium-high” ranking but going for technical merit. It feels like a step backwards although it could be used as information in final decision-making.

Brenda would like to have the information on “high-medium-low” but not to depend on it. She would want it as supplemental material and wants to continue to focus on the fit to strategy.

Jim Fox discussed requiring all lead entities to use the board definition of benefit and certainty and then count on them to provide their scores on their project lists. Depend on the lead entities to provide this review and trust their process for this step.

Director Johnson noted that the board might still need more tools for allocation.

Brenda asked for the panel to be combined this round since it seemed like the projects and strategies should both be looked at together.

#5 – How should funding be allocated?

Steve Tharinger thought the process used last year worked pretty well.

Jim Fox reported one interesting suggestion heard at one LEAG meeting was to give a bonus amount to a region, at their discretion in funding projects. The board saw some problem with this.

Dick Wallace suggested a 25% first increment. Brenda McMurray agrees with the 25%, which gives the board more discretion. Doug Osterman suggested 30%.

#6 – Schedule

Suggestion for award in December. The board and staff need to work closely with the lead entities to have this happen.

Round will roughly start in May. Will let the lead entities know the final schedule soon.

Jim Peters wants to make sure the lead entities don't hold up their project lists waiting to find out about the Forest and Fish issue. He suggested to lead entities to go out and solicit projects.

Tim Smith wants to make sure the review panel has the latest knowledge in the review processes and make sure agencies with this information provide it to the review panel for use. We know a lot more than we did even two years ago. The locals need this information also.

Steve Tharinger asked if Tim was suggesting a letter from the chair to agencies asking for technical input?

Tim would have an annual workshop for the lead entities and review panel providing the newest information and suggestions for details.

The February 2005 meeting was adjourned at 4:55 p.m.

ATTEST SRFB APPROVAL:



William Ruckelshaus, Chair



Date

Future Meetings: April 14 & 15, 2005 – Tacoma
May 12, 2005 – Burien
May 25, 2005 – TBD
June 9 & 10, 2005 – TBD