

SALMON RECOVERY FUNDING BOARD

MINUTES - REGULAR MEETING

February 7 & 8, 2002

DIS Forum Board Room
Olympia, Washington

Day 1:

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

William Ruckelshaus, Chair	Seattle	
James Peters		Olympia
Brenda McMurray		Yakima
Steve Tharinger		Clallam County
Steve Meyer		Executive Director, Conservation Commission
Tim Smith		Designee, Department of Fish and Wildlife
Dick Wallace	Designee, Department of Ecology	
Craig Partridge	Designee, Department of Natural Resources	

This session commenced at approximately 1:50 p.m. as an open work session reviewing the last three years and beginning to plan next steps in Board direction for salmon recovery in Washington State. Chair Ruckelshaus reviewed his statement of a draft Overall Strategy for Salmon Recovery to be used with Congress and the legislature. The Board also reviewed a draft work plan and the Board Mission, Roles and Responsibilities, and Funding Strategy.

Curt Smitch, Governor's Salmon Recovery Office, presented an overview of the statewide Salmon Recovery Strategy, action plan, and salmon recovery scorecard.

The meeting concluded with a presentation by Nick Gayeski, Resource Analyst with Washington Trout, working in the Kamchatka Peninsula in Russia, researching how this almost intact ecosystem relates to, and may assist in, recovery of rivers and salmon in the Pacific Northwest.

Meeting recessed at approximately 7:00 p.m.

February 7 & 8, 2002

DIS Forum Board Room

Day 2

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

William Ruckelshaus, Chair	Seattle	
James Peters		Olympia
Larry Cassidy		Vancouver
Brenda McMurray		Yakima
Steve Tharinger		Clallam County
Steve Meyer		Executive Director, Conservation Commission
Tim Smith		Designee, Department of Fish and Wildlife
Dick Wallace	Designee, Department of Ecology	
Craig Partridge	Designee, Department of Natural Resources	
Shari Schafflein	Designee, Department of Transportation	

Call to Order

Chair Bill Ruckelshaus opened the meeting at 8:40 a.m.

The Chair welcomed the newest Board member, Clallam County Councilman Steve Tharinger.

The Board passed **Resolution #2002-02**, recognizing John Roskelley's service to the SRFB and to Washington State.

Topic #1: Review and Approval of the SRFB Meeting Minutes

Dick Wallace clarified that the statutory deadline for watersheds wanting to set instream flows was December 1, 2001, not February 1, 2002. A **motion** to approve the December 2001 meeting minutes was **seconded** and **approved** as amended. He will also bring an updated list of all the planning units.

Topic #2: Management and Status Reports

Director's Report: Director Johnson commented on the issues of e-mail correspondence and reminded Board Members to avoid inadvertently triggering the Open Public Meetings Act by e-mail "discussions".

Director Johnson presented an overview of the National Marine Fisheries Service (NMFS) workshop held in Portland, Oregon, hosting four states (Washington, Oregon, Alaska, and California) that use the Pacific Coast Salmon Recovery Fund. Four themes were discussed: (1) All states are interested in how to include public participation at a watershed level on salmon issues; (2) What is the role of

science, especially in policy decisions; (3) Monitoring and monitoring strategies. (Bruce Crawford, Monitoring Oversight Committee Program Manager, and NMFS gave compelling presentations on how to better organize monitoring efforts. Written reports will be made available to the Board at a later date); and 4) Concerns on how to report to the federal government – what's the best format, how do states identify the measures of success, and use of common language/tools in reporting. Debra Wilhelmi is working on the 2002 SRFB funding report to Congress.

The Board's state biennial report to the Legislature is due in December 2002.

Director Johnson asked the Board to consider appointing an administrative subcommittee to assist on issues. Dick Wallace and Brenda McMurray volunteered to be part of this subcommittee, and the Board concurred. Staff will also work with this subcommittee for initial guidance on fifth-round funding issues.

Larry Cassidy asked about Idaho's move to participate in the Pacific Coast Salmon Recovery Fund through pending legislation. Director Johnson shared that other states view Washington State as being more successful in obtaining federal funds, thus there is concern funds should be "more proportional" between the states. Curt Smitch is the lead in monitoring the direction of the pending legislation.

Brenda McMurray commented on her concern on how the Board should tackle programmatic funding of activities and programs. There is not yet a screening mechanism in place, or context which the SRFB would be using when working on these particular issues. She encouraged the Board to develop a review method for these types of requests.

Financial Report: Debra Wilhelmi presented this agenda item. (See notebook for details.) Ms. Wilhelmi also attended the workshop in Portland, Oregon. A subcommittee developed the format for a report due to Congress next month. NMFS will use data from all four states and compile it in one report. SRFB will receive copies when the report is completed.

NMFS is working in conjunction with the states of Washington and Oregon on a pilot program of combining salmon databases into one database accessible on the Internet. The pilot program is good exposure. It shows what projects the Board is funding and more significant, if successful, will show Congress the states are working together rather than independently.

Ms. Wilhelmi asked the Board to approve a four-month extension for the Washington Department of Fish and Wildlife (WDFW) Aquatic Habitat Guidelines program (formerly called Stream Corridor Guidelines). The Board so approved, by consensus.

The next biennium budget is due approximately August 1, 2002. Ms. Wilhelmi requested the Board consider what it would like to see budgeted in the next biennium. This is the time to submit any enhancements for any new items/projects and new money, which would be in addition to previous requests.

Debra Wihelmi introduced the new financial manager, Mark Jarasitis, who started with IAC in October 2001 after Toni Lick's retirement.

Projects Manager Report: Rollie Geppert presented this agenda item. (See notebook and attached Power Point presentation for more details.)

Mr. Geppert introduced the project managers to the Board: Brian Abbott, Marc Duboiski, Mike Ramsey, and Barb McIntosh. Mr. Geppert related that good progress is being made in closing many of the projects, with 34% marked "complete".

Jim Kramer reported on last week's project reviews. Process seems to be going very well. Mr. Kramer commended the staff for having provided all the materials requested by the Technical Panel in a short time period. The Technical Panel is meeting on March 6, 7, and 8 in Mountlake Terrace to draft the final report and project ranking.

A new addition to the process is a questionnaire for Panel members to fill out about the lead entity from their perspective. This could help the Board when distributing funds to projects submitted from lead entities. Mr. Kramer noted that there are some lead entity areas that have submitted project lists with all the requests they have received, but may only want to fund some of the projects. A challenge is, when getting projects not in the lead's main priorities, how do you shift focus of community interests without losing or shifting community interests? A suggestion was made to develop templates for the sponsors to use to show benefit and certainty, etc. Board members would like to see copies of the templates as they are developed.

Legislative Report: Jim Fox gave an update. (See notebook memo for details.)

Budget: Bill Ruckelshaus and Jim Fox met with many legislators in the last couple of weeks. The legislature is looking at ways to redirect some of the SRFB funds.

Steve Tharinger asked about the conservation futures bill. Steve Meyer commented on this bill.

Tim Smith updated the Board on the Puget Sound Nearshore Ecosystem Restoration Project (PSNERP) and introduced Bernie Hargrave, the new U.S. Army Corps of Engineer's project manager.

Topic #3: GSRO Report

Written report only. (See notebook for details.)

Topic #4: LEAG Report

Jay Watson (Lead Entity Coordinator for the Hood Canal Coordinating Council) and Dan Wrye presented this agenda item. Jay Watson reported on LEAG efforts from the last meeting held on January 25, 2002. Two LEAG positions were filled, by Mike Ward (Upper Columbia) and Onni Provala (Yakima).

Mr. Watson also talked about the upcoming lead entity strategy workshop. Purpose of the workshop is to try and combine a collaborative process with some direction in providing a strategy. A subcommittee is working on questions that will help lead entities focus on improving their strategies

and become more productive in providing project lists.

Mr. Watson discussed lead entity needs. They are discussing developing performance measures, but struggling with scope and desire to set a “floor” that would not restrict leads’ work.

The Chair asked how the Board could help the LEAG. Mr. Watson replied that the Board could ensure the lead entities are funded to the capacity level that they need.

Dan Wrye, (WDFW Lead Entity Program Coordinator) was introduced as the new coordinator for the regional/lead entity efforts.

Topic # 5: WAC Hearing

Greg Lovelady and Laura Johnson presented this agenda item.

Laura Johnson, as Hearing Officer, opened this hearing February 8, 2002, at 11:00 a.m. in Olympia, Washington.

The administrative rule change proposed in this hearing defines the meaning of “approved for funding” and “project completion” by explaining that the SRFB will issue reimbursement within thirty days of the sponsor’s completion of the billing requirements described in the Board’s reimbursement policies, Manual 8.

Greg Lovelady gave a staff overview. (See notebook for more details.)

No requests for additional public testimony were received. The Hearing Officer returned the meeting to the Chair for action, 11:10 a.m.

Bill Ruckelshaus **moved** to adopt Resolution #2002-01. Brenda McMurray **seconded**. Resolution #2002-01 **approved** as presented.

Topic #6: Federal Fiscal 2001 Funds

Director Johnson gave an overview of the \$12 million received in federal fiscal 2001 funds. (See notebook for details.)

NMFS letter of December 2001 encouraged the Board to consider funding three different items:

- Regional planning
- Instream flows
- Forest and Fish HCA

If the three categories are funded, the Board would still have approximately \$3 million in funds to issue for projects.

Dick Wallace noted that the instream flow and Forest and Fish items went through the JNRC for request and presentation to the Board.

Laura agreed with Dick Wallace's comment and also noted that WDFW had worked with SRFB staff.

Regional Recovery

Tim Smith presented this portion of the agenda item. (See notebook for details.) Mr. Smith presented a handout with options outlined.

Mr. Wallace asked about need to spend the state money since the federal money has a longer timeframe for spending.

Steve Meyers wants to make sure the contract is very clear on regional boards interacting with local watersheds.

Mr. Smith stated that every group on the potential funding list is at a different place in the planning process.

Steve Meyers would like to have one coordinated process, not a state process and federal process, for funding of the lead entity or regional groups.

Curt Smith discussed the need to fund and develop regional recovery regions to meet both the statewide salmon recovery strategy and the NMFS guidance. Four regional boards have been identified to NMFS. NMFS does not want to have a multitude of regional groups in the state.

Jim Peters noted the Board has been working toward regional planning all along.

Curt Smith stated that the statewide salmon recovery plan is to have regional entities covering at an ESU level.

Public Testimony:

Mike Kaputa, Upper Columbia Salmon Recovery Funding Board, testified on regional funding needs. The directions from WDFW clearly requested the groups not ask for more than \$250,000 per year or \$500,000 for the biennium. They were surprised to see what other requests were and how WDFW estimated the cost for regional planning. He requests that SRFB and WDFW talk to the regions and see what they feel is the true cost for regional funding. Would like to have the Board delay funding decisions on the regional funding until the process has been scrubbed and the Joint Cabinet and regions have been involved in the discussion.

Jeff Breckel, Lower Columbia Fish Recovery Board, stated this process will take more than \$3 million dollars and more than two and half years to complete. They estimate \$500,000 per year and per region to keep this effort underway. Different regions have different challenges, such as the Shared Strategy needs to work with many different groups, and Lower Columbia needs to work with Oregon. LCFRB requests \$450,000 now, or could wait for the decision at a later time.

Jay Watson, Hood Canal Coordinating Council (HCCC), believes the HCCC should be considered a region, but under current WDFW definitions they are not considered a regional board.

Board Discussion:

The Board discussed Option 2, increasing Upper Columbia and Snake to \$300,000 and including the HCCC in the funding request. Also understanding that the other funds are under the WDFW funding, and that WDFW will most likely receive more requests from the lead entities.

Chair Ruckelshaus suggested the Board accept Option 2: Support the top four regional groups and HCCC for funding at the amounts listed (see Notebook for details) with the change to increase the Upper Columbia and Snake to \$300,000 each and with the understanding that the Board will consider requests for additional funds. (Summary: Puget Sound - \$915,000; Lower Columbia - \$360,000; Upper Columbia - \$300,000; Snake - \$300,000; HCCC - \$135,000.)

Discussion: Brenda McMurray asked how additional funding requests using state monies can come through the Board and how it can be “seamless”.

Response: Tim Smith assures that this will be a pretty “seamless” program and that WDFW will be searching all avenues to get the projects done.

Discussion: Brenda McMurray asked if additional needs come up will the Board be looking at the state’s portion that is available or looking at the federal funds of SRFB?

Response by Tim Smith: WDFW is looking at both avenues before making any decision.

Bill Ruckelshaus made **motion to accept Option 2** – Brenda McMurray **seconded**.
Option 2 totalling \$2,010,000 Approved.

Administrative

Director Johnson informed the SRFB that the Lower Columbia Fish Recovery Board requested a one-year extension on its existing programmatic grant and requested the SRFB approve the extension. Larry Cassidy **moved** the LCFRB be given an extension. Jim Peters **seconded**. Board **approved**.

Instream Flows - \$6 million

Curt Smitch presented this agenda item. (See notebook for details.)

Brenda McMurray asked if this money would go to the individual planning units.

Curt Smitch responded that the additional \$6 million was intended to augment setting instream flows. Thirty-one streams are currently interested in setting instream flows.

Brenda McMurray expressed concern with different grant sources purchasing or leasing water. All water right sales, transfers, or changes need to go through Ecology. Is there an aggressive program to buy or transfer water rights? Response: Yes, Conservation Commission and Ecology are working together to identify farmers that have additional water rights and get them to transfer, change or put water into trust to get water back into the streams.

Larry Cassidy **moved** Resolution #2002-03, \$6 million for water flows. Steve Tharinger **seconded**. Board **approved**.

Forest and Fish

Curt Smitch and Pat McElroy (DNR) presented this topic. (See notebook and handout for information.)

Discussion: Brenda McMurray asked whether the Board should be funding the Forest and Fish (F&F) HCP or, if not, how does this work.

Response: Curt Smitch – Approving this funding is not opening the door to fund all HCPs but funding one part of the statewide salmon recovery strategy.

Public Testimony: Marcie Goldie, Washington Environmental Council, testified against funding of the F&F HCP agreement. The protections under the F&F are already in place and should not be funded by the Board with its scarce funds.

Larry Cassidy **moved to approve** Resolution 2001-04, \$836,000 for completion of the Forest & Fish HCP. **Jim Peters seconded. Approved, 4-1**, Brenda McMurray opposed.

RFEG Funding \$1.4 million

Terry Wright , Regional Fisheries Enhancement Groups (RFEG), requested funding support through the SRFB. (See notebook for details.)

Brenda McMurray would like more discussion between the RFEGs, LEAG, and the Board.

The National Fish and Wildlife Foundation has agreed to match funds received by the RFEGs from the SRFB.

Chair Ruckelshaus suggested that the staff work with Terry Wright, LEAG, RFEGs, and NFWF Foundation to lay out the process and see if this is an ongoing cost or if the federal government will be providing RFEGs funds again in the future.

Tim Smith would like to be included in the discussions with the above mentioned groups.

Chair Ruckelshaus would like to address this request at a future meeting.

Topic #7: Permitting

Jim Fox gave a brief summary of this agenda item. (See notebook for details.)

Due to the meeting running late, the permitting panel was unable to give its presentation. The Chair thanked the panel for their patience and assured them that they would be able to make their presentation at a future meeting. Laura Johnson asked if the Board would like to have a special Permitting workshop along with other issues on another day. No decision was made during this meeting but will be raised again later.

Meeting adjourned at 3:08 p.m.

SRFB APPROVAL:

William Ruckelshaus, Chair

Date

Future Meetings: April 11 & 12, 2002 – Olympia (Funding Meeting)
 May 23 & 24, 2002 – Everett/Marysville Area
 June 6 & 7, 2002 - Aberdeen

ACTION ITEMS

Resolution #2002 - 01

30 Day Payment Rule, RCW 77.85.140

WAC 420-12-060, Disbursement of Funds

Whereas, RCW 77.85.140 states that “Project sponsors who complete salmon habitat projects approved for funding from habitat projects lists and have met grant application deadlines will be paid by the salmon recovery funding board within thirty days of project completion”; and

Whereas, a proposal, herein shown as Attachment III (OTS-5018.2-) and filed on November 30, 2001, has been developed which clarifies the meaning of this statute; and

Whereas, this proposal is in accord with existing board policies, state law, and the intent to clearly communicate fair and consistent rules, and

Whereas, this proposal has been considered in a public review process, including filing with the State Code Reviser, subsequent publication in the *Washington Register*, and special mailings to known interested parties, including Lead Entities, where comments were encouraged;

Now, therefore be it resolved, that the Salmon Recovery Funding Board approves this rule change and directs its staff to undertake steps necessary for final filing and implementation, and

Be it further resolved, that the Salmon Recovery Funding Board also directs its staff to respond to any comments received regarding the adopted proposal with information on how the final adoption reflects the Board’s consideration of the comments, or why it fails to do so.

Resolution moved by: _____Bill Ruckelshaus_____

Resolution seconded by: _____Brenda McMurray_____

Adopted — Defeated — Deferred

On February 8, 2002

RESOLUTION #2002-02

RECOGNITION AND APPRECIATION

WHEREAS, the Honorable John Roskelley of Spokane, Washington was appointed to serve as a citizen member on the Salmon Recovery Funding Board (SRFB) by Governor Gary Locke on July 15, 1999, and

WHEREAS, Mr. Roskelley, was one of the SRFB's charter members, and served from the Board's initial meeting in July 1999 through January 2002, and

WHEREAS, Mr. Roskelley discharged his duties faithfully and with integrity for his full term, and

WHEREAS, Mr. Roskelley's passion for protecting Washington's fish and natural resources was an inspiration to the Board and the public, and

WHEREAS, the Salmon Recovery Funding Board wishes him well in future endeavors, with particular wishes for his future outdoor recreation and habitat pursuits, including fishing,

NOW, THEREFORE, BE IT RESOLVED that, on behalf of the citizens of Washington State and in recognition of John Roskelley's assistance to the SRFB while performing his responsibilities and duties as a member, the Board and its staff extends its thanks and appreciation to him, and

BE IT FURTHER RESOLVED that a copy of this resolution be sent to the Honorable Gary Locke, Governor of the state of Washington, with a copy of the letter of appreciation to Mr. Roskelley.

Approved this 8th day of February 2002.

William Ruckelshaus, Chair

Steve Meyer, Conservation Commission

Frank L. "Larry" Cassidy, Jr.

Dick Wallace, Dept. of Ecology

Brenda P. McMurray

Tim Smith, Dept. of Fish & Wildlife

James L. Peters

Craig Partridge, Dept. of Natural Resources

Shari Schaftlein, Dept. of Transportation

SRFB RESOLUTION #2002-03

Setting and Achieving Instream Flows for Salmon

WHEREAS, Insuring adequate quantity of water by setting instream flows, and restoring flows during low flow periods is a key habitat requirement for sustainable fish production in streams; and

WHEREAS, the Statewide Strategy to Recover Salmon, Limiting Factors Analysis and watershed assessments indicate that extreme low flows in 16 basins are the primary factors limiting salmon recovery, and 12 other basins with federally-listed fish populations are experiencing significant water development pressure and rapid decline in flows for fish; and

WHEREAS, there is urgent need to set instream flows and to lessen the effects of inadequate flows particularly during drought conditions; and

WHEREAS, setting, achieving and protecting instream flows to benefit at risk salmon populations is a collaborative efforts between local watershed planning groups, state agencies, federal services (NMFS and USFWS) and affected tribes; and

WHEREAS, local watershed planning groups, under 2514 (the Watershed Planning Act) and non-2514 taking on instream flows and the Departments of Ecology and Fish and Wildlife have insufficient resources to respond to the need to set, achieve and protect instream flows in critical basins; and

WHEREAS, in December 2000, the U.S. Congress provided an additional \$12 million for Federal Fiscal Year 2001 to the state of Washington; and

WHEREAS, in his November 30, 2001 letter to Governor Locke, the National Marine Fisheries Service Administrator D. Robert Lohn strongly recommended that the Salmon Recovery Funding Board gives priority for allocating the additional funds for restoring inadequate instream flows;

NOW, THEREFORE BE IT RESOLVED, that the Salmon Recovery Funding Board approves funding in the amount of \$6 million from the additional \$12 million for the activities outlined in the detailed spending plan submitted by the Joint Natural Resources Cabinet.

Resolution moved by: _____ Larry Cassidy _____

Resolution seconded by: _____ Brenda McMurray _____

Adopted/Defeated/Deferred (underline result)

Date: February 8, 2002

**RESOLUTION #2002-04
FOREST & FISH HABITAT CONSERVATION PLAN**

WHEREAS, the Legislature found in RCW 77.85.180 (1999 sp. s., c. 4 §. 101), that if forest practices rules were amended as proposed in the Forests & Fish Report, the resulting changes in forest practices will:

- (i) lead to salmon habitat that meets riparian functions vital to the long-term recovery of salmon on more than 60,000 miles of streams in this state;
- (ii) lead to identification of forest roads contributing to habitat degradation and corrective action to remedy those problems to protect salmon habitat;
- (iii) lead to increased protection of steep and unstable slopes;
- (iv) lead to the implementation of scientifically based adaptive management and monitoring processes for evaluating the impacts of forest practices on aquatic resources;
- (v) lead to protection of aquatic resources to the maximum extent practicable consistent with maintaining commercial forest management as an economically viable use of lands suitable for that purpose; and
- (vi) provide a regulatory climate and structure more likely to keep landowners from converting forest lands to other uses that would be less desirable for salmon recovery;

WHEREAS, RCW 77.85.190 states the assumption that federal assurances described in the Forests & Fish Report will be obtained;

WHEREAS, to complete implementation of the State of Washington's Forests & Fish Agreement, formal assurances from the federal agencies that administer the Endangered Species Act and the Clean Water Act are needed; and

WHEREAS, in his November 30, 2001 letter to Governor Locke, National Marine Fisheries Service Regional Administrator D. Robert Lohn encouraged the Washington State Salmon Recovery Funding Board to fund a Habitat Conservation Plan for the Forests & Fish Agreement;

NOW, THEREFORE BE IT RESOLVED, the Salmon Recovery Funding Board approves funding in the amount of \$836,000, which represents the first year of a three-year request totaling approximately \$2.6 million.

Resolution moved by: _____ Larry Cassidy _____

Resolution seconded by: _____ Jim Peters _____

Adopted/Defeated/Deferred (underline one)

Date: February 8, 2002

Action Items

- The Board approved a four-month extension for WDFW Aquatic Habitat Guidelines.
- The Board approved Option 2 as amended to increase funding to both the Upper Columbia and the Snake regions to \$300,00 for a total of \$2,010,000 in Regional Funding.
- The Lower Columbia Fish Recovery Board's time extension request was approved, through June 30, 2003.

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