

PROPOSED Salmon Recovery Funding Board Meeting Agenda

February 18, 2010

Room 172, Natural Resources Building, Olympia, WA 98504

Time: Opening sessions will begin as shown; all other times are approximate.

Order of Presentation:

In general, each agenda item will include a presentation, followed by board discussion and then public comment. The board makes decisions following the public comment portion of the agenda item.

Public Comment:

If you wish to comment at a meeting, please fill out a comment card and provide it to staff. Please be sure to note on the card if you are speaking about a particular agenda topic. The chair will call you to the front at the appropriate time.

You also may submit written comments to the Board by mailing them to the RCO, attn: Rebecca Connolly, Board Liaison at the address above or at rebecca.connolly@rcow.wa.gov.

Special Accommodations:

If you need special accommodations to participate in this meeting, please notify us by February 11, 2010 at 360/902-3086 or TDD 360/902-1996.

THURSDAY, FEBRUARY 18

OPENING AND WELCOME

9:00 a.m.

Call to Order

Chair

- Determination of Quorum
- Review and Approval of Agenda (**Decision**)
- Approval of December 2009 Meeting Minutes (**Decision**)

MANAGEMENT AND PARTNER REPORTS (Briefings)

9:10 a.m.

1. Management Status Report

- a. Director's Report
- b. Financial Report
- c. PCSRF Grant Application
- d. Policy Report
 - Engineered Logjams
 - Veterans Conservation Corps Update
 - Other Policy Issues
- e. Work Plan and Performance Update

*Kaleen Cottingham
Mark Jarasitis*

Steve McLellan

Rebecca Connolly

General Public Comment: *Please limit comments to 3 minutes*

9:30 a.m.

2. Salmon Recovery Management Reports

- a. Governor's Salmon Recovery Office
- b. Grant Management

*Phil Miller
Brian Abbott and Staff*

10:30 a.m. BREAK

10:45 a.m. 3. Reports from Partners

- a. Council of Regions Report
- b. Lead Entity Advisory Group Report
- c. Board Roundtable: Other Agency Updates

*Steve Martin
Richard Brocksmith
SRFB Agency Representatives*

OTHER BOARD BUSINESS (Decisions)

11:30 a.m. 4. Legislative Update (Decision)

- a. Supplemental Budget Update
 - Decisions to Implement Potential Supplemental Budget Cuts
- b. Legislative Update
- c. Update on RCO and Partnership Consortium Negotiations

Rachael Langen

*Steve McLellan
Rachael Langen*

12:15 p.m. WORKING LUNCH

12:30 p.m. 5. Proposed Changes to Manual 18 for 2010 Grant Cycle (Decision)

Brian Abbott

1:30 p.m. 6. Conversion

- a. Background on Conversion Policy
- b. Conversion Request: Project #01-1264A, Barker Creek Corridor Acquisition, Kitsap County Parks and Recreation (Decision)

*Scott Robinson
Tara Galuska*

2:15 p.m. 7. Tentative: Contract for Nearshore Monitoring (Decision)

Ken Dzinbal

2:30 p.m. BREAK

OTHER BOARD BUSINESS (Briefings)

2:45 p.m. 8. Scope and Data Needs for 2010 State of the Salmon Report

Steve Leider

3:15 p.m. 9. Framework for 2010 Discussion of Strategic Plan Issues

Steve McLellan

4:30 p.m. ADJOURN

Next Meeting: May 20-21 in Bellingham

FRIDAY, FEBRUARY 19

Members of the Salmon Recovery Funding Board will tour the Nisqually Wildlife Refuge beginning at 8:30 a.m. This is an optional tour that will not include board business.

SALMON RECOVERY FUNDING BOARD MINUTES REGULAR MEETING

December 10-11, 2009 • Natural Resources Building Room 172 • Olympia, Washington

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.

Thursday, December 10

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

Steve Tharinger (Chair)	Clallam County
Harry Barber	Washougal
David Troutt	DuPont
Don "Bud" Hover	Okanogan County
Carol Smith	Designee, Conservation Commission
Scott Anderson	Designee, Department of Transportation
Sara LaBorde	Designee, Department of Fish and Wildlife
Craig Partridge	Designee, Department of Natural Resources

MEETING CALLED TO ORDER

Chair Tharinger opened the meeting at 9:13 a.m. and determined that the Salmon Recovery Funding Board (board) met quorum.

Chair Tharinger thanked Senator Patty Murray for working to secure \$80 million for Pacific Coast Salmon Recovery Fund (PSCSRF) in conference committee. He noted that Senator Murray is a champion for salmon recovery and the board's grant program. Kaleen suggested that the board send a single letter to formally thank her and invite her to be the keynote speaker at the 2011 Projects Conference. Board members concurred. Chair Tharinger encouraged project sponsors and the grassroots connections to thank Senator Murray.

Chair Tharinger presented the agenda. The board approved the December 2009 agenda as presented.

David Troutt MOVED to approve the October minutes as presented. Bud Hover SECONDED. The board APPROVED the October minutes as presented.

Management and Partner Reports

MANAGEMENT STATUS REPORT

Steve McLellan reviewed highlights of the policy memo. Policy staff completed a report and assessment of watershed planning and salmon recovery work to meet the requirements of State House Bill 2157. Policy staff is also working on a report evaluating different land preservation mechanisms.

The 2010 legislative session begins January 11, 2010 and can be characterized as "all budget, all the time." The Recreation and Conservation Office and the Puget Sound Partnership will be directed to

share back office services, such as information technology, human resources, and fiscal services, and achieve savings by the end of the biennium. Steve M. also noted that agencies under 176 people will have back office functions performed by the Office of Financial Management small agency client services sections.

Natural Resources Reform

The Natural Resources Committee hopes to develop a "One Front Door" Approach, for permitting, grants, and contracts that will be modeled after the Department of Licensing's master business license. There also are efforts to (1) streamline environmental permitting, (2) establish a single set of regional boundaries for State Parks, the Department of Natural Resources, and the Department of Fish and Wildlife, and (3) streamline environmental appeals.

Chair Tharinger suggested that the salmon recovery regions could be an option for universal regional boundaries. Kaleen Cottingham responded that the recovery regions were part of the recommendation, and the board had communicated that they should not be bifurcated. Craig Partridge added that the regions were the best model presented.

Bud Hover asked if there will be a "one stop shopping" permitting model, noting that obtaining permits from different agencies holds up projects. Steve McLellan responded that at the approach will consider programmatic permits compared to multi-agency permits.

Board Work Plan

Steve McLellan presented the board's 2010 work plan, referring to it as a roadmap for the four scheduled board meetings in 2010. Kaleen Cottingham reminded the board that the work plan is a work in progress, and can change as assignments come to the board.

Chair Tharinger asked the board for comments, and called attention to the written comments submitted by board member Bob Nichols. Kaleen noted that Nichols' memo reminds the board not to lose track of infrastructure and efficiencies issues when discussing scoping and board priorities. She asked policy staff to add the question, "What is the role of the Salmon Recovery Funding Board?" to the work plan.

Bud Hover noted that he would like to see the board's work plan include supporting the regions on all-H (hatchery, habitat, hydropower, and harvest) coordination work. Sara LaBorde added that the all-H coordination coincides with the Hatchery Scientific Review Group implementation plans.

Budget Update

The advance materials included a memo from Chair Tharinger stating that the Office of Financial Management (OFM) asked RCO to do a general fund budget reduction exercise that would increase the total cut from two percent to ten percent. The memo shared the RCO's budget exercises and asked the board (1) how to take the cuts and (2) whether to backfill the cuts with federal dollars that would have otherwise been used for projects.

Rachael noted that there is a \$2.6 billion shortfall, which is eight percent of the state's general fund state budget. She explained that about 70 percent of the budget is protected by the constitution, so the legislature is looking at 30 percent of the state budget to make up the shortfall. The capital budget also offers complications because falling revenues affect the debt limit. The state cannot buy new bonds if it would cause the total debt to go over the 9 percent limit set by the constitution. The Office of Financial Management stated that if the next revenue forecast (February 18) projects revenues dropping another \$250 million, the state will not be able to buy the next round of bonds.

Chair Tharinger asked if a project's financial obligation is locked by a signed contract. Rachael responded that budget considerations supersede the contract, and the RCO could cancel contracts. Kaleen added that budget writers would look at funds that have been appropriated, but are not under contract; as of this meeting, that is \$18 million. She noted that these state funds match federal dollars. It's very important to get the contracts signed because that obligates the funds. If the budget requires cuts, projects that are not under contract will lose funding first, followed by contracts that have not had any expenditures.

Chair Tharinger asked what this means on the ground. Kaleen responded that it is worthwhile to talk about the term "shovel ready" in February during the scope discussion. A number of projects are not "shovel ready" because they need permits. Bud Hover noted that it is difficult to have "shovel ready" projects without secure funding. Chair Tharinger suggested that the February discussion include what the budget cuts mean as far as the board's process.

Rachael noted that the board's discussion provided a background for RCO's two percent reduction exercise. During the two percent exercise, a few key vacancies allowed RCO to take a higher amount from a few programs, and spread the rest of the cuts from other programs. The eight percent exercise was not as easy because the vacancies were filled. Kaleen noted that the lead entities took less than a proportionate cut because RCO offered half of an FTE in the Governor's Salmon Recovery Office. Rachael added that the Senate asked RCO to provide exercises showing 10 percent and 20 percent cuts. Kaleen noted that RCO's general fund state budget is relatively small at \$3 million.

Chair Tharinger promoted activism to get the story out to the legislators about the importance of salmon recovery programs. Bud Hover added that the dollars affect jobs in the local economy, as well as the habitat benefits. Kaleen encouraged project sponsors to spend the money quickly, and get it on the ground as fast as they possibly can, because the money is vulnerable.

Harry Barber asked about the redundancy of the Review Panel and the local Technical Advisory Committees in Rachael's memo. Kaleen responded that the Review Panel was set up to protect the state's investment in resources, and noted that Megan Duffy would address the intersection of the local and the board's processes in her SHB 2157 briefing.

SALMON RECOVERY MANAGEMENT REPORT

Governor's Salmon Recovery Office

Phil Miller provided an update on the Federal Columbia River Power System Biological Opinion (BiOp). The judge heard arguments on the adaptive management implementation plan (AMIP) presented by federal agencies in September, responded favorably, and has asked for a briefing schedule for incorporating the AMIP into the BiOp. Briefings will be heard through December and January. Federal agencies are moving forward with implementing the BiOp.

Puget Sound lead entity grant amendments, which consolidate Puget Sound Acquisition and Restoration (PSAR) capacity funds and the National Estuary Program (NEP), are proceeding in a timely fashion. Most, if not all amendments, will be completed by the end of 2009.

Grant Management

Brian Abbott noted that RCO staff is modifying PRISM with the Pacific Coast Salmon Recovery Fund (PCSRF) new metrics. RCO is over halfway through the effort, and staff is meeting with National Oceanic

and Atmospheric Administration (NOAA) next week. The modification will be ready by the first of the year for the next grant round, and is accessible to RCO staff, lead entities, and regions.

Monitoring Forum

Ken Dzinbal stated that the Forum on Monitoring Salmon Recovery and Watershed Health (Forum) met on December 2. They took action on four policy issues that have implications for the board:

- Adopted high level indicators for watershed health;
- Developed a draft letter to the legislature about their success in adopting indicators for salmon and watershed health and that they were next set to adopt the protocols for collecting data for the measures and metrics for the indicators.
- Discussed two proposals for monitoring contracts, and approved a recommendation that the SRFB allocate the remaining PCSRF monitoring dollars to: 1) remote sensing, and 2) data management enhancement for the existing status and trends effort.
- Discussed a workshop to address issues surrounding Intensively Monitored Watersheds (IMW) and committed that forum members would serve on a steering committee to craft the content of the workshop. Ken invited board members to participate on the steering committee, and David Troutt volunteered.

REPORTS FROM PARTNERS

Council of Regions (COR)

Steve Martin reviewed the COR report in the notebooks, thanked staff for soliciting input for Manual 18, and noted the letters sent to the Governor and Senator Murray. He noted that Jeff Breckel represented the Council of Regions at the recent Monitoring Forum meeting. In addition, Alex Conley and Jeff Breckel have been very involved, on behalf of COR, in the Columbia Basin update to integrate Viable Salmonid Populations (VSP) parameters with the BiOp..

Chair Tharinger noted that in the challenging budget period, regions have an opportunity to incorporate broader ecosystem health efforts within the existing organizational structure.

Lead Entity Advisory Group

Richard Brocksmith distributed the December 3 Lead Entity Advisory Group (LEAG) meeting notes. Richard highlighted LEAG's five suggestions for Manual 18:

- Lead entities would like to provide more input during project review (e.g. ,30% design involving lead entities)
- LEAG is concerned with the proposed language in Manual 18 regarding acquisition reforms, such as the new policy that requires a plan for lands that do not have intact habitats.
- Lead entities would like the Review Panel process to be streamlined and better align with local technical review teams.
- Lead entities see a need for database streamlining to improve how data is managed and published for the public.
- Lead entities would like the board to continue to encourage more monitoring incentives.

LEAG supports the goals of the proposed policy to define a major scope change. They would like to give more decision-making authority to the director of the Recreation and Conservation Office in regard to scope changes. LEAG also would like to see the director rely more on the local committees to say whether the projects are meeting criteria.

LEAG is discussing its principles at the regional and lead entity levels. If budget cuts become severe, lead entities prefer to have dollar reductions made internally (e.g., proportional cuts) versus having fewer lead entities. LEAG also wants the infrastructure funding discussion take place at a broader level.

Chair Tharinger asked if LEAG discussed ways to decrease demands placed on lead entities. Richard responded that demands were included as part of a prioritization discussion.

Agency Updates

Department of Transportation, Scott Anderson: Gas taxes, which are a large part of the Department of Transportation (DOT) revenue, will sunset in a few years, and the agency is faced with making up for the lost funds. DOT is doing the same budget exercise as all of the other agencies. Scott explained that the Stream Restoration Program is working on habitat connectivity projects and preparing for summer fish passage projects.

Conservation Commission, Carol Smith: Carol noted that the Conservation Reserve Enhancement Program (CREP) amendment was signed at the federal level, so horticulture lands are now eligible for CREP. The Commission cut funding equivalent to one vacant position. If the budget problems continue, half a million dollars will be cut from conservation districts.

Chair Tharinger noted that many conservation districts are project sponsors and asked how the cuts in funding would affect the board. Carol responded that they might seek more board funding.

Department of Natural Resources, Craig Partridge: Craig explained a few budget items, noting that DNR took an overall eight percent budget cut. The Governor's budget fills \$2 million of the \$2.5 million budget hole for the adaptive management program, mostly through account management. On the capital side of the budget, the forest riparian easement program remains zeroed out and the Family Forest Fish Passage Program funding cuts stayed the same.

Department of Fish and Wildlife, Sara LaBorde: Sara stated that the 2009-11 biennial budget cut 25 percent of the Department of Fish and Wildlife's general funds, totaling \$30.1 million. The Governor's supplemental budget cuts an additional \$2.5 million. She stated that the cuts will affect technical assistance, environmental engineering, and watershed stewards. She also noted that the HPA program likely would become fee-based. Sara also noted that the funding for the Pacific Salmon Treaty was implemented, including funds for Puget Sound critical habitat, and there is \$10 million dollar add in the Mitchell Act for the Lower Columbia HSRG recommendations.

Chair Tharinger asked if the Pacific Salmon Treaty received enough money to get the treaty signed and fulfill the obligation. Sara said she believed that it did, and offered to provide the detail for the chair.

Department of Ecology: Kaleen Cottingham noted that the Watershed Planning Program was cut nearly entirely, losing programs and staff.

Other Board Business

2011 PROJECT CONFERENCE AND BUDGET REQUEST

Brian Abbott explained that RCO staff is asking the board to set aside up to \$63,000 for a project conference to be held in April 2011. Brian noted that the 2009 conference was well attended and received positive feedback from attendees. He also explained that planning should begin soon.

Bud Hover MOVED to approve funding of up to \$63,000 for a salmon project conference to be held in April 2011. David Troutt SECONDED.

Motion APPROVED unanimously.

AQUATIC HABITAT GUIDELINES REALLOCATION OF FUNDING

Brian Abbott explained that the Washington State Aquatic Habitat Guidelines provide the technical foundation for projects that the board funds. One of these guidelines, the Stream Habitat Restoration Guidelines, requires an update.

Michelle Cramer, Washington Department of Fish and Wildlife (WDFW), explained that since the guidelines were published in 2004, numerous restoration projects have been developed and there is lot of new technology. The workgroup would like to update several techniques, such as how large wood projects are constructed. The development of the scope of work and review of the guidelines would be done collaboratively and have peer review.

Brian Abbott explained that RCO staff recommends that the board approve the use of \$70,000 in "returned" funds to help finance the update. He noted that the total cost will be about \$120,000. In response to a question from Carol Smith, Brian stated that they would tie into the effectiveness monitoring programs.

David Troutt asked if the boater safety and large woody materials subject is a legal issue, and if the board is stepping into that issue by updating the guidelines. Kaleen responded that policies regarding large woody materials are being handled separately, and Michelle clarified that the updates are exclusively technical.

Harry Barber referenced the cost estimate provided in the memo and expressed concern about hiring a contracted technical writer when there are layoffs of state employees. Sara LaBorde responded that the WDFW evaluation found contracting to be the most cost efficient approach.

Board members discussed whether the changes would result in better projects than if they relied on the existing document. Scott Anderson stated the guidelines add efficiency to the design and permit processes, and that the Department of Transportation relies heavily on the manual. Michelle Cramer stated that the update would incorporate the lessons learned from projects and effectiveness monitoring.

Public Comment:

Joe Ryan, Puget Sound Partnership, Jeff Breckel, Lower Columbia Fish Recovery Board, Steve Martin, Council of Regions: Joe explained that it took the regions a while to accept the benefit of spending the funds to improve the document, but now support it. He and Jeff Breckel both spoke about the need for guidance about the placement of wood and approaches to the anchoring of large wood

and rocks. Jeff also noted that while the updated document does not replace technical assistance staff, it is an important tool. Steve Martin added that the updates are a great investment.

David Troutt MOVED to approve \$70,000 to support an update to the Stream Habitat Restoration Guidelines as described in the attached scope of work.
Chair Tharinger SECONDED.
Motion APPROVED unanimously.

MONITORING CONTRACTS

Ken Dzinbal explained that the board must allocate 10 percent of its annual Pacific Coastal Salmon Recovery Fund (PCSRF) grant to monitoring. For 2009, the board has awarded all but \$255,000 for monitoring. Ken reminded the board that it had deferred its decision on monitoring contracts for habitat remote sensing and web access for the habitat status and trends database until this meeting. The Forum on Monitoring Salmon Recovery and Watershed Health recommended that the board fund the programs.

Remote Sensing

Erik Neatherlin, Department of Fish and Wildlife (WDFW), explained how remote sensing fits into the board's efforts by reviewing the performance measures and planning for future projects. Sara LaBorde added that remote sensing efficiently and effectively measures change at the watershed level, and can give information to regions. Carol Smith added that remote sensing complements in-stream work. She explained that instream asks "what?" and remote sensing asks "why?" Ken Dzinbal remote sensing is the best way to monitor the landscape at the watershed scale over time.

David Troutt asked if WDFW would use different information than the data that is being gathered through watershed characterization. Erik responded that watershed characterization would use the information gathered by remote sensing.

David Price, Department of Fish and Wildlife, explained status and trends monitoring using remote sensing. He provided a detailed overview of the proposed feasibility study, showing the board the differences between older and newer aerial photography. Technology improvements in image storage and automatic updates will reduce costs. Erik clarified that the data exists, and that the project is to do the software analysis and change detection.

Bud Hover asked how often samples are taken and how the data correlates the number of returning fish to remote sensing data and photography. Erik responded that the current data interval is every three years. David Price explained that remote sensing is used as an indicator of how we are doing with salmon recovery. For example, it can measure the amount of riparian area. Ken added that the remote sensing images show watershed level net improvements, which allows for better correlations.

Bud Hover asked where costs are incurred in the project. Erik responded that the cost comes from new software that automates the analysis of data in the three to five watersheds. That will give them information about the cost and accuracy for other basins. Kaleen added that board will not necessarily pay for the next steps in the project.

Bud Hover asked if regions and local entities could access the data for correlation purposes. Sara responded that remote sensing would tell a story at a watershed level, not necessarily provide a clear correlation at a local level.

Harry stated that the data should provide information to help them move forward, not just look back at what has been done.

Craig asked if there would be a collective agreement on the definition of habitat “change” for the remote sensing. David Price replied that change would be presence or absence. In the future, the change definitions would be more fine-tuned.

Web Access for Status and Trends

Bob Cusimano, Department of Ecology discussed the proposal to make the Habitat Status and Trends data management system available via a web interface that would provide query capabilities and map tools. He also noted that the data fits into the regional framework.

David Troutt asked if the Habitat Work Schedule (HWS) was considered for displaying this data. Ken Dzinbal responded that the interfaces would be difficult to translate to the HWS. Bob Cusimano noted that the data sets are fairly unique.

Bud Hover MOVED to approve \$255,000 as presented for monitoring contracts to be signed by the director. \$115,00 for Department of Fish and Wildlife, and \$140,00 for the Department of Ecology.
David Troutt SECONDED.
Motion APPROVED unanimously.

Nearshore Monitoring

Paul Cereghino gave an update on the \$50,000 allocation from the board to the Estuarine and Salmon Restoration Program (ESRP) contract. ESRP is working on the River Delta monitoring strategy and the beach system monitoring strategy.

He released an RFP for a River Delta project manager, but did not receive any response. He noted that a detailed description of the project and its scope are in the RFP. Carol Smith asked why four public agencies backed out. Paul replied that the agencies supported the process but could not take the lead.

They have a signed agreement between the Department of Fish and Wildlife and the Army Corps of Engineers for the beach system monitoring strategy. Chair Tharinger asked Paul about the types of projects being evaluated for the beach projects. Paul responded that the goal is to classify the types of projects going into shoreline systems.

2009 GRANT ROUND

Brian Abbott gave a presentation on the 2009 Grant Round, including a timeline of the September – December project review and finalization stage and the 2009 Funding Report.

Review Panel

Steve Leider explained that the Review Panel comments include the process and ways to improve the evaluation. The following Review Panel members introduced themselves, and explained their role on the panel: Steve Toth, Paul Schlenger, Michelle Cramer, Pat Powers, Patty Michak, and Kelley Jorgensen. Member praised the lead entity coordinators, range of projects and project size, early review process, and project sponsors. Two members noted that the process for sponsors is significant, and encouraged the board to address the gap in funding capacity for sponsors.

Steve Leider reminded the board that lead entities that are not covered by a regional recovery plan still get a full review of the quality of their local recovery strategy.

Carol Smith asked if policy changes reflect the Review Panel feedback that is offered from year to year. Brian Abbott responded that Manual 18 is the forum for changing the policies regarding higher-level policy changes. Craig appreciated the more systematic Review Panel comments this year. Chair Tharinger agreed, and asked Pat Powers to expound on the low hanging fruit issue.

Pat responded that he receives feedback from sponsors that lead entities have increased the number of required meetings, reducing the time they can spend with scientific and technical staff finding projects. Kelley Jorgensen noted that project applications are often incomplete, so there needs to be more time to enter project materials. Kelley added that the Review Panel sees sponsors bringing concepts forward, but due to complexity, they can take years to put together. She stated that a 30 percent design review could reduce the money spent on poor projects, and help "noteworthy" projects move forward. Steve Toth noted that sponsors do not have the capacity to develop large scale projects. He also suggested being more strategic with riparian restoration.

David Troutt noted that it is not a low hanging fruit issue, it is rather a limited funds issue to get to bigger projects. He noted that the board's expectations should align with the funds put into the projects.

Staff Recommendation

Brian introduced the funding amounts and tables by regions. He noted the overlap for Lower Columbia and Yakima for the Klickitat Lead Entity. Brian noted that on the Devil's Head project four lead entities came together to fund the project. Brian also noted that projects of concern (POCs) are on the lists like other alternates, and that they would require review before funding.

Chair Tharinger explained that although the projects have undergone the process, the board, at its discretion, could make changes to the list prior to funding.

Regional Area Comment Period

Snake River: Steve Martin and Kris Buelow, Snake River lead entity coordinator, highlighted the onerous process for developing projects and briefly discussed proposed projects. Sara LaBorde asked how they are addressing capacity issues. Steve replied that the three-year work plan is assembled by the technical team and endorsed by local policy makers, and technical staff writes the applications. David Troutt noted that he is impressed with the ability to stretch dollars in the Snake.

Lower Columbia: Jeff Breckel highlighted the integrated approach in their region, and discussed Lower Columbia's proposed projects. David Troutt commented on Project Highlights from Lower Columbia's presentation noting that he does not believe that salmon recovery has resolved all of the "low hanging fruit", as Lower Columbia is going after prioritized projects and recovery efforts.

Middle Columbia: Alex Conley praised the review panel in helping to improve projects and the local process. Alex announced that the Yakima plan was recently adopted by NOAA. Angie Begosh noted that each project on the list is related to recovery actions in the Yakima strategy.

Upper Columbia: Derek VanMarter explained that there are three fully integrated lead entities. Derek explained that the 2009 projects are the strongest biological list presented to the board in the Upper Columbia's history. Most of the projects are "Tier 1" projects in their local ranking process. He also stated that while the Upper Columbia supports the recommendations in the report with regard to the Review Panel, larger changes to the process would change how strategic Upper Columbia can be.

Northeast: Nick Bean, the Pend Oreille Lead Entity Coordinator, briefly explained the three proposed projects.

Coastal Region: Miles Batchelder presented the project list, giving detailed maps and brief descriptions for each of the projects. He noted two noteworthy projects: Preacher's Slough and the Bear River Estuary Restoration. Miles concluded by noting that the region is working with the Wild Salmon Center and The Nature Conservancy on their regional plan.

Staff distributed a letter from Ed Bowen to the board regarding project 09-1532, Ozette Sockeye Recovery, Big River Acquisition. Based on the letter, Bud Hover asked about public outreach. Greg Good from the North Olympic Land Trust explained the process, and in response to additional questions from Boardmember Hover, noted that the projects would remain on the tax rolls. Chair Tharinger noted that even though Mr. Bowen does not agree with the project, the process is sound.

Bud Hover asked about other resistance in the community and stated that he wanted to make sure that Mr. Bowen's concerns were heard. Mr. Good responded that they had not heard from other community members. Miles noted that the region would work to increase outreach with the public.

Hood Canal: Richard Brocksmith highlighted a series of points for the board. He briefly explained the partnership between NOPL and Hood canal, which worked out well. Cheryl Baumann also noted that the partnership benefits the fish and works well. Richard highlighted the first two projects, which protect over a mile of summer chum habitat.

Richard also noted that the Puget Sound Partnership has given Hood Canal extra capacity funds for revegetating and protecting riparian zones. The Hood Canal addresses the long-term maintenance for riparian projects by providing a careful planning process. Carol Smith stated that lack of maintenance is the number one cause for riparian failure.

Richard then addressed the Union Estuary Johnson Farm Dike Design project. He explained that there is an interesting ownership pattern for the property, including a trail that is used by members of the public. They learned of concerns from the community about removing the trail and changed the project to protect the trail. David Troutt asked if one of the actions that will be presented is a "no action" option. Richard responded no.

Puget Sound: Jason Mulvihill-Kuntz noted that the Review Panel determined that project 09-1687, Skookum Creek, in the Nooksack watershed is a project of concern, so Alan Chapman would provide additional information on the project.

Alan Chapman gave the board details on how the project was developed, background on the local review process, and a recommendation to respect the local process and fund the project. This proposal seeks supplemental funds for the Skookum Reach Project (#07-1803) to cover unanticipated expenses that developed during the design phase of the project, including paving the new Saxon Road segments per Whatcom County requirements. Alan said that the road element must be completed for the restoration project to begin.

Craig Partridge asked what the fish benefit is to paving a road, and added that the Review Panel did not say that there was not a fish benefit, but that the cost is prohibitive. Alan responded that the county wants the road paved.

Bud Hover asked who chose to keep the project on the list even though it was a project of concern. Brian Abbott responded that the lead entity and region support the project.

Public Comment

Bruce Landram, Belfair, WA: Mr. Landram commented on the Union Estuary Johnson Farm Dike Design project. He believes the vetting process was compromised and that there were many misleading statements. The initial proposal was the same as in 2005. Four of the six options presented included full removal of the waterfront trails. He further stated that Richard Brocksmith did a laudable job of reworking the application.

Ken VanBuskirk: Mr. VanBurskirk commented on the Union Estuary Johnson Farm Dike Design project. He stated that he has lived in Hood Canal for 50 years and is the steward of a working farm. He disagrees with the ranking, and would like to see the acquisition and knotweed projects get funding. He also would like to see the project dropped this year. The project does not have matching funds, and the acquisition and knotweed projects have a higher certainty of success and better use of funds.

Bud Hover read the project description and noted that it twice mentions maintaining trail access. He asked Mr. Landram if the language would be acceptable, and Mr. Landram replied yes.

Board Actions

Hood Canal Recovery Region

Bud Hover MOVED to approve projects 1 through 12, with projects 13 and 14 as alternates, in the total amount of \$5,659,652 with a combination of SRFB and PSAR funding noted in table 2009-1 for the Hood Canal Coordinating Council.
David Troutt SECONDED.
Motion APPROVED unanimously.

Lower Columbia Recovery Region

Bud Hover MOVED to approve projects 1 through 6 and 8, with projects 9 and 11 through 15 as alternates, in the total amount of \$2,647,035 for the list of projects shown in table 2009-2 for the Lower Columbia Fish Recovery Board.
David Troutt SECONDED.
Motion APPROVED unanimously.

Northeast Washington Recovery Region

Bud Hover MOVED to approve projects 1, 2 and 4, in the total amount of \$360,000 for the list of projects shown in table 2009-3 for Northeast Washington.
David Troutt SECONDED.
Motion APPROVED unanimously.

Puget Sound Recovery Region

Bud Hover MOVED to approve \$23,810,967 for the list of projects shown in table 2009-4 for the Puget Sound Partnership.
David Troutt SECONDED.

David Troutt MOVED to amend the motion to include the Lummi Nation Skookum Reach project for \$232,879.
Bud Hover SECONDED the amendment.
Amendment APPROVED.

Motion APPROVED unanimously as amended.

Kaleen asked if the board wanted to add the alternates that are projects of concern. Chair Tharinger added that within the motion, it is assumed that lead entities are funded as designated.

Bud Hover MOVED that any alternate project that is a project of concern must have all issues resolved before it is moved up to funded.
David Troutt SECONDED.
Motion APPROVED unanimously.

Brian mentioned two projects where 2007 PSAR funds would be used. The board determined that such use was covered in the Puget Sound motion.

Snake Recovery Region

Bud Hover MOVED to approve projects 1 through 13a, with project 13b as an alternate, in the amount of \$1,598,400 for the list of projects shown in table 2009-5 for the Snake River Salmon Recovery Board.
David Troutt SECONDED.
Motion APPROVED unanimously.

Upper Columbia Recovery Region

Bud Hover MOVED to approve \$1,953,000 for the list of projects shown in table 2009-6 for the Upper Columbia Salmon Recovery Board.
David Troutt SECONDED.

Brian noted that the Okanogan County table should read \$809,877 instead of \$809,577.

Motion APPROVED unanimously.

Washington Coastal Recovery Region

Bud Hover MOVED to approve \$1,620,000 for the list of projects shown in table 2009-7 for the Washington Coast Sustainable Salmon Partnership.
Motion withdrawn in favor of a county-by-county approach.

Grays Harbor County

Bud Hover MOVED to approve projects 1 through 3, in the amount of \$582,535 noted in table 2009-7 with an additional \$119,000 for project 3 to be considered as an alternate.
David Troutt SECONDED.
Motion APPROVED unanimously.

North Pacific Coast

Bud Hover MOVED to approve projects 1 and 3, in the amount of \$352,794 noted in table 2009-7.
David Troutt SECONDED.
Motion APPROVED unanimously.

Pacific County

Bud Hover MOVED to approve projects 1 and 2, in the amount of \$396,863 noted in table 2009-7.
David Troutt SECONDED.
Motion APPROVED unanimously.

Quinault Nation

Bud Hover moved to approve project 1, with project 2 as an alternate, in the amount of \$287,808 noted in table 2009-7.
David Troutt SECONDED.
Motion APPROVED unanimously.

Mid-Columbia Recovery Region

Bud Hover MOVED to approve \$1,829,565 for the list of projects shown in table 2009-8 for the Yakima Basin Fish and Wildlife Recovery Board and Klickitat County.
David Troutt SECONDED.

Brian Abbott noted that on the Klickitat list, project number four should be included on the Lower Columbia Region.

Bud and David withdrew the motion in favor of a county-by-county approach.

Klickitat County

Bud Hover MOVED to approve projects 1, 2 and 4, with project 3 as an alternate, in the amount of \$648,260 noted in table 2009-8.
David Troutt SECONDED.
Motion APPROVED unanimously.

Yakima Basin Fish and Wildlife Recovery Board

Bud Hover MOVED to approve projects 1 through 5, with projects 6 and 7 as alternates, in the amount of \$1,181,305 noted in table 2009-8.
David Troutt SECONDED.
Motion APPROVED unanimously.

David Troutt asked Brian how much money the board approved with match today. Brian said he would get back to the board with the number in the morning.

Meeting adjourned for the day at 4:57 p.m.

Friday, December 11

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

Steve Tharinger (Chair)	Clallam County
Harry Barber	Washougal
David Troutt	DuPont
Don "Bud" Hover	Okanogan County
Carol Smith	Designee, Conservation Commission
Melissa Gildersleeve	Designee, Department of Ecology
Scott Anderson	Designee, Department of Transportation
Sara LaBorde	Designee, Department of Fish and Wildlife
Craig Partridge	Designee, Department of Natural Resources

Meeting convened at 9:03 a.m.

Marc Duboiski briefly displayed the funding totals, including match, for the approved amounts for the 2009 round approved on December 10. The board allocated just over \$40 million, which leverages another \$22 million in match, totaling about \$62 million.

SHB 2157, STATUS REPORT ON ASSESSMENTS

Megan Duffy briefed the board on the 2009 Assessment of Watershed Coordination. She explained that she and Phil Miller met with local stakeholders in each of the watersheds. The level of coordination at the local level varies throughout the state. Megan stated the highlights from her report.

Melissa Gildersleeve noted that all of the FTEs for Ecology's watershed planning have been cut. Chair Tharinger asked Bud Hover how watershed planning is going in his area of the state. Bud Hover noted that the Methow plan has been completed and Okanogan is close to completion. In the Methow, they are still working with Ecology and landowners on how to distribute water.

Chair Tharinger stated that the timing of this effort is poor due to reductions in the state budget. Coordination efforts are just picking up speed, and now funds are at risk. David Troutt noted that water problems do not go away, so the report is of value, but will not be seen on the ground any time soon.

Melissa responded to a question from the chair by stating that she believes that there has been legislative support for watershed planning efforts. Kaleen added that the board needs to wait to see what the legislature decides, since the proposed cut is in the Governor's budget. Kaleen echoed Megan's statement of rewarding those who are working well, or incentivizing those who are not working as well.

Craig noted that the report states that most locals are coordinating at the level they view as appropriate and that those who are doing well with coordination efforts should be rewarded.

Harry Barber asked about the level of funding provided to watershed planning in the past. Megan responded that close to \$40 million have been invested over the past ten years.

David Troutt added that the state tends to address hot button issues, and a suggested a way to solve this issue is to support community based groups and get priorities from locals. Megan pointed out that when mixing water for fish and water for people, people are the priority. It is area specific. Chair Tharinger noted that the state can force the issue by responding to local efforts. David noted that the state needs to build the foundation for relationships between the local organizations before addressing detailed planning efforts.

Kaleen added that she recently met with the Hood Canal Coordinating Council at the request of their non-profit funders to integrate their plan at the local level. There was a discussion about the advantages and drawbacks of "silo-ing" the money compared to dividing the funds into a number of pots. Kaleen responded that it is better to have a plan that incorporates a variety of issues rather than silo-ing the funds, which diminishes the local advocacy groups and waters down integration at the local level.

Megan then explained that Budget Proviso 1244, Section 304 asked RCO to assess capacity issues with salmon recovery. Policy staff viewed this portion of the report as part of the board's larger capacity discussion. The report suggests that policy staff come to the board in February with a work plan to examine overall board processes and capacity issues.

Megan briefly discussed State House Bill 1957, which asked RCO to evaluate different land preservation mechanisms. RCO contracted with Gordon Derr and the report is out for comment; it will go to the legislature in January.

Chair Tharinger asked if the board has direction on the priorities from the report. Megan responded that the report examines seven different mechanisms. The board discussed who reviewed the report.

Kaleen noted that the report does not call for action in February. Bud Hover added that in the Upper Columbia, easements stay on tax roll. David Troutt noted that fee simple can be less expensive than the long term maintenance costs of easements. Kaleen noted that there may be IRS complications to purchasing land, then selling the portion you do not need. Kaleen responded that RCO is working with the state's bond council to understand exactly how the IRS views this issue.

Chair Tharinger asked if the legislature is going to act on this policy during the upcoming session, and if the board needs to provide feedback. Kaleen responded that she is not sure if the legislature is going to act on it because one of the premises behind the legislative directive was that it was cheaper to do leasing, and RCO's report does not support that premise. Craig Partridge noted that the IRS issued a concern about the use of bond sales. Kaleen noted that RCO has a workgroup addressing these issues.

POLICY REVISIONS REGARDING SCOPE CHANGES FOR ACQUISITION PROJECTS

Dominga Soliz explained that the proposed policy defines what constitutes a "major" scope change in an acquisition project. She briefed the board on the process, and noted that if the board approved it, then the language would be added to the manual for the 2010 grant round.

Kaleen explained that staff wants to encourage sponsors to identify the properties they are interested in, so if they cannot acquire one property, they could request a minor scope change to a target property that had already been identified. Staff wants sponsors to have a strategy in place.

Chair Tharinger asked if the term geographic envelope would be replaced with "reach area." Dominga responded that the policy uses both "geographic envelope" and "reach area." Kaleen clarified that geographic envelope is specific to the WWRP program and is used in multi-site acquisitions. Dominga clarified that the term "geographic envelope" would not apply to SRFB projects, and that the guiding term for salmon projects is "reach."

Carol asked if a project could be approved without going throughout the Review Panel. Kaleen responded that if a project is within the reach and has habitat value, then staff could evaluate the project, and save the cost of the Review Panel. Also, lead entities must support the projects. Carol highlighted the Review Panel's recommendation to improve the evaluation process for acquisitions. Harry Barber noted that from his experience on the sub-committee, the board does not need to develop language to address every situation.

Bud Hover MOVED to adopt the policy language for scope changes in acquisition projects as shown in Attachment A.

David Troutt SECONDED.
Motion APPROVED unanimously.

POLICY REVISIONS TO ALIGN SRFB GRANTS WITH PUGET SOUND PARTNERSHIP ACTION AGENDA

Dominga Soliz explained that statute requires the RCO to align the Salmon Recovery Funding Board grant program with the Puget Sound Partnership's Action Agenda. RCO staff worked with Puget Sound Partnership (Partnership) staff and other stakeholders to develop policy proposals for public comment.

She explained that staff was asking the board to approve the following policies for the 2010 grant round:

- Make SRFB projects that are in conflict with the Action Agenda ineligible for funding;

- Activate existing criteria that addresses whether a project within the Puget Sound is referenced in the Action Agenda; and
- Add placeholder language noting that the board will adopt policies for giving preferential treatment to partners after a method is determined for designating Puget Sound partners.

Kaleen noted that the board is required by statute to approve the language regarding ineligibility by January 1, 2010.

David Troutt said he was concerned about situations where stakeholders disagree on the outcomes of projects. Dominga noted that the language is a compromise, and that the Partnership intends to work with locals on difficult projects. She also noted that the project lists align with the Action Agenda. Kaleen added that in this grant round, the Partnership sent a letter saying that the board's project list did not have any conflicts with the action agenda. Lynda Lyshall, Puget Sound Partnership, responded that a controversy would be unlikely because the Partnership works closely with the lead entities to develop projects and their three-year work plans.

Craig stated that his concern is that the borderline projects where there are feuding constituencies that the decision will be made in a non-transparent way. He added that the controversial projects are where there are two goods, both benefitting Puget Sound. The transparency is the crux.

Chair Tharinger noted the board would like the Partnership to clarify who will make the decision.

Board members discussed a variety of project scenarios and approaches to meeting the statutory language. Kaleen noted that RCO and the board needs a process. Staff worked with the Partnership and stakeholders to evaluate several alternatives. The self-certification language was the simplest solution. She stated her concern that if the board does not approve the self-certification letter, then the process would become more complex.

The board agreed to change the certification language in Attachment A to read: "I further certify that this project is not in conflict with the action agenda developed by the Puget Sound Partnership because it is a project on the three year work plan."

Bud Hover MOVED to adopt the policy language presented by staff and shown in Attachments A as amended, B and C for aligning the board's grant program with the Puget Sound Partnership's Action Agenda.

David Troutt SECONDED.
Motion APPROVED unanimously.

PROPOSED CHANGES TO MANUAL 18 FOR 2010 GRANT CYCLE

Brian Abbott gave a briefing on proposed changes to the Manual 18. He noted that staff was suggesting that changes be limited to administrative edits and narrow policy issues. He then explained the specific policy changes being proposed.

First, he noted that staff had considered changing the definition of local partner, but based on feedback from stakeholders, decided against it.

Require a 30% design review on restoration projects

Brian explained that staff was recommending that during the project evaluation process, the Review Panel could determine the need for a 30% design review based on criteria such as project complexity, past sponsor performance, and familiarity with project type. If 30% design review were recommended,

the RCO would incorporate a review into the project agreement. The review would focus on project objectives, look for "fatal flaws," and provide constructive comments to improve the projects.

Brian explained that the designs might be different because of permitting, which takes place at different points in the construction process. He stated that it was important to ensure that the project that is constructed in the way it was funded.

David Troutt suggested tying the design review more closely to the permitting process. Bud Hover asked whether the look or construction of the project matters, if the original objective and function is upheld. Harry said that he considers the review to be a level of bureaucratic intervention that the board does not need, and believes that it should be implemented very selectively. Chair Tharinger added that the board is not convinced that there is a need for a manual change.

Board members asked questions about the intent of the requirement. Brian explained that the Review Panel and lead entity technical panels are very careful to review implementation plans during the evaluation process. It is very important to do it the way it was evaluated. For restoration projects, staff wants to see a 30 percent design requirement before sponsors get construction funding. Brian also noted that this policy is not for the seasoned sponsor, it is to help inexperienced sponsors or sponsors constructing a new type of project.

Kaleen added that the benefit of this process is to avoid cost creep and future cost increases.

Brian added that the board sometimes is funding a concept, rather than a design. Bud Hover responded that this information should be part of the application and the design review should be done before money is allocated. David Troutt noted that he is not sure if this requirement accomplishes the intent.

Chair Tharinger asked if the board currently requires a scope of work for construction. Brian responded that the suggested change calls for a 30 percent engineering review before construction. Sara LaBorde added that staff is using knowledge from the past ten years to build the best projects. Harry advocated for fieldwork time, not another process. Kaleen added that the benefit of the policy is to decrease the number of cost increases that come to the board.

Brian noted that the 30% requirement is a check in, not a lengthy process. Chair Tharinger added that permits from the Army Corps of Engineers require the 30 percent check in, so it would better align.

Board members asked Brian to bring the following information to the February meeting:

- examples of where the current process has gone wrong
- a flow chart to show how many people touch this process before it is submitted to the board
- cost of the proposed process, and whether it saves money in the long run

Acquisition Criteria

Brian proposed that the board apply the existing "benefit and certainty" criteria and consider adding the following to appendix E-1 (POC Criteria): "If less than 40 percent of the total project area is intact habitat, the project must be categorized as a combination project that includes restoration." This change addresses purchasing property that is not fully functioning. He asked the board if staff is on the right track, or if the board would like to wait until larger scale changes in 2010.

David Troutt suggested that staff consider acquisition criteria as an entire package. David's concerns were addressed in the staff report, namely the definition of intact habitat. Carol Smith agreed with David's comments. She added that the Review Panel's point is that projects need to provide more information so the panel can conduct a better cost-benefit analysis.

Brian added that staff would like to add in basic guidance about the different acquisition tools. David asked Brian to clarify what staff wants to add. Brian explained that staff would add definitions of each of the acquisition tools.

Streamline Review Panel Review Process

Brian Abbott gave an overview of the of the review panel process, and explained some of the changes that staff proposed to streamline the process. He stated that staff would work with lead entities and regions to refine the timing and review panel processes.

Harry Barber suggested combining the timelines of the local and review panels. Brian clarified that Lower Columbia is a special case. Bud Hover suggested making the adjustments according to consistent bottom up suggestions.

Kaleen stated that draft Manual 18 will go out for public comment before it goes to the board.

WDFW PRESENTATION: FOLLOW UP TO BOARD QUESTIONS IN AUGUST

Sara LaBorde, Department of Fish and Wildlife (WDFW) presented information about the Hatchery and Fishery Reform Policy and the Alternative Gear Project.

Hatchery and Fishery Reform Policy: Sara explained that the purpose of the policy is to advance the conservation and recovery of wild salmon and steelhead by promoting and guiding the implementation of hatchery reform. She described the three-fold intent of the policy: (1) improve hatchery effectiveness, (2) ensure compatibility between hatchery production and salmon recovery plans and rebuilding programs, and (3) support sustainable fisheries. Sara also presented the general policy and main components.

Alternative Gear Project: Sara described WDFW's legislative mandate and noted that the alternative fishing gear project on the Lower Columbia is designed to meet that intent. She stated that the project's objective is to develop, promote, and implement alternative fishing gear to maximize catch of hatchery-origin fish with minimal mortality to native salmon and steelhead. The department will issue a request for proposals in January 2010 and plans to initiate gear implementation later next year.

David Troutt asked if WDFW is investing in fish in/fish out monitoring, and noted that the HSRG recommended that less than 5 percent of wild fish be with hatchery fish on spawning ground. Sara responded that WDFW is investing in fish in/fish out monitoring, and that the HSRG recommendation is related to segregated populations. David responded that he would like to see the wild to hatchery fish ratio addressed as quickly as possible.

Bud Hover added that he is concerned about the economy built around the sport fishing industry. He understands the need to protect the fish, but also the need to utilize the fish for by tribes, commercial fishing, and sport fishing, especially in smaller towns.

Sara responded that WDFW's strategy is to strengthen the wild populations as quickly as possible and to put more hatchery fish on the spawning grounds, without impacting the wild fish. The ultimate goal is selective harvest.

Harry Barber noted that unless there are more wild spawning fish in habitat, current investments in restoration will not add value. He explained that gill netters helped push legislation to outlaw alternative gear in the Columbia River. The consequence is the need for a commercial method that catches hatchery fish without hurting the wild fish.

Sara responded that when equipment was outlawed, it was a large disagreement, and it was the most lethal form of harvesting. There are a significant number of fishers who are behind the alternative gear. Sara explained she is excited about how purse seiners are figuring out ways to benefit the fish and benefits to local communities.

David Troutt asked if the Lower Columbia marked selected study was looking at release survival and marked selective impact. Sara responded that the first year will be 24 hour net survival. Once the first year results are evaluated from the study, WDFW will assess the approach.

Chair Tharinger asked what the board can do to nudge policy in a certain direction, since the board has invested in the effort. Sara responded that the project is going in the right direction, but explained that a letter is not necessary. She concluded that supportive feedback regarding and all-H approach related to salmon recovery is a good reminder for the commission. Chair Tharinger asked staff to draft a letter expressing the board's support of the all-H approach.

Meeting adjourned at 12:03 p.m.

Approved by:

Steve Tharinger, Chair

Date

Salmon Recovery Funding Board

Briefing Memo

Item 1A

Meeting Date: February 2010
Title: Director and Agency Management Report
Prepared By: Kaleen Cottingham, Director

Proposed Action: Briefing

Summary

Salmon Staff Get Contracts Out the Door

Salmon section staff members have been busy trying to push contracts out the door for the \$42.8 million in grants awarded in December. As of January 19, we had sent 17 project agreements out for sponsor signature, and had two agreements returned. There are 121 agreements left to issue. Staff has sent milestone worksheets out to all sponsors, who are working on them as part of their contract documents. Updated data are in item #1E.

Salmon staff also has been working on updating Manual 18, and sent a “marked-up” version of the manual to lead entities and regional organizations for comment.

Staff Gives Agency Two Thumbs Up

In fall 2009, RCO staff participated in two agency surveys –a statewide Department of Personnel survey and a self-assessment.

Statewide survey: In the statewide survey, overall, RCO did exceptionally well. RCO’s average score was 4.17 out of five, compared with a statewide average of 3.84. Better yet, improvements were seen in every category compared to 2007 results. The biennial survey asked 13 questions such as:

- do employees receive the information and tools they need to do their jobs effectively, and
- do employees know how their work contributes to the goals of the agency and what is expected of them.

Agency self-assessment: For the annual self-assessment, employees were asked questions in seven areas that focused on how well they understood the agency’s strategic plan and how well the agency implemented and measured success in meeting its goals. Generally, staff rated the RCO between three and four on the one-to-five point scale. Some other details:

- RCO made good progress and showed measured improvement in the areas that staff said needed focus the previous year.

- Areas that staff said needed focus for the coming year are:
 - Setting priorities
 - Continue to improve processes
 - Finding new and creative ways to use technology
 - Continuing to improve communication internally and externally

New RCO Website

RCO launched a newly designed web site on January 11, and so far we've received nothing but positive reviews. The site is cleaner, leaner, and more intuitive to use. We hope our sponsors and other customers will find it much easier to use. Most of the work was done by Susan Zemek and Bob Euliss, with review by many of the agency's employees.

Outlook for 2010 Legislative Session

The 2010 legislative session started January 11, and is scheduled to run for 60 days. RCO does not have request legislation this year, but will be tracking numerous bills as they go through the process, including the supplemental budgets. As usual, RCO will track bills with direct effect on RCO and its grant programs, as well as issues that more broadly affect natural resources, state government, and employees. The budget again will be the top issue facing lawmakers, but there also will be a number of natural resource issues receiving attention. Staff will provide an update at the meeting during item #4.

Reports Finalized

Last year, the Legislature gave RCO two assignments to complete reports. Staff completed these and other required reports on time. Key reports are summarized below.

Watershed assessment (Substitute House Bill 2157): This bill directed RCO to assess coordination and incentive opportunities between watershed planning and salmon recovery organizations that operate within shared watershed boundaries. RCO conducted the assessment in two phases: 1) reviewed planning and implementation documents and strategic plans, and 2) held discussions with key planning participants about how watershed planning processes and salmon recovery efforts have been coordinated, what obstacles have prevented greater coordination, where coordination opportunities haven't been used, and what types of incentives would promote greater coordination.

As discussed at the December board meeting, this report contains several key findings:

- Coordination already is occurring in many of the Water Resource Inventory Areas that are engaged in watershed and salmon recovery planning. The level and type of coordination is dependent upon the characteristics of a specific watershed, including geography, historical and community factors, and legal constraints.
- While there are opportunities for additional coordination, each watershed has developed current coordination structures and mechanisms based on its own unique characteristics; therefore, a “one size fits all” approach to coordination likely will not work well.
- Incentives could encourage additional coordination. The most effective incentive likely would be stable sources of funding that allow for some flexibility in how the dollars are used. Additionally, the opportunity to use existing sources of funding, such as mitigation dollars from development projects, could encourage a more integrated approach to watershed health.
- There are existing barriers to coordination, but many of these barriers likely could be lessened or removed. The state could support additional coordination by implementing additional program and agency coordination at the state level.

Conservation tools (Substitute House Bill 1957, Sec. 7): This bill directed RCO to evaluate various land preservation mechanisms such as fee simple acquisitions, conservation easements, term easements, and others. The evaluation included considering the ability of each mechanism to respond to future economic, social, and environmental changes, and examining the relative advantages, disadvantages, and costs of each. The report does not identify a single preservation tool that provides an advantage over other mechanisms. Instead, the report evaluates several perpetual and term preservation tools against a series of criteria including the ability to achieve conservation objectives, cost over time, ability to respond to future changes, and funding constraints. The final report also includes a case study to illustrate the differences in the various mechanisms in a given scenario.

Changes on the Horizon to Meet Budget Situation

As part of her government reform initiative, Governor Chris Gregoire directed that all agencies with fewer than 175 employees use Small Agency Client Services (SACS) for payroll and some accounting functions. RCO is scheduled to begin relying on SACS, which is part of the Office of Financial Management, on July 1, 2010. RCO is working with SACS staff to determine exactly what that means for RCO, but it likely will mean RCO will lose one employee and will purchase payroll and some accounting functions from SACS.

In another initiative, Governor Gregoire has requested that the Puget Sound Partnership and RCO negotiate a relationship to share administrative or “back-office” functions. The concept is called a “consortium.” As you know, RCO already manages salmon recovery grants and pass-through funding on behalf of the partnership. The Governor’s request potentially will expand our relationship to include shared information technology, human resources, contract management, and facility management. Staff will provide an update at the meeting during item #4.

My Meetings with Stakeholders

This month, I met with several of our stakeholder groups, including several of interest to the SRFB. I attended the quarterly meeting of the **Washington Association of Land Trusts**, which has asked us to participate in all of their meetings. The primary purpose of this meeting was to talk about the wide array of policies being worked on that might involve the land trusts and the Governor's natural resources reform efforts.

I also met with the **Washington Academy of Sciences**. Gordon Orions, a noted ornithologist and professor emeritus from the University of Washington was tasked with organizing the Washington Academy of Sciences following the legislation in 2004. They have the potential to provide impartial scientific evaluation of particularly tangled public issues.

News from our Sister Boards

Recreation and Conservation Funding Board (RCFB) – The RCFB will meet in March and its agenda currently includes a review of the legislative session, advisory committee service recognition, two conversions, and an Invasive Species Council update. Staff is meeting with the Puget Sound Partnership to discuss the new action agenda policies for the 2010 grant cycle.

Washington Invasive Species Council – At its December meeting, the council discussed:

- The state response to New Zealand mud snails discovered in Capital Lake;
- Development of key recommendations on the first 15 priority species to present to the Legislature before the 2011 session;
- Comments on the Washington Department of Fish and Wildlife's proposed policy change on invasive crayfish harvest; and
- The baseline assessment project.

Council staff continued to organize and facilitate the response to New Zealand mud snail in Capitol Lake by bringing together policy and scientific staff of the state Departments of Ecology, General Administration, Natural Resources, and Fish and Wildlife, and the U.S. Fish and Wildlife Service to discuss options for control. Agency directors were briefed on the preferred options and, with support of the Governor's Office, agreed to move forward with lowering the lake water level during the extreme cold weather to see if freezing would kill the snails. It appears to have been successful at killing 96% of the snails in the exposed areas.

Biodiversity Council – The Biodiversity Council postponed its scheduled quarterly meeting in early December, in light of news that the Governor had elected not to extend the council beyond the June 2010 sunset specified in Executive Order 08-02. The meeting was rescheduled for January 20, and much of the time will be spent discussing strengths and weaknesses of a number of options for continuing the good work of the council. All options are still on the table; however, most of the interest seems to center around re-forming the council under a different

structure and mandate. While \$75,000 of general fund dollars were eliminated from the council's biennial budget, \$125,000 from the transportation budget is still in place. There are also indications that Senator Ken Jacobsen will sponsor a bill to create a permanent Biodiversity Council.

Forum on Monitoring Salmon Recovery and Watershed Health – The forum met in December and adopted the statutorily-required High Level Indicators of Salmon Recovery and Watershed Health. In addition, the council chair submitted a letter to the Legislature about the adoption of the indicators and the importance of the forum. The forum also finalized the details for the Salmon Recovery Funding Board regarding several additional monitoring proposals.

Habitat and Recreation Lands Coordinating Group – The lands group finalized its annual report in December. The report highlighted the first State Land Acquisition Coordinating Forum and the Acquisition Planning Work Session. The lands group is preparing to host the 2010 Acquisition Coordinating Forum on February 3-4. At the forum, state agencies will present their habitat and recreation acquisition wish lists for the 2011-2013 biennium. The lands group is helping agencies standardize GIS-based maps and other project information to present at the forum. The lands group's next quarterly meeting will be April 28.

Salmon Recovery Funding Board

Briefing Memo

Item 1B

Meeting Date: February 2010
Title: Management Status Report: Financial Report
Prepared By: Mark Jarasitis, Chief Financial Officer

Approved by the Director:

Proposed Action: Briefing

Summary

The attached financial report reflects Salmon Recovery Funding Board (board) activities as of December 31, 2009. These balances reflect the recent funding round.

The available balance (funds to be committed) is \$18,221,000. This does not include funding from 2010 Pacific Coastal Salmon Recovery Fund grant (see Item 1C). The fund balances are as follows:

Fund	Balance
Funds Awarded by the SRFB	
Current state balance	\$3,281,000
Current federal balance	\$3,165,000
Puget Sound Acquisition and Restoration (PSAR) <i>This includes an amount to be obligated to the lead entities</i>	\$5,746,000
Other Funds	
Family Forest Fish Passage Program (FFFPP) – Awarded by DNR	\$3,575,000
Estuary and Salmon Restoration – Awarded by a multi agency committee	\$2,454,000

Attachments

- A. Salmon Recovery Funding Board Budget Summary

Salmon Recovery Funding Board Budget Summary

For the Period of July 1, 2009 - June 30, 2011, Actuals through 12/2009 (fm06)

Percentage of biennium reported: 25%

	BUDGET new & reapp. 2009-11	COMMITTED Dollars	% of budget	TO BE COMMITTED Dollars	% of budget	EXPENDITURES Dollars	% of comm
GRANT PROGRAMS							
State Funded 01-03	\$135,410	\$135,410	100%	\$0	0%	\$0	0%
State Funded 03-05	\$1,903,862	\$1,903,862	100%	\$0	0%	\$288,320	15%
State Funded 05-07	\$4,739,719	\$4,739,719	100%	\$0	0%	\$918,484	19%
State Funded 07-09	\$10,377,639	\$10,262,826	99%	\$114,813	1%	\$2,095,828	20%
State Funded 09-11	\$9,700,000	\$6,533,392	67%	\$3,166,608	33%	\$0	0%
State Funded Total	26,856,630	23,575,209	88%	\$3,281,422	12.2%	3,302,632	14%
Federal Funded 2005	\$6,593,960	\$6,593,960	100%	\$0	0%	\$1,781,953	27%
Federal Funded 2006	\$8,850,150	\$8,850,150	100%	\$0	0%	\$2,100,273	24%
Federal Funded 2007	\$14,305,923	\$14,305,923	100%	\$0	0%	\$3,602,112	25%
Federal Funded 2008	\$20,312,568	\$20,312,569	100%	\$0	0%	\$2,267,386	11%
Federal Funded 2009	\$23,864,900	\$20,699,662	87%	\$3,165,238	13.3%	\$0	0%
Federal Funded Total	73,927,501	70,762,262	96%	\$3,165,239	4%	9,751,724	14%
Lead Entities	7,066,344	7,066,343	100%	0	0%	562,169	8%
Forest & Fish	1,638,485	1,638,485	100%	-	0%	0	0%
Puget Sound Estuary and Salmon Restoration	55,361,358	49,615,727	90%	5,745,631	10%	6,684,197	13%
Family Forest Fish Passage Program	6,790,000	4,336,230	64%	2,453,770	36%	0	0%
	7,390,106	3,814,900	52%	3,575,206	48%	1,473,126	39%
Subtotal Grant Programs	179,030,424	160,809,156	90%	18,221,268	10%	21,773,848	14%
ADMINISTRATION							
SRFB Admin/Staff	5,084,072	5,084,072	100%	-	0%	885,384	17%
Technical Panel	400,000	400,000	100%	-	0%	93,668	23%
Subtotal Administration	5,484,072	5,484,072	100%	-	0%	979,052	18%
GRANT AND ADMINISTRATION TOTAL	\$184,514,496	\$166,293,228	90%	\$18,221,268	10%	\$22,752,900	14%

Salmon Recovery Funding Board

Briefing Memo

Item 1C

Meeting Date: February 2010
Title: Pacific Coastal Salmon Recovery Fund
Prepared By: Megan Duffy, Policy Specialist

Approved by the Director:

Proposed Action: Briefing

Federal Fiscal Year 2010

In December 2009, Congress passed the Consolidated Appropriations Act (H.R. 3288), providing \$80 million for the 2010 Pacific Coastal Salmon Recovery Fund (PCSRF). This fund supports efforts to protect, restore, and conserve Pacific salmon and steelhead populations and their habitats. Funding is available to the states of Washington, Oregon, California, Nevada, Idaho and Alaska and the federally recognized Pacific Coastal or Columbia River tribes. It is currently unknown what portion of the appropriation will be awarded to Washington State. At this time, NOAA has yet to release details regarding the application process.

In past years, the Recreation and Conservation Office (RCO) submitted Washington's application on behalf of the Salmon Recovery Funding Board, Washington Department of Fish and Wildlife, Governor's Office, and the tribes represented by the Northwest Indian Fisheries Commission. These partners will meet on February 16 to discuss the application and the potential allocation to each participant. RCO staff will provide an update to the board at the February meeting.

Federal Fiscal Year 2011

The President's Fiscal Year 2011 Budget was transmitted to Congress on February 1, 2010. Within this budget, \$65 million is identified for PCSRF in fiscal year 2011. This number may change based upon Congressional action.

Salmon Recovery Funding Board

Briefing Memo

Item 1D

Meeting Date: February 2010
Title: Policy Report
Prepared By: Steve McLellan, Policy Director

Approved by the Director:

Proposed Action: Briefing and Decision

The Policy Section is working on a number of issues at the request of the Salmon Recovery Funding Board (board), the legislature, and the Recreation and Conservation Office (RCO) staff and director. This memo highlights the status of some key efforts.

Engineered Log Jam Safety Issues

In 2009, the board directed RCO staff to research the issue of public safety in the development of engineered logjam/large woody debris projects within the board funding process. Staff identified various options to address this issue and presented them at the August 2009 board meeting. At that time, the board declined to move forward on the options presented and instructed staff to work with other state natural resource agencies to identify additional options that might work more broadly from a state perspective. The Washington Department of Fish and Wildlife (WDFW) suggested that updates to the Aquatic Habitat Guidelines might provide an opportunity to develop an approach that would consider both human safety and salmon recovery.

In December 2009, the board approved funding for updates to the Aquatic Habitat Guidelines. WDFW staff is developing a scope of work, and will issue an RFP to find an appropriate contractor. RCO staff will work with WDFW as this process proceeds and give periodic updates to the board about the status of guideline updates related to engineered log jams.

Comment on King County Proposed Rule

The King County Department of Natural Resources and Parks (DNRP) is seeking public comment on its proposed rule to address public safety and large woody debris. The purpose of the King County rule is to implement an ordinance (16581) that was adopted by the King County Council in 2009. The ordinance directs King County DNRP to prepare a public rule establishing procedures that DNRP will use to consider recreational safety issues when designing projects that involve large wood in King County rivers. The rules also identify the procedures for public input on projects that will use large wood elements in the design. Information on the rule can be found at: www.kingcounty.gov/environment/watersheds/general-information/large-wood.aspx

Public comment to King County is due on February 19. Staff has prepared a draft memo on behalf of the board (Attachment A). The memo will be discussed as part of the policy update at the board's February meeting. If the board approves the memo, staff will forward it to King County.

Land Preservation Tools

The legislature directed RCO to evaluate various land preservation mechanisms such as fee simple acquisitions, conservation easements, term conservation easements, and leases. The study considers the suitability of each mechanism to respond to future economic, social, and environmental changes. Included in the assessment is an examination of the relative advantages, disadvantages, and costs of each. The RCO submitted the report to the Office of Financial Management and the appropriate legislative committees in January. It can be found at: http://www.rco.wa.gov/doc_pages/other_pubs.shtml#salmon.

Compatible Uses and Structures Policy

RCO's current policy allows multiple uses on acquired lands as long as the uses are (1) clearly compatible with the approved use in the project agreement, (2) clearly secondary to the approved use, and (3) approved by the director in writing. An incompatible use is not eligible for program funding. This policy effort will clarify which uses and structures are clearly compatible with each program.

Policy staff convened two stakeholder workgroups – one for recreation, the other for habitat and salmon recovery programs – to help develop the following:

- Lists of clearly compatible and clearly incompatible uses and structures for each program (current policies will be reviewed and amended as needed);
- A new process for all RCO grant programs to consider funding eligibility for uses and structures that are neither clearly compatible nor clearly incompatible; and
- New criteria for determining which uses and structures are eligible for program funding.

Based on stakeholder work, staff will develop recommendations for public comment and further revision. Staff anticipates bringing a policy proposal to the board no later than December 2010.

Major Scope Change Criteria

In late 2009, both the Recreation and Conservation Funding Board (RCFB) and this board approved a policy definition of "major scope change" and established a process for approving scope changes related to acquisition projects. The boards then directed staff to establish factors that they could use when deciding whether to approve a request for a major acquisition scope change.

Staff and a workgroup of key stakeholders developed factors to recommend to the boards and published them for a 30-day public comment period, which ended on February 11, 2010. Staff is reviewing the comments and will bring the proposed factors to the RCFB in March 2010 and to this board in May 2010.

Veteran's Conservation Corps

By statute, the board must give consideration to projects involving members of the Veterans Conservation Corps (RCW 77.85.130(2) (b) (IV)).

At the July 2008 board meeting, the Veterans Conservation Corps (VCC) provided a presentation regarding their program. The program focuses on workforce development and provides training, education, and certification in environmental restoration. The board directed staff to work with the VCC to identify ways in which the board might support the VCC program and encourage use of veterans in board-funded projects. Staff is currently discussing a potential pilot project for veterans with VCC Program Manager Mark Fischer.

Manuals

Staff is working on a project to improve internal RCO processes for identifying and making needed changes to program manuals using a file sharing program (Microsoft SharePoint). Staff also is exploring ways that the manuals can be put online in a format that is more easily searchable and usable by both program sponsors and RCO staff.

Sustainability

At the request of the Recreation and Conservation Funding Board (RCFB), staff is developing options for improving the sustainability of RCFB grant-funded projects. Initially, staff will issue a "white paper" on sustainability, pulling together current RCO managed programs, other state laws and policies, and alternatives being pursued in other states. Later this year, staff will develop specific proposals for grant program changes that could improve sustainability. While this effort is focused on grants made by the RCFB, it is likely that benefits also will accrue to SRFB and jointly funded activities.

Attachments

- A. Draft Memo Regarding King County Proposed Rule

Draft Text for Memo Regarding King County Proposed Rule

I am writing on behalf of the Washington State Salmon Recovery Funding Board (SRFB) to comment on King County's draft public rule regarding procedures for consideration of recreational safety when installing large woody debris (LWD) projects.

The SRFB is aware of the public safety concerns related to large woody debris and engineered logjams. During the past year, we have conducted our own discussion of these issues, which has included presentations from interested parties, state and local agencies, and the general public. In August 2009, Sandy Kilroy of King County DNRP gave a thorough presentation to explain King County's efforts in this arena.

While recognizing the importance of public safety, the SRFB must view this issue from the perspective of its primary purpose, which is to fund habitat and restoration projects that contribute to salmon recovery. Large wood is often a component of SRFB-funded projects because it is critical to healthy, functioning salmonid habitat.

The SRFB understands the concerns regarding recreational safety, but believes that it is important to ensure that ecological objectives are not compromised. We are interested in ensuring that SRFB-funded projects meet their habitat restoration objectives in a way that minimizes public risk, but without detriment to the project's benefits for salmon. The SRFB supports properly designed and engineered LWD projects, and has recently provided funding to update the state's Aquatic Habitat Guidelines. The updated guidelines will help to ensure that the most recent developments in design and engineering are widely available for project implementers.

SRFB members are also concerned about creating a false sense of safety among river users with regard to engineered logjams. Natural and engineered logjams present the same inherent risks. This message should be conveyed to all recreational river users.

We commend King County's efforts, and encourage the County to continue considering this important issue in a manner that strives to achieve the appropriate balance between habitat restoration and public safety.

We appreciate the opportunity to comment.

Sincerely,

Steve Tharinger
Chair
Salmon Recovery Funding Board

Salmon Recovery Funding Board

Briefing Memo

Item 1E

Meeting Date: February 2010

Title: RCO Work Plan and Performance Measures Update: Salmon

Prepared By: Rebecca Connolly, Board Liaison and Accountability Manager

Approved by the Director:

Proposed Action: Briefing

Summary

The Recreation and Conservation Office (RCO) uses performance measures to help the agency reduce reappropriation and improve the way we do business. Staff combines the measures and the agency work plan updates in the monthly GMAPⁱ report. This memo provides highlights of agency performance related to the projects and activities funded by the Salmon Recovery Funding Board (board).

Analysis

Grant Management

The following measures are among those that help us to check our processes at several points in the grant management cycle. All data are for salmon grants only. Additional detail is shown in the charts in Attachment A.

Measure	Target	FY 2010 Performance	Indicator
Percent of salmon projects closed on time	75%	63%	↓
Percent of salmon projects closed on time and without a time extension	50%	55%	↑
% salmon grant projects issued a project agreement within 120 days after the board funding date	75%	22%	In progress
% of salmon grant projects under agreement within 180 days after the board funding date	95%	8%	In progress
Fiscal month expenditures, salmon target	8.8%	10.6%	↑
Bills paid within 30 days: salmon projects and activities	100%	87%	↓
Percent of anticipated stream miles made accessible to salmon	90%	100%	↑

Key Agency Activities

The RCO also tracks progress on key activities through its fiscal year work plan. The following are a few of the 49 actions that the operations team reviews on a monthly basis.

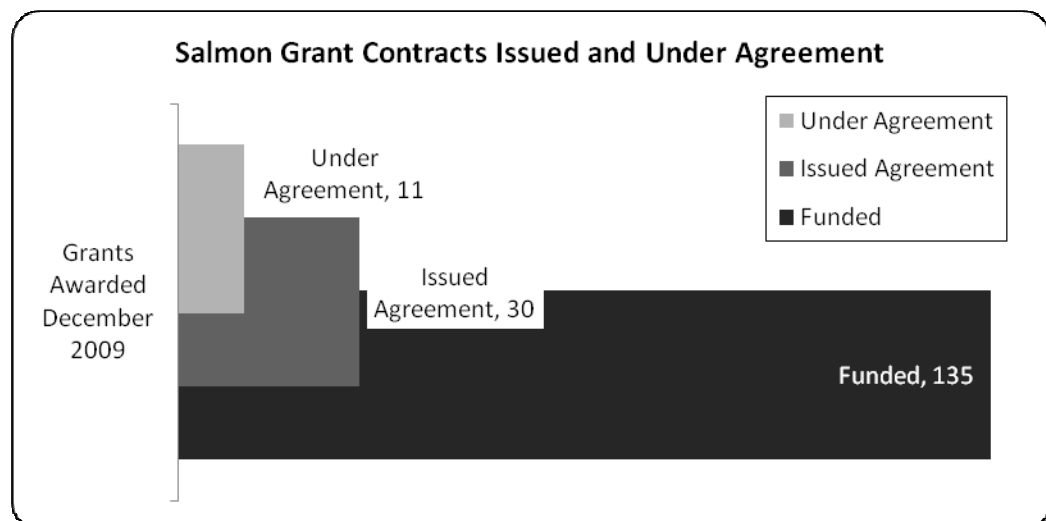
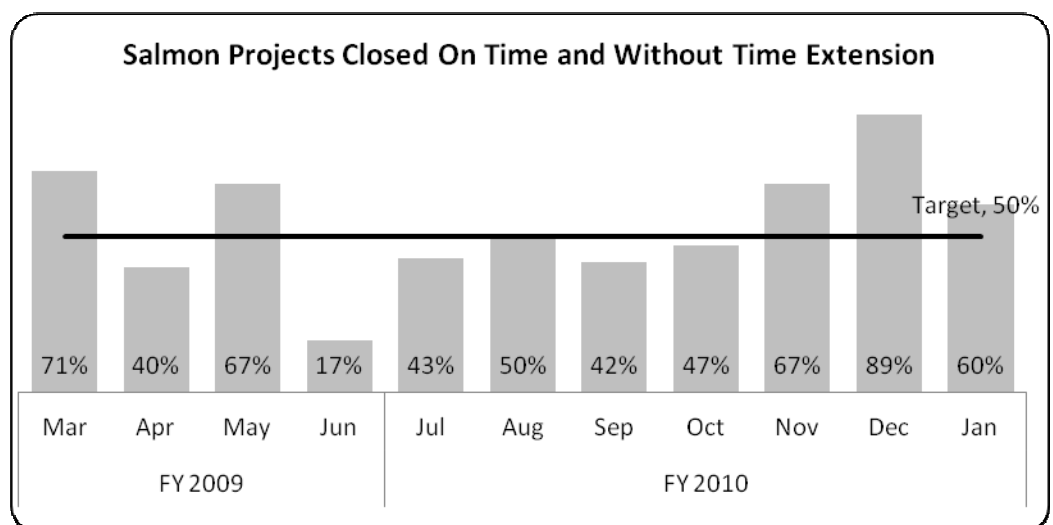
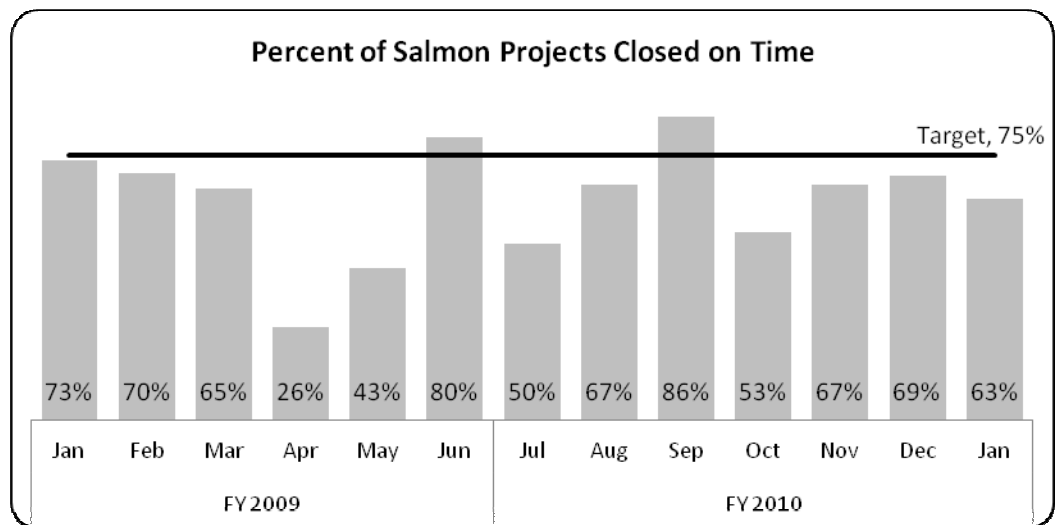
Agency Work Plan Task	Current Status	Indicator
Create operations manual for grant management	Senior OGMs continue with the writing. Amount completed varies.	↔
Implement electronic billing	It is unlikely that we will be able to complete Electronic Billings within current PRISM budget.	↔
Re-categorize manual topics and launch web-based interface	Developing map of topics to determine InfoPath templates.	↑
Modify PRISM in order to meet our reporting requirements with NOAA.	Slightly behind schedule. The plan is to implement the new changes by the end of February.	↑
Implement sub-recipient (sponsor) audits, Develop risk basis for determining which sponsors will be audited	In progress.	↔

Attachments

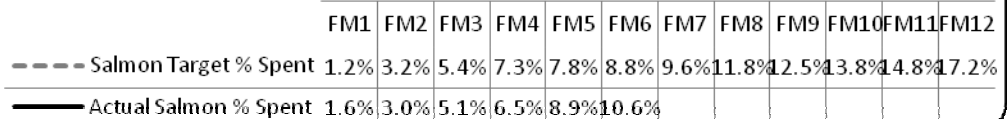
A. Performance Measure Charts

ⁱ GMAP stands for Government Management Accountability and Performance, and is the cornerstone of the Governor's accountability initiative. Like other agencies, the RCO is expected to use GMAP management tools to monitor and improve key results, even we do not participate in the Governor's accountability forums.

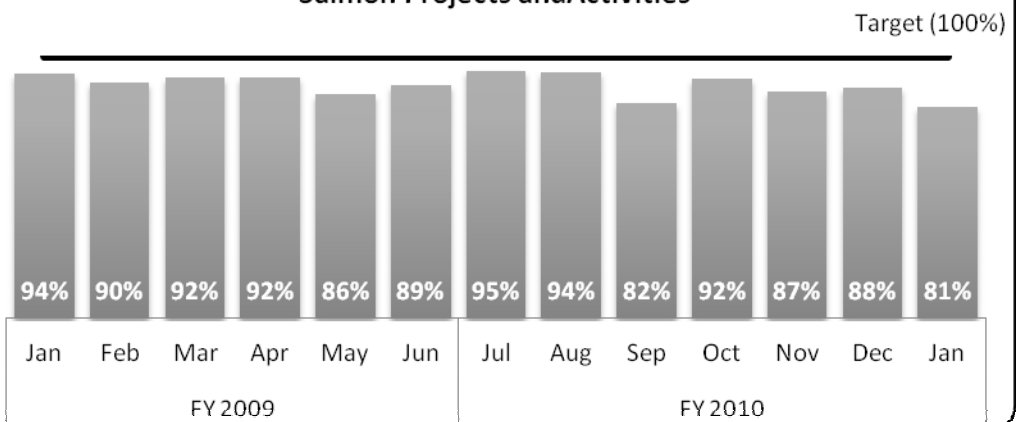
Performance Measure Charts



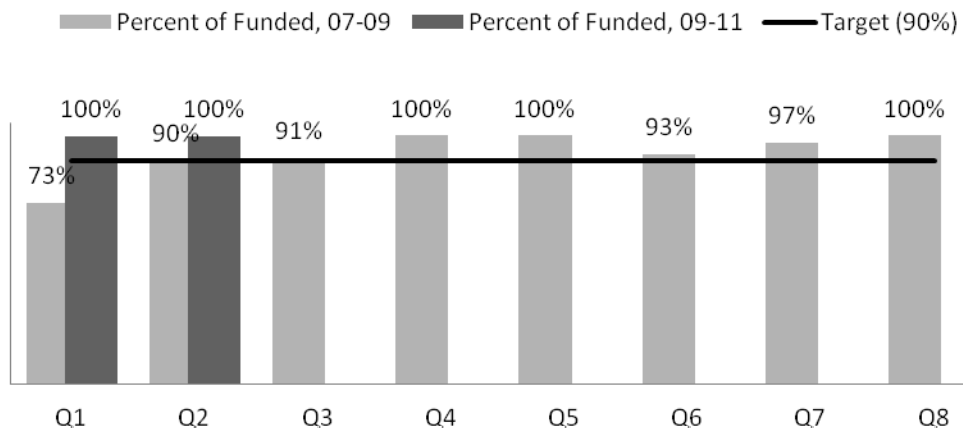
Cumulative Expenditures by Fiscal Month: Salmon



Percent of Bills Paid Within 30 Days: Salmon Projects and Activities



Percent of anticipated stream miles accessible to salmon



Salmon Recovery Funding Board

Briefing Memo

Item 2A

Meeting Date: February 2010
Title: Management Report, Governor's Salmon Recovery Office
Prepared By: Phil Miller, Executive Coordinator
Approved by the Director:

Proposed Action: Briefing

Highlights of Recent Activities

Consolidated State of Salmon in Watersheds Report

Since late last year, the Governor's Salmon Recovery Office (GSRO) has been working on initial planning for production of the 2010 Consolidated State of Salmon in Watersheds report, which will be published in December. At the Legislature's direction, this Recreation and Conservation Office (RCO) report will consolidate the State of the Salmon report, the Salmon Recovery Funding Board biennial report, the recommendations from the Forum on Monitoring regarding indicators and protocols, and several other components. Notebook item #8 includes more detail on the status of the work.

2009 Regional Salmon Recovery Organization Performance Review

The GSRO conducts annual reviews of regional salmon recovery organizations' performance under their grant agreements with RCO. We conducted the performance reviews for 2009 last fall. The attached summary report provides statewide highlights for:

- 2008-2009 accomplishments;
- delays or obstacles to key milestones;
- key milestones for 2010; and
- other issues relevant to all regions.

The full summary report, with more region-specific details, was provided to the regional organizations and put in each organization's grant agreement file.

Guidance for Annual Regional Operating Funds Reports

GSRO is developing guidance for an annual Operating Funds Report to be completed by each regional salmon recovery organization. These reports will provide information about all operating funds from all sources for each of the seven regional salmon recovery organizations.

These reports should provide comprehensive information about funding for “infrastructure capacity.” For this report, capacity includes basic operations, planning, and monitoring. Our intent is to have each of the seven regional organizations complete a report for its jurisdiction, and to have each regional report include lead entity and watershed planning unit operating funds.

The GSRO will review the draft guidance with the regional organizations during February and plans to finalize the guidance by March. The report for fiscal year 2010 funding will be due by September 30.

Regional and Lead Entity Manual and Lead Entity Deliverables

The GSRO and RCO have synchronized the updates of Manual 18 (grant policies and application instructions) and Manual 19 (regional organization & lead entity manual) to improve consistency and clarity. The manuals will be completed in mid-February, shortly after the board meeting.

GSRO and RCO also are working with lead entities and the regional organizations to update the scope of work and deliverables for lead entity grant agreements and the required progress reports. GSRO expects a draft version of the revised lead entity deliverables and progress reports to be under review by the lead entities and regional organizations at the time of the February board meeting, and then finalized by early March.

Attachments

- A. 2009 Regional Salmon Recovery Organization Reviews Summary Report for Salmon Recovery Funding Board

2009 Regional Salmon Recovery Organization Reviews Summary Report for Salmon Recovery Funding Board

Prepared by: Governor's Salmon Recovery Office

February 2010

Introduction

The Governor's Salmon Recovery Office (GSRO), within the Recreation and Conservation Office (RCO), is responsible for managing RCO grant agreements with seven regional salmon recovery organizations. Agreement management includes an annual review of each regional organization's performance. This document is a brief summary report for the 2009 reviews.

The annual reviews were first initiated in 2008 in response to direction from the Salmon Recovery Funding Board (board) to ensure accountability by regional organizations for performance under their grant agreements. The annual reviews, which supplement quarterly progress reports submitted by each regional organization, are conducted through discussions with each region's executive director and staff. The discussions focus on (1) acknowledging recent major accomplishments, (2) identifying obstacles or delays to key milestones, and (3) expectations for upcoming milestones identified in current contracts.

Statewide Highlights

2008-2009 Accomplishments

- Regional organizations are making substantial progress in their recovery planning process including: plan development and plan revisions; plan implementation schedules; and coordinating implementation of key actions.
- Regional organizations with completed recovery plans have developed specific, short-term (e.g., 3-year) project implementation schedules.
- Regional organizations are making substantial progress in identifying existing and related monitoring activities as well as monitoring data gaps and priorities.
- Regional organizations are engaged with and successfully relating to lead entities in their respective regions to develop, review, and rank habitat projects for board funding consideration.

Delays/Obstacles for Key Milestones

- Regional organizations are experiencing delays in completing monitoring and adaptive management plans and processes because of complexities in monitoring needs, inability to identify fund sources to address high priority needs, and the challenges of coordinating

their regional monitoring strategies with monitoring activities at broader scales (i.e., statewide and Pacific Northwest).

- The regional organizations' capability for regular and comprehensive tracking and reporting on recovery plan implementation is still limited across the state. Development of that capacity is complex, given the need to balance the state's interest in basic compatibility of data and reporting systems at the statewide scale with regional interests in maintaining flexibility to tailor reporting systems to the characteristics and needs of each region and its recovery plan.

Key Milestones for 2010

- Completing final and federally-adopted recovery plans and revisions for multi-state scale plans in the Lower Columbia and Snake River regions.
- Continuing substantial progress in drafting and completing the regional plans that are now underway for the Washington Coast and for Puget Sound Steelhead.
- Further progress integrating salmon recovery with broader watershed and ecosystem health actions in the regions that are emphasizing such integration (i.e., Puget Sound, Hood Canal, Lower Columbia, Snake River, and Yakima Basin).
- In regions with recovery plans, finalizing and implementing monitoring, evaluation, and adaptive management plans and processes, like those well underway in Hood Canal and the Upper Columbia region.
- In regions with recovery plans, developing a plan implementation tracking and reporting system that functions for the regional organization and is compatible with statewide tracking and reporting needs.
- Continuing coordination by each regional organization with its key recovery partners to promote high-priority strategies and actions to implement the regional recovery plan.
- Further progress by regional organizations in developing and implementing strategies to diversify and stabilize funding for regional recovery plan implementation.

Other Topics Discussed with Regions

The GSRO also discussed several issues of interest to all regions during each regional review, including (1) biennial budgets and rate of expenditures, (2) a new requirement for an annual financial statement, and (3) the approach for 2010 annual reviews.

The regional organizations were reminded that the GSRO and RCO will look at regional budgets and expenditures during the 2007-2009 and the 2009-2011 biennia as a baseline for each region in considering regional organization grant requests to the board for the next biennium. GSRO will track the rate of expenditures during the current biennium to identify whether any regional

grant is likely to have significant remaining funds. This may affect consideration of a region's future budget needs.

Each region will be required to prepare an annual financial statement beginning in 2010. Guidance for the annual financial statements will be reviewed with the regional organizations and finalized by March 31, 2010. The first annual financial statement will be due from each region on September 30, 2010.

Annual performance reviews for 2010 will be completed by December 2010. By July 2010, GSRO will consult with each regional organization to determine the schedule for the review based on the timing of major milestones within their region.

Individual Regional Organization Information

More information, including more region-specific information, about the 2009 regional review discussions between GSRO and the regional organizations is available in the full report.

Salmon Recovery Funding Board

Briefing Memo

Item 2B

Meeting Date: February 2010
Title: Management Report: Salmon Recovery Grant Management
Prepared By: Brian Abbott, Section Manager

Approved by the Director:

Proposed Action: Briefing

Project Agreements

The Salmon Recovery Funding Board (board) approved 138 projects for funding at the December 10-11 meeting. Staff has been working hard over the last several weeks to develop agreements with sponsors. This year, we began routing agreements electronically to sponsors to speed the signature process. As of January 19, we had sent 17 project agreements out for sponsor signature, and had two agreements returned. Updated data are in item #1E.

PRISM Modifications

We are working with National Oceanic and Atmospheric Administration (NOAA) and the Recreation and Conservation Office (RCO) programmers to make significant updates to PRISM to implement NOAA's new metrics. We are in the final stages completing the update. Over the next six weeks, RCO staff will be testing the new improvements. We expect the update to be operational by March 2010.

In addition, the progress report module is now active in PRISM, and RCO is starting the education process for sponsors. This module will increase communication between RCO staff and sponsors. Lead entities and regions can use the tool to help them track their projects' progress.

Manual 18 Updates

Since the last board meeting, RCO staff has been actively working with stakeholders to develop a recommendation for manual updates. Staff released a working draft of the manual on January 19 to lead entities and regional organizations. RCO staff will discuss the updates at upcoming LEAG and COR meetings, gather comments, and provide a recommendation to the board at the February meeting for manual adoption.

Grant Administration

Since the beginning of the salmon recovery effort in 1999, 1,559 projects have been funded. As of January 17, sponsors have completed 1,013 projects.

Funding Cycle	Fiscal Year	Active Projects	Pending Projects	Completed Projects	Total
GSRO Federal 1999	1999	0	0	94	94
Early Action (IRT) State 1999	1999	0	0	163	163
SRFB - Early (State) 2000	2000	0	0	77	77
SRFB - Second Round 2000	2001	2	0	137	139
SRFB - Third Round 2001	2002	2	0	122	124
SRFB - Fourth Round 2002	2003	5	0	73	78
SRFB - Fifth Round 2004	2004	9	0	89	98
SRFB - Sixth Round 2005	2006	31	0	65	96
SRFB - Seventh Round 2006	2007	48	0	44	92
SRFB - 2007 Grant Round (<i>includes PSAR</i>)	2008	171	0	24	195
SRFB - 2008 Grant Round	2009	98	0	5	103
SRFB - 2009 Grant Round (<i>includes PSAR</i>)	2010	2	136	0	138
Family Forest Fish Passage Program	To Date	42	317 ⁱ	120	162
Totals		410	136	1,013	1,559
Percent		26%	9 %	65%	

IRT: Interagency Review Team (Early Action grant cycle);

GSRO: Governor's Salmon Recovery Office

-
- i FFFPP projects landowners that have applied to the program and are waiting to become a high priority for funding. These projects are not included in totals.

Council of Regions Report Salmon Recovery Funding Board

February 18, 2010

Prepared and submitted by COR representative, Steve Martin

COR met in Yakima on January 21, 2010. Participants included Jeff Breckel, Alex Conley, Julie Morgan, Lloyd Moody, Brian Abbott, Melody Teresky, Miles Batchelder, Steve Leider, Scott Brewer, Chris Drivdahl (NWPPC), Steve Martin, and Phil Miller

Columbia Basin Discussion:

The Northwest Power and Planning Council worked with regional organizations and many other participants to develop the research, monitoring and evaluation implementation framework that is being used to guide on-going, "fast track" and upcoming categorical review of RME projects. The driver in decision making for funding on-going and fast track RME projects is the BiOp and monitoring needs to answer VSP criteria and/or provide project effectiveness information. The Columbia basin RO's played a significant role in coordinating with co-managers, Council, BPA and NOAA the identification and support for certain RME projects that were consistent with the recovery plans.

Funding Strategies:

Phil Miller lead a discussion with the regional organizations about developing a state and regional scale funding strategy for implementation of salmon recovery. A conceptual approach was outlined that would entail gathering state-level and regional information on: 1) costs for recovery plan implementation (projects and human infrastructure); 2) existing funding and fund sources available to implement recovery plans; 3) characterizing the statewide and regional gaps between cost and available funding; and, 4) evaluating options for addressing gaps. There was unanimous support by the regions for the concept. GSRO will work with the regional organizations to develop a detailed scope of work for this effort and agreement for joint funding between the regions and RCO.

Manual 18 Update

Brian Abbott described the pending changes to the manual and a couple challenges were identified by RO's – (1) Applications due one-week earlier than last year will compress regional processes even further, and (2) Use of HWS for sharing project application information prior to project approval could result in inappropriate projects appearing on a work schedule. A couple of beneficial changes were also identified – (1) Extending the time period for moving funding from dead projects to alternate projects from six months to one year, (2) streamlining review panel process that will result in full-panel engagement on those projects that require greater focus by RP, (3) pre-application material due before RP field visits should improve understanding and review, (4) construction material purchased prior to project approval by SRFB as an eligible reimbursement should improve availability and decrease cost of LWD. The RO's appreciate RCO staff's consideration of previous input and are available to assist in resolving the two challenges listed above.

Lloyd Moody described the approach at synchronizing lead entity and regional organization reports and will have a draft manual for these tasks by February 4.

State of the Salmon Report Update

Steve Leider briefed COR about the next SOS report that is due in December of this year. His goal is to reduce the size, standardize information based on the Forum-approved watershed and salmon indicators, and use status summaries as a focus in the report. Steve will be working with the RO's on compiling the information for each region.

Annual Financial Statements

GSRO is currently developing guidance for the regional organizations for reporting their financial status. It was agreed that two levels of reporting would be used: 1) General operating funds that support the regional organization; and 2) implementation funds for projects where the organization plays a significant coordination role.

Implementation Monitoring

Reporting project accomplishments is critical to our collective future success. The lead entity project contracts for 2008 required project implementation monitoring and the HWS is “responsible” for tracking recovery plan implementation. However, RO’s are not project managers and often are unaware of the status of projects that they approved for SRFB funding consideration. RO’s will work with GSRO and RCO to address this disconnect (project sponsor – HWS – RO) so that we are capturing and reporting implementation activities.

Work Load Priorities

COR identified several initiatives that warrant involvement and set the following priorities

- NWPCC report and pending RME reporting sub-framework for anadromous fish
- Implementation financing plan
- Implementation tracking and reporting
- SOS outline and preliminary data compilation
- Evaluating approaches for data stewards and technical support to support data management and reporting

Salmon Recovery Funding Board

Briefing Memo

Item 4

Meeting Date: February 2010
Title: Legislative Update
Prepared By: Rachael Langen, Deputy Director
Steve McLellan, Policy Director and Legislative Liaison

Approved by the Director:

Proposed Action: Briefings and Decision

Summary

The 2010 legislative session began on January 11 and is scheduled to end on March 11. The focus of the session is balancing the budget and looking for efficiencies and cost savings. The operating budget shortfall is projected to be between \$2.6 and \$3 billion, depending on the next revenue forecast and state caseload projections.

Supplemental Budget Update

This 60-day session is focused heavily on budget issues and how to balance the budget. Although we expect changes in the capital budget to be minimal, it is possible that unobligated funds or fund balances will be "swept" to make room for other capital debt. As of January 31, the amount of unobligated salmon-related funds was as follows:

Fund	Amount	Note
SRFB – State and Federal	\$3,442,336	Please note that these estimates differ from the standard fiscal report provided in Item 1B due to timing and use of different legislative assumptions.
Puget Sound Acquisition and Restoration (PSAR)	\$6,847,954	
Estuary and Salmon Restoration	\$0	
Family Forest Fish Passage Program (FFPP)	\$1,647,156	

As noted at the December 2009 Salmon Recovery Funding Board (board) meeting, Governor Gregoire announced her supplemental budget proposal on December 8, 2009. The overall Recreation and Conservation Office (RCO) reduction in general fund-state (GF-S) was \$248,000. Specific reductions affecting salmon recovery were as follows:

Area	Reduction
Monitoring Forum	\$80,863
Lead Entity Administration	\$ 1,902
Lead Entity Support	\$12,221
GSRO	\$15,585
Technical Review Panel	\$ 486
SRFB costs	\$ 8,944
Savings due to Puget Sound Consortium Savings	\$26,000
Total Related to Salmon Recovery	\$146,001

Decisions to Implement Potential Supplemental Budget Cuts

In late December, we received a request from Senate Ways and Means staff to provide information on how RCO would take either a 10 percent or 20 percent reduction to our general fund (GF-S) appropriation. Our response is shown in Attachment A. We also received a request from House Capital Budget staff for the status of projects and unobligated funds.

As of this writing, neither house of the legislature has released supplemental or capital budget proposals. We do not expect them to do so until after the next revenue forecast, which is scheduled to be released on February 18.

If the final supplemental budget cuts funds to board-funded projects or activities, staff will ask the board to make necessary changes at the May meeting.

At least one decision, however, must be made before the May meeting. The May board meeting is scheduled for Bellingham, rather than Olympia. These types of "travel meetings" cost up to \$3,300 more than meetings held in Olympia due to facility rental and staff travel.

Staff Recommendation

We do not know the effect of the final budget, so staff recommends that the board delegate the decision about meeting location to the RCO director.

The board also may want to delegate authority to the director, in consultation with the board chair, to take any steps necessary to fulfill budget mandates before the May meeting.

Update on RCO and Partnership Consortium Negotiations

The Governor's supplemental budget included a proviso that the RCO and the Puget Sound Partnership share back office functions through a consortium. This change reduces the budget of RCO by \$144,000 (\$26,000 in general fund-state and \$118,000 in other funds) and reduces the

budget of the Partnership by \$216,000 (3 FTEs). RCO and PSP leadership have identified potential areas to share:

- Grant Management
- Human Resources
- Web Design and Graphics
- Contract Management
- Information Technology
- Invasive Species

We are working on details of the transition, and expect full implementation by July 1, 2010.

Legislative Update

A number of bills have been introduced that have the potential to affect the RCO, board, and the other state and local agencies involved in salmon recovery. Staff has summarized some key bills in this memo. The status of the bills changes as the session progresses, so staff will provide an update at the board meeting on February 18, 2010.

Bill	Summary
HB 2485	Would require that Washington Department of Fish and Wildlife (WDFW) land acquisitions in Okanogan County to have local government approval and funded weed control.
HB 2836	Capital budget. As noted above, RCO has been asked to provide lists of projects and status reports, focusing on unobligated funds. Unobligated funds have a high likelihood of being "swept" to help balance the operating budget. Also, depending on the amount of revenue raised, capital budget cuts could be required to stay within debt service limits.
SB 6212	Changes the qualification criteria for fish habitat enhancement projects (FHEPs): (1) specifies that projects to eliminate human-made fish passage barriers may only qualify as FHEPs if such barriers are instream barriers; and (2) adds language providing that projects to restore a streamside channel or riparian wetland area less than one acre in size may qualify as FHEPs.
SB 6448/ HB 3037	Would streamline the hydraulic permit process, create more pamphlet permits, and require fees for permits (part of Natural Resources reform)
SSB 6503	Would furlough state employees and close agencies on specified days through the remainder of the biennium
SSB 6521	Would require state agencies acquiring land to complete an agricultural impact statement when agricultural lands are involved
SB 6813	Would merge State Parks and the Department of Fish and Wildlife into the Department of Natural Resources. The Parks Commission and the Fish and Wildlife Commission would remain but report to the Commissioner of Public Lands. The agencies would be required to develop an implementation plan by July, with implementation in September 2010. RCO is not directly affected by the proposal.

Salmon Recovery Funding Board

Briefing Memo

Item 5

Meeting Date: February 2010
Title: Proposed Changes to Manual 18 for 2010 Grant Cycle
Prepared By: Brian Abbott, Section Manager

Approved by the Director:

Proposed Action: Decision

Summary

Recreation and Conservation Office (RCO) staff is proposing that the Salmon Recovery Funding Board (board) approve revisions to Manual 18, Salmon Recovery Grants Manual: Policies and Project Selection to start the 2010 grant round.

In addition, staff is asking the board to provide a funding target for the 2010 grant round based on the state budget and an estimated funding level through the Pacific Coastal Salmon Recovery Fund (PCSRF).

Staff Recommendation

Staff recommends that the board approve Manual 18 and a target funding level for the 2010 grant round.

Proposed Motion Language

- Move to approve Manual 18 as presented.
- Move to approve a preliminary funding target of \$18 million in grant awards for salmon habitat and restoration projects to be awarded in December 2010 according to the established regional allocation formula.

Manual 18

This memo provides an overview of the proposed changes. To minimize copying expenses, a complete copy of the 130-page strike-through version of the manual is not included in this notebook. The full strikethrough version of the manual is available for review on the RCO website at: www.rco.wa.gov/documents/rule_making/draft_2010_manual18.pdf.

On January 19, RCO staff released the strikethrough version for lead entities and regional organizations to review. Staff also attended meetings of the Puget Sound Lead Entities, Lead Entity Advisory Group, and Council of Regions to present the changes and solicit feedback. To help with the review, RCO staff prepared a “2010 Manual 18 Update – Summary Sheet” (Attachment A).

RCO received few comments from stakeholders by the January 29 deadline (Attachment B). Due to the low response rate, staff began contacting the lead entities that did not comment and extended the comment period.

At the February meeting, staff will present an updated strikethrough version of the manual so that any changes from the January review draft will be readily apparent.

Follow up to Board Direction in December 2009

At the December 2009 meeting, staff presented three policy issues to the board for discussion and direction. The following table summarizes the staff follow up.

Issue	Follow-up action
Require a 30 percent design review	Staff is proposing the simpler process favored by the board and stakeholders.
Criteria for evaluating acquisition projects	Incorporated in process review for 2010 (see Item 10).
Streamline Review Panel process	Staff is working with lead entities and regions to refine a set of recommendations.

Format and Organization

RCO staff will be updating the format, organization, and look of Manual 18 for the 2010 grant round. We are providing the manual in the existing format during the review so that reviewers can easily compare versions. Once approved at the February board meeting, the fully updated manual should be available within a few days.

Funding Level

The board typically has set the target grant round funding level early in the grant round, based on the state budget, available returned funds, and anticipated funding from the Pacific Coastal Salmon Recovery Fund (PCSRF). Doing so gives the lead entities and regional recovery organizations fiscal guidelines for developing project lists.

Considerations in Setting a Preliminary Target

Staff considered the following factors in proposing a target for the 2010 grant round:

- RCO staff estimates that the balance of returned funds¹ and other available funds is about \$6 million. These funds can be used for projects and activities.
- In May 2009, the board approved biennial allocations for the lead entities and regional organizations through 2009 PCSRF funds so that 2010 PCSRF funds could be used for projects.
- Congress funded PCSRF at \$80 million for federal fiscal year 2010. We do not yet know how much will be allocated to Washington State, or to habitat restoration. However, a conservative estimate would provide about \$14.2 million to habitat projects.
- We do not yet know the effect of potential supplemental budget reductions or the proposed freeze on federal spending.

Staff is recommending that the board set a conservative preliminary target of \$18 million for the 2010 grant round. This is the same figure used for the 2009 grant round, and will allow lead entities and regional recovery organizations to develop their project lists. Using a conservative figure also provides greater flexibility in addressing any budget changes.

Next Steps

In May, staff will inform the board of any new information about funding sources and ask the board to set a final target for the 2010 grant round.

Attachments

- A. DRAFT 2010 Manual 18 Update – Summary Sheet
- B. Summarized Stakeholder Comments on Manual 18

¹ "Returned funds" refers to money that was allocated to projects that either closed without spending the entire budget or that were not completed. The total comes from both reappropriations and new appropriations.

DRAFT 2010 Manual 18 Update – Summary Sheet

Page	Section of Manual	Issue	Notes
1 -3	Schedule	Changes to grant round timeline	Details Section 5 & 6 New proposed application due date is August 25, 2010
6	Section 1	Application workshops available upon request from your RCO grant manager. Following grant awards RCO staff will be scheduling conference call format information sessions reviewing reimbursement procedures	
9-10	Section 1	Habitat Work Schedule – New guidelines	New Lead Entity requirement
12	Section 2	Definition of private landowner	Clarifies landowner may not be a for-profit entity
12	Section 2	State agencies required to submit a Project Partner Contribution Form – Appendix K	
16-17	Section 2 – Eligible Projects	Projects on Forestland (Fish passage & sediment reduction)	Language approved by the board in August of 2009
20	Section 2 - Monitoring	Requirement for certification by the Region or Lead Entity that proposed projects will not negatively affect ongoing data collection and salmon restoration efforts	Language requested by a regional organization
20	Section 2	Puget Sound Projects – Applicant must submit letter they are not in conflict with the action agenda	New requirement for Puget Sound applicants. Approved by SRFB in December
29	Section 3	Matching share – clarification that the National Fish & Wildlife Foundation funds derived from SRFB are ineligible as match for SRFB projects	
32	Section 4	New “checklist” requirement – Provide with application submittal a response to early Review Panel comments	New for 2010
52	Section 5 – Project Alternates	Change the timing on being able to funds an alternate project from 180 days to one year	Staff suggested late change
53	Section 6 – SRFB Evaluation Process	Added review panel “purpose”	New focus of the Regional Area meetings
54	Section 6 – Early Application	Complete materials required before site visits to take place	

Page	Section of Manual	Issue	Notes
54	Section 6 – Review Panel Team	New instructions to panel to “Flag” projects for entire review panel to review early in process (first week of August)	Review Panel request
54	Section 6	“Need More Information” – (NMI) is back by request of the Review Panel	
54-55	Section 6	Materials needed for early review	Provide more specifics
56	Section 6 - Scheduling	New language	
56-57	Section 6 – Evaluation of Projects	Revised purpose of “regional area meeting” to “Regional Area Project Meeting”	
60	Section 7 – Project Agreement	Language on how staff will review special condition and amendments.	
60	Section 7 – Pre-grant costs	Construction materials (LWD, culverts, bridges) eligible pre-agreement cost	
61	Section 7 – Attorney Fees	Added language so attorney fees may be an allowable expense if pre-approved and justification provided. Expenses must be reasonable and demonstrated need for project implementation	
61	Section 7 – Liability insurance	Currently allowed for non-capital projects but not for restoration. This new language will make allowable for restoration	
61	Section 7	Progress reporting requirement	New requirement for sponsors
62	Section 7	PRISM Metrics -	New PCSRF metrics coming in PRISM March 2010
88	Appendix E-1	New and improved Review Panel Comment form	
101	Appendix L	Updated Landowner Agreement Template to recognize cultural resources review	
108	Appendix P	Regional Area Summary Information – Update the information already on file instead of completely new submittal	
110	Appendix Q	Update Puget Sound “partner” and action agenda listing	
111	Appendix R	Puget Sound Acquisition and Restoration Funds – Policy on how to handle return funds	

Footnote: This summary sheet only identifies the more significant changes to Manual 18. Small edits and clarifications are not noted in this summary but are available in the “marked up” version of the manual.

Summarized Stakeholder Comments on Manual 18

The following reviewers provided fairly comprehensive edits, questions, and suggestions. The following summary is intended to capture only some of the key points. RCO staff will take all comments into consideration when creating the final manual. Both the final manual and RCO staff responses to the comments will be presented at the board meeting.

Name and Organization	Comments
Angie Begosh Yakima Basin	<p>We appreciate PRISM applications being available to us by PDF.</p> <p>SharePoint is more efficient than the Habitat Work Schedule for the applications and evaluation process. Individual lead entities should be able to decide how and when they want to enter projects into HWS. This might ultimately create more work without producing additional results.</p> <p>We need clarification about how application workshops will be coordinated. We appreciate the focus on projects for the Regional Area Project Meetings.</p> <p>Extending the alternate project eligibility to 1 year is excellent as is the progress reporting requirement. Is there any way we could have a 9-month check in and consultation with lead entity so that if the sponsor has made no real progress toward entering the contract, we could make a move toward transferring the funds to the alternate projects?</p> <p>We appreciate the following changes: expanding pre-grant cost eligibility; using "NMI" status; and inclusion of liability insurance for restoration projects and attorney fees as an allowable expense.</p>
Mary Raines Skagit Watershed Council	<p>The proposed deadline for lead entity submittals is a week earlier than last year, and last year was a week earlier than the year before. We based our local schedule on an October statement that there would be no major time changes. The August 25 date would give us less than a week after our August 19 prioritization meeting to complete and submit all our materials.</p> <p>The early application review has gone from "Lead entities may request technical review of proposals before the application deadline" to being "required." Is pre-application review now required for all SRFB grant proposals? There has been no previous mention or discussion of proposal.</p> <p>This is the first time we have seen the language for a requirement for certification of no project impact in IMW watersheds. This should be clarified so we know if the language is simply codifying something that is already occurring.</p>

Name and Organization	Comments
Becky Peterson, WRIA 1	<p data-bbox="435 289 1430 499">The proposed schedule does not provide adequate time for the local process. The SRFB Review Panel meeting is in early August, and the final application deadline is August 25. This does not provide an opportunity for project sponsors of “flagged” to address comments and complete their application, give local reviewers time to review applications, convene ranking session with local reviewers, and convene WRIA 1 Board to approve ranking.</p> <p data-bbox="435 537 1414 709">The schedule also does not take into consideration the regional organization’s deadline for lead entities to submit their approved, ranked list, which has historically been the week prior to the SRFB deadline. This would put the Puget Sound Partnership deadline at or around August 18. It would be impossible to meet an August 18 deadline for an approved ranked list.</p> <p data-bbox="435 747 1365 810">The timing for funding decisions should remain the same, and the SRFB process should be reduced.</p> <p data-bbox="435 852 1430 989">It should not be a requirement that the pre-applications be public in HWS because as incomplete applications, there may be agreements and/or project elements that are still in development that have sensitivities associated with them. Requiring final applications to be made public in HWS is appropriate.</p>
Jeff Breckel, Lower Columbia Fish Recovery Board	<p data-bbox="435 1045 1382 1108">With the exception of the HWS provisions, we generally concur with the direction and nature of the revisions.</p> <p data-bbox="435 1150 1430 1287">We can adapt to the earlier project list submittal deadline, but we are concerned over the continuing trend of advancing the deadline. Advancing the deadline to allow the SRFB additional review time comes at the expense the regions, lead entities, and sponsors.</p> <p data-bbox="435 1329 1398 1434">We feel that Project Contribution Forms are very important in assessing a project’s certainty of success. We are concerned that, except for state agencies, the revisions propose that these forms be optional.</p> <p data-bbox="435 1476 1365 1581">While we strongly support the new project progress reporting requirement, we experienced serious problems in testing the automated system. We urge that be resolved before imposing the reporting requirement.</p> <p data-bbox="435 1623 1406 1814">With regard to the use of the HWS, we recognize the value of the HWS in communicating habitat project information to the public, legislators, high level managers, etc., but we really question whether the use of HWS in combination with PRISM to organize and communicate detailed application information adds any value. In our case, using HWS would significantly increase the level of effort and the risk that information being communicated is not accurate and/or complete.</p>

Salmon Recovery Funding Board

Briefing Memo

Item 6A

Meeting Date: February 2010

Title: Compliance and Conversion Overview

Prepared By: Scott Robinson, Conservation and Grant Services Section Manager

Approved by the Director:

Proposed Action: Briefing

Summary

In February 2010, the Salmon Recovery Funding Board (board) will consider its first request from a sponsor to convert a project. Although the Recreation and Conservation Office (RCO) has worked with conversion requests in its other grant programs, this will be the first such request in the salmon recovery program. This memo will give board members background information about the established policies and procedures. The specific request is described in memo #6B.

Background

The RCO has invested millions of public dollars in habitat, recreation, and salmon recovery since its inception in 1964. Many of these investments carry long-term responsibilities. RCO has the duty of ensuring that sponsors comply with the terms of the grant contract for both current (active) projects and closed (completed) projects. The RCO has established two primary goals for its compliance efforts:

- Monitor and protect existing investments
- Be open, deliberate, and collaborative with our grant sponsors.

Additionally, our staff attempt to oversee active projects in a manner that reduces the likelihood of future compliance problems.

Although there are a number of ways that a sponsor can be out of compliance with the contract, only the most serious are considered conversions. A conversion occurs when a sponsor uses grant funds to acquire or restore property, and later converts that property to a use that is different from the uses described in the original grant. The following circumstances may result in a conversion of a board grant:

- Property interests are conveyed for non-public salmon recovery uses;
- Uses or actions occur that impair the originally intended purposes of the project area;

- Property interests are conveyed to an ineligible third party¹;
- Non-eligible facilities are developed within the project area;
- Public use is terminated for all or a portion of the property (if public use was allowed under the original grant); and/or
- The intended habitat functions are no longer provided.

If a project is converted, the project sponsor is responsible for replacing the changed or converted interests in real property, structures, or facilities with interests, structures, or facilities of equivalent size, value, and utility.

The Recreation and Conservation Funding Board (RCFB) adopted detailed conversion policies and procedures in June 2007 for all grant programs, including salmon recovery. The policies, which are included in Manual 7, list factors and general criteria that the Salmon Recovery Funding Board would consider in evaluating a request for a conversion:

1. A description of the original project proposal;
2. A description of the proposed conversion;
3. A list and discussion of alternatives for replacement;
4. Evidence that the public has been given reasonable opportunity to participate;
5. Justification of the reasonable equivalency of the replacement site in terms of habitat utility, size and location; and
6. For interests in real property, documentation that the replacement site is at least equal in fair market value.

Analysis

At the February meeting, RCO staff will review the proposed conversion with the board, explaining the factors listed above. This review will include the staff analysis and recommendation of whether the board should approve the conversion. Both staff and the sponsor will be available to answer questions from board members.

Ultimately, board members must decide whether the proposed replacement property adequately fulfills the obligations of the original contract. This determination is based on the information that the sponsor submits in response to items 1 through 6 above.

¹ An exception is allowed under Salmon Recovery Funding Board rules: property acquired for salmon recovery purposes may be transferred to federal agencies, provided the property retains adequate habitat protections, and with written approval.

Salmon Recovery Funding Board

Briefing Memo

Item 6B

Meeting Date: February 2010
Title: Conversion Request: Kitsap County Parks and Recreation
Barker Creek Corridor Acquisition (RCO# 01-1264A)
Prepared By: Tara Galuska, Outdoor Grant Manager

Approved by the Director:

Proposed Action: Decision

Summary

Kitsap County Parks and Recreation is asking the Salmon Recovery Funding Board (board) to approve the conversion of a board-funded parcel totaling 5.92 acres within the Barker Creek Corridor Acquisition. The county proposes to remedy this conversion by replacing this property with 7.3 acres of newly-acquired property that is contiguous to the original acquisition and with habitat of equal or better value and utility.

Staff Recommendation

Staff recommends that the board approve the conversion request.

Proposed Motion Language

Move to approve the conversion request and the proposed replacement property for the Barker Creek Corridor Acquisition project as presented to the board.

Background

In 2005, Kitsap County Parks and Recreation acquired multiple parcels, totaling 35 acres, with a Salmon Recovery Funding Board grant (Attachment A). The parcels are on Barker Creek or tributaries of Barker Creek in Kitsap County, and all have the salmon conservation Deed of Right placed on the title.

Proposed conversion: Kaiser Road Neighborhood Park

Kitsap County Parks and Recreation is seeking approval to convert a 5.92-acre parcel of the Barker Creek Corridor acquisition to private ownership. On Attachment A, this property is shown

as #4; in the original application, it was referred to as the Sisley property. Throughout this memo, it will be referred to as the "property to be converted."

The "replacement property" was listed as part of the original grant award with a high priority for purchase. On Attachment A, it is shown as the Liaset/Schruhl property. After the grant was awarded, the landowner decided not to sell the parcel.

The new owner of the Liaset/Schruhl property now wishes to swap their parcel for a portion of the property to be converted. Attachment B shows maps of the property to be converted and the replacement property.

Properties:

- Property to be converted: "Sisley" property, which was acquired with board funds. In this document, it refers to the portion of the property proposed for conversion.¹
- Replacement property: "Schruhl" property, which is proposed to remedy the conversion.

Analysis

When reviewing conversion requests, the RCO considers many factors, in addition to the scope of the original proposal and the proposed substitution:

- A. Salmon habitat value
- B. Acres and market value
- C. Justification that supports the replacement site as reasonably equivalent
- D. Opportunities for public participation in the process

Salmon habitat value

The Barker Creek Corridor Acquisition project identified both properties as priority parcels.

- The proposed replacement property had a higher salmon habitat priority than the acquired property.
- The property to be converted has 652 feet of tributary frontage, while the replacement property has 724 feet of tributary stream frontage plus 422 feet of mainstem Barker Creek frontage (a total of 1,146 feet of stream frontage).

¹ The county proposes to convert only 5.92 acres of the acquired property. The entire property is roughly 7.82 acres. Regardless of the conversion, Kitsap County will retain about 1.9 acres along Barker Creek to the west of the property being considered for this exchange.

Fair market value has been established

The market values of the property to be converted and the replacement property were established through procedures outlined in RCO Manual #3, *Acquiring Land: Policies*. The following table shows the findings. In this exchange, there is a net gain of 1.38 acres and \$5,000 in fair market value.

Property to be Converted	Replacement Property	Difference
5.92 acres	7.3 acres	+1.38 acres
Appraised Value \$170,000	Appraised Value \$175,000	+ \$5,000
652 ft of stream	1,146 ft of stream	+ 494 ft of stream
Identified in original application	Identified in original application	
Contiguous with county property and replacement property	Contiguous with county property and replacement property	
Available during active grant period	Became unavailable during active grant period	

The land proposed for replacement is reasonably equivalent in terms of location and habitat

Location

The replacement property adjoins the existing Kitsap County Parks and Recreation property on its southwest boundary. The property to be converted is immediately south of the replacement property.

The replacement property also is contiguous to a 4.82 acre parcel (upstream and to the north) that the county acquired with funding from RCO and a donation from the Chums of Barker Creek.

Habitat

The replacement property has more mature forest and valuable wetlands, and can better support salmon habitat protection than the property to be converted. This exchange would consolidate county ownership on Barker Creek, add about 1.38 acres, and preserve wetlands associated with Barker Creek.

Property to be Converted: This property is traversed from the east to the northwest by a small tributary to Barker Creek, and is predominantly upland forest. About half of the property was logged in 1998, and is now dominated by blackberry vines. The riparian corridor adjacent to the tributary was not logged at that time.

Replacement property: This property consists primarily of wetlands, wetland buffers, and stream frontage. It is covered by second growth forest, has a small tributary to Barker Creek, and Barker Creek itself runs through the length of the property. About two thirds of the property is relatively flat, is in near hydraulic continuity with the surface aquifer in the riparian corridor, and has hydric soils. The forest overstory of this flatter portion is dominated by alder and maple, with some conifers. The understory is dominated by salmonberry, Indian plum and beaked hazelnut. The upland areas are conifer forest with sword fern understory.

The land proposed as replacement property meets the eligibility requirements, and is not currently publicly owned

The replacement property is privately owned. The proposed replacement is consistent with eligibility requirements for acquisition projects as outlined in RCO Manual #3, *Acquiring Land: Policies*.

The public has been given a reasonable opportunity to participate in the deliberation and decisions regarding this conversion

The sponsor states that the public has been informed throughout the almost decade-long process about the desire to acquire the parcel proposed as replacement property. The grant proposal – including the identification of this property – was initiated and developed by the Chums of Barker Creek, a 501(c)(3) organization incorporated in 1993 for the purpose of protecting and enhancing the salmon stream and its habitat. The owners and immediate neighbors of all the targeted parcels were informed, involved, and given the opportunity to shape the plan for parcel acquisition.

The Board of County Commissioners passed a resolution supporting the grant application to acquire the targeted parcels in 2001, a process that included a public hearing with ample notice and opportunities for public comment. They received no comment.

In 2005, when the county found it impossible to purchase Parcel #21, and instead purchased Parcel #4, the Board of County Commissioners passed another resolution to effect that purchase. They passed the resolution at another public hearing that included ample notice and opportunities for public comment. Again, no comment was offered.

Mr. Schruhl, the current owner of the replacement property, is a leader within the Chums of Barker Creek, a group that is composed of the landowners most affected by this change in property ownership. Recent conversations with the group indicate that there has been no change in their dedication toward fulfilling the original intent of the grant.

Remaining Public Process

If the board approves the conversion, Kitsap County Parks staff will prepare a Kitsap County Board of County Commissioners (BOCC) resolution to transfer the property and, where applicable, apply a deed of right for conservation purposes. Following legal and RCO approval, the commissioners will consider the resolution and associated documents at a public meeting.

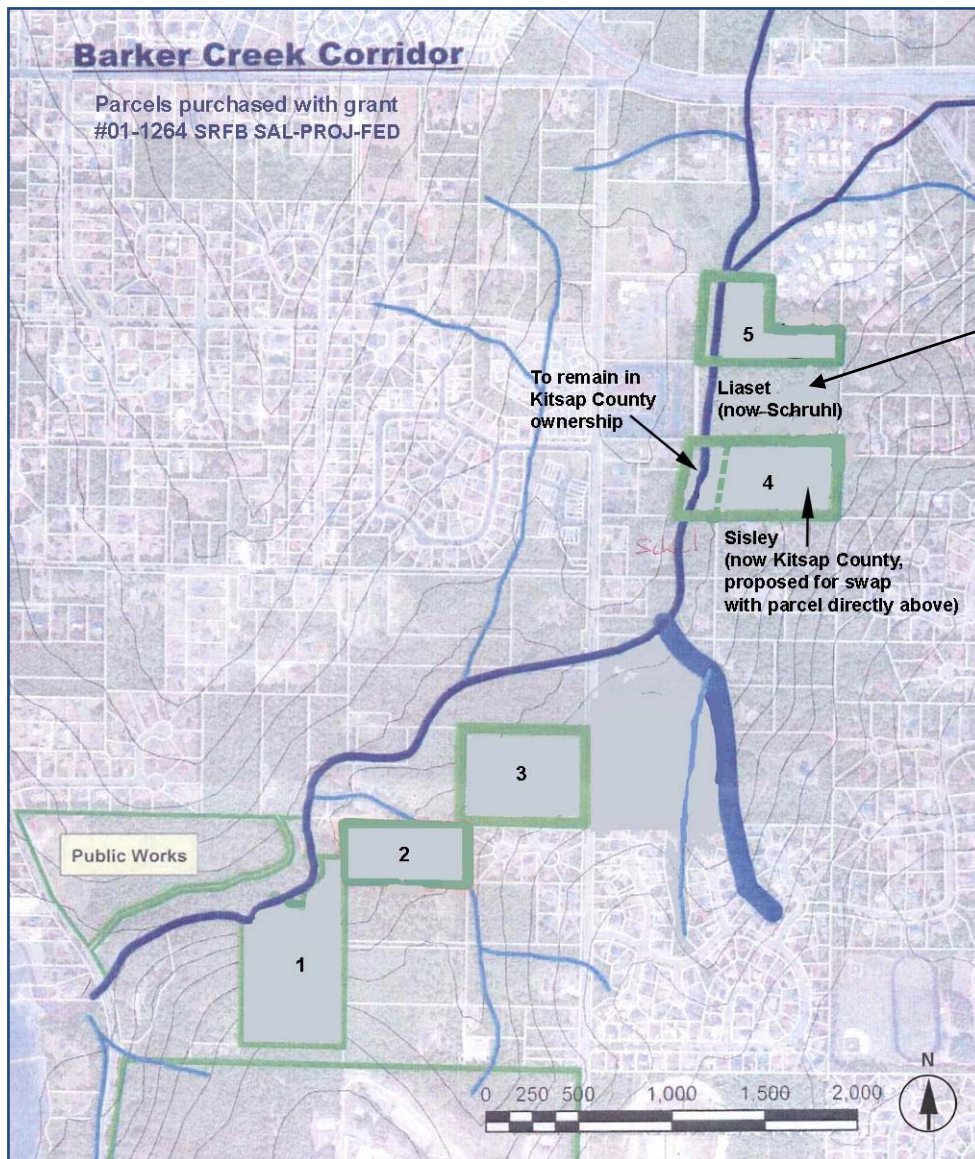
Next Steps

If the board approves the conversion, RCO staff will execute the necessary amendments to amend the project agreement as directed.

Attachments

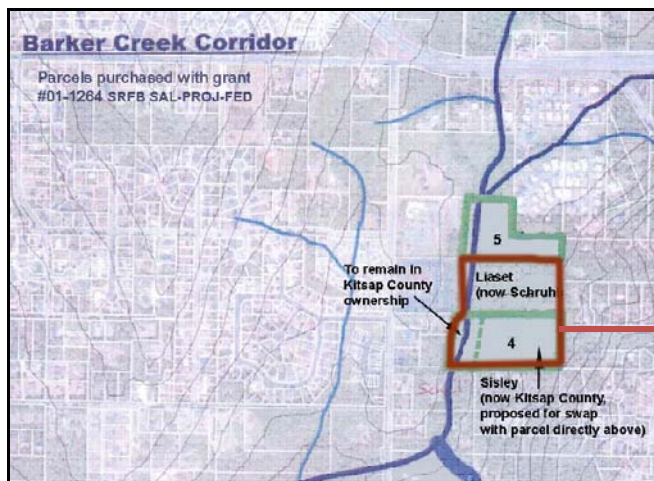
- A. Map of properties purchased with Barker Creek Acquisition grant, #01-1264A
- B. Map of properties proposed for conversion and replacement
- C. Letter from Lead Entity

Map of properties purchased with Barker Creek Acquisition grant, #01-1264A



This property was part of the original grant application, but was not ultimately acquired.

Map of properties proposed for conversion and replacement





WESTSOUND
WATERSHEDS COUNCIL

February 1, 2010

Ms. Tara Galuska
Outdoor Grants Manager
Recreation and Conservation Office
Olympia, WA 98504-0917

Dear Ms. ^{Tara}Galuska,

This letter is written in support of the proposed conversion (swap) of a parcel acquired with SRFB grant #01-1264A by Kitsap County Parks for another, adjacent, parcel. This conversion will enlarge the conservation footprint of the riparian corridor for Barker Creek, which was the original intent of this grant

The West Sound Watersheds Council Lead Entity discussed the proposal at their meeting on January 20 and approved this letter of support. I plan to attend the February SRFB meeting should there be further questions from the Board regarding this proposed action.

Sincerely,

Kathleen Peters

Kathleen Peters
West Sound Watersheds Council
Lead Entity Coordinator

Salmon Recovery Funding Board Briefing Memo **Item 7**

Meeting Date: February 2010
Title: Contract for Nearshore Monitoring
Prepared By: Ken Dzinbal, Monitoring Forum Coordinator

Approved by the Director:

Proposed Action: Decision

Summary

The Salmon Recovery Funding Board (board) has reserved, but not awarded, \$50,000 in 2008 funds to implement a nearshore monitoring element. The Estuary and Salmon Recovery Program (ESRP) is negotiating a contract with The Nature Conservancy (TNC) to develop a River Delta Tidal Wetlands Rapid Assessment Protocol.

The board will not meet again until May 2010, so ESRP is asking the board to delegate contract signature authority to the Recreation and Conservation Office (RCO) director.

Staff Recommendation

In light of the time between the contract negotiations and the next board meeting, RCO staff recommends that the board delegate contract signature authority to the director.

Proposed Motion Language

Move to authorize the Director to approve up to \$50,000 for a Nearshore Monitoring contract with The Nature Conservancy.

Background

Recognizing the importance of nearshore habitats to the salmon lifecycle, the board has discussed adding a nearshore monitoring element for several years. To that end, the board earmarked \$50,000 from its 2008 Pacific Coastal Salmon Recovery Fund (PCSRF) award to develop nearshore-monitoring protocols.

In May 2009, Paul Cereghino gave a brief presentation on the ESRP proposal to develop Rapid Assessment Protocols (RAP). The board indicated a desire to support the effort, and asked Paul

to return at their October 2009 meeting, after he developed and received responses to a request for proposal (RFP). ESRP received little response to the initial RFP, so a funding decision was deferred to December 2009 or later.

Analysis

Recently, ESRP received a positive response to the RFP from The Nature Conservancy. They are now negotiating a contract with TNC to complete the scope of work.

Following contract negotiations, they will be ready to proceed. It would be beneficial to get this contract signed soon, to allow time to prepare for the field season. However, the board does not meet again until May 20-21, 2010. Delaying the signature date until after the board's May meeting could affect their ability to be ready for fieldwork this summer.

Next Steps

If the board delegates authority to the director, staff will work with ESRP and The Nature Conservancy to complete the project agreement and contract documents to facilitate prompt project implementation.

Salmon Recovery Funding Board Briefing Memo **Item 8**

Meeting Date: February 2010
Title: 2010 Consolidated State of Salmon in Watersheds Report
Prepared By: Steve Leider, Governor's Salmon Recovery Office

Approved by the Director:

Proposed Action: Briefing

Summary

The Governor's Salmon Recovery Office (GSRO) has begun preparations for the 2010 State of Salmon in Watersheds report. As directed by the legislature, this report consolidates several reports into a single biennial report on the statewide status of salmon recovery and watershed health. It is due in December 2010.

This briefing provides a progress report on the report preparations to date.

Background

From 1999 to 2008, the GSRO produced the biennial State of Salmon in Watersheds report, and Recreation and Conservation Office (RCO) produced the biennial Salmon Recovery Funding Board report. These reports – designed for use by legislators, the Governor, Congress, and the public – have presented similar and complementary information on results of recovery actions.

In 2009, with passage of SHB 2157 (Attachment A), the legislature consolidated these two reports into a single biennial report. The legislature also directed the RCO to include the following:

- recommendations of the Washington Forum on Monitoring Salmon Recovery and Watershed Health,
- a high-level status summary from the Puget Sound Partnership on salmon recovery and watershed planning, and
- a high-level status summary from Ecology on watershed planning.

Assumptions

Staff have been reviewing and scoping the report content and format since late 2009. Below is a summary of findings to date.

Format for the New Report

The GSRO plans to present a shorter written report composed of summary-level information, retaining statewide and regional characterizations similar to what was in the 2008 report. The report will continue to be in plain talk, with links to information sources, and some information accessible online only.

Content

The 2008 State of Salmon report emphasized plan implementation, monitoring/tracking of salmon abundance in relation to goals, indicators of watershed health, and tracking the pace of recovery and conservation action implementation. Recent reports have focused on three inter-related scales: statewide (“dozen dials”); regional (snapshots of status and recovery plan implementation); and watershed (status and recovery information for a watershed within each region).

In contrast, the 2010 report will place less emphasis on actions and provide more up-front information about how fish and watershed health are doing. At this time, we anticipate three areas of general content at statewide and regional scales: (1) status and trends, (2) threats, and (3) data gaps.

Status and Trends

- Show information on fish and watershed health indicators formally adopted by the Forum (Attachment B)
- Use the Forum’s statewide integrated fish and habitat monitoring framework to relate those different indicators over time (components include fish-in/fish-out, habitat status and trend field and remote sensing efforts) (Attachment C)

Threats

- Include information on overarching issues or threats facing recovery of salmon (e.g., climate change, human population growth, influence of hatchery fish)

Data Gaps

- Show the extent of gaps in our ability to show trends

We will seek consistency with other high-level reports where indicators are shared in common (e.g., Puget Sound and other salmon recovery regions, Northwest Power and Conservation Council, and Pacific Coastal Salmon Recovery Fund).

Next Steps

Staff is currently preparing a draft outline of the report. In February, we will vet and refine that outline, and will form an interagency production team to implement the outline. Their work will continue throughout the year to ensure appropriate agency information is available for inclusion.

The GSRO also will brief the Forum on Monitoring at their March meeting.

Attachments

- A. Text of SHB 2157, Section 4
- B. High Level Indicators Adopted by the Washington Forum on Monitoring (2009)
- C. Summary of the Forum on Monitoring document "Integrated Status and Trends Monitoring Framework (2007)"

Text of SHB 2157, Section 4

SHB 2157 amends RCW 77.85.020 by replacing language regarding the biennial State of the Salmon Report with the following (*paragraph breaks added*):

Beginning December 2010, the recreation and conservation office shall produce a biennial report on the statewide status of salmon recovery and watershed health, summarize projects and programs funded by the salmon recovery funding board, and summarize progress as measured by high-level indicators and state agency compliance with applicable protocols established by the forum for monitoring salmon recovery and watershed health.

The report must be a consolidation of the current reporting activities, including the salmon recovery funding board and the forum on monitoring salmon recovery and watershed health, on the status of salmon recovery and watershed health in Washington state, in accordance with RCW 77.85.250(8).

The report shall also include a high-level status report on watershed planning efforts under chapter 90.82 RCW as summarized by the department of ecology and on salmon recovery and watershed planning as summarized by the Puget Sound partnership.

The report's introduction must include a list of high-level questions related to the status of watershed health and salmon recovery to help decision makers and the public respond to salmon recovery and watershed health management needs.

High Level Indicators Adopted by the Washington Forum on Monitoring (2009)

Salmon

Summarized for listed species, by population, separately for wild fish and hatchery fish. Eventually, the Forum hopes these indicators will be summarized for all species and not just those listed under the federal Endangered Species Act.

- Total adult spawners
- Total adults harvested
- Total juvenile out-migrants

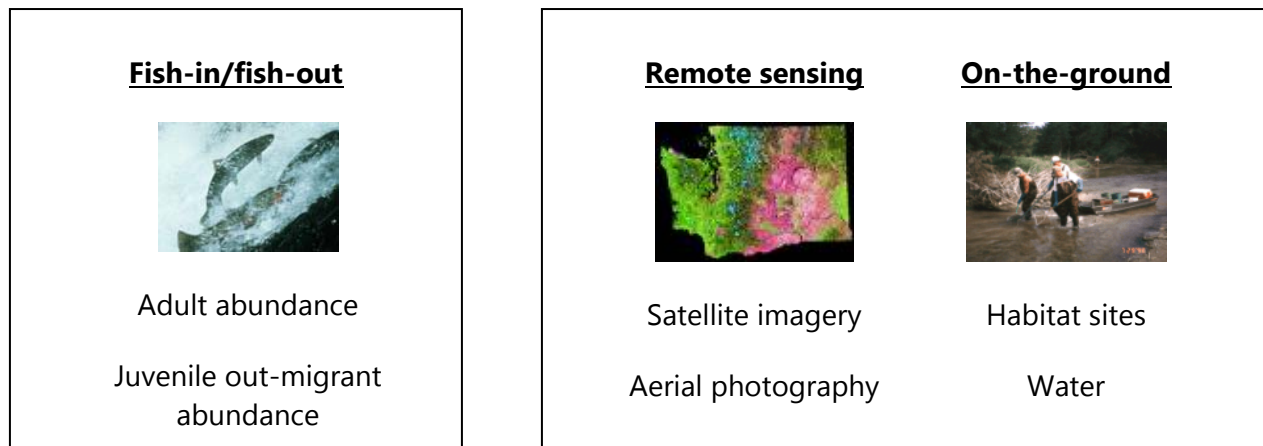
Watershed Health

Indicator	Metrics
Water quality	<ul style="list-style-type: none"> • Temperature • Ecology water quality index
Water quantity (stream flow)	<ul style="list-style-type: none"> • % time in-stream flows met during August – September
Biological Health (in-stream)	<ul style="list-style-type: none"> • Macro-invertebrate index
Stream physical habitat	<ul style="list-style-type: none"> • Federal Pacific-Fish / Interior-Fish Biological Opinion stream physical habitat index (or similar)
Riparian condition	<ul style="list-style-type: none"> • Riparian habitat index
Land Use / Land Cover	<ul style="list-style-type: none"> • % land use/land cover; % impervious surface

Summary of the Integrated Status and Trends Monitoring Framework (2007)

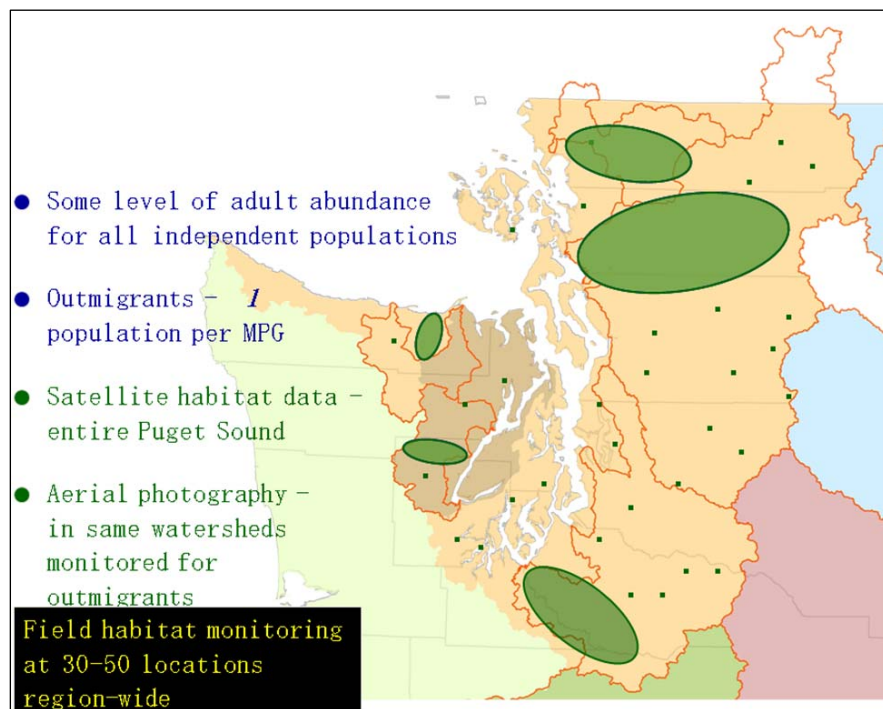
In 2007, the Forum on Monitoring completed a framework to integrate fish and watershed health monitoring across the state. When implemented it will provide a coarse level of information on statewide and regional scales. It also provides a way for finer-scale (e.g., watershed) to be incorporated or developed. The framework includes the following major components:

Fish Monitoring plus Watershed Health Monitoring



The full document is available at www.rco.wa.gov/documents/monitoring/Framework_Document.pdf.

A conceptual example of applying the framework in Puget Sound is shown here:



Salmon Recovery Funding Board

Briefing Memo

Item 9

Meeting Date: February 2010
Title: Framework for 2010 Discussion of Strategic Plan Issues
Prepared By: Megan Duffy, Policy and Planning Specialist

Approved by the Director:

Proposed Action: Briefing

Summary

In May 2009, the Salmon Recovery Funding Board (board) unanimously adopted a new strategic plan. As part of ensuring that the board is meeting its strategic goals and best supporting recovery efforts as they evolve, the board has directed staff to examine various aspects of the board process. Given the broad range of process and policy elements this encompasses, staff recommends that for a 2010 analysis, the range be narrowed to include a few targeted key focus areas.

Background

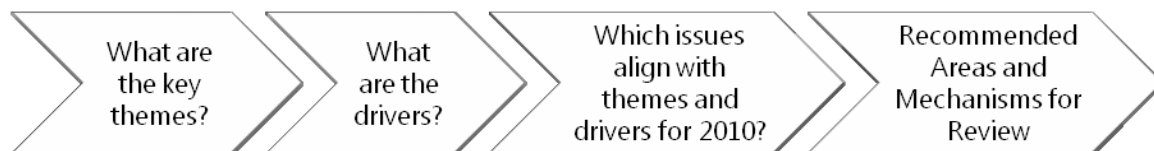
In May 2009, the board unanimously adopted a new strategic plan (Attachment A) that identifies three overarching goals and eight strategies to ensure that the board's policies and processes advance the goals of the strategic plan in the most effective way possible. The goals and strategies are as follows:

1. Fund the best possible salmon recovery activities and projects through a fair process that considers science, community values and priorities, and coordination of efforts.
 - *Allocation Strategy:* Within the limits of the board's budget and priorities, fund projects, monitoring, and human capital in a way that best advances the salmon recovery effort.
 - *Process Strategy:* Ensure that the processes to identify, prioritize, and fund projects are based on (1) regional salmon recovery plans, lead entity strategies, and tribal governments' salmon recovery goals, (2) sound science and technically appropriate design, and (3) community values and priorities.
 - *Funding Source Strategy:* Identify gaps in current funding related to overall salmon recovery efforts and work with partners to seek and coordinate with other funding sources.

2. Be accountable for board investments by promoting public oversight, effective projects, and actions that result in the economical and efficient use of resources.
 - *Accountability Strategy:* Conduct all board activities clearly and openly, and ensure that the public can readily access information about use of public funds for salmon recovery efforts.
 - *Resource Strategy:* Confirm the value of efficiency by funding actions that result in economical and timely use of resources for projects, human capital, and monitoring.
 - *Monitoring Strategy:* Provide accountability for board funding by ensuring the implementation of board-funded projects and assessing their effectiveness, participate with other entities in supporting and coordinating state-wide monitoring efforts, and use monitoring results to adaptively manage board funding policies.
3. Build understanding, acceptance, and support of salmon recovery efforts.
 - *Support Strategy:* Support the board's community-based partner organizations in their efforts to build local and regional support for salmon recovery.
 - *Partner Strategy:* Build a broad partner base by engaging a variety of governmental and non-governmental organizations to address salmon recovery from different perspectives.

Analysis

The board directed staff at its December 2009 meeting to develop a work plan to identify the issues that will be examined in detail during 2010. The staff analysis to create a work plan is shown in the following diagram.



Overarching Themes and Drivers

Within the board strategic plan and over the course of board discussions two overarching themes have emerged:

- Find efficiencies at all levels of the board process; and,
- Ensure that the board process is effective and targets funding for the most important recovery projects, including larger and more complex projects.

While many elements of the board's process and policies have the potential to affect both efficiency and effectiveness, staff is recommending a few targeted areas be considered in 2010. These areas for consideration were identified based on several drivers, including:

- previous board discussion and direction;
- potential impact on or relation to other process elements;
- ability to address key issues;
- ability to implement the board strategic plan;
- input from the state Technical Review Panel, sponsors, lead entities, regional organizations;
- legislative directives (ESHB 1244; SHB 2157); and
- current economic climate and impact on budgets.

Key Issues

The board wants to ensure that its policies and processes are advancing the elements of the strategic plan in the most effective way possible. To that end, the board and its partners identified a number of key issues that should be addressed.¹ They can be summarized as follows:

- a. Core functions of the board and its partners
- b. Capacity of board partners to participate in project selection, implementation, monitoring, and reporting
- c. Reducing redundancies and inefficiencies in project processes, including project review²
- d. Fund distribution, sources, stability, and potential reductions
- e. Ensuring optimization of board investments
- f. Better and more efficient use of data systems
- g. Design and implementation of complex projects

Recommended Areas and Mechanisms for Consideration

Staff recommends that the board direct its efforts to address the following areas and mechanisms during 2010. Some of these efforts (marked with a checkmark) already are underway.

¹ Issues were identified through board discussions at open public meetings, public comment, meetings of lead entities and regional organizations, and surveys.

² The Technical Review Panel supported or proposed these recommendations. Some board members suggested that there be a systematic response to the Review Panel observations.

Recommended Areas and Mechanisms for Consideration	A Core functions	B Partner capacity	C Redundancy and inefficiency	D Funding	E Board investments	F Data systems	G Complex projects
Evaluate grant round timing options: biennial, modified annual, and continuous		X	X	X	X		X
Consider salmon recovery implementation capacity <ul style="list-style-type: none"> • Appropriate balance between funding levels for projects and funding levels for capacity • Performance-based contracts for lead entities and regional organizations to demonstrate accountability • Competitive grant process for operational funding 		X	X	X	X		
Develop project review criteria for acquisitions that involve uplands and riparian areas					X		
Address the role of the board by considering the frequency and focus of board meetings	X			X			
✓ Streamline the state technical review process			X				
✓ Examine how to better integrate Habitat Work Schedule and PRISM			X			X	
✓ Update the scope of work and deliverables for lead entity grant agreements and the required progress reports			X	X	X		

Next Steps

With board guidance, staff will begin the necessary analyses for the tasks identified. Staff will provide progress reports at each board meeting.

Attachments

A. Salmon Recovery Funding Board Strategic Plan

Salmon Funding Recovery Board Strategic Plan

In 1999, the Washington State Legislature created the Salmon Recovery Funding Board to provide grants for salmon habitat restoration and protection projects and other salmon recovery activities. The board is governed by Chapter 77.85 RCW and Title 420 WAC.

Mission

The Salmon Recovery Funding Board provides funding for elements necessary to achieve overall salmon recovery, including habitat projects and other activities that result in sustainable and measurable benefits for salmon and other fish species.

Values

The board supports a comprehensive approach to salmon recovery that reflects the priorities and actions of its local, regional, state, tribal, and federal partners.

- **Recovery Goals:** The board supports the goals in the regional salmon recovery plans approved by NOAA and recognizes the importance of integrating habitat restoration, hydropower operations, and hatchery and harvest management.
- **Coordinated, Bottom-up Approach:** Coordination across all levels of governmental and non-governmental organizations and geographic scales is necessary to balance diverse interests, build community support, and provide for the efficient use of resources to maximize the public investment.
- **Science-based Decisions:** The board believes that successful salmon recovery requires decisions and actions guided by science, and advocates for coordinated scientific support at all levels of salmon recovery.
- **Community Priorities:** The board considers community values and priorities in its decisions, and integrates public participation and outreach into its actions and those of its partners.
- **Assessing Results:** The board recognizes the importance of monitoring project implementation, project effectiveness, and the long-term results of all recovery efforts.
- **Accountability:** The board provides citizen oversight and accountability for the expenditure of public funds, and conducts its work with openness and integrity.

Goals and Strategies

The board values all aspects of salmon recovery, and provides funding and support based on its priorities, available resources, and emergent opportunities.

Goal 1: Fund the best possible salmon recovery activities and projects through a fair process that considers science, community values and priorities, and coordination of efforts.

Allocation Strategy: Within the limits of the board’s budget and priorities, fund projects, monitoring, and human capital in a way that best advances the salmon recovery effort.

Process Strategy: Ensure that the processes to identify, prioritize, and fund projects are based on (1) regional salmon recovery plans, lead entity strategies, and tribal governments’ salmon recovery goals, (2) sound science and technically appropriate design, and (3) community values and priorities.

Funding Source Strategy: Identify gaps in current funding related to overall salmon recovery efforts and work with partners to seek and coordinate with other funding sources.

Goal 2: Be accountable for board investments by promoting public oversight, effective projects, and actions that result in the economical and efficient use of resources.

Accountability Strategy: Conduct all board activities clearly and openly, and ensure that the public can readily access information about use of public funds for salmon recovery efforts.

Resource Strategy: Confirm the value of efficiency by funding actions that result in economical and timely use of resources for projects, human capital, and monitoring.

Monitoring Strategy: Provide accountability for board funding by ensuring the implementation of board-funded projects and assessing their effectiveness, participate with other entities in supporting and coordinating state-wide monitoring efforts, and use monitoring results to adaptively manage board funding policies.

Goal 3: Build understanding, acceptance, and support of salmon recovery efforts.

Support Strategy: Support the board’s community-based partner organizations in their efforts to build local and regional support for salmon recovery.

Partner Strategy: Build a broad partner base by engaging a variety of governmental and non-governmental organizations to address salmon recovery from different perspectives.

Key Actions

Funding Allocation Strategy: Key Actions

Within the limits of the board’s budget and priorities, fund projects, monitoring, and human capital in a way that best advances the salmon recovery effort.

- Provide funding for the following:
 - Projects that produce measureable and sustainable benefits for salmon
 - Monitoring to measure project implementation, effectiveness, and the long-term results of all recovery efforts

- Human Capital that identifies, supports, and implements recovery actions
- Ensure funding practices reflect that a critical part of the board’s mission is to fund the habitat restoration and protection projects that constitute the foundation of salmon recovery.
- Support projects that meet regional salmon recovery goals and the goals of other related planning efforts.
- Inform budget decisions by establishing the minimum and maximum funding needed for each focus area (projects, monitoring and human capacity) necessary to support salmon recovery.
- Encourage projects and activities that find innovative ways to achieve goals and realize efficiencies.

Process Strategy: Key Actions

Ensure that the processes to identify, prioritize, and fund projects are based on (1) regional salmon recovery plans, lead entity strategies, and tribal governments’ salmon recovery goals, (2) sound science and technically appropriate design, and (3) community values and priorities.

- Ensure that funded projects reflect the current federal, state, and tribal governments’ salmon recovery goals.
- Ensure that the knowledge of habitat conditions, ecosystem processes, and trends in long-term factors (e.g., human population growth, climate change, and working land priorities) guide the type, complexity, location, and priority of proposed habitat protection and restoration.
- Fund projects that reflect community support and priorities, sound science, and that benefit salmon.
- Encourage actions and policies that optimize board investments by integrating with other restoration and protection tools and efforts (e.g., transfer of development rights, purchase of development rights, mitigation banking, and ecosystem services markets).
- Work with partners to evaluate and improve the board’s funding process.

Funding Coordination Strategy: Key Actions

Identify gaps in current funding related to overall salmon recovery efforts and work with partners to seek and coordinate with other funding sources.

- Help to ensure that funding sources are coordinated to make the most effective and efficient use of board dollars.
- Recognize the importance of a full understanding of the roles of hatcheries, harvest, and hydropower, and communicate and coordinate with involved parties to ensure that funding decisions are in concert.

Accountability Strategy: Key Actions

Conduct all board activities clearly and openly, and ensure that the public can readily access information about use of public funds for salmon recovery efforts.

- Ensure that the public is aware of and has access to board meetings and materials and other elements of the funding process.
- Provide clear, comprehensive, and easily accessible information to the public about restoration and protection projects via electronic databases, the agency web site, and other communication tools.

- Meet all reporting requirements with consistent and consolidated information, including data and project examples that explain both salmon recovery efforts and results.

Resource Strategy: Key Actions

Confirm the value of efficiency by funding actions that result in economical and timely use of resources for projects, human capital, and monitoring.

- Facilitate information sharing among project sponsors and experts in the restoration/preservation community.
- Continue to sponsor workshops and policy forums for project sponsors, lead entities, regional organizations and other interested parties.
- Develop funding approaches that reward innovation and efficiency in areas such as project development and implementation, administration, technical review, and community outreach.

Monitoring Strategy: Key Actions

Provide accountability for board funding by ensuring the implementation of board-funded projects and assessing their effectiveness, participate with other entities in supporting and coordinating state-wide monitoring efforts, and use monitoring results to adaptively manage board funding policies.

- Conduct implementation (compliance) monitoring of every board-funded project to ensure the project has been completed consistent with pre-project design objectives and criteria.
- Conduct monitoring to determine the effectiveness of different types of Board-funded restoration and protection projects in achieving stated objectives.
- Support validation monitoring of selected intensively monitored watersheds to determine whether watershed health and salmon populations are responding to recovery efforts.
- Participate in supporting status and trend monitoring.
- Coordinate with the Monitoring Forum to ensure consistency with statewide monitoring goals while meeting SRFB monitoring goals and objectives.
- Ensure that projects identify objectives and use adaptive management principles to improve success.

Support Strategy: Key Actions

Support the board's community-based partner organizations in their efforts to build local and regional support for salmon recovery.

- Encourage public involvement in planning and implementation activities so that projects reflect a community's social, cultural, and economic values.
- Help ensure that lead entity and regional strategies include community values and priorities.

Partner Strategy: Key Actions

Build a broad partner base by engaging a variety of governmental and non-governmental organizations to address salmon recovery from different perspectives.

- Seek input from partners on key program and policy decisions such as fund allocation, monitoring, data sharing and special projects.
- Seek regular updates from partners to ensure that their actions and board actions are mutually supportive.
- Work with the Puget Sound Partnership to implement the Puget Sound Action Agenda.
- Engage more organizations in discussions of the effects of salmon recovery in Washington State.

Partners

The Salmon Funding Recovery Board recognizes that success in achieving its mission and meeting its goals requires important partnerships with the Legislature, Governor, state and federal agencies, tribes, and regional and local communities throughout the state. The board seeks to continually build new partnerships so that salmon recovery is addressed from multiple perspectives. Partners include, but are not limited to:

- 1) **Lead Entities:** Voluntary watershed-based organizations established by RCW 77.85 that select and submit projects to the Board for funding consideration. Lead entities have technical experts and citizen committees whose work ensures that their projects have both scientific and community support, and contribute to the lead entity's effectiveness.
- 2) **Regional Salmon Recovery Organizations:** Organizations that (1) develop and coordinate implementation of salmon recovery plans, which are required under the Endangered Species Act, or (2) coordinate salmon restoration projects across a region in areas where there are no ESA-required recovery plans. Regional organizations bring the public, tribes, and private interests together to collaborate on improving their watershed for fish. Regional organizations and lead entities together identify and prioritize habitat protection and restoration strategies and other salmon recovery activities.
- 3) **Regional Fisheries Enhancement Groups (RFEs):** The fourteen RFEs implement salmon recovery projects, including habitat protection and restoration, and participate with lead entities and regional salmon recovery organizations.
- 4) **State Agencies and Programs**
 - a) **Governor's Salmon Recovery Office:** Coordinates and produces a statewide salmon strategy; assists in the implementation of regional recovery plans; helps secure funding for local, regional, and state recovery effort; and provides the Biennial State of Salmon report to the Legislature.
 - b) **Washington's Forum on Monitoring Salmon Recovery and Watershed Health:** Provides a multi-agency venue for coordinating technical and policy issues related to monitoring salmon recovery and watershed health. The forum makes recommendations to the Office of Financial Management, Salmon Recovery Funding Board, Governor's Salmon Recovery Office, the Puget Sound Partnership, and other state and federal agencies about monitoring issues.
 - c) **Puget Sound Partnership:** Addresses the health of Puget Sound by developing and implementing an action agenda for restoration.

- d) Puget Sound Nearshore Partnership: Addresses priorities in the Puget Sound marine nearshore ecosystem (co-managed by the Washington Department of Fish and Wildlife and the Army Corps of Engineers).
 - e) Conservation Commission: Oversees conservation districts in the state, which are often SRFB grant recipients and habitat project implementers. The commission also administers conservation programs targeted at agricultural land, such as the Conservation Reserve Enhancement Program.
 - f) Washington Department of Fish and Wildlife: Provides technical assistance to project sponsors and lead entities, manages fish hatcheries and hatchery reform activities, regulates harvest, and takes the lead on working with the tribes on salmon recovery issues.
 - g) Washington Department of Natural Resources: Manages timber land and aquatic land, jointly manages the Family Forest Fish Passage Program, and addresses salmon recovery through its habitat conservation plans and the Forest and Fish Agreement.
 - h) Washington Department of Ecology: Manages monitoring efforts, including status and trends, and addresses water issues such as watershed planning, water rights, and water quality.
 - i) Washington State Department of Transportation: Addresses fish passage issues, including removing barriers to fish, such as highway culverts; manages stormwater runoff associated with DOT paved surfaces; mitigates for project impacts on wetlands and prevents erosion control associated with construction.
- 5) **Tribes**: Individual tribes, along with the Northwest Indian Fisheries Commission and the Columbia River Inter-Tribal Fish Commission are involved in regional recovery organizations, lead entities, the Puget Sound and Nearshore Partnership, sponsor salmon recovery projects, and co-manage the state's fisheries.
- 6) **Federal Agencies**: Federal partners include the Army Corps of Engineers, National Oceanic and Atmospheric Administration (NOAA-Fisheries), the Environmental Protection Agency, U.S. Fish and Wildlife and U.S. Forest Service.
- 7) **Other Entities**:
- a) Northwest Power and Conservation Council: Maintains a regional power plan and a fish and wildlife program aimed at protecting and rebuilding fish and wildlife populations affected by hydropower development in the Columbia River Basin.
 - b) Nonprofit and non-governmental organizations: Play a variety of roles in salmon recovery, such as sponsoring habitat protection and restoration projects and promoting local activities and citizen involvement.

SALMON RECOVERY FUNDING BOARD MINUTES

REGULAR MEETING

February 18, 2010 • Natural Resources Building Room 172 • Olympia, Washington

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
David Troutt	DuPont
Don "Bud" Hover	Okanogan County
Bob Nichols	Olympia (arrived at 10:15 a.m.)
Carol Smith	Designee, Conservation Commission
Scott Anderson	Designee, Department of Transportation
Craig Partridge	Designee, Department of Natural Resources

Meeting Called To Order

Chair Steve Tharinger opened the meeting at 9:08 a.m. He determined that the board met quorum, with three of the citizen members – David Troutt, Bud Hover, and Steve Tharinger – in attendance. Chair Tharinger announced that he received a letter from Governor Christine Gregoire reappointing him as the Chair of the Salmon Recovery Funding Board.

| Chair Tharinger presented the agenda. The board approved the agenda as presented.

Kaleen pointed out that revised minutes were distributed to the board with an update on page 8, correcting a missing "0" in one of the funding motions.

| Bud Hover moved to approve the December minutes as amended. David Trout seconded.
The board approved the December 10-11, 2009 minutes as amended.

Management and Partner Reports

MANAGEMENT STATUS REPORT

Kaleen Cottingham, RCO Director, noted that the Recreation and Conservation Office (RCO) had redesigned its website, and encouraged the board to visit the site. She highlighted a new tool on the RCO site called *Grant News You Can Use*, which is a resource to provide more information for sponsors. The board reviewed and approved a letter to Senator Murray thanking her for her efforts to secure funding and inviting her to be the keynote speaker at the 2011 project conference. The board also reviewed and approved a letter to King County regarding their proposed rules on engineered logjams. The letter to King County encouraged the county to balance recreational and ecological considerations.

Kaleen noted that the agency is preparing for the legislature's budget decisions. Once the budget is released, the board will need to discuss any potential cuts. However, the legislature is asking RCO to

look at unobligated funds and projects that will not be completed in this biennium. Chair Tharinger asked if the legislature is looking at funds that were awarded at the December funding meeting. Kaleen responded that the legislature asked RCO to report unobligated funds, including the 2010 grant round money (\$3.2 million SRFB and \$5.7 million PSAR) that is yet to be obligated by the Puget Sound Partnership. She noted that the RCO stressed that the funds were necessary to secure federal match.

Pacific Coast Salmon Recovery Funding (PCSRF) Grant Application: The current application strategy holds habitat grants constant to previous years, with two thirds of the funds allocated to habitat and one third to hatchery and harvest if additional funds are available. The application also assumes three percent for RCO administration, 10 percent for monitoring, and funds for PRISM. RCO's budget assumes that the state will get the same amount in this fiscal year as it did in the previous year.

Puget Sound Partnership Consortium: The Governor directed Kaleen and Puget Sound Partnership Director, David Dicks, to share back office functions, graphics, and web tasks. RCO will continue to manage grants, and the two agencies will share IT and web support.

Policy Report

Steve McLellan recommended that board members review the Conservation Tools report, which evaluates and compares different land preservation mechanisms. Steve also noted that Senator Jacobsen asked some questions about the status of the Veteran's Conservation Corps (VCC). RCO is still working with VCC's director to get a pilot study implemented this grant round in the Puget Sound. The pilot will provide a test for whether or not the VCC is a viable option moving forward. Chair Tharinger asked about the hurdles with the program, and Steve responded that finding a fit between projects, locations, and sponsors with veterans can be difficult.

Steve also noted RCO's effort to update the policy manuals to make them more accessible to sponsors and staff in the field.

PUBLIC COMMENT

Ralph Ferguson, Camano Island, Juniper Beach: Mr. Ferguson presented the board with documents expressing his concerns regarding the removal of dikes on Leque Island. He stated that the Department of Fish and Wildlife (DFW) is working on a project to breach dikes on Leque Island that may contaminate Camano Island's drinking water supply. The Department of Fish and Wildlife indicated that the department did not wish to contaminate the water and proposed a study to ensure that the water was not contamination of Camano Island's sole source water supplies. Mr. Ferguson provided a compilation of communication between Island County, Snohomish County, and DFW for the board. He asked that the Salmon Recovery Funding Board set up confirmation of compliance and resolution of permits before monies are released.

Chair Tharinger noted that Sara LaBorde, DFW's representative, was absent. Chair Tharinger noted that he assumed that the issues were addressed in the local process. He asked Mr. Ferguson about evidence of saltwater intrusion and for historical evidence of intrusion in this location. Mr. Ferguson responded that he has worked with a number of county, state, and federal agencies to evaluate and assess the capacity aquifers on Island County. Mr. Ferguson explained that the well field needed to be relocated to maintain the freshwater aquifer.

Bud Hover asked how long the dike was in place and if there was data related to the aquifer prior to the dike being constructed. Mr. Ferguson responded that Leque Island was farmed since the late 1800s, and there were not any dikes in place.

Bud Hover asked if DFW was willing to do the groundwater study. RCO grant manager Kay Caromile responded that she has spoken with DFW and they had Ducks Unlimited conduct a groundwater study in December 2009. The study showed no impact to the water system.

Mr. Ferguson responded that the information that was included in the Ducks Unlimited study was not thorough and did not address the anti-degradation criteria that concerned him. He wrote a letter in December 2009, and is waiting for a response from the DFW Director.

Chair Tharinger noted that the board cannot make a decision because they do not have all of the data, and the DFW representative is absent. Kay added that Snohomish County is going through the local process for permitting, instead of the streamlined permitting process. She encouraged Mr. Ferguson to express his concerns at the local level.

David Troutt suggested that the board might want to see if there is a way to facilitate a better understanding of the review process. He also asked if Mr. Ferguson is convinced that this project will cause water contamination. Mr. Ferguson stated that his purpose of his comments was to encourage the board to set up the criteria so that this situation does not happen again.

Chair Tharinger explained that the board does not want to move a project forward that would impact the Camano Island water supply, but Mr. Ferguson's concerns were acknowledged and staff is aware of the issue.

SALMON RECOVERY MANAGEMENT REPORTS

Governor's Salmon Recovery Office

Phil Miller highlighted the following announcements and information from his report:

- Miles Batchelder was appointed in December 2010 as the Executive Director of the Washington Coast Sustainable Salmon Partnership
- GSRO is beginning work on the 2010 State of the Salmon Report
- They have completed the 2009 Regional Salmon Recovery Organization Performance Review and a resulting report, which summarized the status of work by the regional organization, including recent accomplishments, challenges, or delays in key milestones, and status of key milestones in the coming year.
- GSRO is working on guidance for annual regional fund reports. The intent is to get information on salmon infrastructure funding within each of the regions. Each region is being asked to submit operations funding information for the regional organization, lead entity, and watershed planning units in their area. Chair Tharinger noted that the board requested this report to see where the board's funding for regional organizations and lead entities fits into salmon recovery across the state.

Manual 19, the lead entity and regional organizations guidance manual, is being revised with the same timeline as Manual 18. The expected release date for the manual is March.

Kaleen added that Phil is recruiting to fill a position that will be involved with the data portion of the State of the Salmon report, and will soon be hiring a contractor to help address funding gap issues. Phil noted that interviews for the vacant position will be held next week. Bud Hover responded that filling the GSRO position will give the board a better idea of what needs to be addressed in regards to funding and recovery plan implementation.

Chair Tharinger noted that he hopes the State of the Salmon is not just a funding story, but an execution of the plan story.

Grant Management – Brian Abbott

Brian stated that grants staff are working on getting projects under agreement. There are currently 73 agreements out for signature, and there are 19 fully executed agreements and projects are underway. The office is focusing on PRISM updates to include Pacific Coast Salmon Recovery Fund metrics. The target date for releasing updates is March 14, 2010.

Tara Galuska and Jason Lundgren, Salmon Outdoor Grant Mangers gave project presentations. Tara presented Snyder Cove. Jason presented Sam's River Decommissioning Forest Service Road 2180, sponsored by the Quinault Nation. Jason and Tara also presented Family Forest Fish Passage Program (FFFPP) projects.

The chair asked Jason Lundgren to explain the differences between Salmon Recovery Board projects and those funded by the Family Forest Fish Passage Program. Jason explained that FFFPP works with Washington Department of Natural Resources and Washington Department of Fish and Wildlife to encourage small forest landowners to improve fish passage on their property. Funds for FFFPP are distributed across the state, finding the best projects in each county or watershed as opposed to a funding allocation. Craig Partridge added that the program provides small forest landowners the ability to help with Road Maintenance and Abandonment requirements.

REPORTS FROM PARTNERS

Council of Regions Report

Jeff Breckel presented the Council of Regions (COR) Report. Jeff noted that COR was involved in the Manual 18 updates. The regions are pleased with updates providing more project review time, the option to move projects further down on the alternate on the funding list, a streamlined review process with the Technical Review Panel, increasing the number of application materials required for an early site visit, and the increased flexibility in funding construction materials.

Lead Entity Advisory Group Report

Richard Brocksmith provided the board with notes from the recent LEAG meeting and mentioned an upcoming training event that will include discussions about the Habitat Work Schedule, restoration techniques, education and outreach, implementation reporting to identify how close lead entities are achieving to goals, and ways to improve.

Lead entities provided input on recent updates to Manual 18. In addition, LEAG would like to see the following changes to the manual:

- Begin to institutionalize the Habitat Work Schedule into Manual 18
- Continue to reduce the amount of duplication in the review application process
- Incentivize monitoring

AGENCY UPDATES

Conservation Commission, Carol Smith: They are working with 47 districts to develop their budget for the next biennium. Districts look at their five-year strategic plan to align the biennial budget. This biennium, the Commission is working close with the Natural Resources Conservation Service (NRCS). Conservation Districts also will be asked to provide more detail about future projects. The project information will be shared with NRCS to help leverage federal funding on the future projects.

Department of Transportation, Scott Anderson: 2010 is going into one of the biggest construction seasons. There are ten stand-alone fish passage projects costing about \$20 million. DOT is forming a partnership with Kitsap County, the Suquamish Tribe, and the Navy for future work on a reach-wide project on Chico Creek. There are three fish barriers in the projects: a county road, a city road, and State Route 3 over Chico Creek. The estimated DOT contribution for fish passage will be about \$30 million. Chair Tharinger noted that in Clallam County, DOT has done a good job of being strategic with their wetland mitigation dollars.

Department of Ecology, Melissa Gildersleeve: The Water Quality Programs just finished executing grants for restoration funding from the Recovery Act. Since Ecology has the contracts executed, Washington is eligible for more funds from states that did not spend their money.

Department of Natural Resources, Craig Partridge: They are concluding the 5-year strategic planning effort, which included two rounds of public comment. The plan will be released at the end of March.

Other Board Business

LEGISLATIVE UPDATE

Rachael Langen presented the agency's updated budget numbers. RCO was asked to do a 10 percent exercise and a 20 percent budget reduction exercise, and Rachael discussed the potential effects of both exercises. Rachael also mentioned that the Governor had released her revenue package, totaling \$605 million.

Kaleen noted that the board would need to make decisions about implementing the budget. She noted that the board would need to decide on the location of the May meeting, based on the cost of travel and potential restrictions. The board could delegate authority to her or hold a special meeting. Bud Hover noted that he is comfortable delegating to Kaleen so long as she is consulting the people who are impacted. Bob Nichols agreed with Bud. David Troutt stated he would like to be involved in a conference call for the entire board to discuss prior to making a decision.

Chair Tharinger stated that it would depend on the budget, but noted that it is valuable for the board to connect with local constituents and efforts. Kaleen responded that the RCO hopes to know the budget situation by March 11, 2010. Chair Tharinger suggested that RCO staff send the board a memo with final budget impacts, and then he will decide whether to call a second meeting.

Kaleen mentioned that in September, RCO approached the Puget Sound Partnership about the unobligated PSAR funds. There was some discussion changing the contracts from design-only to fully obligate them with conditions, but they opted not to take that approach. The Partnership recently suggested taking that approach, but Kaleen decided not to do that, given the timing.

Joe Ryan, Salmon Program Manager at the Puget Sound Partnership, added that in December 2007, the board decided that there was a possibility for a rolling grant round. RCO and PSP institutionalized the PSAR grant round. Kaleen added that RCO is receiving messages from legislative staff that salmon funding is less at risk because of the federal match.

Steve McLellan highlighted a few bills that are still being discussed at the legislature, including agency mergers, agricultural bills, forest practices incentives, natural resources reform, and state agency cutbacks. Kaleen added that RCO had two boards were originally slated to be cut. The Lower Columbia was in a previous version of a bill to be eliminated, however it looks like that version will not go through.

BOARD TOUR

Rebecca Connolly reminded the board about the Nisqually Tour on Friday. Currently there are two board members attending. The public is welcome to attend.

PROPOSED CHANGES TO MANUAL 18 FOR 2010 GRANT CYCLE

Brian Abbott presented updates to Manual 18, including formatting, administrative, policy and process changes. Brian reviewed the process staff has taken to involve stakeholders, namely lead entities.

Chair Tharinger asked if moving up the deadline gave more time for the review panel. Brian explained that although the application deadline is a week earlier, it gives sponsors and lead entities time to respond to comments about the application materials. Most lead entities are embracing the earlier deadline.

Brian noted that new guidelines for using Habitat Work Schedule will help make better use of the information and help the Review Panel evaluations. The guidelines are a short-term solution until HWS and PRISM can interface and share data. Craig Partridge asked how much of the process is keeping tracking of the information flow within a grant round versus keeping track of project information over time within a watershed. Brian responded that Habitat Work Schedule (HWS) provides the opportunity to look at a watershed level progress.

Richard Brocksmith suggested a pilot project to fund effectiveness monitoring by making it eligible as match. He stated that there would be no cost, and that monitoring would be conducted by citizen scientist volunteers. He suggested that the program could be implemented as a one year demonstration to gather information on lead entities and sponsors helped with monitoring.

Carol Smith recommended waiting until the results of the effectiveness monitoring study are completed. She also noted that there is a cost because effectiveness monitoring would be substituted match and the costs would deduct from projects funds.

David Troutt added that the board struggles with making a difference at a reach scale. He feels it is worth considering, because there is a value to knowing the difference at a project by project.

Craig Partridge asked Richard if he believes that allowing citizen monitoring to count as match would improve an effort that is currently happening, or if it would create new monitoring efforts. Richard responded that the "pilot" would be an incentive to promote monitoring.

Chair Tharinger questioned the variety in quality of the monitoring. He stated that the approach has value, but it needs quite a bit of work before the board awards funds for it. He encouraged the lead entities and regions to work out some of the issues this year.

Ken Dzinbal, Forum on Monitoring added that the board has heard enthusiasm for a long time about effectiveness monitoring, but noted that quality needs to be maintained. Ken stated that detail is important in monitoring. Ken did not advocate for adding the proposal to Manual 18 today, but thinks the conversation merits more detail, and offered to work with LEAG on designing the pilot.

Chair Tharinger asked about the immediacy of this issue. Richard responded that to add it to the manual would benefit addressing this issue this year, rather than waiting another year.

In response to questions from board members, Brian provided the following information about policies in the manual:

- The definition of "private landowner" is included to distinguish that a private business is not an eligible sponsor according to the RCW.
- A National Fish and Wildlife Fund (NFWF) grant cannot be used as match for a SRFB project if the NFWF grant was funded by the SRFB. The funds can be used together on a project.
- The language allowing attorney fees as an eligible cost is new. It provides an ability for smaller organizations to access the resources they need for complicated issues.
- Liability insurance also is now an eligible cost for restoration contracts during the agreement period.

Public Comment

Joe Ryan, Puget Sound Partnership referred to a letter from David Dicks asking that the board reconsider the policy it adopted in December for certification that projects are not in conflict with the Action Agenda. They would prefer to have the Partnership certify the projects when they submit the list. The Partnership suggested the following language (paragraph three of the letter dated 2/11/2010):

The Puget Sound Partnership will certify whether projects submitted in Puget Sound for SRFB or PSAR funding are consistent with and not in conflict with the Action Agenda. The Partnership will include a certification letter when submitting the Puget Sound regional package to RCO.

Kaleen noted that projects that receive funding from both the RCFB and SRFB would have to go through two different processes if this change is made.

Chair Tharinger suggested approving the manual as amended to include that Puget Sound lead entities not self certify for SRFB projects. Brian agreed this would work.

Bud Hover MOVED to approve Manual 18 as presented including proposed language in paragraph three in the letter from Puget Sound Partnership, dated 2/11/2020 from David Dicks. David Troutt seconded.

Motion APPROVED. (Bob Nichols absent for this vote)

Brian asked the board to approve the staff's recommendation of \$18 million preliminary funding level, and finalize at the May meeting when more information is known.

Bud Hover MOVED to approve the preliminary funding target of \$18 million in grant award for the Salmon Habitat and Restoration projects to be awarded December 2010 according to the established regional allocation formula. David Troutt seconded.

Motion APPROVED. (Bob Nichols absent for this vote)

CONVERSION REQUEST FOR PROJECT #01-1264A, BARKER CREEK CORRIDOR ACQUISITION

Scott Robinson, Conservation and Grants Services Manager, gave an overview on conversions and compliance issues. Scott explained that compliance represents RCO's commitment to the public, operating similar to stewardship of the grant process and money. Considering the thousands of projects that have been funded by RCO, compliance is an important piece of ensuring the integrity of the grants.

Scott explained aspects of grant compliance with the board, noting when projects that are out of compliance lead to conversions. He explained that a conversion occurs when an essential use, function, or management of the site has been changed from what was intended in the grant. He then explained the sponsor's contractual obligations as well as the board's options and responsibilities.

Tara Galuska, Grant Manager presented the conversion request for the board to consider. Tara noted that the replacement property was a higher priority piece of property than the originally purchased property. The original grant proposal targeted both properties, they were vetted through the local process, and the properties are contiguous.

David Troutt asked about the property line. Martha Droge, Kitsap County Department of Parks & Recreation responded that the parcels were split before purchase, so a boundary adjustment is not necessary. The county and the landowner would essentially exchange the properties. David asked about a conservation easement. Tara stated that the landowner may be open to this in the future.

Bud Hover MOVED to approve the conversion request and the proposed replacement property for the Barker Creek Corridor Acquisition project as presented to the board. David Troutt seconded.

Motion APPROVED.

CONTRACT FOR NEARSHORE MONITORING

Ken Dzinbal noted that the board has reserved, but not awarded, \$50,000 to implement a nearshore monitoring element. The board has heard several presentations over the past year from the Estuary and Salmon Recovery Program about the proposal. The ESRP is now negotiating a contract with The Nature Conservancy to develop a River Delta Tidal Wetlands Rapid Assessment Protocol. Ken explained that they hope to begin work in the field by as soon as possible.

Bud Hover MOVED to authorize the director to approve up to \$50,000 for the nearshore monitoring contract with The Nature Conservancy. Bob Nichols seconded.

Motion APPROVED.

SCOPE AND DATA NEEDS FOR 2010 STATE OF THE SALMON REPORT

Steve Leider announced that the Governor's Salmon Recovery Office has started the State of the Salmon (SOS) report. This will be the first State of the Salmon report under the Recreation and Conservation Office, and it will be combined with the biennial RCO salmon report. The report is due in December, and staff will be working through the summer to refine the data.

He noted that based on feedback, the 2010 report will place less emphasis on actions and provide more up-front information about how fish and watershed health are doing. Ultimately, it would include some information online with links so that users can drill down into the detail. An executive summary will be included.

The report also will point out the data gaps and "threats." The "threats" category is intended to illustrate issues that salmon recovery continues to confront, such as climate change and population growth. Hatchery reform also will be addressed in the new report.

Chair Tharinger noted that the GSRO should focus on the alignment between the State of the Salmon report and other high-level reports, how to crosswalk and achieve consistency in data collection, and whether or not the indicators are the same across reports.

Bob Nichols noted a concern that the data sometimes doesn't match the story we are telling. Steve Leider responded that sometimes the reason for data being collected is different from this reporting need, and that can create issues. Another concern is the need to roll-up data which can mask variations in underlying information some people may want to see. Bob noted that when data is rolled up, there is a need to stay true to the data instead of allowing the story to dictate the data. Kaleen added that the board needs more than just the data and need to be walked through the story to accompany the data.

Chair Tharinger asked if data gaps are an issue when writing the report. Steve Leider responded that he expects considerable data gaps, but that we more clearly define them so that we are better able to show what we need to that we can answer the high level questions. This means that as we shift toward more emphasis on environmental trends, it will take time before data are in hand to show those trends.

David suggested greater specificity about threats – such as areas where we are losing habitat and what the obstacles are to overcoming the threats. Steve Leider asked if the Forum's status and trend framework and indicators like changes in land use/land cover, and impervious surfaces would respond to that concern, or at least highlight where problems exist for the readers of this report. David said it needs to relate to salmon habitat needs.

Board members discussed the need to strike a balance between giving too much information and doing so much roll-up that the detail is lost.

Steve Leider suggested that the report could address threats at a regional level, and note the statewide implications. GSRO will use the board's input on the levels of detail for the report.

FRAMEWORK FOR 2010 DISCUSSION OF STRATEGIC PLAN ISSUES

Chair Tharinger gave some background on the topic by highlighting guidance to him as part of his reappointment as SRFB chair for priorities for the coming year:

- Increasing coordination and efficiency – consider a funding cap for infrastructure and/or competitive grant process for operational grants.
- Increase transparency and accountability to determine if investments targeted to highest and best uses. Consider performance management contracts for infrastructure and ensure that projects are meeting goals.
- Evaluate the ongoing role of board.

Steve McLellan presented the policy proposal for eight areas of focus in 2010. He described how they linked to the board's strategic plan, legislative directives, the Governor's instructions, stakeholder input, and other drivers. Staff is proposing periodic reports and briefings, with policy proposals as needed. He asked the board for direction on whether this captures what they would like staff to do.

Board members discussed the proposal and made the following requests to staff:

- Develop a crosswalk to explain the intersect between the proposal and the key actions in the strategic plan
- Evaluate the effectiveness monitoring proposal from the lead entities.
- Keep the evaluation of a competitive grant process for operational funds as a high-level analysis, and consider whether the intent could be met through performance-based contracts.
- Look at the relationship of review panels for greater efficiency.
- If staff considers changes to the grant round timing or process, ensure that they are high-leverage. The existing process and schedule have worked well so far.

The board also discussed natural resource reforms, including performance management. Bob noted that the board is doing its due diligence in reviewing efficiencies and effectiveness. Kaleen stated that some of the board's high-level indicators might become performance measures for the Natural Resources GMAP.

CLOSING COMMENTS

The board will determine whether to have a special board meeting, and whether to travel to Bellingham for the next meeting.

Meeting adjourned at 4:12 p.m.

Approved by:

Steve Tharinger, Chair

Date

To King County Water and Land Resources Division,

Here are some comments about the proposed King County Water and Land Resources Division (WLRD) “Procedures for Considering Recreational Safety when Placing Large Wood in King County Rivers”, also called large woody debris (LWD).

I was a “member at large” in the discussions held June through September by the Large Wood Stakeholder Group. These meetings produced a document, part of which is similar to the proposed procedure. The group had a majority of people primarily concerned with fish restoration. Of 12 committee members, 4 were affiliated with river recreation.

I’ve been involved in the use of LWD for 14 years. A few years ago I found out about the drowning death of a 20 year old against an LWD project created by 2 state agencies in another county.

I’ve recreated on Washington rivers since 1968, some 46 in all, and I agree with the proposed list of river reaches used by recreationists in King County.

On page 2 of the Procedures, line 14, I suggest adding Comprehensive Plan policy E-407 to the list, because it mentions “public hazards”. This is because loose woody debris is a public hazard as it floats in floods. On January 8, 2009 a Cedar Rapids project group of 3 loose logs impacted the steel Williams Avenue bridge in Renton and dented the understructure.

Also on page 2 of the Procedures, line 21, I suggest adding Flood Hazard Management Plan policy G-2 to the list because it mentions “Threat to public safety” and “Damage to public infrastructure”, also because of the Williams Avenue bridge damage.

I note line 23 on page 3, which gives a purpose of the procedures to “minimize risks to public safety.” This implies not just recreation safety but public safety in general, which would include the Williams Avenue bridge above.

I note the 2 documents listed at the top of page 5. These are the “Guidelines for Bank Stabilization Projects”, 1993 by King County Water Resources Division, and the “Integrated Streambank Protection Guidelines”, 2003 by Washington Department of Fish and Wildlife. I understand they are listed because they’re cited in the Ordinance 16581.

However, some of us in the recreation community have carefully examined those documents. I believe we are unanimous in deciding they do not address recreational safety adequately, may ignore it, or even recommend designs that are dangerous.

We in the recreation community have complained about a couple of diagrams in the Guidelines, which now are labeled on the county’s website as “no longer used due to safety concerns”. These diagrams both place rootwads in the potential path of swimmers or boaters which can entrap them. That’s what happened to the 20 year old.

There is other LWD literature that does not ignore safety. We have Technical Supplement 14J in the Stream Restoration Design CD by the Natural Resources Conservation Service of the US Department of Agriculture. We also have scientific paper references from the Journal of Hydraulic Engineering, published by the American Society of Civil Engineers, and the Corps of Engineers EMRRP Technical Notes Collection. EMRRP is the Corps Ecosystem Management and Restoration Research Program.

On the top of page 6, line 7, I object to the phrase “as appropriate”. My view is that any time a wood structure is placed in a river, hydraulic analysis should be done, unless there are strong similarities to other projects on rivers with similar velocities in 100 year flood.

The lack of such analysis has been the reason for at least three failures of WLRD projects. Two were in the 1990's: Hamakami Farm on the Green, and Elliott levee on the Cedar. Both of these used LWD partly embedded in the bank, some of which were torn out of the bank in high water later. The third failure is the 2008 Cedar Rapids project, mentioned above. Eight groups of 3 trees, chained together, were lost downstream. Four of these groups were lost in the relatively mild high water (2000 cfs) of November 2008. The others lost were in the real flood of over 8000 cfs in January 2009.

I strongly agree with the proposed procedure on the top of page 6 (lines 4 though 10). This specifies designs done by professionals, and signed by a Licensed Professional Civil Engineer (PE). River restoration with large wood is a civil engineering enterprise. This is proven by a series of river restoration conferences held by the American Society of Civil Engineers.

Regarding pages 5 – 7, I have doubts about the need for a return to the public at 3 different phases of LWD design: 30%, 60-70% and 90%. Without an engineering drawing, I feel there is too much room for misunderstanding. Descriptive language alone cannot have enough detail to assess the safety of a structure. Therefore, I prefer public input when engineering drawings are available.

On page 8, line 10, I strongly favor the notification of cities downstream of any LWD project.

Martha L. Parker, 18028 187th Ave. SE, Renton, WA 98058, 425-432-5498
marthaparker@aol.com

References

Bernard, J., J. Fripp and K. Robinson, (2007) “The use of large woody material for habitat and bank protection” in Technical Supplement 14J, National Engineering Handbook NEH-654, Natural Resources Conservation Service, U.S. Dept. of Agriculture. In FREE CD at <http://landcare.nrcs.usda.gov>

D’Aoust, S.G. and R.G. Millar (2000), “Stability of Ballasted Woody Debris Habitat Structures”, J. of Hydraul. Eng. 126 (11): 810-817.

Fischenich, C. and J.V. Morrow, Jr., (2000) “Streambank enhancement with large woody debris”, EMRRP Tech. Notes Collection ERDC TN-EMRRP-SR-13. U.S. Corps of Army Engineers, Engineer Research and Development Center, Vicksburg. MS.
<http://el.ercd.usace.army.mil/elpubs/pdf/sr13.pdf>

Connolly, Rebecca (RCO)

From: Blake, Moriah (RCO)
Sent: Monday, February 08, 2010 9:20 AM
To: Connolly, Rebecca (RCO)
Subject: FW: February 18, 2010 SRFB Meeting Notice
Attachments: SRFB meeting last week

Follow Up Flag: Follow up
Flag Status: Flagged

Categories: SRFB

Correspondence.

Moriah Blake

Salmon Recovery Funding Board
Recreation & Conservation Office
(360) 902-3086
Moriah.Blake@rco.wa.gov

From: Ken and Peggy [mailto:dukeof@hctc.com]
Sent: Saturday, February 06, 2010 7:43 AM
To: Blake, Moriah (RCO)
Cc: Laborde, Sara G (DFW); Ramsey, Michael (RCO); Senator Tim Sheldon
Subject: February 18, 2010 SRFB Meeting Notice

Moriah I received the agenda for the upcoming meeting, thank you. I see that approval of the December 2009 minutes is on the agenda. I am unable to attend the February 18 meeting and wonder if you could forward this e-mail and attachment to the members of the SRFB. Mr. Trout had asked in the Dec. meeting if the "no action option would be considered in regards to Union Estuary Johnson farm dike design. I sent the attachment to Ms Laborde the following week asking that all options for this project be considered. I have also asked Senator Sheldon, Senator Haugen, and Representative Finn to ask that the Attorney General offer a formal opinion on this project before the grant is awarded. Recently there has been violations on the WDFW land involved in this project, the grant recipient has violated easements and compromised trail users safety. **No** community meetings have been held. I understand the violations are being investigated. I ask that all members of the SRFB be made aware of that. thank you

Ken VanBuskirk,
61 NE Davis Farm Road,
Belfair Washington 98528

Connolly, Rebecca (RCO)

From: Ken and Peggy [dukeof@hctc.com]
Sent: Wednesday, December 16, 2009 6:54 AM
To: laborsql@dfw.wa.gov
Cc: Senator Tim Sheldon; Haugen, Sen. Mary Margaret
Subject: SRFB meeting last week
Attachments: December 10.docx

Hi Ms LaBorde, I attached my testimony I presented at the SRFB meeting last week where the Hood Canal Salmon Enhancement Group and WDFW received \$130,000 in funding to **study options** for breaching a portion of the Theler trails sitting on the Johnson Farm dikes. I was disappointed and I remain opposed to the idea on the position it will flood long term agricultural resource lands which I believe is counter to Mason County zoning laws and Washington state law. To that means I have asked our elected legislators to ask the AG for a formal opinion as to the legal feasibility. As I testified, the farm is covered with freshwater wetlands and breaching dikes could disrupt these beneficial wetland functions and potentially cause intrusion of saltwater into the farm's water well. I also have concerns around goals of the Growth Management Act. This particular project does not have matching funds and there are too many constraints placed on the project. Even members of the HCCC's technical advisory group have concerns with the overall benefit of this project. Any thorough study and analysis of the options should include a **"no action" alternative** and a **"complete removal of the dikes" alternative**. Inclusion of these alternatives in the study would have a higher certainty of success and a greater benefit to salmon and the taxpayer. I noticed that the chair interrupted you when it came time for a vote and was curious if you could influence the lead entity to postpone this project until a formal decision has been rendered.

Ken VanBuskirk
 61 NE Davis Farm Road
 Belfair WA 98528
 360-275-3890

Salmon Recovery Funding Board testimony regarding Hood Canal projects.

I have lived and worked in the Hood Canal watershed for close to 50 years and have seen many things in the watershed. Forest fires, the conversion of forests and farmland to acres of impervious surfaces and the devastating flooding which seem to be more and more frequent. Now the beautiful Union River which flows through our farm is choked with invasive knotweed. The HCCC brings before you many projects which they have reviewed and ranked. Which are the right ones to fund? These are **tough decisions** for you to make and I appreciate your willingness to take public comment. I have submitted written comments to you earlier but feel strongly enough that I come before you today in person. I disagree with the ranking and would like to see the “acquisition” projects and the knotweed control projects given higher consideration. I feel the “Johnson farm dike design” should be dropped from consideration. I testified before the SRFB four years ago when this particular project was an acquisition. The proposal was pulled at the last minute and the WDFW has since paid an exorbitant price for the Johnson Farm. The project now comes before you as a proposal to study breaching dikes that would ultimately flood agricultural resource lands. This farm is part of a larger heritage farm homesteaded before statehood. It is managed under a program called “best farm management practices” and is a wonderful example of how agricultural and environmental principles can co-exist. The farm is covered with freshwater wetlands and breaching dikes could disrupt these beneficial wetland functions and potentially cause intrusion of saltwater into the farm’s water well. I also have concerns around goals of the Growth Management Act, specifically goal 9 regarding protection of- open space, farmland, recreation, goal 10 regarding the environment and water quality, and goal 13- historic preservation. This particular project does not have matching funds and there are too many constraints placed on the project. Even members of the technical advisory group have concerns with the overall benefit of this project. I feel it’s important to approach all these projects from a landscape perspective. I also feel the acquisition projects and knotweed control projects have a higher certainty of success and a greater benefit to salmon and the taxpayer.

Thank You!