

PROPOSED Salmon Recovery Funding Board Meeting Agenda

May 20, 2010

Best Western Lakeway Inn, 714 Lakeway Dr, Bellingham, WA

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 May 13, 2010 at 360/902-3086 or TDD 360/902-1996.

THURSDAY, MAY 20

OPENING AND WELCOME

- 9:00 a.m. Call to Order** *Chair*
- Determination of Quorum
 - Review and Approval of Agenda (**Decision**)
 - Approval of February 2010 Meeting Minutes (**Decision**)

MANAGEMENT AND PARTNER REPORTS (Briefings)

- 9:05 a.m. 1. Management Status Report**
- a. Director's Report *Kaleen Cottingham*
 - Revised approach to board minutes
 - b. Financial Report
 - c. PCSRF Grant Application
 - d. Policy Report *Steve McLellan*
 - Water policy, deed of right, compatible uses/allowable activities
 - e. Work Plan and Performance Update *Rebecca Connolly*

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

- 9:30 a.m. 2. Legislative Update 2010 and Preparing for 2011**
- a. Session review & assignments *Steve McLellan*
 - b. Legislation for 2011
 - c. 2011-13 Budget

10:00 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*

10:30 a.m. 4. Biennial Workplan for Implementing Strategic Plan

Megan Duffy

OTHER BOARD BUSINESS (Decisions)

11:00 a.m. 5. Factors for Considering Major Scope Changes – Acquisition Projects

Megan Duffy

11:20 a.m. 6. Monitoring Program

Ken Dzinbal

- a. Effectiveness Monitoring
 - Update on program review
 - Request for funding bridge to complete 2010 field season and analysis
(Decision)
- b. Intensively Monitored Watersheds (IMW)
 - Update on the IMW workshop
 - Request for funding to complete 2010 field season and analysis
(Decision)

Noon 7. Puget Sound Acquisition and Restoration (PSAR) Grant Awards

Brian Abbott

OTHER BOARD BUSINESS (Briefings)

12:15 p.m. BEGIN WORKING LUNCH

12:30 p.m. 8. Regional Recovery Organization Presentation: Puget Sound

Joe Ryan

1:15 p.m. 9. Salmon Recovery Management Reports

- a. Governor's Salmon Recovery Office
- b. Grant management and preview of tour

Brian Abbott and Staff

1:35 p.m. ADJOURN

MEET TO DEPART FOR TOUR OF SRFB-FUNDED PROJECTS AT 1:45 p.m.

Next Meeting: October 7-8

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

Salmon Recovery Funding Board

Briefing Memo

Item 1A

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

Proposed Action: Briefing

Summary

Governor's Salmon Recovery Office (GSRO) Revises Manuals

GSRO has completed a significant revision to the guidance manual for regional organizations and lead entities and the scope of work for lead entity grant agreements. The revisions to lead entity grant agreements will improve their alignment with the SRFB's process for funding habitat projects. Each lead entity's grant agreement will be amended over the next couple of months so that the changes are in effect by July 1.

Natural Resources Reform

The Governor's Natural Resources Cabinet is beginning work to implement the executive order on natural resources reform. RCO will be playing a significant role in efforts to create "one front door" access for citizens to natural resource agencies, simplifying grant and loan processes, coordinating fieldwork and monitoring across agencies, and developing performance measures for natural resources. The cabinet intends to meet monthly, and significant progress on these efforts is expected by summer.

Policy Team Works on Variety of Issues

The policy team continues to work on a wide range of issues. In the salmon world, they are looking at how much to fund local "capacity" to implement projects, whether we are funding the right mix of projects, and ways to make the system more efficient. Work continues on a review of our policy on compatible uses of grant funded properties. On behalf of the Recreation and Conservation Funding Board, we are looking at how we might factor in sustainability to the projects we fund. We also expect to have significant involvement in legislatively chartered studies on boating programs and on how the fuel tax is used for off-road activities. On another front, the policy team continues to look at ways to streamline the process for changing grant manuals and how to make online versions of the manuals more useful and accessible.

RCO Recruits New IT Chief

RCO will soon have a new Chief Information Technology Officer. RCO, working with the Puget Sound Partnership, has received approval from the Office of Financial Management to fill this position to be shared by our two agencies. Interviews have been completed.

We also have received approval to hire a fiscal analyst 3 or 4 to fill a vacant position in our fiscal section.

New PRISM Launched March 27

During March, much of RCO's staff resources were devoted to updating PRISM. Grant managers spent hundreds of hours developing, reviewing, and testing the changes. These were some of the biggest changes we have made to the agency's core database in many years; changes that affect every grant applicant. The changes will allow RCO to collect more information about how the funds are being invested and what we are achieving with that investment. I believe this will help us, and our sponsors, better tell the story of why this funding is important. We also made some minor modifications to PRISM, such as giving new names to how projects are categorized, making new reports available, and making changes to allow PDFs to be attached. The big changes were in the types of questions we ask grant applicants. The questions vary by grant program and project type, and include questions such as: How many jobs will be created by this grant? How many miles of stream will be restored? How many endangered species will be protected? With this information, RCO will not only be able to say how many grants we awarded but what they accomplished.

Audit Results Are In – Three Areas to Improve

We have just received the conclusions from the State Auditor's Office for the 2007, 2008, and 2009 accountability audit (which is different than the federal audit we normally receive.) Unfortunately, there were three issues that we must address. One of those is considered an audit "finding," the most serious category for auditors.

The auditor found that RCO does not sufficiently monitor grant recipients to make sure that they are spending money the way they say on their invoices. An earlier federal audit found the same issue for our federal salmon funds and recommended that RCO require backup documentation and review it before paying bills. RCO has developed a risk-based sponsor profile that will guide our monitoring of invoices. RCO has started doing this for some salmon sponsors and will decide what changes to make in other grant programs as a result of this audit finding. Starting April 1, salmon sponsors who scored higher on the risk analysis are required to provide copies of backup documents, such as invoices, timesheets, and receipts, with their invoices to us.

For the second issue, the auditor found several instances when we did not follow, or did not document following, state contracting policy for personal service contracts. We already had

identified our need to have one person be our contracting specialist. Moriah Blake has taken the lead on all of our contracts, and will standardize our processes so that we follow the state rules.

The third issue was that the auditor found that we did not have an appropriate system to assure that payroll staff did not enter their own leave into the personnel system. RCO had set up a process to check this but the auditor felt it was not enough. Because the Small Agency Client Services in the Office of Financial Management now will be handling leave reporting, this will no longer be a problem.

News from our Sister Boards

Recreation and Conservation Funding Board (RCFB) – The RCFB met in March and made several policy decisions, including adopting factors to consider for major scope changes, which will be presented to the Salmon Recovery Funding Board in May. The RCFB also approved the second phase of a land exchange between the Washington Departments of Fish and Wildlife and Natural Resources. At the end of the day, the board reviewed Jim Eychaner’s white paper on sustainability and discussed how to incorporate the concepts into future grant programs.

Washington Invasive Species Council – In March, the council worked with partner agencies to flush Capitol Lake with saltwater to kill the invading New Zealand mud snail. Despite hard work, the efforts were not successful, killing only 12 percent of the snails. Council staff will meet with partner agencies to determine next steps. In other business, the council has been coordinating with Oregon and Idaho for a grant application to help educate citizens about the need to stop moving firewood from one area to another because of the high potential to move invasive pests.

Biodiversity Council – The council met March 10 at the Nisqually National Wildlife Refuge. The council, slated to sunset in June, discussed options for ensuring progress on the council’s flagship projects, as well as progress on the Biodiversity Conservation Strategy overall. Staff and contractors presented on two active projects: (1) creating a catalogue of conservation tools for land use planners and (2) developing a communication piece to summarize the work on the Biodiversity Scorecard.

Forum on Monitoring Salmon Recovery and Watershed Health – The forum met on March 23 and heard a number of updates ranging from the announcement of the upcoming 2010 Pacific Coastal Salmon Recovery Fund grant to states, to overviews of the Bonneville Power Administration’s (BPA) new monitoring initiatives. One topic of interest was the June 30, 2011 date for the Forum to expire. Forum members were unanimous in agreeing that they should ask the 2011 Legislature to extend the forum’s sunset and assign specific tasks to be completed in the upcoming biennium. Staff will convene a small committee of members to write the text for a bill and supporting materials.

In other business, staff is working with representatives from BPA, Northwest Power and Conservation Council, National Oceanic and Atmospheric Administration, and the Pacific Northwest Aquatic Monitoring Partnership to prepare for an effectiveness monitoring workshop set for April 20. BPA plans to increase funding for effectiveness monitoring in the Columbia

basin and is seeking guidance on priority needs. Finally, staff met with a project team to work out funding details for the Washington Department of Fish and Wildlife and the Northwest Indian Fisheries Commission to develop a statewide exchange network allowing open sharing of juvenile salmonid (smolt) data.

Habitat and Recreation Lands Coordinating Group – The lands group will meet in April to develop a forecast of acquisitions planned by state agencies for the 2011-2013 biennium. In preparation for the forecast, the lands group updated its Web pages to include information about lands that state agencies might buy.

Salmon Recovery Funding Board

Briefing Memo

Item 1B

Meeting Date: May 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 March 31, 2010. These balances reflect the recent funding round.

The available balance (funds to be committed) is \$11,604,000. This does not include funding from 2010 Pacific Coastal Salmon Recovery Fund grant. The board's balances are as follows:

Fund	Balance
Funds Awarded by the SRFB	
Current state balance	\$2,970,000
Current federal balance	\$1,700,000
Puget Sound Acquisition and Restoration (PSAR) <i>This includes an amount to be obligated to the lead entities</i>	\$4,437,000
Other Funds	
Family Forest Fish Passage Program (FFFPP) – Awarded by DNR	\$2,497,000
Estuary and Salmon Restoration – Awarded by a multi agency committee	None

Attachments

- A. Salmon Recovery Funding Board Budget Summary

Salmon Recovery Funding Board Budget Summary

For the Period of July 1, 2009 - June 30, 2011, Actual amounts through 3/2010 (fm09)

Percentage of biennium reported: 42%

	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%	\$435,018	23%
State Funded 05-07	\$4,739,719	\$4,739,719	100%	\$0	0%	\$1,301,324	27%
State Funded 07-09	\$10,309,239	\$10,309,239	100%	\$0	0%	\$2,498,024	24%
State Funded 09-11	\$9,350,000	\$6,379,330	68%	\$2,970,670	32%	\$552,451	9%
State Funded Total	26,438,230	23,467,560	89%	\$2,970,671	11.2%	4,786,818	20%
Federal Funded 2005	\$6,593,960	\$6,593,960	100%	\$0	0%	\$3,246,949	49%
Federal Funded 2006	\$8,850,150	\$8,850,150	100%	\$0	0%	\$2,939,802	33%
Federal Funded 2007	\$14,305,923	\$14,305,923	100%	\$0	0%	\$4,959,293	35%
Federal Funded 2008	\$20,312,568	\$20,312,569	100%	\$0	0%	\$3,660,808	18%
Federal Funded 2009	\$23,864,900	\$22,164,295	93%	\$1,700,605	7.1%	\$0	0%
Federal Funded Total	73,927,501	72,226,896	98%	\$1,700,605	2%	14,806,852	21%
Lead Entities	6,845,047	6,845,047	100%	-	0%	1,187,643	17%
Forest & Fish	1,638,485	1,638,485	100%	-	0%	474,064	29%
Puget Sound	55,361,358	50,924,804	92%	4,436,554	8%	11,228,866	22%
Estuary and Salmon							
Restoration	6,790,000	6,790,000	100%	-	0%	0	0%
Family Forest Fish							
Passage Program	7,390,106	4,893,423	66%	2,496,683	34%	1,641,721	34%
Subtotal Grant Programs	178,390,727	166,786,215	93%	11,604,513	7%	34,125,963	20%
ADMINISTRATION							
SRFB Admin/Staff	5,084,072	5,084,072	100%	-	0%	1,658,669	33%
Technical Panel	400,000	400,000	100%	-	0%	125,735	31%
Subtotal Administration	5,484,072	5,484,072	100%	-	0%	1,784,404	33%
GRANT AND ADMINISTRATION TOTAL	\$183,874,799	\$172,270,287	94%	\$11,604,513	6%	\$35,910,367	21%

Salmon Recovery Funding Board

Briefing Memo

Item 1C

Meeting Date: May 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.

The pre-application was due to NOAA on April 23, and the final application is due May 10. As in past years, Washington's application will be submitted by RCO on behalf the SRFB, WDFW, the Governor's Office, and the Tribes represented by the Northwest Indian Fisheries Commission. Our application will include our standard three percent (3%) administrative request.

The total PCSRF request for Washington is \$30 million, which includes \$1 million for monitoring efforts in the Lower Columbia. These monitoring efforts were identified and prioritized through a NOAA-led Columbia Basin Monitoring Forum "gap analysis" in 2009. Based on those conclusions, NOAA asked both Washington and Oregon to include this additional \$1 million in their state applications to help address these monitoring gaps in the Columbia Basin.

Washington's negotiated approach to the application includes the following funding scenarios depending upon the final award amount:

	Status Quo	Status Quo + Col. River Monitoring	Status Quo + Col. River Monitoring + additional habitat and hatchery
TOTAL FUNDING AVAILABLE	\$26,500,000	\$27,530,928	\$30,000,000
RCO (3% Administration)	\$795,000	\$825,928	\$900,000
Monitoring @10%	\$2,650,000	\$2,650,000	\$2,900,000
PRISM updates	\$100,000	\$100,000	\$100,000
Lower Columbia Monitoring	N/A	\$1,000,000	\$1,000,000
Salmon Recovery grants	\$16,000,000	\$16,000,000	\$17,415,700
Hatchery/Harvest Projects	\$6,955,000	\$6,955,000	\$7,684,300

Washington's FFY 2010 PCSRF proposal supports key components of its continuing salmon recovery work and is organized around

- Habitat Protection and Restoration;
- Monitoring;
- Salmon Enhancement; and
- Data Updates – PRISM Modifications for PCSRF Reporting.

Our proposal demonstrates close coordination and cooperation between Washington's key recovery partners and efforts toward implementing an integrated approach to our habitat, harvest, and hatchery actions for salmon recovery. This year, we also emphasized the project selection process and its link to the regional recovery plans.

Next Steps

If approved, the funds should be available for the December 2010 grant round.

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 (October 1, 2010 through September 30, 2011). This number may change based on Congressional action.

Salmon Recovery Funding Board

Briefing Memo

Item 1D

Meeting Date: May 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 Recreation and Conservation Funding Board, the legislature, and the Recreation and Conservation Office (RCO) staff and director. This memo highlights the status of some key efforts.

Water Policy

The Recreation and Conservation Office (RCO) does not have a policy to help ensure that water rights acquired with grant funds from the Recreation and Conservation Funding Board (RCFB) and the Salmon Recovery Funding Board (SRFB) are protected to the maximum extent possible.

To address this issue, staff is analyzing several potential approaches to protect water rights that we (1) purchase outright with grant funds, (2) acquire through fee simple acquisitions or conservation easements, or (3) achieve through water conservation or efficiencies projects. Staff wants to ensure that we use the water rights and savings to advance the grant objectives and address water resource needs around the state.

Staff's initial proposal is that all water rights and claims that sponsors acquire with RCFB or SRFB funds be placed into the state's trust water rights program at the Department of Ecology. Staff plans to test this concept in the RCO grant programs where water rights issues are the most prevalent – that is, the Washington Wildlife and Recreation Program (Riparian Protection, Critical Habitat, and Natural Areas Accounts), and the Salmon Recovery Funding Board grants. RCO staff will identify 2 or 3 projects in 2010 to serve as pilots for this approach.

Staff will provide periodic updates to the board as efforts progress.

Deed of Right

The RCO has used the current Deed of Right since at least 1968 to legally encumber real property that is acquired with RCFB/SRFB grants and to protect the state's investment in

perpetuity. The encumbrance dedicates the property to the public purposes for which it was acquired (e.g., recreation, habitat, or salmon recovery). The Deed of Right is intended to be the legal document that prohibits any changes or conversions, unless the grant recipient obtains permissions from RCO/funding boards and further agrees to replace the converted property.

A project sponsor must legally record the Deed of Right after it takes title to the property, helping to ensure that the encumbrance stays with the land. It is intended to be enforceable against any successors and to put third parties on notice. A sponsor must provide a copy of the recorded Deed of Right to obtain RCO reimbursement.

The Deed of Right document has not been updated since its inception, so staff is updating the terms to more clearly reflect the intent of the document. Staff will provide periodic updates to the board as appropriate.

Compatible Secondary Uses Policy

Staff continues to work with stakeholders on a revised compatible secondary use policy for acquisition projects. 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 cannot occur on board-funded property. This policy effort will clarify which secondary land uses are clearly compatible with grant programs and will develop criteria and a process for approving compatible secondary uses. Staff anticipates bringing a policy proposal to both the RCFB and SRFB next fall or winter (SRFB -- December 2010).

Review of Cash Advance Policy

In March 2010, the RCO received a finding from the Washington State Auditor's Office related to cash advances that we make available upon request to SRFB grant recipients. The auditor determined that RCO policy does not comply with federal cash management requirements that limit cash advances to the minimum funds needed for 30 days. RCO's current policy allows for 90 days worth of advance funding.

The auditor recommended that the RCO revise its policies and procedures to substantially conform to the federal government's requirements. Additionally, the auditor recommended that RCO require sponsors who receive an advance to provide timely documentation of expenditures.

In response, RCO is researching the use of federal and state dollars for advances, developing better ways to track advances, reviewing advance amount limits, and establishing consequences for noncompliance. Staff will provide an update to the board at its October meeting.

Habitat and Recreation Lands Coordinating Group

Follow-up work continues after the Annual State Land Acquisition Coordinating Forum, hosted by the Habitat and Recreation Lands Coordinating Group (lands group). About 33 people attended, including local government representatives, non-profit organizations, tribal representatives, and state agencies. Participating agencies included the Department of Fish and Wildlife (DFW), Department of Natural Resources (DNR), State Parks and Recreation Commission (State Parks), Department of Transportation (WSDOT), and State Conservation Commission (SCC).

State agencies presented information and maps about potential acquisition projects (funded by state, federal, and private sources) for the 2011-13 biennium. The presentations are available at www.rco.wa.gov/doc_pages/other_pubs.shtml.

The forum accomplished its purpose, as stakeholders had an opportunity to learn about and discuss the planned projects and identify opportunities for collaboration.

The information and maps presented at the forum will be updated after agencies submit grant requests in May 2010. An acquisition forecast report about projects planned for the 2011-2013 biennium will be published on the lands group website in June 2010.

Manuals

Staff continues working on a project to improve internal RCO processes for identifying and making needed changes to program manuals. Staff also is exploring options for making the manuals and policies more easily searchable and usable by both program sponsors and RCO staff.

Sustainability

RCO staff is investigating sustainability concepts for potential incorporation into RCFB grant programs. "Sustainability" concepts include both investing for the long term and investing in a manner that minimizes impacts to natural systems. A key finding is that managed recreation and access is by definition sustainable while unmanaged recreation and access is not. Staff has issued a white paper and is developing a work plan, with the goal of proposing guidelines and criteria by the end of 2011. The RCFB is also planning a joint discussion session on sustainability with the State Parks and Recreation Commission for late June.

Salmon Recovery Funding Board

Briefing Memo

Item 1E

Meeting Date: May 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%	64%	↓
Percent of salmon projects closed on time and without a time extension	50%	59%	↑
% salmon grant projects issued a project agreement within 120 days after the board funding date	75%	80%	↑
% of salmon grant projects under agreement within 180 days after the board funding date	95%	60%	In progress
Cumulative expenditures, salmon target	11.8%	14.3%	↑
Bills paid within 30 days: salmon projects and activities	100%	87%	↔
Percent of anticipated stream miles made accessible to salmon	90%	99%	↑

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.

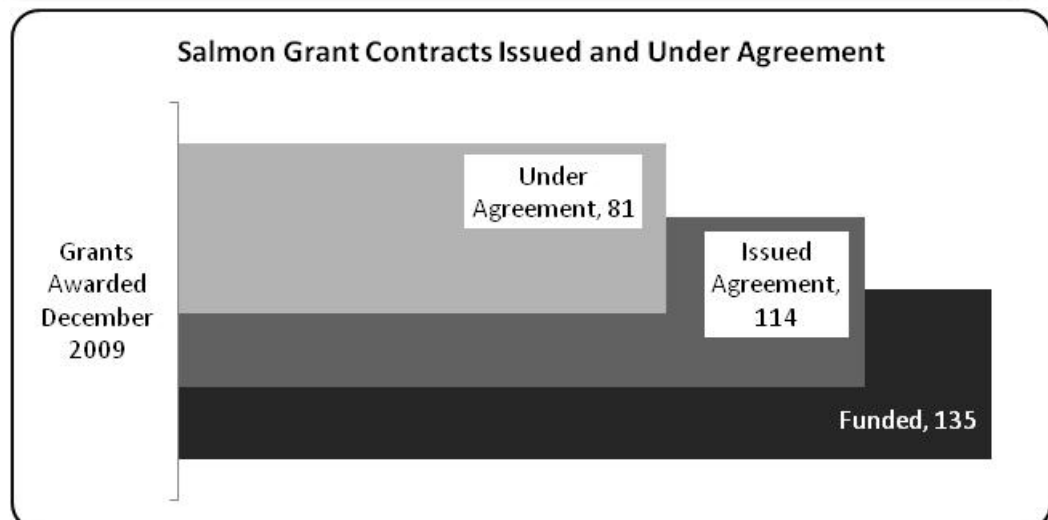
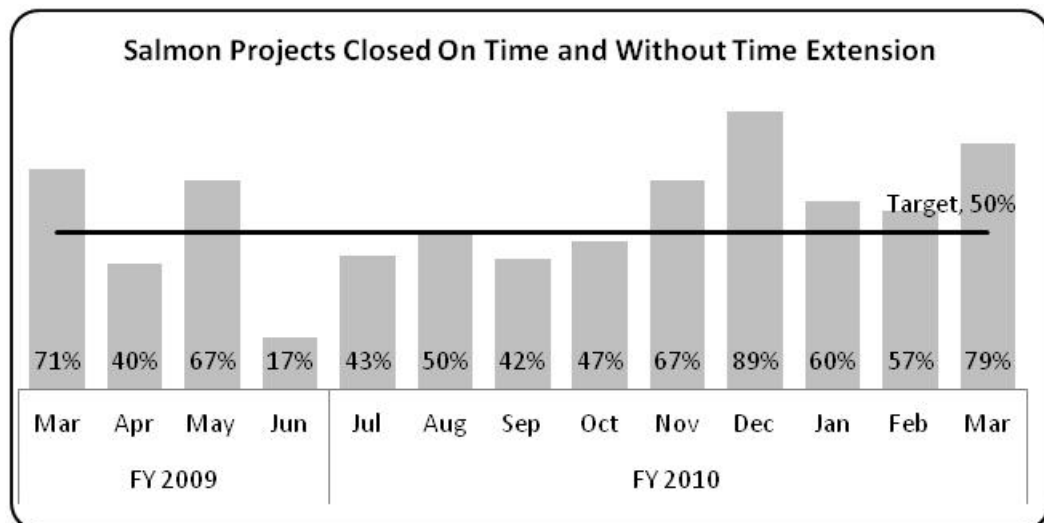
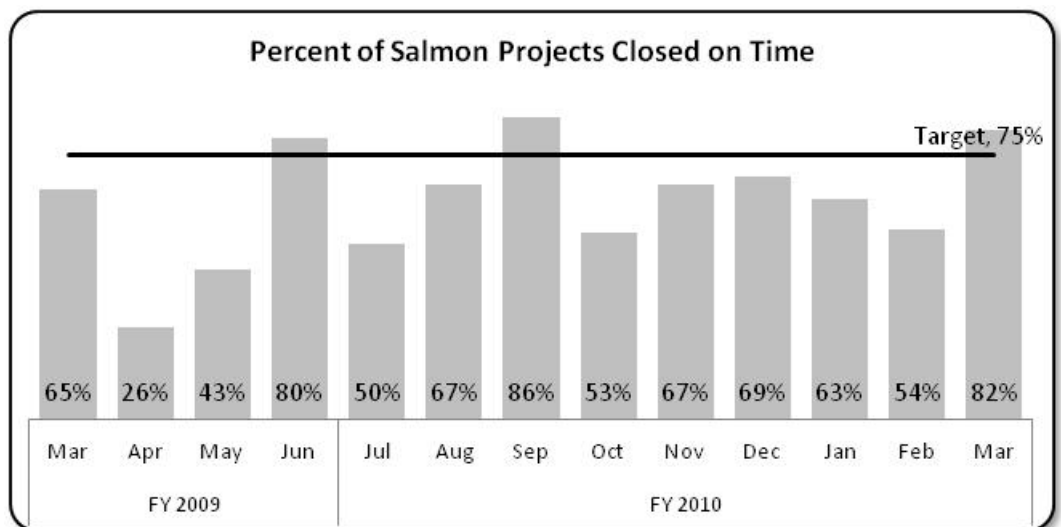
Agency Work Plan Task	Current Status	Indicator
Create operations manual for grant management	Senior OGMs to regroup and revisit timeline and assignments.	↔
Implement electronic billing	It is unlikely that we will be able to complete Electronic Billings within current PRISM budget.	↔
Re-categorize manual topics and launch web-based interface	2010 manual updates are now completed, including plain talk revisions.	↑
Modify PRISM in order to meet our reporting requirements with NOAA.	Implemented on March 27.	↑
Implement sub-recipient (sponsor) audits, Develop risk basis for determining which sponsors will be audited	Developed a risk-based sponsor profile. Starting April 1, salmon sponsors who scored higher on the risk analysis are required to provide copies of backup documents with their invoices to us.	↑

Attachments

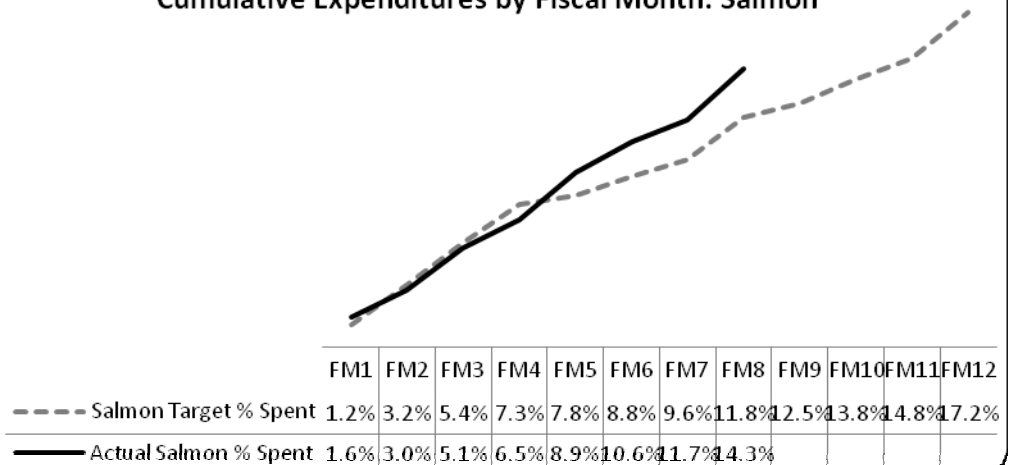
A. Performance Measure Charts

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.

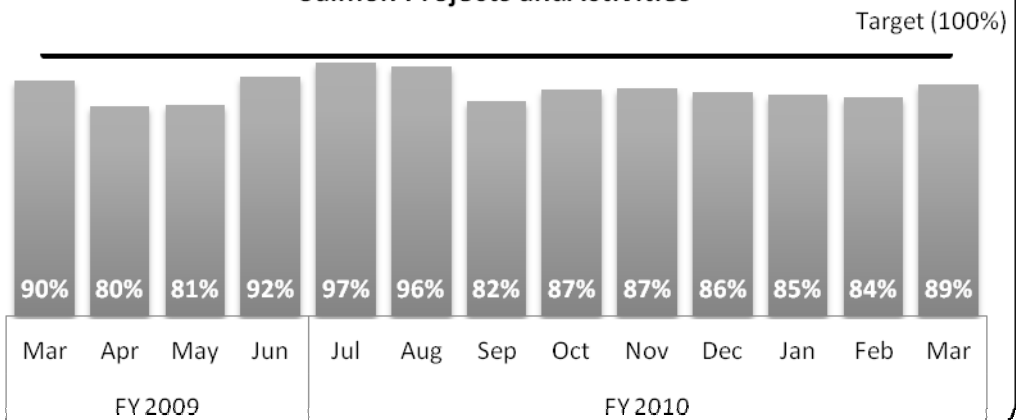
Performance Measure Charts



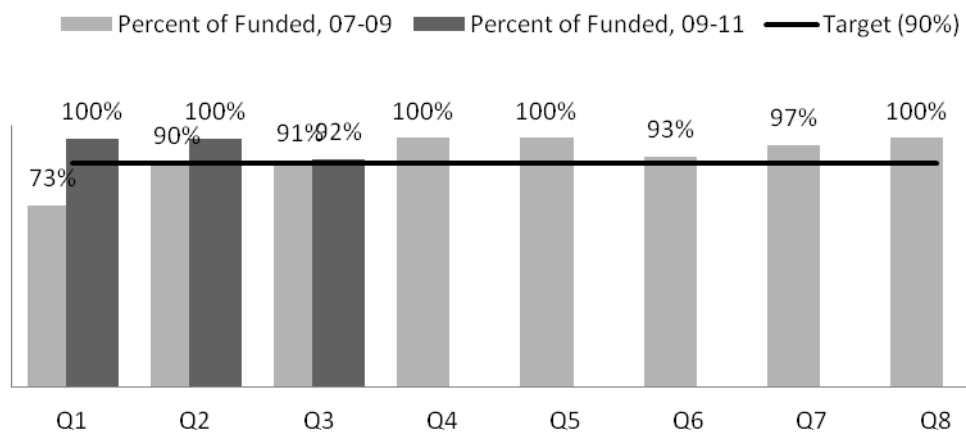
Cumulative Expenditures by Fiscal Month: Salmon



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 2

Meeting Date: May 2010
Title: Legislative Update 2010 and Preparing for 2011
Prepared By: Steve McLellan, Policy Director

Approved by the Director:

Proposed Action: Briefing

Summary

This memo provides a review of the 2010 legislative session, and overview of the decisions that the Salmon Recovery Funding Board (board) will need to make for the 2011 legislative session. These decisions include agency request legislation and budget requests.

Review of the 2010 Legislative Session

Budget

The special legislative session adjourned on April 12 after passage of operating and capital budgets and a revenue package. The Governor signed the budgets on May 4.

- The operating budget includes a higher funding level than was proposed in the Governor's budget. The legislature's budget keeps general fund appropriations for the natural resources data portal and for the Biodiversity Council. However, the Governor vetoed a proviso that would have extended the Biodiversity Council for a year, saying that the Council's oversight role would be absorbed by the Natural Resources Cabinet.
- The capital budget did not modify any of the SRFB related funds.
 - There also is a provision in the capital budget that the Office of Financial Management (OFM) will work with agencies to identify \$50 million in savings from projects that have not made "substantial progress" by November 30, 2010. Substantial progress means that we have taken all steps needed to execute a contract. We are working with OFM to clarify the implications for the SRFB 2010 grant round, since the final funding action will not occur until December.
- The legislature also directed agencies to reduce compensation expenditures or furlough employees for ten days over the remainder of the biennium. We are awaiting guidance from

OFM on how to implement this section. Based on the legislation, no board meetings need to be rescheduled because of furlough-related closures.

Interim Studies

The legislature did not assign any studies to RCO during this session. Nevertheless, we expect to be involved in a study – led by the Joint Transportation Committee – of the fuel tax refund for non-highway uses. The tax refund has provided major funding for some RCO grant programs and a substantial portion of agency administrative costs.

The initial Senate capital budget proposal directed a study of the agency's reappropriation rate. Although this study was not included in the final capital budget, we expect this to be a subject of legislative interest over the interim.

Natural Resources Reform

- Bills tied to the Governor's natural resources reform effort to consolidate the Growth Management Hearing Boards into one and to streamline environmental appeals both were successful.
- Bills to merge the Pollution Liability Insurance Agency into the Department of Ecology and to allow Department of Fish and Wildlife (DFW) to enforce Department of Natural Resources (DNR) regulations died.
- A major proposal (not part of the Governor's package) to merge State Parks and DFW into DNR died in committee, but was part of the initial Senate budget proposal. The final spending plan does not include the merger language, but directs DFW and DNR to consolidate land management functions and find savings from consolidating facilities.

Other Bills of Interest

Agricultural/Forest Incentives: SB 6520, which would grant the Ruckelshaus Center an additional year to negotiate voluntary landowner incentives for agriculture and place a moratorium on counties updating Critical Area Ordinances, cleared both houses and has been signed by the Governor. The Governor also signed **HB 2541**, which directs DNR to study voluntary incentives for improved environmental practices. The study must be completed by the end of 2011. Bills to require agriculture impact statements for land acquisitions and to increase consideration of agriculture in SEPA reviews both failed to pass.

Marine Spatial Planning: SB 6350, which would begin the process of marine spatial planning for Puget Sound, coastal waters, and the Columbia River, has passed both houses and been signed by the Governor. It is considered important to securing federal funds for implementing planning efforts.

Other Natural Resource Related bills/proposals: The Governor's budget eliminated DOE's funding for watershed planning, but the full funding level is included in the final budget. Also, a number of bills were introduced to restrict DFW land acquisitions. Although they did not move forward, the topic is expected to remain on the agenda over the interim and next session.

Puget Sound Funding

The supplemental budget included a number of items related to Puget Sound:

- \$50 million in grants to local governments through the Department of Ecology for stormwater projects and funding to implement stormwater permit requirements;
- Over \$1.6 million for a wastewater treatment plant and reclamation project at Potlatch on Hood Canal.
- \$2.8 million for Carpenter Creek estuary restoration in Kitsap County to remove a culvert blocking fish passage and restore tidal function creating approximately 28 acres of estuary habitat; DFW has asked RCO to manage this grant;
- \$1 million for the Puget Sound Nearshore Ecosystem Restoration Project (PSNERP) through the Department of Fish and Wildlife to complete scientific work and near shore restoration projects;
- \$381,000 to DFW for a habitat enhancement project that will construct six large woody structures along 1.5 miles of the Middle Fork Nooksack River and augment 20 stable large wood structures on five channel islands in the North Fork Nooksack River. DFW has asked RCO to manage this grant.
- \$185,000 to DFW for a South Fork Nooksack River restoration project that will remove a barrier to provide fish passage to 1.4 miles of river, place stable logjams, and include 41 acres of riparian planting along 2,900 linear feet of stream and several adjoining wetlands. DFW has asked RCO to manage this grant

Legislation for 2011

OFM will issue guidance for proposed agency request legislation later this spring. The Governor's Chief of Staff has indicated that the timetable for considering legislative requests is likely to be faster than in previous years.

If the board wants to submit legislation for the 2011 session, it will need to make that decision either at the May meeting or at a special meeting during the summer. Staff has assessed the board's current policy work plan (Item 4). At this time, we believe that the policy issues do not require changes in board or RCO statutes. RCO is considering other legislative requests to extend the Monitoring Forum and Invasive Species Council, both of which are scheduled to sunset in the next biennium. Another possible legislative proposal would involve a transition of

the activities of the Biodiversity Council to another entity. As with every odd-numbered year, the top legislative priority will be the budget.

2011-13 Budget

We expect that the RCO will need to submit its 2011-13 biennial budget proposals (operating and capital) to the Office of Financial Management in early September. We expect to receive initial budget guidance from OFM in May and to develop the proposals over the summer.

The board will need to decide on the amount of state funds to request in the capital budget for salmon grants, the Family Forest Fish Passage Program (FFFPP), and Puget Sound projects. The RCO Director will work with the board chair to call a special meeting in August to discuss the budget request once we have clear direction from OFM.

**WA Salmon Recovery Council of Regions
Report to the Salmon Recovery Funding Board
May 2010**

The Regional Directors met in April in Walla Walla. Their discussions focus on four areas of mutual concern:

1. Recovery Plan Implementation Monitoring – Tracking Progress
2. Funding Strategies for Implementing Recovery Plans
3. NOAA Fisheries West Coast Salmon and Steelhead Status Review Process
4. NPCC Monitoring, Evaluation, Research, and Reporting (MERR) Plan Review

1. Recovery Plan Implementation Monitoring – Tracking Progress

Monitoring the implementation of recovery plans is a key responsibility of the regional recovery organizations. GSRO and the regional organizations shared the methods, approaches and tools being used or developed to track implementation of the actions identified in recovery plans and the data being collected. The focus on the discussed was to:

- Understand the scope, scale, and specificity of actions identified in recovery plans;
- Understand how these implementation monitoring approaches interface with other tracking processes being used across the state, such as PRISM, HWS, NOAA's RCSR database, and BPA's PISCES/TAURUS system; and
- Explore possible ways the regions and GSRO can cooperate to help ensure that recovery implementation tracking efforts meet regional and statewide needs effectively and efficiently.

2. Funding Strategies for Implementation of Recovery Plans

Phil Miller and Dennis Canty (the consulting team leader) provided an update on the effort to develop funding strategies for the implementation of recovery plans. Discussions focused on specific tasks, schedule and deliverables, coordination between the GSRO and regions, and expectations of the regional organizations. The directors also provided feedback on the initial contract deliverable – “working” definitions of cost categories and assumptions used in estimating costs.

3. NMFS Fisheries West Coast Salmon and Steelhead Status Review

NMFS has published a federal register noticed to initiate “a planned five-year review of Pacific salmon and steelhead populations listed under the Endangered Species Act (ESA) to ensure the accuracy and classification of each listing.” Several regions have expressed an interest in learning more about the status review and its possible implications for the regions and their recovery plans. Eric Murray, the NMFS lead for this effort and Elizabeth Gaar NMFS NW Salmon Recovery Division lead provided an overview of the process. Although the discussion was productive, the directors requested a follow meeting to facilitate a more in depth review of the process. The time and place of this meeting has not been set.

4. NPCC Monitoring, Evaluation, Research, and Reporting (MERR) Plan Review

The NPCC has issued its draft MERR plan for public review and comment. This plan when completed will guide NPCC monitoring activities throughout the Columbia Basin. Copies of the draft MERR plan have been forwarded to Columbia Basin regional organizations and the WA Monitoring Forum for comment. Chris Drivdahl provided a detailed review of the plan for the directors' consideration. The directors are developing a letter commenting on the plan in concert with the WA Monitoring Forum staff.

Lead Entity Advisory Group Report
to the
Salmon Recovery Funding Board, May 2010
Prepared and Submitted by LEAG Chair, Richard Brocksmith

Lead Entities from around the state gathered in Leavenworth April 26 – 28 for the Lead Entity Advisory Group (LEAG) Training and Retreat, supported by the Recreation and Conservation Office. In addition to RCO and the 25 watersheds represented by lead entities, other key participants included Washington Department of Fish and Wildlife, Puget Sound Partnership, regional organization staff, and Paladin Data Systems. The training event was organized and conducted by members of LEAG and agency staff.

The purpose of the training event was to share lead entity and SRFB operational information and experiences, to build better relationships among watershed and agency staff, to support professional development of lead entity coordinators, and to plan and strengthen our shared vision for salmon recovery.

The agenda focused on improving lead entity capital project planning, implementation scheduling and reporting, SRFB grant round training, and challenges/lessons learned. A central focus of the training event was the Habitat Work Schedule (HWS) and its use in helping tell the salmon recovery story. Lead entities from the Snake River, Hood Canal, Skagit, Duwamish-Green, and the San Juans, as well as the Upper Columbia salmon recovery region, presented exciting case studies on their use of the HWS highlighting common issues and challenges. LEAG developed a common understanding for how we can begin to bridge project planning and implementation reporting with HWS, and, frankly, identified significant challenges.

Ninety six percent of lead entities completed a HWS assessment survey (developed before the training event by RCO/GSRO staff) that revealed a groundswell of support to improve their use and knowledge of HWS to help tell their salmon recovery story and to address data quality issues. Support was expressed for PRISM – HWS alignment and strengthening HWS ability for implementation scheduling. Surprising support was expressed for use of HWS for programmatic, non-SRFB related activities, including regulatory and outreach/education program tracking.

Our meeting on May 6 will continue to refine next steps, priorities for HWS development, and coordination with RCO/GSRO staff. We will also schedule another year of upcoming meetings, prepare for officer elections, and review upcoming SRFB agenda topics.

Salmon Recovery Funding Board

Briefing Memo

Item 4

Meeting Date: May 2010
Title: Biennial Workplan for Implementing Strategic Plan
Prepared By: Megan Duffy, Policy Specialist
Approved by the Director:

Proposed Action: Briefing

Summary

At the February 18 Salmon Recovery Funding Board (board) meeting, staff presented several possible mechanisms for implementing the board's strategic plan. Given the range of elements included in the strategic plan, staff recommended focusing on a few key areas. The key focus areas were selected in light of priorities emerging from 2009 board discussions and as recommended to the chair by the Governor's office. They include efficiencies, accountability, and process effectiveness.

During the course of the board's discussion, members asked staff to show a more direct connection between the mechanisms presented and key actions identified in the strategic plan. Additionally, board members directed staff to consider monitoring as a key focus area and the role of sponsors in implementing project effectiveness monitoring.

Based on the discussion, staff distributed the attached memo to board members on April 19, proposing that the work plan for the remainder of the biennium focus on the following key areas: monitoring; efficiencies and accountability; and scale and mix of projects.

Staff will provide a briefing on the memo at the May meeting, and provide any relevant status updates as appropriate.

Attachments

- A. Framework Follow-Up Memo, April 2010

MEMORANDUM

To: Salmon Recovery Funding Board Members
Date: April 14, 2010
From: Megan Duffy and Steve McLellan
Re: Follow-up to the discussion about implementation of the Strategic Plan

Summary

At the February 18th Salmon Recovery Funding Board (SRFB) meeting, staff presented several possible mechanisms for implementing the SRFB's strategic plan. Given the range of elements included in the strategic plan, staff recommended focusing on a few key areas. The key focus areas were selected in light of priorities emerging from 2009 SRFB discussions and as recommended to the chair by the Governor's office. They include efficiencies, accountability, and process effectiveness.

During the course of the SRFB's February 18th discussion, the board asked staff to show a more direct connection between the mechanisms presented and key actions identified in the strategic plan. Additionally, SRFB members directed staff to consider monitoring as a key focus area and the role of sponsors in implementing project effectiveness monitoring.

Board members also suggested that the level of analysis might be more or less rigorous depending upon the mechanism being analyzed. For example, significant staff time should not be devoted to consideration of a competitive operational funding grant process; rather an initial assessment should determine the applicability of such a program in the Washington State recovery process.

Based on the board's February 18th discussion, staff is proposing that the workplan for the remainder of the biennium focus on the following key areas:

- Monitoring
- Efficiencies and accountability
- Scale and mix of projects

The discussion below highlights the links to the SRFB strategic plan by focus area and identifies proposed mechanisms to advance key actions in the strategic plan. Note that the level of specificity/scope of the key actions vary. The mechanisms provide a means by which to either achieve the key action directly or to develop the information necessary to move toward achieving a key action. This proposal is not intended to be all-inclusive; rather, it is the work

that can be completed through the end of the biennium. At the direction of the board, staff would incorporate the analyses of these mechanisms into a rolling “policy” work plan for the board. Updates would be provided at each SRFB meeting, with specific proposals as appropriate.

Monitoring

Monitoring is addressed in the SRFB strategic plan in several places, both in an explicit monitoring strategy and in the allocation strategy.

Strategies

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.

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.

Key Actions

The strategic plan also identifies several key actions for advancing the monitoring and allocation strategies cited above. They include:

1. *Conduct monitoring to determine the effectiveness of different types of board-funded restoration and protection projects in achieving stated objectives*
2. *Coordinate with the Monitoring Forum to ensure consistency with statewide monitoring goals while meeting SRFB monitoring goals and objectives*
3. *Ensure that projects identify objectives and use adaptive management principles to improve success*
4. *Provide funding for..... Monitoring to measure project implementation, effectiveness, and the long-term results of all recovery efforts*

Mechanisms

In a previous SRFB meeting, the board concurred with a Monitoring Forum recommendation to evaluate options for a broader statewide effectiveness monitoring strategy to leverage effectiveness monitoring efforts funded by the Bonneville Power Administration, Northwest Power and Conservation Council, and others. Staff is working with these and other regional agencies to prioritize needs and develop recommendations to align multiple effectiveness monitoring programs. Staff will report back to SRFB on developments and opportunities for improved alignment of statewide efforts. This information will assist the board in achieving Key action #2 above and support funding decisions as identified in Key action #4.

At the February 18th SRFB meeting, lead entities proposed a possible mechanism that could contribute to Key Action #1. Their proposed approach is to incorporate project-specific effectiveness monitoring into the SRFB grant round. This would be accomplished by allowing effectiveness monitoring to be eligible as non-reimbursable match for proposed SRFB projects. The SRFB indicated an interest in having staff explore such an approach and considering:

- The overall role of local project sponsors and monitoring; and
- How such an approach might be consistent with and contribute to the overall effectiveness monitoring strategy.

In addition, Monitoring Forum staff will present findings from a SRFB-funded Intensively Monitored Watershed (IMW) assessment and the current status of IMW efforts throughout the state. The purpose of this presentation is to inform the board of the status of a key monitoring program funded with SRFB dollars and allow the board to consider IMWs within the broader monitoring framework it funds. Each of the monitoring mechanisms contributes to key action #3 as information gathered will support adaptive management principles.

Next Steps

Staff will work with the Monitoring Forum Coordinator to present the findings of the regional Effectiveness Monitoring Workshop, and the IMW assessment. The Lead Entity Advisory Group (LEAG) proposal will also be taken up by the Forum Coordinator and further developed for presentation to the SRFB (including how it could fit in the context of the recommendations for revisions to the statewide effectiveness monitoring strategy).

Efficiencies and Accountability

Efficiencies and accountability are considered in several strategies and actions within the SRFB's strategic plan.

Strategies

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

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.

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.

Key actions

1. *Develop funding approaches that reward innovation and efficiency in areas such as project development and implementation, administration, technical review and community outreach.*
2. *Work with partners to evaluate and improve the board's funding process.*
3. *Inform budget decisions by establishing the minimum and maximum funding needed for each focus area necessary to support salmon recovery.*

Mechanisms

Given the focus on efficiencies, particularly driven by the state budget climate, staff is proposing that the following mechanisms be considered. These mechanisms have the potential to increase efficiencies and help ensure that resources are being distributed and used in the most effective manner. The mechanisms implement Key Action #1 above and provide the information necessary to achieve Key Actions #1 and #2.

- Evaluate grant process efficiencies
- Assess salmon recovery implementation capacity, including:
 - Examining the balance between funding levels for projects and funding levels for capacity
 - Refining grant agreements to emphasize more regionally-specific deliverables and to demonstrate accountability
 - Conducting an initial assessment of alternative approaches for operational funding
 - Whether any potential adjustments would affect the role of the board and its process

Other staff efforts are currently underway that also strive to implement efficiencies within the SRFB process. These include:

- Streamlining the state technical review process
- Examining how to better integrate Habitat Work Schedule and PRISM
- Update the scope of work and deliverables for lead entity grant agreements and the required progress reports

Next Steps

Staff will work with the Governor's Salmon Recovery Office (GSRO) regarding funding levels as GSRO staff is currently working with regional organizations to develop an accurate picture of operating funding levels around the state. The information gathered by this effort will be key to informing a discussion on appropriate funding levels. In addition, staff will work with the GSRO's lead entity coordinator and the LEAG chair to consider developing performance-based

contracts. This will follow-up on the deliverable and progress report work that GSRO has implemented for the 2010 grant round. An initial analysis of the Oregon Watershed Enhancement Board operational funding process will be conducted to determine potential applicability to the Washington State recovery process.

Scale and Mix of Projects

Staff is suggesting this focus area to consider the effectiveness of the board process and whether it is targeting funding for the most important recovery projects, including larger and more complex projects. The strategic plan considers the following.

Strategies

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.

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.

Key Actions

- 1. Ensure that the knowledge of habitat conditions, ecosystem processes, and trends in long-term factors guide the type, complexity, location, and priority of proposed habitat protection and restoration*
- 2. Fund projects that reflect community support and priorities, sound science, and that benefit salmon.*
- 3. Provide funding for..... projects that produce measurable and sustainable benefit for salmon.*

Mechanisms

To help ensure that the board process and policies are designed to maximize effectiveness of funding with respect to recovery plan priorities; staff is suggesting that the following be considered. These mechanisms contribute to both Key actions #1 through #3 above.

- Develop project review criteria for acquisitions that involve both uplands and riparian areas to help ensure that SRFB dollars are being effectively invested in the most valuable acreage related to habitat
- Examine whether current SRFB process limits the ability of sponsors to pursue larger projects

Next Steps

Staff will review Technical Review Panel recommendations, relevant literature and work with grant managers to consider refining acquisition project criteria. Staff will also review past surveys, Regional Allocation Task Force recommendations, and consult with LEAG, sponsors and regional organizations to consider any process improvements.

Item 5

Meeting Date: May 2010
Title: Factors for Approving Major Scope Changes for Acquisition Projects
Prepared By: Dominga Soliz, Policy Specialist

Approved by the Director:

Proposed Action: Decision

Summary

Salmon Recovery Funding Board (board) policy gives the board subcommittee authority to approve major scope changes for acquisition projects, but does not give any guidance on how to exercise that authority.

Recreation and Conservation Office (RCO) staff is asking the board to approve factors that the board subcommittee may want to consider when deciding whether to approve any major scope change for acquisition projects. In March 2010, the Recreation and Conservation Funding Board (RCFB) approved the same factors.

Staff Recommendation

RCO staff recommends that the board adopt the revised policies to establish factors that the board subcommittee may consider when approving major scope changes for acquisition projects.

Proposed Motion Language

Move to adopt the new policy shown in Attachment A titled "Factors for Approving Major Scope Changes for Acquisition Projects."

Background

Sometimes sponsors need to purchase property other than the property that was originally proposed in the application and incorporated into the agreement with the RCO. When this request for a change in geographic boundaries happens after a contract is signed, but before the RCO reimburses for the acquisition, it constitutes a scope change.

Current policies require board subcommittee approval for major changes in any acquisition project's scope. The board adopted a policy in December 2009 stating that a newly targeted property is not a major scope change if it:

- Is eligible in the same grant program category as the originally targeted property; and
- Has similar and at least equivalent conservation, farmland preservation, habitat protection, recreation, and/or salmon recovery values as the originally targeted property; and
- Is contiguous to the originally targeted property or is within the recreation service area, geographic envelope or stream reach, estuary, or nearshore area identified in the grant agreement.

The RCO director can approve a scope change that meets these criteria. Otherwise, the scope change is presented to the board subcommittee for consideration.

Analysis

There are currently no decision-making factors contained in policy for the board subcommittee to consider when approving major scope changes.

Staff and stakeholders are proposing that this board and the RCFB adopt the same approval factors. Doing so will help provide consistent decisions related to acquisition scope changes, promote fairness to sponsors, and ensure that any legislatively approved project rankings are not changed. Adopting the same factors also will be less confusing for sponsors since acquisition scope change policies will be contained in one manual that applies to all grant programs, rather than in separate program manuals. The RCFB approved the attached policy in March 2010.

RCO staff convened a group of stakeholders to help develop the policy. Stakeholders included the following:

Name	Organization
Dan Budd	Department of Fish and Wildlife
Elizabeth Rodrick	Department of Fish and Wildlife
Curt Pavola	Department of Natural Resources
David Bortz	Department of Natural Resources
Bill Koss	State Parks and Recreation Commission
Pete Mayer	Vancouver-Clark Parks and Recreation
Gordon Scott	Whatcom County Land Trust
Marcia Fromhold	Washington Wildlife and Recreation Coalition
Bob Bugert	Chelan Douglas Land Trust
Chris Hilton	Whidbey Camano Land Trust
Josh Kahan	King County, Watershed Stewardship Unit

Stakeholders and staff propose the following factors for the board subcommittee's review of major scope changes.

- Is the amended project eligible in the same grant program category? Is it eligible in another program category?
- What is the reaction and/or position, if any, of the local government (for RCFB funded projects) or lead entity (for SRFB funded projects) with regard to the requested amendment?
- How does the amended project fit with priorities identified in state approved strategies including, but not limited to, the Natural Heritage Plan, State Comprehensive Outdoor Recreation Plan, Lands 20/20, Biodiversity Strategy, Regional Recovery Plan, or a three-year work plan for salmon recovery?
- Will federal or other matching resources be lost if a scope change is not approved? If so, how, why, or how much?
- What opportunity will be lost if the request is not granted? (Consider, for example, consequences to the public, the resources, and the grant program.)
- What other project or projects could receive the money if this request is denied?
- How does the amended project compare with the original project and with the alternate project on the funding priority list?

Stakeholders agreed that since the facts and circumstances of projects requesting major scope changes could vary widely, the board subcommittee should have discretion about whether to consider some or all of the proposed factors as well as the extent to which each factor is considered. Stakeholders also agreed that the proposed factors should be used as general guidelines for board subcommittee discussion rather than as strict approval criteria.

Public Comment

RCO staff released the proposed changes for public comment on January 11, 2010 via email and the agency web site. We received five written comments (Attachment B):

- Two respondents favored the policy;
- One was concerned that the local lead entity would be left out of the scope change process for SRFB projects (staff clarified that sponsors must work with the local lead entity to request a scope change);
- One suggested that the criteria may be too specific, and was concerned about the requirement for lead entity or local approval (staff clarified that notification, not approval, was required); and
- One respondent suggested that the factors are too vague, and asked for clarification about the following:
 - What criteria and process will be used for the review by local governments, lead entities, or other parties (e.g., federal funding sources);

- Which alternate projects will be compared against the amended project and how they will be compared; and
- How project rankings will be affected.

Staff responded to each of the comments as shown in Attachment B. In general, staff noted that stakeholders designed the factors to give the board subcommittee flexibility in making decisions. Staff also noted that the proposed factors do not require local government or lead entity approval and that the board subcommittee can use its discretion to consider any response from local governments or lead entities. Staff clarified that project rankings cannot change in some grant programs where rankings are approved by the legislature and that the last two factors allow the board subcommittee to consider how project rankings will be affected.

Next Steps

Once approved by both boards, staff will include the proposed factors in RCO policy Manual 7 (Funded Projects).

Attachments

- A. Proposed Policy
- B. Summarized Public Comments

Policy Language

Proposed Language

The following is proposed for inclusion in Manual 7, General Policies Section.

The RCFB and the SRFB subcommittee shall consider the following factors in deciding whether to approve a major scope change for acquisition projects:

- Is the amended project eligible in the same grant program category? Is it eligible in another program category?
- What is the reaction and/or position, if any, of the local government (for RCFB funded projects) or lead entity (for SRFB funded projects) with regard to the requested amendment?
- How does the amended project fit with priorities identified in state approved strategies including, but not limited to, the Natural Heritage Plan, State Comprehensive Outdoor Recreation Plan, Lands 20/20, Biodiversity Strategy, A Regional Recovery Plan, or a three-year work plan for salmon recovery?
- Will federal or other matching resources be lost if a scope change is not approved? If so, how, why, or how much?
- What opportunity will be lost if the request is not granted? (Consider, for example, consequences to the public, the resources, and the grant program.)
- What other project or projects could the money go to if this request is denied?
- How does the amended project compare with the original project and with the alternate project on the funding priority list?

Sponsors and their outdoor grants manager shall provide information related to these factors to the board or board subcommittee.

Summarized Public Comments

Commenter	Summarized Comments (Edited for Brevity)	Staff Response (if applicable)
Heather Ramsay, National Park Service	Thanks for the opportunity to comment. Looks to me like all the bases are covered.	
Bob Bugert, Chelan-Douglas Land Trust	We believe that this approach provides a good balance in providing flexibility in implementation, cost effectiveness, certainty of success, and benefits to the resource for both the project sponsor and the funding boards. The proposed policy has clearly-described criteria and decision-making procedures.	
Terry Wright, Northwest Indian Fisheries Commission	One piece that seems to be missing is reference to the local/lead entity processes that identified and ranked the original project. It would be good to know if the new proposed project had been evaluated by the same group and where it ranked on the local list.	Staff responded by clarifying the process, which requires that sponsors work with the local lead entity to request a scope change.
Gordon Scott, Whatcom Land Trust	<p>I want to caution the group to avoid setting too specific a list of criteria for scope changes. Each property is unique and each transaction has unique opportunities and challenges, and by setting specific criteria in advance of actual projects we may be inadvertently denying a good and important project simply to conform to a predefined set of rules.</p> <p>I am not enamored of the general reliance on requiring local government or lead entity approval. This is one area where RCO needs to provide clear decision-making and democratic process guidance to local groups if they choose to rely on them for an informed decision regarding the larger social goals of species recovery.</p>	<p>Stakeholders agreed that since the facts and circumstances of projects requesting major scope changes could vary widely, the board subcommittee should have discretion about whether to consider some or all of the proposed factors. Stakeholders agreed that the proposed factors should be general guidelines rather than strict approval criteria.</p> <p>The proposed factors do not require local government or lead entity approval. The factors guide the board subcommittee to consider, at its discretion, the response, if any, from the local government or lead entity. Recently approved policy requires the sponsor to submit documentation explaining whether the local government or lead entity was notified about the scope change request.</p>

Commenter	Summarized Comments (Edited for Brevity)	Staff Response (if applicable)
Jeroen Kok, Vancouver-Clark Parks and Recreation	The proposed factors for approving a major scope change are a bit vague. The primary criteria should focus on how the change would affect the original ranking, and whether it warrants a change in the order of funding.	The language is intentionally broad in order to allow greater room for board subcommittee discretion. Change in ranking and order of funding are captured in the last two proposed factors on the list.
Peter Mayer, Vancouver-Clark Parks and Recreation	<p>First factor: The intent is unclear. Whether the project is eligible for a different program category appears irrelevant at this stage in the process. What are the possible outcomes and other considerations if the project is eligible in another category?</p> <p>Second factor: How influential is the response from the local government or lead entity? What process and criteria will be used to receive input from them?</p> <p>Third factor: Is the response to this question also being reviewed by the technical committees? Are new evaluation criteria used? Does the change in scope change the compliance with these strategies?</p>	<p>First factor: Stakeholders removed language that explained that in rare circumstances the RCFB may want to approve a scope change request for a project that is ineligible in the original category. For example, if the project is eligible in another category that is undersubscribed, then the alternate project in the original category could be funded and the unused funds in the new category could fund the amended project.</p> <p>Second factor: The board subcommittee may determine the extent to which this factor is considered. There are no specific criteria or processes for local government or lead entity response.</p> <p>Third factor: This factor ensures that the project continues to “fit” with the priorities listed in the strategies. The amended project may be evaluated against original criteria by the technical committee before being submitted to the board subcommittee. The factors are for use by the board subcommittee.</p>

Commenter	Summarized Comments (Edited for Brevity)	Staff Response (if applicable)
	<p>Fourth factor: Is a concurrent review by federal program decision makers also necessary to assess whether the change will be approved by those entities as well? This question should also ask whether the proposed scope change significantly changes the required timeline of the project agreement such that it presents a risk of loss of matching resources.</p> <p>Fifth factor: The question should be modified to establish some sort of threshold so that it is clear that the replacement property is critical in achieving program goals.</p> <p>Sixth factor: Does this mean that only alternates from the particular round be considered, or can projects from other grant rounds be considered?</p> <p>Seventh factor: If the project is compared to the other competing projects, would the proposed scope change modify the project rankings for funding?</p>	<p>Fourth factor: Staff has not examined federal program scope change policies. Current RCO policy requires the sponsor to submit documentation explaining how the amendment will affect the sponsor's ability to perform obligations of the existing contract.</p> <p>Fifth factor: The question is designed to guide the board subcommittee toward consideration of the broader consequences of the scope change decision in order to avoid unintended impacts. Rather than setting threshold limits, stakeholders decided the board subcommittee should have discretion to determine the extent to which this factor is considered.</p> <p>Sixth factor: The question guides the board subcommittee to consider what would be funded in place of the amended project. Typically, the money would go to the next alternate project. If there are no alternates in the program account, the money could fund projects in the subsequent biennium.</p> <p>Seventh factor: Ranked lists of projects funded by the Washington Wildlife and Recreation Program (WWRP) and the Aquatic Lands Enhancement Account (ALEA) are submitted to the legislature for approval. Thus, the ranking order cannot change.</p>

Salmon Recovery Funding Board

Briefing Memo

Item 6a

Meeting Date: May 2010
Title: Funding renewal for Effectiveness Monitoring
Prepared By: Ken Dzinbal, Monitoring Forum Coordinator

Approved by the Director:

Proposed Action: Decision

Summary

Due to delays in the 2010 Pacific Coastal Salmon Recovery Fund (PCSRF) grant, funding for the Reach Scale Effectiveness Monitoring Program will expire in August 2010. Staff expects that the 2010 PCSRF grant will be awarded over the summer. However, the next opportunity for the board to consider funding this program is in October 2010.

To avoid disruption to this long-term monitoring program, Recreation and Conservation Office (RCO) staff is asking the board to delegate authority to the RCO director to fund the contract through April 2011, upon receipt of 2010 PCSRF funds.

This memo also describes the status of the effectiveness monitoring program review that the board funded in October 2009.

Staff Recommendation

RCO staff recommends that the board delegate contract signature authority for the Reach-Scale Effectiveness Monitoring Program to the director, pending receipt of 2010 PCSRF funds.

Proposed Motion Language

Move to authorize the Director to approve \$204,620 for Effectiveness Monitoring, pending receipt of 2010 PCSRF funds.

Background

The purpose of this monitoring program is to determine whether board-funded habitat restoration and protection projects are effective (i.e., result in improved habitat characteristics) at the local or stream-reach scale. TetraTech conducts the monitoring under contract. They collect data during the summer of each calendar year, and provide the analysis the following spring. The program, which was originally planned as a 12-year effort, is currently in its sixth year.

Funding History

Delays in the PCSRF grant process over time have created funding uncertainties for the Effectiveness Monitoring Program. Most recently, the gaps have resulted in the board having to make multiple funding decisions related to the program, as follows.

- In 2007, the board funded the program through June 2009.
- In May 2009, the board approved \$360,000 to extend the program through April 2010. This funding bridge allowed the contractor to complete the field season, data analysis, and reporting for 2009.

In October 2009, the board approved a funding bridge to carry the program through August 2010. This funding allowed the contractor to plan and initiate summer data collection for the 2010 monitoring cycle. The board also extended the contract through April 2011 so that the contractor has the time to analyze and report on data collected through August 2010. However, without additional funding through that period, the contractor cannot complete 2010 field work (late September or early October) and will not be able to finalize, analyze, or report on the data.

Program Review

In October 2009, the board approved \$50,000 for a contractor to (1) compile information about effectiveness monitoring efforts being implemented across the state and (2) identify opportunities to align with other monitoring conducted by major funding agencies. The review was intended to yield recommendations that the board could take into account at the May meeting, simultaneous with the 2010 PCSRF funding decisions.

In a nearly parallel process, the Bonneville Power Administration (BPA) announced in late January that they had hired TetraTech EC to inventory effectiveness monitoring projects across the region, and to identify gaps and priority monitoring needs in advance of the Power Council's Categorical Review (beginning in June 2010). That process is designed to help BPA and the Council develop criteria to guide the next round of effectiveness monitoring efforts required by the Federal Columbia River Power System Biological Opinion.

Staff joined efforts with BPA to develop a regional strategy for effectiveness monitoring, which has slowed the original timeline to better mesh with the BPA timeframe. This larger, regional planning process now includes:

- Bonneville Power Administration
- National Oceanic and Atmospheric Administration
- Northwest Power Planning Council
- Oregon Watershed Enhancement Board
- Pacific Northwest Aquatic Monitoring Partnership
- Salmon Recovery Funding Board
- Washington Forum on Monitoring Salmon Recovery and Watershed Health
- Multiple other participants

The Washington Forum on Monitoring and the Pacific Northwest Aquatic Monitoring Partnership jointly hosted an all-day regional Effectiveness Monitoring Workgroup Meeting on

April 20. Additional workshops are planned to address effectiveness monitoring program design issues, to be followed by a second all-day workshop on May 17. The intended results of this process will be a set of recommended criteria to help guide organizations (including BPA, NPCC, and SRFB) toward a regional strategy for effectiveness monitoring to improve alignment, data sharing, and data compilation across agencies.

Analysis

When the board approved funding for effectiveness monitoring in October 2009, it did so pending further program review. The intent was to have the review yield recommendations for program revisions during the spring of 2010, to coincide with the anticipated timing of the 2010 PCSRF grant award. Both the recommendations and funding have experienced delays.

The board has already funded data collection through August 2010. Without additional funding, the contractor cannot complete 2010 field work (late September or early October) and will not be able to finalize, analyze, or report on any 2010 data. Given the delays noted above, staff believes that the board will get the greatest benefit from the data by completing the current cycle in the same manner as the previous cycles.

Given that both our funding and our program review timeframes have shifted by 3-4 months, staff suggests that the board take the following actions:

- Complete the 2010 monitoring cycle without changes to the scope or approach.
- Authorize the director to fund the remaining work, up to \$204,620, with 2010 PCSRF funds.
- Discuss monitoring program revisions and funding levels for the 2011-2012 timeframe at the October board meeting. The PCSRF grant and monitoring program recommendations should be available at that time.

Next Steps

If the board delegates authority to the director, staff will work with TetraTech to complete contract amendments incorporating the approved funding levels.

Staff will report on the outcome of efforts to develop a larger, multi-agency regional strategy for effectiveness monitoring, including both regional and Washington-specific recommendations for IMW monitoring, at the October 2010 board meeting. That meeting could also consider on-going funding requirements in light the potential for a larger regional strategy.

Salmon Recovery Funding Board

Briefing Memo

Item 6B

Meeting Date: May 2010
Title: Funding Renewal for Intensively Monitored Watersheds
Prepared By: Ken Dzinbal, Monitoring Forum Coordinator
Approved by the Director:

Proposed Action: Decision

Summary

Funding for the Intensively Monitored Watersheds (IMW) program will expire in June. Staff originally anticipated that the Salmon Recovery Funding Board (board) would be able to extend the contract at its May 2010 meeting using funds from the 2010 Pacific Coastal Salmon Recovery Fund (PCSRF) grant. Further, staff believed that recommendations from an IMW workshop would be available to inform the board's decision. At this time, neither the grant funds nor the recommendations are available.

PCSRF funds likely will be available later this summer. However, the next opportunity for the board to consider funding this program is in October 2010, well after the current funding expires. To avoid disruption to this long-term monitoring program, Recreation and Conservation Office (RCO) staff is asking the board to delegate contract signature authority to the Recreation and Conservation Office (RCO) director, upon receipt of 2010 PCSRF funds.

Staff Recommendation

RCO staff recommends that the board delegate contract signature authority for the Intensively Monitored Watersheds Program to the director, pending receipt of 2010 PCSRF funds.

Proposed Motion Language

Move to authorize the Director to approve up to \$1,467,000 for one year of IMW monitoring, through June 2011, pending receipt of 2010 PCSRF funds.

Background

The Intensively Monitored Watersheds program is designed to determine whether restoration efforts result in more salmon. The monitoring plan calls for a 10-year program duration. The program currently is in its seventh year.

In the past, funding for the IMW program has been linked to the PCSRF funding cycle. Thus, the current agreement with the Department of Ecology, which was funded in May 2009, expires in

June 2010. That end date assumed that the 2010 PCSRF grant would be approved in time for renewal before the June expiration. At this time, it appears that 2010 PCSRF funds will not be available until later this summer.

IMW Workshop

In October 2009, the board approved a staff proposal for a workshop to explore potential revisions or updates to the board's IMW program.

Since then, the RCO has begun collaborating with the Bonneville Power Administration to conduct a review of statewide effectiveness monitoring (see Item 6a). This effort also includes an assessment of IMW efforts and gaps. Thus, staff has delayed the workshop until that effort can address the larger, regional IMW issues. We intend to host a SRFB-specific IMW workshop later this summer so that recommendations are ready for the board before the October meeting.

Analysis

When the board approved the IMW workshop in October 2009, it did so with the intent that the workshop would yield recommendations for program revisions during the spring of 2010, to coincide with the anticipated timing of the 2010 PCSRF grant award. Both the recommendation and funding have experienced delays as noted above and in the memo for Item 6a.

If the IMW program is not extended, the board will not only lose a year of data, but the interruption will largely void our ability to meet statistical requirements to evaluate trends over an unbroken time series of annual data. Simply put, this would greatly reduce the value of our six years of previously completed field work, and significantly compromise the value of future work.

Given that both the funding and program review timeframes have shifted by 3 to 4 months, staff suggests that the board take the following actions:

- Authorize the director to fund IMW monitoring from July 2010 through June 2011, up to \$1,467,000, with 2010 PCSRF funds.
- Discuss monitoring program revisions and funding levels for the 2011-2012 timeframe at the October board meeting. The PCSRF grant and monitoring program recommendations should be available at that time.

Next Steps

If the board delegates authority to the director, staff will work with the Washington Department of Ecology to complete an interagency agreement amendment.

Staff will report on the outcome of efforts to develop a larger, multi-agency regional strategy for effectiveness monitoring, including both regional and Washington-specific recommendations for IMW monitoring, at the October 2010 board meeting. That meeting could also consider on-going funding requirements in light of the potential for a larger regional strategy.

Item 7

Meeting Date: May 2010
Title: Puget Sound Acquisition and Restoration (PSAR) Grant Awards
Prepared By: Jason Lundgren, Grant Manager
Jason Mulvihill-Kuntz, PSP Ecosystem Recovery Coordinator
John Meyer, PSP Puget Sound Partnership Ecosystem Recovery Coordinator
Approved by the Director:

Proposed Action: Briefing

Summary

The legislatively-approved state 2009-11 capital budget includes \$33 million to accelerate implementation of the Puget Sound Salmon Recovery Plan. The budget directs the Salmon Recovery Funding Board (board) to distribute these funds in coordination with the Puget Sound Partnership (Partnership).

The Partnership is asking the board to approve funding for two projects as part of an accelerated grant round in the Puget Sound Acquisition and Restoration (PSAR) grant program. The board's approval gives the Recreation and Conservation Office (RCO) director the authority to enter into project agreements which have been reviewed by the SRFB Technical Review Panel and approved by the WRIA 1 Lead Entity, Partnership Leadership Council, and the Puget Sound Salmon Recovery Council.

Staff Recommendation

Staff recommends that the Board approve funding for the following projects:

- #10-1340, Lower Canyon Creek Phase 2 Design 2010
- #10-1442, SF Nooksack Sygitowicz ELJ Construction Project

Proposed Motion Language

Move to approve the funding for project #10-1340, Lower Canyon Creek Phase 2 Design 2010 and #10-1442, SF Nooksack Sygitowicz ELJ Construction Project, contingent upon review and approval by the Puget Sound Salmon Recovery Council.

Background

The state 2009-11 capital budget includes \$33 million for the PSAR grant program. The Governor requested these funds as part of her initiative to protect and restore Puget Sound by 2020. The budget directs the board to distribute the funds in coordination with the Puget Sound Partnership. To improve flexibility and quickly fund projects that are ready for construction, the program allocates PSAR funds in several rounds:

1. An accelerated first round, which allocated funds on July 1, 2009 for the 2009 construction season.
2. A second round that paralleled the timing of the 2009 SRFB round and allocated funds in December 2009; and,
3. Additional rounds conducted, as necessary, depending on project readiness and watersheds' needs.

The Puget Sound Partnership coordinates with lead entities and the board to submit projects accordingly. PSAR projects must meet the same eligibility requirements and go through the same review process as board-funded projects.

About \$4.7 million in PSAR funding remains for project awards. RCO staff is working with the Puget Sound Partnership to prepare a list of projects for board consideration at its October meeting. Staff will provide an update at the May board meeting about how grant round timing is being adjusted to accommodate this effort.

Additional Grant Round

This PSAR grant round will fund projects ready for implementation in the 2010 construction season. The Nooksack Watershed lead entity proposed two projects for consideration:

- Lower Canyon Creek Phase 2 Design 2010 (#10-1340)
- SF Nooksack Sygitowicz ELJ Construction Project (#10-1442)

Project #	Lead Entity	Project Name	Project Sponsor	PSAR Request	Sponsor Match	Total
10-1340	WRIA 1	Lower Canyon Creek Phase 2 Design 2010	Whatcom County Flood Control Zone District	\$183,175	\$32,325	\$215,500
10-1442	WRIA 1	SF Nooksack Sygitowicz ELJ Construction Project	Nooksack Tribe	\$188,824	\$38,941	\$227,765

Analysis

Review of the Proposed Projects

- Both projects are on the Nooksack Watershed's three-year work plan, which is annually reviewed by the Puget Sound Recovery Implementation Technical Team (RITT) to ensure consistency with the regional and watershed recovery strategy.
- The local watershed technical committees and the RITT have reviewed these projects and determined they are consistent with the regional and watershed recovery strategies.
- The SRFB Technical Review Panel reviewed the projects for technical feasibility, including a field review of the SF Nooksack Sygitowicz ELJ project, and recommended them for funding.
- The projects would advance the implementation of the Nooksack Watershed chapter of the Puget Sound Salmon Recovery Plan and the Partnership's Action Agenda.
- The Leadership Council of the Puget Sound Partnership approved the project identification process and the Puget Sound Salmon Recovery Council has scheduled its review for May 27.

The attached project summaries and SRFB technical review panel evaluation comment forms include more information on these two projects.

Next Steps

If the Board funds these projects, RCO staff will begin work to enter into appropriate grant agreements, pending review and approval by the Puget Sound Salmon Recovery Council.

Attachments

- A. Project Summary for Project #10-1340
- B. Technical Review Panel Evaluation for Project #10-1340
- C. Project Summary for Project #10-1442
- D. Technical Review Panel Evaluation for Project #10-1442

**Salmon Program
State Recovery Projects
Application Project Summary**

TITLE: Lower Canyon Creek Phase 2 Design 2010				NUMBER: 10-1340	
				TYPE: (Planning)	
				STATUS: Preapplication	
APPLICANT: Whatcom County FCZD				CONTACT: John Thompson (360) 676-6876	
COSTS:				SPONSOR MATCH:	
RCO		\$183,175	85 %	Appropriation \ Cash	\$16,825
Local		<u>\$32,325</u>	<u>15 %</u>	Donated Labor	\$15,500
Total		\$215,500	100 %		

DESCRIPTION:

Whatcom County Flood Control Zone District will use this grant to work with the Glacier Springs community, stakeholders, and agencies to develop project feasibility and designs to restore habitat function and address flood risk in the lower mile of Canyon Creek, North Fork Nooksack River, Whatcom County. The creek provides critical large tributary habitat for ESA listed spring Chinook, steelhead, and bull trout and other native salmonids and is identified as a priority area in the WRIA 1 Salmonid Recovery Plan. A levee constricts the channel and impairs riparian and habitat forming processes while posing significant flood risk to homes, as state highway, and habitat if breached catastrophically. Preceding restoration recommendations have been implemented. This project continues implementation. Options to be examined include habitat structures and/or levee setback near Canyon View Road to provide direct habitat and flood hazard reduction benefits, engineered structures to improve in-channel habitat diversity and complexity while creating stable riparian "nodes", and actions at RM 0.2 should the summer 2009 project not fully restore fish passage. Project deliverables include design feasibility, selection of preferred alternatives, preparation of preliminary project designs and detailed construction estimates, and preparation of permits. Involvement of the salmon co-managers, state and federal agencies, the Glacier Springs community, and other stakeholders is an essential project element.

LOCATION INFORMATION:**LEAD ENTITY ORG:** WRIA 1**COUNTY:****PERMITS ANTICIPATED:**

None - No permits Required

SALMON INFORMATION: (* indicates primary)**Species Targeted**

Bull Trout	Pink
Chinook*	Searun Cutthroat
Chum	Sockeye
Coho	Steelhead

Habitat Factors Addressed

Channel Conditions	Riparian Conditions
Floodplain Conditions	Streambed Sediment Conditions
Loss of Access to Spawning and Rearing Habitat	Water Quality

LAST UPDATED: April 5, 2010	DATE PRINTED: April 29, 2010
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Salmon Recovery Funding Board Individual Comment Form

Lead Entity: **WRIA 1**

Project Number: 10-1340

Project Name: **Lower Canyon Creek - Phase 2 Design 2010**Project Sponsor: **Whatcom County**Grant Manager: **Jason Lundgren**

(Lead Entity)	Date	Application Complete	Status
Final			
September			
Early			
Status Options			
NMI	Need More Information		
POC	Project of Concern		
Noteworthy			

FINAL - REVIEW PANEL COMMENTS

Date: April 2, 2010

Panel Member(s) Name: Tom Slocum and Steve Toth

Final Project Status:

Refer to Manual # 18, Appendix E-1, for projects that are not considered technically sound. In the "Why" box, explain your reason for selecting this as a project of concern.

1. Is this a project of concern (POC) according to the SRFB's criteria? (Yes or No) **No**

Why?

2. If YES, what would make this a technically sound project according to the SRFB's criteria?

3. If NO, are there ways in which this project could be further improved?

4. Other comments:

This proposal seeks to re-direct left over PSAR funding from the Lower Canyon Creek Implementation Phase 1 (RCO #07-1754), which included the removal of 500 feet of levee from the floodplain of Lower Canyon Creek during the summer of 2009, to complete a feasibility study that evaluates and designs additional projects to restore Chinook salmon habitat functions and manages flood risk at the project site. The study will focus on three general approaches: 1) creating stable "hardpoints" in the lower alluvial fan to promote reestablishment of riparian vegetation and channel complexity, 2) addressing fish passage and sediment transport past a man-made "notch" that currently entrains the creek against left bank bedrock outcrop, and 3) reconnecting floodplain, improving habitat complexity and managing flood risk along the right floodplain terrace along Canyon View Road. The three general approaches are consistent with the extensive planning and implementation efforts that the sponsor has completed over the years at this high priority site, and the review panel believes that the proposed design study is a logical next step for supporting the salmon habitat restoration and flood risk management objectives at the site.

Salmon Recovery Funding Board Individual Comment Form



Looking forward, the review panel believes that subsequent SRFB funding at the Canyon Creek project site should focus on implementing projects to accomplish the first two general approaches, i.e., promoting riparian and channel complexity in the downstream alluvial fan and ensuring fish passage and sediment transport through the "notch" area. The third general approach, which addresses floodplain function at the upstream end of the site, is an integral part of the overall work effort to restore natural habitat forming process at the site, but is so tightly connected to the county's objectives of protecting Canyon Creek Road, properties, and SR 542 from flooding, that the review panel feels that WSDOT or other funding sources may be a more appropriate for funding construction of projects in that part of the project site.

SEPTEMBER (POST APPLICATION) - LEAD ENTITY AND PROJECT SPONSOR RESPONSES

Comments/Questions:

Response:

If any part of your response to the Review Panel is attached in PRISM (e.g design document, site maps, photos, etc.), please list PRISM's attachment number in the space below.

SEPTEMBER (POST APPLICATION) - REVIEW PANEL COMMENTS

Date:

Panel Member(s) Name:

September Project Status:

Refer to Manual # 18, Appendix E-1, for projects that are not considered technically sound. In the "Why" box explain your reason for selecting this as a project of concern.

1. Is this a draft project of concern according to the SRFB's criteria?

Yes

No

Why?

2. If YES, what would make this a technically sound project according to the SRFB's criteria?

3. If NO, are there ways in which this project could be further improved?

4. Other comments:

EARLY APPLICATION (SUMMER) - LEAD ENTITY AND PROJECT SPONSOR RESPONSES

Comments/Questions:

Salmon Recovery Funding Board Individual Comment Form



Response:

If any part of your response to the Review Panel is attached in PRISM (e.g design document, site maps, photos, etc.), please list PRISM's attachment number in the space below.

EARLY APPLICATION (SUMMER)- REVIEW PANEL COMMENTS

Date:

Panel Member(s) Name:

Early Project Status:

Project Site Visit? Yes (Date) or No

1. Recommended improvements to make this a technically sound project according to the SRFB's criteria.

2. Missing Pre-application information.

3. Comments/Questions:

Puget Sound Acquisition & Restoration Fund

Puget Sound Recovery Projects

Application Project Summary

TITLE: South Fork Nooksack at Sygitowicz ELJ Constr			NUMBER: 10-1442
			TYPE: (Restoration)
			STATUS: Preapplication
APPLICANT: Nooksack Indian Tribe			CONTACT: Victor Inera (360) 592-5176 Ext 3282
COSTS:			SPONSOR MATCH:
RCO	\$188,824	83 %	Grant - Federal
Local	\$38,941	17 %	
Total	\$227,765	100 %	\$38,941

DESCRIPTION:

The South Fork Nooksack (SFN) early Chinook population is considered essential for ESU recovery, but abundances are critically low and immediate action is necessary to ensure population persistence. A recent reach assessment and restoration planning effort identified limiting factors and causes of habitat degradation and recommended specific restoration strategies and locations. This project will restore habitat in a reach that scored 3rd highest among 18 reaches in the South Fork in terms of restoration potential; projects in the other two reaches are already underway. Specifically, this project will construct 7 engineered log jams, stabilize one existing log jam, and remove about 250 feet of riprap in the South Fork Nooksack River near Sygitowicz Creek (RM 3.85-4.0) in order to: (1) Increase habitat diversity (i.e. increase quantity of complex wood cover in low-flow and high-flow channels, increase habitat unit diversity); (2) increase key habitat quantity (increase number and depth of pools for holding and rearing, number of pool tailouts for spawning); and (3) increase availability of summer temperature refugia by encouraging formation of deep, thermally-stratified pools in groundwater discharge and tributary confluence areas. The project is also designed to not significantly increase flood risk to adjacent landowners. The design phase of the project was funded in the 2009 SRFB/PSAR grant cycle.

LOCATION INFORMATION:**COUNTY:****SCOPE (WORK TYPES):**

Channel reconfiguration and connectivity	Planting
Channel structure placement	Restoration materials
Implementation monitoring	

PERMITS ANTICIPATED:

Aquatic Lands Use Authorization	Endangered Species Act Compliance [ESA]
Cultural Assessment [Section 106]	Hydraulics Project Approval [HPA]
Dredge/Fill Permit [Section 10/404 or 404]	Water Quality Certification [Section 401]

LAST UPDATED: April 27, 2010	DATE PRINTED: April 29, 2010
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Salmon Recovery Funding Board Individual Comment Form

Lead Entity: **WRIA 1**Project Number: **10-1442**Project Name: **Sygitowicz Creek**Project Sponsor: **Nooksack Tribe**Grant Manager: **Jason Lundgren**

(Lead Entity)	Date	Application Complete	Status
Final			
September			
Early	04/19/2010		
Status Options			
NMI	Need More Information		
POC	Project of Concern		
Noteworthy			

FINAL - REVIEW PANEL COMMENTS

Date: April 19, 2010

Panel Member(s) Name: Tom Slocum and Steve Toth

Final Project Status:

Refer to Manual # 18, Appendix E-1, for projects that are not considered technically sound. In the "Why" box, explain your reason for selecting this as a project of concern.

1. Is this a project of concern (POC) according to the SRFB's criteria? (Yes or No) **No**

Why?

2. If YES, what would make this a technically sound project according to the SRFB's criteria?

3. If NO, are there ways in which this project could be further improved?

Under the currently funded "design only" project, SF Nooksack Sygitowicz ELJ Design #09-1684, the sponsor should complete an alternatives analysis prior to the final design deliverable. Completion of an alternatives analysis would help build confidence in the selection of the current preferred alternative.

The review panel believes that the proposed conceptual design is consistent with the sponsor's primary objective of promoting pool formation in this cold-water upwelling reach between Sygitowicz Creek and Todd Creek. The conceptual design also appears to support the earlier Todd Creek project work by encouraging the river thalweg to migrate back against the seven existing ELJs. At the same time, the panel has misgivings that the design approach will tend to restrict channel movement over the historical migration zone, particularly along the right bank floodplain. The panel recognizes that this approach is motivated by the sponsor's desire to protect right bank floodplain properties in private ownership, but believes it is important to note that this approach will limit the full potential for restoration of salmon habitat-forming processes in the reach over the long term.

Salmon Recovery Funding Board Individual Comment Form



As the project design moves forward, the review panel urges the sponsor to continue to consider alternatives that can improve on the current conceptual design. In particular, we think it would be beneficial for the design consultant to evaluate the placement of an additional apex jam at the head of the cobble bar roughly between ELJ 2 and ELJ 7 in order to increase the opportunities for pool formation as the channel shifts location and to promote entrainment of the thalweg against the previous Todd Creek Project ELJs.

4. Other comments:

The proposed project on the South Fork Nooksack River will involve the construction of six ELJs, the enhancement of a natural wood jam with an additional piece of large wood, and the removal of approximately 250 feet of rip-rap. The primary objective of the project is to create large, deep pools for habitat and thermal refuge during summer high water temperatures. The project also aims to minimize the potential for future channel migration and limit flood risks to protect downstream private landowners.

- LEAD ENTITY AND PROJECT SPONSOR RESPONSES

Comments/Questions:

Response:

If any part of your response to the Review Panel is attached in PRISM (e.g design document, site maps, photos, etc.), please list PRISM's attachment number in the space below.

Salmon Program

State Recovery Projects

Application Project Summary

TITLE: Lower Canyon Creek Phase 2 Design 2010			NUMBER: 10-1340
			TYPE: (Planning)
			STATUS: Application Submitted
APPLICANT: Whatcom County FCZD			CONTACT: John Thompson (360) 676-6876
COSTS:			SPONSOR MATCH:
RCO	\$154,875	75 %	Appropriation \ Cash
Local	\$51,625	25 %	Donated Labor
Total	\$206,500	100 %	

DESCRIPTION:

Whatcom County Flood Control Zone District will use this grant to work with the Glacier Springs community, stakeholders, and agencies to scope alternatives, evaluate feasibility, prepare 80% designs and permits to restore habitat function and address flood risk in the lower mile of Canyon Creek, North Fork Nooksack River, Whatcom County. The creek provides critical large tributary habitat for ESA listed spring Chinook, steelhead, and bull trout and other native salmonids and is identified as a priority area in the WRIA 1 Salmonid Recovery Plan. A levee constricts the channel and impairs riparian and habitat forming processes. There is also significant flood risk to homes, a state highway, and habitat if the levee were to breach. This project continues implementation of restoration recommendations. Options to be examined include habitat structures and levee setback/overtopping section near Canyon View Road to provide habitat and flood hazard reduction benefits, engineered LWD structures to improve in-channel habitat diversity and complexity while creating stable riparian "nodes", and actions at RM 0.2 should the summer 2009 project not fully restore fish passage. Project deliverables include design feasibility, selection of preferred alternatives, preparation of project designs and detailed construction estimates, and preparation of permits. Involvement of the salmon co-managers, state and federal agencies, the Glacier Springs community, and other stakeholders is an essential project element.

LOCATION INFORMATION:**LEAD ENTITY ORG:** WRIA 1**COUNTY:****SCOPE (WORK TYPES):**

Cultural resources

Final design and permitting

PERMITS ANTICIPATED:

None - No permits Required

SALMON INFORMATION: (* indicates primary)**Species Targeted**

Bull Trout

Pink

Chinook*

Searun Cutthroat

Chum

Sockeye

Coho

Steelhead

Habitat Factors Addressed

Channel Conditions*

Riparian Conditions

Floodplain Conditions

Streambed Sediment Conditions

Loss of Access to Spawning and Rearing Habitat

Water Quality

LAST UPDATED: May 5, 2010**DATE PRINTED:** May 5, 2010

Salmon Recovery Funding Board

Placeholder Note

Item 8

Meeting Date: May 2010

Title: Regional Recovery Organization Presentation: Puget Sound

Proposed Action: Briefing

The Puget Sound Region will present this topic at the May meeting.

There are no advance materials.

Salmon Recovery Funding Board

Briefing Memo

Item 9A

Meeting Date: May 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

GSRO Welcomes New Employee

The Governor's Salmon Recovery Office welcomed Jennifer Johnson as the new Recovery Implementation Coordinator on March 15. Among her duties, Jennifer will be working on systems to track statewide progress in implementing salmon recovery plans and helping to develop the *State of Salmon in Watersheds Report*. She also will be our point person for managing the Habitat Work Schedule and developing its relationship to other data management systems that are relevant to an integrated state and regional approach to tracking progress in salmon recovery.

Jennifer's experience includes more than six years working with National Oceanic and Atmospheric Administration (NOAA) Fisheries. She served as a project coordinator and permit analyst, and coordinated the tracking and reporting for the Pacific Coastal Salmon Recovery Fund.

State and Regional Salmon Recovery Funding Strategy

After a competitive process, the Recreation and Conservation Office (RCO) and the GSRO have selected Evergreen Funding Consultants to help the GSRO and the regional salmon recovery organizations develop a long-term state and regional funding strategy for implementing salmon recovery plans. The \$55,000 contract is funded with \$25,000 from the RCO and \$5,000 contributions from six regional organizations. The regional contributions come from the Salmon Recovery Funding Board operating grants; the grant agreements require the regions to deliver a longer-term strategy for funding implementation of their salmon recovery plans.

The funding strategy will be based on currently available regional and statewide information about costs of implementing recovery plans, current funding levels and sources, gaps between costs and available funding, and potential options for addressing funding gaps. Work began in late April 2010, and is scheduled for completion by January 2011.

Salmon Recovery Funding Board

Briefing Memo

Item 9B

Meeting Date: May 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 months to develop agreements with sponsors. This year, we began routing agreements electronically to sponsors to speed the signature process. As of April 26, we had sent 118 project agreements out for sponsor signature, and had 81 signed agreements returned.

The Review Panel met March 25 to hear about changes to the salmon grants manual, reviewed expectations for 2010, and heard a briefing on the Habitat Work Schedule, including how that mapping tool could be used in project review. Almost all of the Review Panel visits with lead entities to review projects have been scheduled, with the first set for early April.

Additional Grant Responsibilities

The National Oceanic and Atmospheric Administration (NOAA) Northwest Regional Office has asked the Recreation and Conservation Office (RCO) to manage eight contracts for work that is required to implement the Pacific Salmon Treaty for Puget Sound Chinook Critical Stock augmentation. RCO will receive a total of \$3.9 million for grants and administration. Attachment A is a summary of the proposals. RCO must have information submitted to NOAA by May 31, 2010.

In addition, RCO was asked by the Washington State Department of Fish and Wildlife (WDFW) to administer three projects worth a total of \$3.3 million, which were recently included in the supplemental capital budget. RCO and WDFW are currently developing an agreement for the work. The projects include a \$2.8 million Carpenter Creek estuary restoration in Kitsap County, which involves removing a blocking culvert and restoring tidal function. The remaining two projects focus on restoration work in the South and Middle Fork of the Nooksack River. The projects, which total \$566,000, include placement of large woody debris, removing a barrier to fish passage, and riparian planting.

PRISM Modifications Implemented March 27

We worked with National Oceanic and Atmospheric Administration (NOAA) and the Recreation and Conservation Office (RCO) programmers to implement the new metrics in PRISM. This is a significant change for RCO and all PRISM users. We anticipate that the RCO will offer additional training opportunities to assist with the transition. The new metrics have been expanded to provide greater detail on what was accomplished with each project. For example, instream channel structures metrics will capture total length of habitat treated, the number of instream pools created, the number and type of structures placed (wood, rock, barbs, weirs, deflectors), and acres of streambed treated. In addition, the new metrics improve our ability to track the different matching funds and total project cost.

In addition, we are developing a final report module that will augment the newly-completed progress report feature. This module will document project accomplishments and serve as an important tool to communicate lessons learned.

Manual 18 Updates

Since the last board meeting, RCO staff finalized and distributed Manual 18, and, upon request, has attended lead entity application workshops to present Manual 18 changes. RCO staff attended the lead entity training in Leavenworth on April 27, where they presented Manual 18 changes, answered questions, and provided resources on how to navigate the 2010 grant round.

In an effort to save sponsor time and money, staff has scheduled a series of online Successful Applicant Workshops. These workshops, which will be offered on May 12, 19, and 25, give us an opportunity to review the SRFB project agreement and expectations, and answer any questions.

Grant Administration

Since the beginning of the salmon recovery effort in 1999, 1,559 projects have been funded. As of April 26, 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	90	90
SRFB - Second Round 2000	2001	1	0	147	148
SRFB - Third Round 2001	2002	2	0	130	132
SRFB - Fourth Round 2002	2003	5	0	73	78
SRFB – Fifth Round 2004	2004	10	0	98	108
SRFB – Sixth Round 2005	2006	25	0	87	112
SRFB – Seventh Round 2006	2007	36	0	59	95
SRFB – 2007 Grant Round (<i>includes PSAR</i>)	2008	172	0	47	219
SRFB – 2008 Grant Round	2009	98	0	10	108
SRFB – 2009 Grant Round (<i>includes PSAR</i>)	2010	92	26	0	118
Family Forest Fish Passage Program	To Date	45	317 ¹	130	175
Totals		486	26	1128	1640
Percent		26%	9 %	65%	

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

GSRO: Governor's Salmon Recovery Office

Attachments

A. Puget Sound Critical Stock Program Projects to be Administered through RCO

-
- 1 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.

Puget Sound Critical Stock Program Projects to be Administered through RCO

Project: South Fork Channel Restoration

Sponsor: Skagit River System Cooperative

Amount: \$368,600

Funding will be used to restore about 6.2 acres of intertidal salt marsh adjacent to the Swinomish Channel on the Swinomish Indian Tribal Community reservation. This work is part of a larger project aimed at restoring 15 acres at seven sites along the Swinomish Channel. Three sites were constructed in 2008. This portion of the project will be completed during construction seasons 2010 and 2011. Primary objectives of the project are to:

1. Remove dredge spoils to recover 6.2 acres of the original marsh surface elevation and restore tidal flooding to allow unrestricted movement of water, sediments, nutrients, detritus and organisms across the marsh surface.
2. Restore blind tidal channel habitat for juvenile salmonids (975 feet).
3. Restore native marsh vegetation to the site to support detrital food chains for juvenile salmonids and shorebirds.

Project: South Fork Off-Channel Restoration

Sponsor: Skagit River System Cooperative

Amount: \$169,750

Funding will be used to implement dike breaching and channel excavation at Milltown Island, located in the south fork of the Skagit River near Conway, WA. This site was historically diked for farming, which largely isolated a network of estuarine distributary channels on the interior of the island. These dikes were breached by flooding in the late 1970s and never repaired. The proposed project will extend dike breaching and channel excavation efforts completed in 1999, 2004 and 2007-2008. Previous work partially restored tidal inundation and fish access to more than 3,500 linear feet of distributary and blind channels.

Puget Sound Critical Stock Program funds will be used to remove approximately 790 linear feet of dike, construct 1,088 linear feet of distributary channel, eradicate non-native vegetation through controlled burns, and plant riparian species along the eastern margin of the island. These efforts will help to restore a section of the island that remains somewhat disconnected from tidal inundation and fish access, and that is dominated by non-native vegetation. Because conventional construction techniques - using heavy equipment - are not a viable or cost effective approach to work on the island, dike demolition and excavation of new tidal channels will be accomplished with the use of explosives. Fish use at the site is anticipated immediately following construction. The Skagit River Chinook Recovery Plan estimates that implementation of full restoration at the site will produce rearing opportunities for 57,179 smolts.

Project: South Fork Stillaguamish Captive Brood and Supplementation

Sponsor: Stillaguamish Tribe

Amount: \$1,139,750

To meet the short-term goal of keeping South Fork (fall timed) Stillaguamish Chinook from going extinct, the Stillaguamish Tribe proposes to develop and implement a conservation hatchery program that will include a captive brood program. They will rebuild a 1940's era trout hatchery water distribution system and construct a new hatchery building at the site to hold up to 300 wild juvenile Chinook fry per year in a controlled and secure location. The tribe also will continue to attempt to broodstock adult fish to provide a supplemental source of gametes in the event that adults held in captivity do not ripen at the same time or they are lack an adequate number of one sex to maximize genetic diversity.

Wild juvenile Chinook fry will be seined out of pools on the South Fork Stillaguamish and its tributaries, and then transported to the new hatchery where they will grow to spawning adults. Up to an additional 500 juveniles will be captured, transferred, and grown at the NOAA Manchester conservation hatchery. Based on the Manchester hatchery staff's experience with other captive brood programs, they can expect a final fry to adult survival rate of about 60%. The short-term goal is to capture and raise enough Chinook to produce up to 500,000 age zero smolts for release each year, with the program target of having enough returning program and wild spawners to keep the composite escapement for fall timed Chinook above 500 adults. Once enough natural spawners become available, the captive broodstock program will be terminated after three generations and transitioned to a natural stock supplementation program to further protect and recover the population as habitat is restored and natural productivity increases.

Project: Snohomish Qwuloolt Estuary Restoration

Sponsor: Tulalip Tribes

Amount: \$291,000

This project will contribute to restoration of historic tidal processes and functioning estuary intertidal marsh system to 350 acres of isolated floodplain within the lower Snohomish River estuary. The completed project will also restore natural hydrologic connection and functions to two stream systems and provide unrestricted fish access to 16 miles of upstream spawning and rearing habitat. Restoration work will involve removing levee, installing setback levee, filling ditches, constructing berms, excavating stream and tidal channels and native riparian planting. The total project cost is \$7.8 million; additional funding includes federal, state, tribal and local funds that are already secured.

Project: Snohomish Side Channel Restoration*Sponsor: Snohomish County**Amount: \$436,000*

The Steamboat Slough Tidal Marsh Enhancement project is the result of a strong partnership between the Tulalip Tribes and Snohomish County. This project is an outcome of the hydrodynamic modeling completed by Battelle Pacific Northwest National Laboratory (PNNL) and will result in significant enhancement of existing dike breaches around North Ebey Island and Mid-Spencer Island. This approach also draws upon the experience of completed estuary restoration projects in the Skagit River Watershed, which demonstrated that creating and enhancing connectivity between estuary projects logarithmically increases fish benefits.

Primary objectives of the project are to:

- Restore natural processes, including: tidal channel formation, large woody debris recruitment, sediment delivery and native revegetation.
- Enhance quality of habitat for juvenile salmonids.
- Improve/provide fish access in and out of marshes.
- Increase biological, hydrologic and geomorphic connectivity between sloughs, intact tidal marsh areas and recently restored and proposed restoration sites (Marysville, Qwuloolt, Blue Heron Slough and Smith Island).
- Increase habitat along margins of slough channels.
- Set up a monitoring program to evaluate individual techniques for achieving these goals.

Project: Hood Canal Stream Restoration*Sponsor: Wild Fish Conservancy**Amount: \$97,000*

The objective of this project is to increase the function of fluvial habitats for Chinook salmon in the middle and upper reaches of the Dosewallips River, through the creation of engineered log jams (ELJs). Large woody debris historically played a dominant role in controlling channel morphology, the storing and routing of sediment, and the formation of fish habitat. Large woody debris creates habitat heterogeneity by forming pools, back eddies, and side channels and by increasing channel sinuosity and hydraulic complexity. Much of this function has been lost in the alluvial reaches of Puget Sound Rivers through the logging of mature riparian vegetation and the removal of instream woody debris.

Wild Fish Conservancy proposes to construct 8 to 10 ELJs in the middle and upper reaches of the Dosewallips River within the Olympic National Forest. A 2008 SRFB grant funded a feasibility assessment and design project. These designs will be available for permit application in the summer of 2010. WFC will apply to the SRFB for construction funding in the summer of 2010.

Puget Sound Critical Stock Program funds are intended to complement the 2010 SRFB funds. The ELJs will be constructed in 2011 and 2012.

Project: Skokomish Estuary Restoration

Sponsor: Skokomish Tribe

Amount: \$291,000

The Skokomish Estuary was once the largest contiguous salt marsh complex in Hood Canal and the eastern Strait of Juan de Fuca. The landscape alterations to this site are well documented and include rapid changes to tidal inundation patterns resulting from levees built to convert former salt marsh habitat to agricultural production. The Skokomish Indian Tribe and Mason Conservation District are improving and restoring 214 acres of habitat at the mouth of the Skokomish River to provide rearing habitat for federally listed Chinook and summer chum. Critical Stock Program funding will contribute to this broader project.

Project: Nooksack Barrier Removal and Restoration - Lower Canyon Creek

Sponsor: Lummi Tribe

Amount: \$994,250

Assessments of the geomorphology and alluvial fan risk on lower Canyon Creek led to recommendations for acquisition of properties in high-risk areas, standards for new construction, and partial removal and setback of an existing levee. These measures are intended, in part, to reverse ongoing impacts to salmon habitat. With a combination of state and federal flood hazard reduction (FEMA) and Salmon Recovery Funding Board funding, Whatcom County partnered with the Whatcom Land Trust to purchase repetitive flood loss and undeveloped properties in the high risk zone of the Canyon Creek alluvial fan. The acquisitions presented the opportunity to engage in the restoration design process. This project will build on progress to date by: 1) addressing floodplain constriction through levee shortening, setback and/or removal; and 2) providing instream structure (engineered log jams) to improve habitat complexity and diversity.

Salmon Recovery Funding Board

Project Tour Information

May 2010

Project Itinerary

- 1:45 p.m. Leave Lakeway Inn**
- 2:30 p.m. Arrive Kendall Creek Hatchery**
40-minute discussion about South Fork Supplementation Program (07-1847) and early South Fork and North Fork Chinook status. Restrooms available.
- 3:20 p.m. Leave for Lone Tree Side Channel site**
- 3:40 p.m. Arrive at Lone Tree Side Channel ELJ project and Phase II**
40-minute walk to the logjams, with discussion about partnerships and ELJ objectives for projects 07-1802 and 08-1943.
- 4:20 p.m. Leave for the Bell Creek Site**
- 4:40 p.m. Arrive at Bell Creek**
40-minute walk, with discussion about acquisition strategy and partnership opportunities for "Focus on the North Fork Side Channels" project (05-1450).
- 5:20 p.m. End tour and return to Bellingham (about 30 minutes)**

Project Details

Each of these projects is currently active.

South Fork Supplementation Program (07-1847)

The Lummi Nation will use this grant to collect Chinook salmon, maintain weirs, and tag the salmon in an effort to boost existing populations. The early Chinook from the south fork of the Nooksack River are at high risk of local extinction. The tribe will collect adult salmon caught in a fish weir as broodstock for hatchery production, check DNA to ensure they are representative of the population, grow them to a size allowing the fish to receive identifying tags and then transfer them to the captive brood program. The grant will fund staff to assist in weir maintenance and collection of adults and the costs associated with juvenile rearing facilities, tagging and DNA analysis.

Type	Sponsor	Start Date	SRFB Grant	Match	Total Cost	Paid To Date
Planning	Lummi Nation	12/13/07	\$350,593	\$63,530	\$414,123	\$32,966

Lone Tree Side Channel ELJ project (07-1802)

The Nooksack Indian Tribe will use this grant to design and construct up to four engineered logjams on the right bank floodplain of the north fork of the Nooksack River. The logjams will encourage the river to flow into the disconnected Lone Tree side channel, which will increase spawning habitat and promote the continued growth of a channel island. A recent assessment of the north fork habitat demonstrated that channel islands, and the side channels associated with them, have been disappearing from the river during the past two decades, and that these areas often provide the best spawning and rearing habitat for Chinook salmon. Encouraging the natural formation of protected side channels is expected to boost salmon survival.

Type	Sponsor	Start Date	SRFB Grant	Match	Total Cost	Paid To Date
Restoration	Nooksack Indian Tribe	12/13/07	\$367,900	\$65,000	\$432,900	\$311,696

Lone Tree Phase II (08-1943)

The Nooksack Indian Tribe will use this grant to design and construct several logjams on the floodplain of the north fork of the Nooksack River. The structures will roughen the floodplain and encourage the development of channel islands and side channels, areas that often provide the best spawning and rearing habitat for Chinook salmon. These kinds of areas have been disappearing from the river during the past two decades, and this reach has been identified as the highest priority for habitat restoration for north fork Chinook salmon recovery.

Type	Sponsor	Start Date	SRFB Grant	Match	Total Cost	Paid To Date
Restoration	Nooksack Indian Tribe	12/12/08	\$212,500	\$37,500	\$250,000	NULL

Focus on the North Fork Side Channels, Bell Creek Site (05-1450)

The Whatcom Land Trust will use this grant to acquire 42.35 acres of river frontage and side channel habitat on the north fork of the Nooksack River -- a 17.35-acre tract with 1,300 feet of river frontage, side channels and small islands, and a 25-acre parcel on Bell Creek and the north fork with 1,800 feet of frontage, forested side channels and islands. The land trust will restore 34 acres of habitat on the two tracts and on a previously acquired 78-acre Maple Creek site. The Lummi Natural Resources will complete a preliminary design of restoration opportunities on the three properties. The restoration project will address channel stability, habitat diversity and reduction of sediment, all factors limiting Chinook salmon populations along this reach of the river by re-establishing streamside forests and possibly placing large woody debris in the river.

Type	Sponsor	Start Date	SRFB Grant	Match	Total Cost	Paid To Date
Acquisition & Restoration	Whatcom Land Trust	1/30/06	\$406,218	\$70,220	\$476,438	\$392,543

Driving Directions

(A) Lakeway Inn to (B) Kendall Creek Hatchery

Please leave the Lakeway Inn no later than 1:45 p.m. The drive will take about 45 minutes.

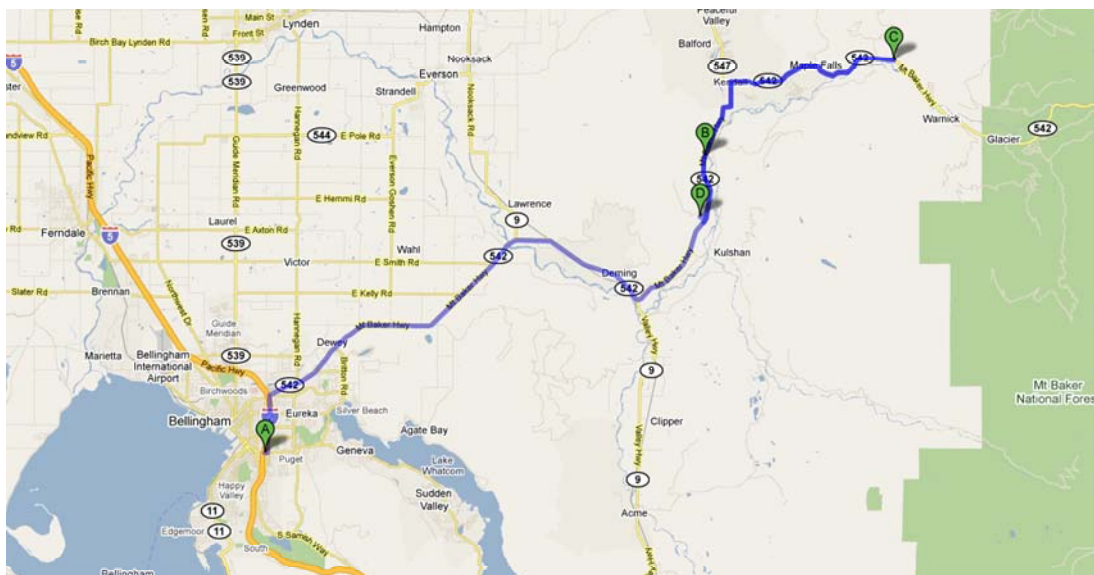
- Start out going north on I-5.
- Take the Exit 255 for WA-542 E/Sunset Drive, toward Mt. Baker
- Turn right at WA-542 E/Sunset Drive /Mt Baker Hwy
- Continue to follow WA-542 for about 20 miles
- The hatchery is at 6263 Mt Baker Hwy.

(B) Kendall Creek Hatchery to (C) Lone Tree Side Channel

- Proceed east on Mt Baker Highway, past Maple Falls and the Boulder Creek bridge.
- About one-half mile east of Boulder Creek is a turnoff for the Puget Sound Energy access road. Park at the access road gate and walk 0.2 miles (1000 feet) along the PSE road to the river.
- The logjam site begins on the cobble bar 50 feet to the southwest.

(C) Lone Tree Side Channel to (D) Bell Creek Site

- Proceed west on SR-542 (Mt Baker Highway) for about 11 miles.
- Take a left on Bell Creek Road.
- Drive 100 yards to Bell Creek acquisition site.



SALMON RECOVERY FUNDING BOARD SUMMARIZED MEETING AGENDA AND ACTIONS, MAY 20, 2010

Agenda Items without Formal Action

Item	Board Request for Follow-up (<i>Due Date in Italics</i>)
Management Report	Compatible use policy to be discussed later this year.
Council of Regions Report	
Lead Entity Advisory Group Report	
Other Agency Updates	
Biennial Workplan for Implementing Strategic Plan	Decisions about the number of meetings for future (<i>October</i>)
Governor's Salmon Recovery Office	
Grant management and preview of tour	
Regional Recovery Organization Presentation: Puget Sound	

Agenda Items with Formal Action

Item	Formal Action	Board Request for Follow-up (<i>Due Date in Italics</i>)
Minutes	Approved the minutes as presented.	
Legislative Update 2010 and Preparing for 2011	APPROVED <ul style="list-style-type: none"> Delegated authority to the director to allocate and approve some project funding by November 30, subject to board review in December. Changed the venue and format of the October meeting to Olympia-based conference call. 	Update on OFM's guidance for projects not making substantial progress (<i>October</i>) Set August special meeting re: the level of capital funding to request (tentative date is August 11 from 9 a.m. until 11 a.m.) (<i>August</i>)
Factors for Considering Major Scope Changes – Acquisition Projects	APPROVED <ul style="list-style-type: none"> Adopted the new policy and factors for approving major scope changes for acquisition projects. 	<ul style="list-style-type: none"> Ask lead entities to notify the conservation district if the property involved in a major scope change is actively farmed (<i>As needed</i>) Include this direction in the next version of Manual 18. (<i>December</i>)
Request for Funding Bridge for Effectiveness Monitoring	APPROVED as amended <ul style="list-style-type: none"> Authorized the Director to approve up to \$204,620 for Effectiveness Monitoring, pending receipt of 2010 PCSRF funds. 	<ul style="list-style-type: none"> Meeting Topic: Fish in/Fish out contract approval (<i>October</i>) Provide an update on the lessons learned from effectiveness monitoring with regard to project design. (<i>October</i>)
Request for Funding for Intensively Monitored Watersheds (IMW)	APPROVED <ul style="list-style-type: none"> Authorized the Director to approve up to \$1,467,000 for IMW monitoring through June 2011, pending receipt of 2010 PCSRF funds. 	<ul style="list-style-type: none"> Scope the August IMW workshop to address broader set of issues Scope and identify the costs for an IMW for the Puget Sound Fall Chinook to address gaps in knowledge. (<i>Summer</i>) Provide an update on IMWs. (<i>October</i>)
Request for Approval of Two Puget Sound Acquisition and Restoration (PSAR) Grant Awards	APPROVED <ul style="list-style-type: none"> Approved funding for project #10-1340, Lower Canyon Creek Phase 2 Design 2010 Approved funding for project #10-1442, SF Nooksack Sygitowicz ELJ Construction Project Approvals contingent upon review and approval by the Puget Sound Salmon Recovery Council 	Approval is contingent upon review and approval by the Puget Sound Salmon Recovery Council.

SALMON RECOVERY FUNDING BOARD SUMMARY MINUTES

Date: May 20, 2010

Place: Best Western Lakeway Inn, Bellingham, WA, 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
Bob Nichols Olympia
Harry Barber Washougal

Melissa Gildersleeve Department of Ecology
Sara LaBorde Department of Fish and Wildlife
Carol Smith Conservation Commission (12:30)
Jon Peterson Department of Transportation
Craig Partridge Department of Natural Resources

Opening and Welcome

Chair Steve Tharinger called the meeting to order at 9:04 a.m. and a quorum was determined. Bud Hover's absence was excused.

- The Salmon Recovery Funding Board (board) approved the revised agenda.
- The board approved the February 2010 meeting minutes as presented.

Bob Nichols moved to adopt the February minutes.

Seconded by: David Trout

Motion: APPROVED

Management and Partner Reports

Management Status Report

Director Kaleen Cottingham presented the management report and noted that to save staff time, meeting minutes will be taken at a summary level. The recording will remain available. Other highlights of the report include the metrics added to PRISM and the new risk-based approach to sponsor audits. In response to a question from board member Barber about the changes to address the audit finding, Brian Abbott, Salmon Section Manager, provided more detail on the risk categories, how organizations are categorized, and the obligations for sponsors under the different categories. He noted that the alternative is to treat all sponsors as "high risk" and require full documentation from all.

PCSRF Grant Application: Director Cottingham described the application and allocation process, noting that Washington's application offers three options, including additional monitoring funds for the Lower Columbia. They are hoping to use funds from this grant to add performance metrics in PRISM for existing projects.

Policy Report: Policy Specialist Megan Duffy provided the board with an update on the effort to address water rights, as described in the memo. Chair Tharinger asked if the intent was to require that water rights acquired via conservation/efficiency projects go into trust, and Megan responded that the policy development process would answer that question. Megan then provided an update on the work to update the Deed of Right and discussed agency efforts to address the State Auditor's findings regarding lack of compliance with a federal law that limits cash advances to the minimum funds needed for 30 days. The RCO will survey sponsors on the cash advance issue. Steve McLellan noted that staff would bring back information on the compatible uses policy later in the year.

No General Public Comment was provided

Legislative Update 2010 and Preparing for 2011

Steve McLellan highlighted the results of the supplemental budget, noting that the revenue package made it possible to keep the capital budget intact. He noted the provisions of capital budget section 1023, which directs the Office of Financial Management to achieve savings of \$50 million. One method to achieve these savings is to withhold funds for projects that have not shown "substantial progress" by November 30. This may have an effect on the 2010 grant round because the board will approve the projects in December. Also, the remaining PSAR projects will be granted in October and December.

Kaleen highlighted the options to address the situation: (1) status quo, as described in Manual 18; (2) change the grant round timeline; (3) delegate authority to the director to allocate and approve the state general fund dollars for projects with no issues identified before November 30. Board members and staff noted that changing the timetable would limit the amount of time for the review panel and the lead entities, and could undermine the process integrity. The board requested updates on OFM's guidance at their upcoming meetings.

Public Comment

Barbara Rosenkotter, Lead Entity Advisory Group (LEAG): Changing the schedule would be difficult because they plan a year in advance. She noted that some lead entities are counting on approval in October, and would even prefer July. She suggested that the board clarify the

contracting deadlines under this process. Brian responded that as soon as the grant is approved, staff would help them get the project under contract.

Bob Nichols moved to approve option #3 to delegate to the RCO Director the authority to allocate and approve the state bond funds and PSAR funds for projects with no issues identified. This would happen before November 30. Decisions are subject to board review in December.

Seconded by: David Trout

Motion: APPROVED

Kaleen noted that the next decision for the board is whether to hold an October meeting. House Bill 2617 eliminated a number of boards and commissions and put restrictions on travel and expenses. The SRFB is a class four board, so they need to reduce travel, use only state facilities, and use conference calls to the degree possible. Kaleen noted that they would need a conference call in July or August for a decision about the 2011-13 budget request, and suggested also doing the October meeting by conference call.

Bob Nichols moved to change the venue of the October meeting to Olympia, and change the format from in-person to conference call.

Seconded by: David Trout

Motion: APPROVED

Policy Directory Steve McLellan then provided an overview of the funding decisions that the board would need to make later this year. He noted that the entire budget picture may change based on the fall initiatives to repeal new taxes. He explained the historic funding levels, requests, and required match level for PCSRF funds. Kaleen noted that PSAR funds also are used to match EPA grants. Board members expressed a desire not to use PSAR funds as match, if it can be avoided. But instead to hold the majority of PSAR for any EPA match, if required.

Board members discussed the following considerations for determining their budget request:

- One approach is to align the request to the levels of funding the legislature has provided in the past. Another approach is to link the cost to the recovery plans rather than funding trends.
- It is important to be prudent and show good stewardship since the next biennium may be more challenging.
- The broader salmon community needs to express the actual need. The RCO and regions are working together to identify the cost of implementing the recovery plans.

The chair will call a special meeting in August to set the level of capital funding to request. RCO staff will send out a calendaring email after we receive direction from OFM. The board tentatively held August 11 from 9 a.m. until 11 a.m.

Public Comment

Joe Ryan, PSP: Joe provided some background on PSAR requests and appropriations in previous two biennia. For 2011-13, they intend to ask for \$55 million in PSAR funding.

Partner Reports

Council of Regions Report: Joe Ryan, Puget Sound Region, highlighted the information in the notebook about the recent COR meeting in Walla Walla. The discussion at that meeting focused on four areas of mutual concern: (1) Recovery Plan Implementation Monitoring, (2) Funding Strategies, (3) NOAA's West Coast Salmon and Steelhead Status Review Process, and (4) NPCC Monitoring, Evaluation, Research, and Reporting (MERR) Plan Review.

Lead Entity Advisory Group Report: Barbara Rosenkotter, LEAG highlighted the training and retreat in Leavenworth. She noted that the priorities from the retreat are the use of Habitat Work Schedule (including its interface with PRISM) and finding better ways to tell the salmon story. Participants suggested that it is important to gather and share information in person on a more frequent basis, but want to do so with low budget impacts. Kaleen noted that the Governor's Salmon Recovery Office (GSRO) hired a staff member to work on Habitat Work Schedule, and RCO is committed to the interface with PRISM.

Other Agency Updates:

Carol Smith, Conservation Commission, highlighted the supplemental budget impacts to the agency and districts in FY 2011. One result is that they will reduce the number of CREP projects.

Sara LaBorde, Fish and Wildlife, also noted the budget. They are assessing the difference between what they could do five years ago in salmon recovery versus now. This includes watershed stewards, technical assistance, permitting, and other functions. They will talk to regions and staff about priorities. Sara also reported that all board-funded projects are moving forward, including the remote sensing project funded in December 2009. They also are moving forward with the alternative gear project.

Jon Peterson, Department of Transportation, provided copies of the DOT Fish Passage Inventory 2010 performance report. It is available online. In the upcoming budget, they have about 12 projects they are designing for implementation in 2011-13, pending federal stimulus dollars. He also discussed a project to possible reroute of Squalicum Creek and noted that final arguments in the culvert case will take place in June.

Kaleen Cottingham, RCO, provided two documents that share information about salmon recovery in Washington. Sara noted that the checklist regarding fish populations on the front page of the larger document reflects NOAA's figures, not state's methodology. Board members expressed concern that the handout presents an overly rosy picture because it counts hatchery and wild fish. They discussed the risk that by using different reporting methods we create a "credibility gap." The board also acknowledged difficulties in simplifying the messages without losing the details.

Craig Partridge, DNR, noted that the agency published a 5-year strategic plan, which is available online. There are six major goals and several aspects that relate to salmon recovery. The forestland implementation plan for DNR lands in the western Olympic Peninsula will be out for 45-day public comment soon. It will have a more sophisticated landscape-scale approach to riparian protection.

Melissa Gildersleeve, Ecology, noted they have a new director, who has laid out some goals, with a focus on Puget Sound, fee for service, watershed plan implementation, and stormwater. They lost some stream gauging capacity.

Biennial Work Plan for Implementing Strategic Plan

Policy Specialist Megan Duffy provided a briefing on the memo that was sent to board members on April 19 and in the notebooks. She explained that staff is proposing that the work plan for the remainder of the biennium focus on monitoring; efficiencies and accountability; and scale and mix of projects. Her presentation highlighted the crosswalk between the strategic plan actions and the proposed mechanisms for the current biennium, as described in the memo. Chair Tharinger noted that the work to identify lead entity and regional funding needs would not be complete before the board's budget request.

The board discussed the topic of "role of the board" in the context of efficiencies and accountability. They discussed whether they could limit in-person meetings to twice per year, with smaller phone meetings in between. Some key themes evolved:

- The board needs to balance the cost savings with openness to the public; some of these issues can be resolved with technology.
- Reducing the number of meetings reduces information sharing among members, staff, and the public.
- Reducing the number of meetings could result in a perception that the board is unnecessary.

The board concluded that it would like to make decision about the number of meetings for 2011 and the future in December.

Board Decisions

The board took action on four topics, as follows.

Factors for Considering Major Scope Changes – Acquisition Projects

Megan Duffy, Policy Specialist explained that staff was asking the board to approve factors that the board subcommittee may want to consider when deciding whether to approve any major scope change for acquisition projects. She noted that in March 2010, the Recreation and Conservation Funding Board (RCFB) approved the same factors. Megan emphasized that stakeholders wanted these to be factors that the subcommittee could consider, not criteria.

Board members clarified the following points in their discussion:

- The board subcommittee is not limited to these factors in their review.
- The subcommittee may request additional scientific or technical review. The director also may request that review before the decision reaches the subcommittee.
- The RCO should ask lead entities to notify the conservation district if the property is actively farmed because they may be unaware of agricultural issues. The RCO also will include this direction in the next version of Manual 18.

Bob Nichols moved to adopt the new policy shown in Attachment A titled “Factors for Approving Major Scope Changes for Acquisition Projects.”

Seconded by: Harry Barber

Motion: APPROVED

Monitoring Program

Ken Dzinbal, Monitoring Forum Coordinator, began his presentation by reviewing the monitoring program allocation from the board’s budget. Ken explained that due to delays in the 2010 Pacific Coastal Salmon Recovery Fund (PCSRF) grant, funding for the Effectiveness Monitoring program would expire in August 2010. Ken briefed the board on the effectiveness monitoring program review, and described how they are coordinating with an effort led by Bonneville Power Administration (BPA). They held workshops on April 20 and May 17, which Ken described in detail. Small technical workgroups are meeting in May and June. The third workshop will be in July 2010. Due to the coordination, they likely will not need all of the \$50,000 allocation.

He then explained that funding for the Intensively Monitored Watersheds (IMW) program expires in June 2010. Absent a completed review process, staff recommends continuing the program through June 2011, using PCSRF funds that the agency expects to receive later this summer. He then explained that the IMW workshop was postponed to build on the BPA

study noted above. The workshop likely will happen in August. Ken also noted that the Partnership is developing watershed monitoring plans.

Kaleen explained that due to this new approach, the RCO does not yet have the data to guide the decisions. She also noted that there is a 10 percent monitoring requirement in the 2010 PCSRF grant. Funds are sufficient for these programs, even if the award is less than anticipated. WDFW's Fish in/Fish out will need a decision at the October meeting.

Board members and staff discussed the IMW program, with the following themes emerging:

- The IMW program is not a short-term data collection and analysis effort, but should have an end point.
- It is important to consider board-funded IMWs on a regional scale, so that it is clear how these projects fit into the big picture.
- There is not an IMW for Puget Sound Fall Chinook, which makes it difficult to see the impact of the board's investment. Board member Troutt suggested exploring whether the Puget Sound Partnership could conduct the IMW.
- The board wants to know how the current IMWs translate to Puget Sound, and where the data gaps exist.

Staff committed to these follow-up actions:

- Scope the August IMW workshop to address (1) how the current IMWs are working, (2) whether we have the right mix, and (3) whether we are addressing the right issues, concerns, and species.
- Scope and identify the costs for an IMW for the Puget Sound Fall Chinook to address gaps in knowledge.
- In October, provide an update on IMWs and on the lessons learned from effectiveness monitoring with regard to project design.

Bob Nichols moved to authorize the Director to approve \$204,620 for Effectiveness Monitoring, pending receipt of 2010 PCSRF funds.

Seconded by: David Troutt

Member Harry Barber proposed that it be "up to \$204,620." Motion was accepted by Nichols and Troutt.

Motion: APPROVED as amended

Bob Nichols moved to authorize the Director to approve up to \$1,467,000 for one year of IMW monitoring, through June 2011, pending receipt of 2010 PCSRF funds.

Seconded by: Harry Barber

Motion: APPROVED, 3-1 (Member Troutt opposed)

Puget Sound Acquisition and Restoration (PSAR) Grant Awards

Grant Manager Jason Lundgren presented information about two projects seeking PSAR funds. The projects, which are sponsored by the Nooksack lead entity, are ready for implementation in the 2010 construction season. He noted that the Leadership Council of the Puget Sound Partnership approved the project identification process and that the Puget Sound Salmon Recovery Council has scheduled its review for May 27.

David Troutt moved to approve the funding for project #10-1340, Lower Canyon Creek Phase 2 Design 2010 and #10-1442, SF Nooksack Sygitowicz ELJ Construction Project, contingent upon review and approval by the Puget Sound Salmon Recovery Council.

Seconded by: Harry Barber

Motion: APPROVED, 3-0 (Member Nichols was absent for the vote)

Briefings

Regional Recovery Organization Presentation: Puget Sound (

Joe Ryan of the Puget Sound Partnership and his staff presented information about the region's efforts.

John Meyer highlighted key capital projects, noting that they use both SRFB and federal dollars, including NOAA stimulus funds. He noted other funding they have recently received, including an additional \$10 million in the supplemental budget for specific Puget Sound projects and a NOAA community restoration grant. He noted that they are now focusing on larger, more complex projects. They will seek new funds for this effort, and will not redirect PSAR funds.

Roma Call talked about their new local integrating organizations (LIO), which will implement action agenda priorities, including salmon recovery, at the local level. The concept is similar to the bottom-up approach to salmon recovery. Lead entities will continue to perform their statutory functions and lead salmon recovery. The program operations likely will be funded through the next round of National Estuary Program funding.

Jason Mulvihill-Kuntz noted that both the Puget Sound Salmon Recovery Council (PSSRC) and Ecosystem Coordination Board are focusing on Shoreline Habitat protection. They are focusing on (1) communication and outreach at the local level; (2) management tools that link salmon recovery with shoreline management, (3) identifying how much shoreline ecosystem function needs to be maintained and gained.

Jason also discussed the efforts to develop a Steelhead recovery plan. He also noted that they are working with the Washington Department of Fish to advance some foundational work to assess and map steelhead habitat requirements and conditions. This work, funded through the board, will assist with recovery planning once the population identification and viability assessment is complete. Board member Sara Laborde added that there is no capacity to do the work needed to recover Steelhead at this point. Board member Troutt noted that NOAA has not provided a critical habitat designation for Steelhead.

Rebecca Ponzio talked about balancing agricultural land /working lands and salmon habitat. They are working with Snohomish County to develop a local, bottom up process to identify solutions and tools to address the conflicts. Board member Partridge suggested that they learn from the experience and work of the Ruckelshaus center.

Rebecca also stated that the recovery plan lacks a monitoring and adaptive management plan, so they are working with the Regional Implementation Technical Team (RITT) to develop a plan for the region, the nearshore chapter, and for the 14 watershed chapters. This will likely be a two-year process, but it is highly dependent on capacity. Part of the work will be to connect the dots across the regional and state guidance documents (e.g., high-level indicators, Action Agenda).

Salmon Recovery Management Reports

Board members had no questions about the reports, so there was no discussion. Brian Abbott and Jason Lundgren then gave an overview of the project tour that would follow the meeting.

Meeting adjourned at 1:30 p.m.

Approved by:

Steve Tharinger, Chair

Date