

PROPOSED Salmon Recovery Funding Board Meeting Agenda

June 7, 2012

Natural Resources Building, Room 172, Olympia, WA 98504

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

Order of Presentation:

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

Public Comment:

If you wish to comment at a meeting, please fill out a comment card and provide it to staff. Please be sure to note on the card if you are speaking about a particular agenda topic. Comments about agenda topics are taken when the topic is presented and discussed. 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@rco.wa.gov.

Special Accommodations:

If you need special accommodations to participate in this meeting, please notify us by April 11, 2012 at 360/902-3086 or TDD 360/902-1996.

Thursday, June 7

OPENING AND WELCOME

- | | | |
|------------------|--|--------------|
| 9:00 a.m. | Call to Order | <i>Chair</i> |
| | <ul style="list-style-type: none">• Determination of Quorum• Review and Approve Agenda (<i>Decision</i>)• Approve April 2012 Meeting Minutes (<i>Decision</i>) | |
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MANAGEMENT AND PARTNER REPORTS (Briefings)

- | | | |
|------------------|--|--|
| 9:05 a.m. | 1. Management Status Report <ul style="list-style-type: none">A. Director's ReportB. Financial ReportC. Policy and Legislative Report<ul style="list-style-type: none">• Status of legislative and budget preparation work for the 2013 legislative sessionD. Work Plan and Performance Update (Written report only) | <div style="text-align: right;"><i>Kaleen Cottingham</i></div> <div style="text-align: right;"><i>Steve McLellan</i></div> |
| 9:20 a.m. | 2. Salmon Recovery Management Reports <ul style="list-style-type: none">A. Governor's Salmon Recovery OfficeB. Grant Management<ul style="list-style-type: none">• Projects of NoteC. Policy Development Update | <div style="text-align: right;"><i>Megan Duffy</i></div> <div style="text-align: right;"><i>Brian Abbott</i></div> <div style="text-align: right;"><i>Grant Managers</i></div> <div style="text-align: right;"><i>Megan Duffy/Brian Abbott</i></div> |
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|-------------------|--------------|
| 10:30 a.m. | BREAK |
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10:45 a.m. 3. Reports from Partners

- A. Council of Regions Report
- B. Lead Entity Advisory Group Report
- C. Regional Fisheries Enhancement Groups
- D. Board Roundtable: Agency Updates

*Jeff Breckel
Cheryl Baumann
Lance Winecka
SRFB Agency Representatives*

General Public Comment: *For items not on the agenda. Please limit comments to 3 minutes*

11:30 a.m. 4. Reports on Status of Efficiency Efforts in Regions

- Upper Columbia Salmon Recovery Board
 - Consider a resolution accepting the proposed consolidated lead entity effective January 1, 2013 and affirming that resources will be budgeted accordingly. **(Decision)**
- Puget Sound Recovery Council
- Northeast

Julie Morgan

*Jeannette Dorner
Megan Duffy*

12:30 p.m. LUNCH

BOARD BRIEFINGS

1:15 p.m. 5. Legislation for Watershed Investment District Concept

*Doug Osterman, WRIA 9
Joan McGilton, WRIA 9*

1:45 p.m. 6. Update on Fish Passage Issues

- New Capital Funding for FFFPP
- Fish Passage Workgroup

Brian Abbott

BOARD DECISIONS

7. 2013 Salmon Project Conference

Brian Abbott

Decision: Approve location and funding for the 2013 Salmon Project Conference

8. Target 2012 Grant Round Funding Level

Brian Abbott

Decision: Approve target 2012 grant round funding level, pending the 2012 Pacific Coastal Salmon Recovery Fund award

2:15 p.m. BREAK

2:30 p.m. 9. Monitoring Programs

- a. Presentations of Findings and Results
 - Effectiveness Monitoring
 - Status and Trends Monitoring
 - Intensively Monitored Watersheds (IMW)
- b. Monitoring Decisions Related to 2012 Funds
 - NOAA Priorities for Monitoring
 - Staff Recommendation for Allocating 2012 Funds

*Jennifer O'Neal, TetraTech
Mara Zimmerman, WDFW
Bill Ehinger, Ecology*

*Scott Rumsey, NOAA
Keith Dublanica, Megan Duffy*

Decision: Contract awards for ongoing monitoring programs

5:00 p.m. ADJOURN

SALMON RECOVERY FUNDING BOARD SUMMARIZED MEETING AGENDA AND ACTIONS, APRIL 18- 19, 2012

Agenda Items without Formal Action

Item	Follow-up Actions
Management Report	None
Salmon Recovery Management Reports – Grants	Follow up on April 2013 conference proposal for 2013.
Reports from Partners/State Agency Partner Reports	None
Implications of State and Federal Budgets on Funding	None
Options for Addressing Budget Shortfalls	Proceed with staff recommendations
Puget Sound Partnership Update	Jeanette Dorner to present to the board in September.
Request for Board Feedback on Update to Communication Plan	Incorporate additional messaging about economic benefit of salmon recovery. Staff to bring draft plan to the board in September.
Areas of Policy Focus for 2012	Proceed with staff recommendations
Update on Large Woody Debris and Landowner/Sponsor Liability	RCO to work with other agencies on legislation regarding landowner liability.

Agenda Items with Formal Action

Item	Formal Action	Follow-up Actions
Correction to 2011 Puget Sound Region SRFB project allocation	Approved	None
Minutes	Approved	None
GSRO Update	Approved reallocation of steelhead funds	PSP to follow up at future meeting with presentation on progress
PSAR Grant Awards – Allocate Funds from the 2011 Grant Round	Approved funding for project	None
Monitoring Recommendations for Allocating Remaining 2011 PCSRF Monitoring Funds	Approved monitoring projects as recommended	None

SALMON RECOVERY FUNDING BOARD SUMMARY MINUTES

Date: April 18, 2012

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

Salmon Recovery Funding Board Members Present:

Bud Hover, Chair	Okanogan County	Mike Barber	Department of Transportation
Harry Barber	Washougal	Melissa Gildersleeve	Department of Ecology
Josh Brown	Kitsap County	Sara LaBorde	Department of Fish and Wildlife
Phil Rockefeller	NWPCC	Craig Partridge	Department of Natural Resources

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.

Opening and Welcome

Chair Bud Hover called the meeting to order at 9:00 a.m. and a quorum was determined. David Troutt, Melissa Gildersleeve, and Carol Smith were absent. Melissa Gildersleeve arrived at 1 p.m.

Phil Rockefeller moved to adopt the agenda.

Seconded by: Josh Brown

Motion: APPROVED

Josh Brown moved to approve \$6,795,036 in SRFB funds for projects and project alternates in the Puget Sound Region, as listed on Funding Table 2011-07, dated December 8, 2011

Seconded by: Phil Rockefeller

Motion: APPROVED

Josh Brown moved to adopt the December minutes.

Seconded by: Harry Barber

Motion: APPROVED

Management and Partner Reports

Item 1: Management Status Report

Director's Report: Director Cottingham noted that Steve would address the legislative sessions and then reviewed staffing changes at the RCO. She noted that NOAA had revised its priorities for the Pacific Coastal Salmon Recovery Fund, noting that Megan would cover it in her topic. She noted that the agency would soon be seeing the results of an audit, and that there would be a finding that the 60/40 split of agency administrative charges that is applied to federal grants needed to be replaced with an indirect rate. Also, in the future there may be a finding that other state agencies that receive our passthrough

funds cannot charge administrative overhead to the federal grants. She concluded by reporting that the Habitat and Recreation Lands Coordinating Group was extended by the legislature.

Kaleen noted that the board was being asked to sign a letter to Congressman Norm Dicks thanking him for his service.

Legislative Update: Steve McLellan noted that the Puget Sound Action Agenda is in the final steps of the approval process, and that it will likely have some influence on the budget requests for 2013-15. Salmon recovery and habitat protection are likely to be among the top priorities. He noted that legislation had passed in the 2012 session establishing a fee for Hydraulic Project Approvals and creating some integration with forest practices applications. This has been two or three years on the making, and represents significant cooperation. There also was some legislation allowing mitigation for forest practices through existing programs such as the Family Forest Fish Passage Program (FFFPP). He concluded by noting that FFFPP received \$10 million in additional funding through the jobs package.

Item 2: Salmon Recovery Management Reports

Governor's Salmon Recovery Office: Megan Duffy gave the board a brief update on Manual 19; they are hoping to have another draft done by the LEAG meeting on May 1. She noted that the board memo has the remaining updates. The Council of Regions will be checking in with the agencies regarding actions on recovery plans. Lloyd Moody gave the board an update on the steelhead planning allocation that the board awarded in May 2011. He noted the proposal described in the staff memo, and asked for a motion to revise the recipients of the allocation. Director Cottingham noted that the shift was to move the money to the three areas, rather than the lead entities.

Board member Harry Barber and Chair Hover expressed some concern that the proposal spent more money on planning elements than on data collection. Chair Hover noted that the board has an obligation to use the funds in the best public interest. Member LaBorde responded that the intent of the planning was to bring experts together so that they could identify the studies that needed to be done. Moody acknowledged that they need to show that the funds are being spent appropriately. Member Brown stated that the plan presents a decent phased approach to getting the plan done.

Member H. Barber noted that many stocks in Canada also are in decline, and encouraged PSP to work with them to see what work they have done on steelhead. Member Rockefeller suggested that they also coordinate with BPA and NOAA for marine survival studies.

Director Cottingham suggested that the Puget Sound Partnership come back in the future and show what work has been accomplished and what the future costs will be.

Josh Brown moved to amend the allocation made in May 2011 so that \$250,000 is awarded to the Puget Sound Partnership to implement the Puget Sound steelhead recovery planning proposal approved by the Puget Sound Recovery Council in March 2012.

Seconded by: Harry Barber

Motion: APPROVED

Grant Management:

Brian Abbott, Salmon Section Manager, highlighted a few points from the grant management memo, including Manual 18, the use of webinars to assist project applicants and sponsors, and classes on the new Stream Habitat Guidelines from WDFW. He also noted the progress made on updating 1200 older

projects with Phase II PCSRF projects and the planning for the April 2013 project conference. He suggested that the conference would be in Vancouver. He and Mike Barber have been working to restart the fish passage workgroup to coordinate the work that has been happening.

Eric Erler presented a video from the Capitol Land Trust about their work at Allison Springs in West Olympia. Marc Duboiski, Dave Caudill, and Mike Ramsey then presented successful projects of note. Projects presented were located along the White River in Chelan County, Salmon/Snow Creek in Jefferson County, and Lower Boise Creek in King County.

Director Cottingham noted that some projects do not go as planned, and introduced a presentation of lessons learned from the Beaconsfield project in Puget Sound. Marc Duboiski provided information about the project, including location, the grants provided, the purpose, and the problems that led to a lawsuit against the sponsors. He noted that the RCO had learned that multi-site acquisitions can be very complex and are influenced by adjacent landowners. RCO will focus on progress reports and the sponsors' work with affected neighbors. Grant managers also need to push sponsors to do more research on structures that are not on title reports, research title reports more thoroughly, and request full easement documents. The RCO has updated the landowner acknowledgement form for restoration projects to ensure that sponsors are doing more due diligence.

Harry Barber asked if they had considered conservation easements rather than outright acquisition, noting that it should be an additional lesson learned. Director Cottingham noted that fee ownership works better when there is restoration work needed. She reminded the board that a study on which acquisition approach should be used was done a few years ago.

Item 3: Partner Reports

Council of Regions Report: Jeff Breckel reported that they were talking with Scott Rumsey from NOAA and the state agencies about cooperation, reporting, and implementation of recovery plans. They are working with GSRO on the State of the Salmon report. He referenced the additional monitoring projects that the board will be voting on later in the meeting; the regions are looking for ways to coordinate those efforts and realize efficiencies. They recently spoke with Phil Rockefeller and others to leverage their programs and needs with those of BPA. He noted that with regard to the previous discussion about easements versus acquisitions, the regions consider acquisition a last resort and ask a number of questions of any applicant proposing fee simple acquisition.

Lead Entity Advisory Group (LEAG) Report: Cheryl Baumann noted that they just had a retreat in March; they have replaced their monthly meetings with phone calls, making the retreat more important. She shared a brief PowerPoint with highlights of the retreat, noting guest speakers and key themes. Director Cottingham and Phil Rockefeller, as well as representatives of their partners, joined the lead entities at the retreat. The retreat included discussions of large woody debris, funding strategies, complex projects, and building community support.

Regional Fisheries Enhancement Groups (RFEs): Lance Winecka reported that the RFEs had faced a one-time transfer of \$1.5 million from the general fund in the supplemental budget. It would have had significant negative effects on the RFEs; they ultimately were fully funded. The RFEs have been working with WDFW to respond to a legislative proviso in 2010 regarding the excess carcass and roe program and contract; it now stands to increase funding up to \$600,000, which would help fund the RFEs. The RFEs also are working on long-term funding from the state and federal sources, as well as other sources.

WDFW is working on hiring a program assistant to support the program, and have included the RFEs in that process. They recently received the second half of their federal funding for fiscal year 2012.

State Agency Partners

Sara Laborde, Department of Fish and Wildlife, noted that the HPA fee bill passed, and that it sunsets in June 2017. She provided some details of how the fees would be applied. The FPA and HPA integration should be ready in December 2013. It is projected to raise about \$500,000.

Mike Barber, Department of Transportation, shared a map of the 19 DOT fish passage projects planned for 2012. He noted that only four are done with dedicated fish passage funds; the others are done within the scope of transportation projects. They expect that trend to continue.

Craig Partridge, Department of Natural Resources, noted the history of the FFFPP program. They have been asked to look at other potential funding sources for the program. One of the categories was addressed by a recently passed mitigation bill, which provides an opportunity for smarter mitigation and possible new funding for FFFPP projects. DNR also is engaging in a pilot project around watershed surface transaction programs; he suggested that this be a topic for a future board meeting.

General Public Comment

Shirley Solomon, Skagit Watershed Council, reintroduced herself to the board and provided a quick update of the work of the Skagit Watershed Council.

Board Briefings

Item 4: Implications of State and Federal Budgets on Funding Allocation

Steve McLellan explained the budget outcomes from the state 2012 supplemental budget, noting the RCO was happy to receive the additional funds for FFFPP. RCO lost 11 percent of its general fund; an early version had it cut by about 29 percent. There is a proviso about where the RCO can take the cuts without backfilling with federal funds. The RCO will shift some costs to the Recreational Resources Account, backfill lead entities with federal funds, and transfer the cost of the State of the Salmon. The rest will be taken as cuts. Since 2009, 44 percent of the general fund has been cut. As we go forward into 2013-15, the agency expects this to be the starting point; cuts will be real. The budget instructions will come out in June. Revenue forecasts are optimistically expected to be flat. There was a fund sweep of \$3.3 million from the RRA to WDFW, which will affect boating grants and RCO operating costs.

Sara Laborde, Department of Fish and Wildlife, noted that they had significant cuts in the past, but this year was different. The legislature provided funds from other sources, including ALEA, for this biennium. The still took some cuts, but none related to salmon recovery. WDFW got \$67 million from the jobs bill; the projects will include fish passage, wildlife habitat, boating access, maintenance, and other projects.

Craig Partridge, Department of Natural Resources, noted that they received about \$25 million in the jobs bill for projects related to work of interest to the board. They took hits in the operating budget, but not as bad as it has been before. The integrity of Forest & Fish is intact. The market for geoducks is strong, so the ALEA fund has been used to bail out programs that were cut from the general fund; there is some concern about the diversion of funds away from the core purpose of the program.

Megan Duffy explained the new priorities for the PCSRF application, which is due April 23. She explained how the SRFB components aligned with the priorities in the application. The application is a multi-partner effort, requesting \$30 million. Historically, we have received closer to 35%; this would be about \$22.75 million. She also noted that the President's budget for federal fiscal year 2013 proposes only \$50 million for PCSRF.

Sara noted that any program getting federal money is going to face cuts in 2012 and 2013. The federal agencies are cutting their pass-through programs. She noted that NOAA will be cutting hatchery, harvest, hydropower and habitat programs.

Item 5: Options for Addressing Budget Shortfalls

Megan Duffy reviewed the information from the board memo, noting that state and federal budget trends indicate that the board likely will receive less funding for projects, capacity, and monitoring in the future. She noted the amounts available to the board if the PCSRF budget is at \$65 million or \$50 million in the next two biennia. She also noted the historical trends in the board's allocation decisions. The board will need to make funding decisions for the 2013-15 state biennium in May 2013. She discussed the options for addressing the potential shortfall suggested by the board. She asked the board to choose two or three options for further investigation over the next year in preparation for the May 2013 funding decisions. She noted that staff recommended that prorated cuts be the "fallback" position, but that the board also asks staff to explore (1) structural & process efficiencies, (2) reducing the budget for cost overruns, and (3) seeking alternative funding sources. She explained that prorated cuts would maintain funding for capacity and projects at a specific percentage of the overall budget.

Public Comment

Mike Kaputa, Chelan County, commented on the consolidation request they received from RCO. They support the consolidation, but find that the timeline is unclear from this board and their own board. They want to ensure that they have support from the community and sponsors; this is a challenge to undertake during a grant round. They are asking for the board to clarify the timeline.

Alex Conley, YBFWRB, appreciated the way this was being brought forward. He noted that the budgets have been flat for both regions and lead entities. He noted that prorated cuts are a challenge because there are differences in the contract requirements and amounts. He also proposed that the regions do a lot of monitoring, including developing and implementing monitoring plans, and thinks that the board should see if the money can be used to meet the 10 percent PCSRF requirement.

Julie Morgan, UCSRB, noted that they have some timelines in mind for the Upper Columbia consolidation. They have an opportunity in the current year.

Jeff Breckel, LCFRB, voiced strong support for moving ahead now with an effort to define how the board will allocate funding in the future. He suggested that they look at not only how they allocate across the "buckets" but also within the buckets.

Jeannette Dorner, PSP, noted that they also received a letter asking about consolidation. They are talking about how to respond to a request for efficiencies in Puget Sound. She wants to more clearly articulate how they work and coordinate; they want to look at the entire process, including the state process. She thinks there is an opportunity to explain the relationship between the region, lead entities, and other

organizations in the Sound. She suggested that the board also look at the role of the regional technical teams versus the board's Technical Review Panel, and opportunities for efficiencies.

Cheryl Baumann noted that LEAG does not have an official position on the proposals, but that she thinks that the board should look at the entire system, not just lead entities and regions. The board should look at the biggest portion of the budget for innovations.

Steve Martin, observed that the regions and lead entities are working on more than just habitat restoration. He suggested that the historical percentages used reflect the change from planning to implementation.

Board Discussion

Member H. Barber asked for clarification on how returned funds affect the SRFB's budget. Megan explained that they are calculated annually and bring the grant round funding up. As the budget shrinks, the RCO assumes that the level of returned funds also will decline. Director Cottingham noted that the returned funds have been higher because property costs have been lower in recent years.

Member Brown asked what options were available for savings in monitoring. Director Cottingham noted that they could look at options within monitoring, but the savings would have to go back to monitoring to fulfill the PCSRF grant requirement for 10 percent. She noted that funds are starting to go to the regions for their monitoring needs. She also reminded the board that part of the discussion needs to be the effect it would have on funding. NOAA is very strict about what monitoring is eligible to be considered for the 10 percent.

Member H. Barber suggested that there is capacity creep. He would like the board to set a target percentage for capacity. He suggested doing a flowchart of the processes to look for efficiencies and redesign. Duffy noted that they are willing to look at the entire process, including the technical reviews of projects; that idea is on the policy list being discussed tomorrow.

Chair Hover noted that they built the capacity based on a certain funding level. They don't want to lose people, but at some point they need to recognize that as funding goes down, a big issue will be how much money is on the ground and how much to administration.

Member Partridge said it is important to have the default cut; the percentages will unleash creativity from the lead entities and regions. Also, the board needs to ask the questions on the project side to be creative and look at how we get the most benefit for the dollar.

Member Rockefeller agreed, and recommended that the board have staff look at the option to prorate at historic levels. Chair Hover asked for a consensus of the board; they indicated that staff should move forward with the recommendations. Chair Hover said that he liked the staff recommendation about looking at consolidations and efficiencies, and hoped the board would support it.

Member LaBorde asked if there was any consideration of the biennial grant round. Megan responded that the discussion had occurred, but no specific dollar figure was identified as the threshold at which annual grant rounds were illogical. LaBorde asked if staff could create a model showing what the grant rounds would look like in these scenarios. Director Cottingham reminded the board that the federal grant is annual, which makes biennial rounds challenging.

Board Decisions

Item 6: PSAR Grant Awards – Allocate Funds from the 2011 Grant Round

Mike Ramsey presented the funding request, as described in the staff memo. He noted that the Project of Concern status was removed in January 2012. He noted that the project had been reduced from \$750,000 to \$500,000. Barbara Rosenkotter, San Juan County, responded that they recommended to the sponsor that they would fund a conservation easement, but that the sponsor would need to raise the funds for a full acquisition, which is the only option the landowner would consider. The sponsor believes that they have a private funding source at this time. The development risk is residential.

Phil Rockefeller moved to approve \$250,000 in Puget Sound Restoration (PSR) funds for project #11-1577, President Channel Shoreline.

Seconded by: Josh Brown

Motion: APPROVED

Item 7: Monitoring Recommendations for Allocating Remaining 2011 PCSRF Monitoring Funds

Megan Duffy presented the process and recommendations of the subgroup to allocate the remaining, unobligated federal fiscal year 2011 Pacific Coastal Salmon Recovery Fund (PCSRF) monitoring funds, as described in the staff memo.

Member H. Barber asked if the monitoring recommendations would satisfy NOAA's concern about reporting on VSP parameters. Duffy responded that they are trying to use monitoring to determine if the projects were implemented, if it's doing what it should do, and what the effect is on fish.

Jeff Breckel clarified that in his Council of Regions report, he was referring to a specific report of a 5-year period, and that NOAA was saying that there was not enough change. Member LaBorde noted that PCSRF is funding monitoring efforts in the Lower Columbia to answer the questions.

Member Rockefeller asked how they would ensure that the contracts are awarded in an open and transparent way. Duffy responded that it was different for each proposal; some require the Request for Proposal process, while others would be amendments to existing contracts and interagency agreements. She is working with the RCO's Chief Financial Officer to ensure that the contracts are done in accord with state guidelines.

Phil Rockefeller moved to approve \$797,242 in federal fiscal year 2011 Pacific Coastal Salmon Recovery Fund dollars for the projects shown in Attachment A.

Seconded by: Josh Brown

Motion: APPROVED

Item 9: Request for Board Feedback on Update to Communication Plan

The board moved this item to Day 1 when it became apparent that they were ahead of schedule.

Susan Zemek, Communications Director, presented information about the communication work done on behalf of the agency and board. She explained that there is a plan that guides the communications work of staff and board members, but that the plan is seven years old and needs to be updated. She reviewed the communications goals and how they have been implemented. She asked for input from the board members about key messages and communication activities they want to consider. Director Cottingham

noted that the Recreation and Conservation Funding Board had indicated a desire for more public speaking opportunities, ground breaking ceremonies, and recognition of good projects.

Board members suggested that the agency focus on tying salmon recovery to economic benefits, natural resources tourism, sport fishing, and local impact. Director Cottingham noted that natural resources tourism was a responsibility of WDFW as a cabinet agency. Zemek noted that that the RCO is cross-promoting with other agencies on the boating web site, and that she is working with NOAA on messages about the benefit of salmon recovery to the fishing industry.

Board members also suggested that board communication be linked with the State of the Salmon report, include greater focus on Eastern Washington outreach, and expand our outreach to people who are not already involved in salmon recovery, including legislators.

Director Cottingham said they would bring a draft plan back in September.

The meeting recessed for the day at 3:40.

Date: April 19, 2012

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

Salmon Recovery Funding Board Members Present:

Bud Hover, Chair	Okanogan County	Mike Barber	Department of Transportation
Harry Barber	Washougal	Melissa Gildersleeve	Department of Ecology
Phil Rockefeller	NWPCC	Sara LaBorde	Department of Fish and Wildlife
		Craig Partridge	Department of Natural Resources
		Carol Smith	Conservation Commission

Opening and Welcome

Chair Bud Hover called the meeting to order at 9:00 a.m. and a quorum was determined. David Troutt and Josh Brown were absent.

Item 8: Puget Sound Partnership Update

Marc Daily, Deputy Director, and Jeannette Dorner, Salmon and Ecosystem Recovery Director, presented an update about the Puget Sound Partnership. Daily addressed the role of the Partnership, its budget including funds used for salmon recovery, organizational improvements resulting from EPA review findings, and integration of salmon recovery into Action Agenda update.

In response to questions from board members, Daily provided additional details about specific audit findings about the timing of contracts and gifts, as well as the status of staff involved. Daily also answered board questions about other financial and programmatic audits of the Partnership, such as the one conducted by JLARC in 2011.

Dorner then provided an update about the Action Agenda and salmon recovery. In response to a question from Member H. Barber, Dorner clarified that the near term actions will not be a list of identified capital projects.

Member Rockefeller asked if the Partnership had used the dispute resolution process provided in statute. Daily responded that in the coming year, the Recovery Council would be taking on a more direct oversight role. Member Rockefeller then asked about stormwater priorities in the action agenda. Daily responded that stormwater is one of the top three strategic initiatives, and that there are many points of focus within the action agenda. He noted that it's important to not only clean up the problems, but also to do retrofits so the problems are not recreated.

Chair Hover asked why the agenda focuses on protection rather than restoration. Dorner responded that there was a study and the tribal white paper issued last summer that found that all participants needed to do a better job of protecting habitat. This is not limited to acquisition, although it is a key component.

Dorner noted that the initiative focuses on protection, but also states that they need to address barriers to restoration (e.g., policies, community values, funding for complex projects). She offered to come back and brief the board about progress on specific actions in the future.

Item 10: Areas of Policy Focus for 2012

Megan Duffy and Brian Abbott presented the policy ideas suggested by regions, lead entities, sponsors, review panel members, and staff as discussed in the staff memo. They explained the tiered structure they would use for prioritizing and addressing the suggestions, and asked the board for input about the recommendation.

Board members asked for clarification on a few topics. Member Smith noted that when they get to the riparian policy (Tier 3), staff should work with the Conservation Commission, which has already done a significant amount of related work.

Member Rockefeller noted that design/build is used in a limited way in most other state contracts. He noted that the scope of these projects is increasing, and wants to ensure that we have the sophistication and skills to do this scale of work. M. Barber noted that they are not design/build in the same sense as other construction grants. Director Cottingham noted that there are circumstances in which they are conditioned before building can start, and that may be an area for policy focus. Member H. Barber suggested that there are groups that have this experience, and staff could work with them to identify best practices. Abbott reminded the board that the SHRG answers many of these questions.

The board directed staff to proceed as proposed with no additions or changes.

Public Comment

Cheryl Baumann noted that Member Rockefeller was correct that the projects are getting more complex and need more engineering.

Alex Conley noted that design/build is also needed for smaller projects, and that it's important to be able to do them together when the scale is small because it reduces the cost for the applicant. It's also a challenge for applicants to balance multiple funding sources if the design/build are separated.

Item 11: Update on Large Woody Debris and Landowner/Sponsor Liability

Megan Duffy presented the background on the board's previous work on issues related to large woody debris in rivers. In 2009, the board directed staff to work with WDFW on the stream Habitat Restoration Guidelines (SHRG), which would include a public safety appendix. She noted that the SHRG were published in early April 2012. There is an appendix that provides guidelines for addressing public safety concerns associated with stream habitat restoration projects. Duffy reviewed some highlights of the appendix, and noted that that staff recommends that the next version of Manual 18 include a specific reference to the appendix. Duffy also noted that legislation was introduced in 2012 to limit liability for landowners doing restoration work. In response to a question from Chair Hover, Duffy explained that the SHRG is directed as guidance for those who are constructing the projects, rather than landowners.

Michele Cramer, WDFW, answered specific questions about the appendix.

Member Partridge noted that DNR is happy to see this is being addressed, and that the board has a strong interest in ensuring that there is a good environment for landowners to do restoration work. DNR is focused on protecting the state's interests; he recommended that the board work with others on the liability issue. DNR's position is that the liability question is different depending on the amount of engineering that was done before construction. DNR wants to see legislation developed on behalf of the state families to address landowner liability for all landowners engaged in restoration projects.

Member Smith noted that they are interested in partnering on legislation about liability. Director Cottingham noted that there is a process for agency request legislation, so the board would need to give staff the direction now to work with the other agencies.

Phil Rockefeller moved that the RCO work with other agencies on collaborative legislation to exempt landowners from liability related to restoration projects.

Seconded by: Harry Barber

Motion: APPROVED

Meeting adjourned at 10:45 a.m.

Minutes approved by:

Bud Hover, Chair

Date

Salmon Recovery Funding Board Briefing Memo

Meeting Date: June 2012

Title: Director's Report

Approved by the Director: *Kaleen Cottingham*

Summary

This memo is the director's report on key agency activities. To minimize duplication, some items that might normally be included in the directors' report have been deleted here and included in other memos throughout the notebook (e.g., the policy report, legislative update, and the grant management report).

Board Action Requested

This item will be a:

<input type="checkbox"/>	Request for Decision
<input type="checkbox"/>	Request for Direction
<input checked="" type="checkbox"/>	Briefing

Supporting and Implementing Grant Management

Federal Grant Submitted for Salmon Recovery Funding

The Recreation and Conservation Office (RCO), on behalf of the Salmon Recovery Funding Board, Department of Fish and Wildlife (WDFW), and the Northwest Indian Fisheries Commission, submitted its annual grant application to the federal government for \$30 million. The funding, which comes through the Pacific Coastal Salmon Recovery Fund, traditionally has supplied more than half of the funding for salmon recovery projects funded through RCO. The application was due April 23. Based on past awards, we hope to receive at least \$22.75 million.

Family Forest Fish Passage Program

The Family Forest Fish Passage Program received \$10 million in state funds through the jobs package approved by the Legislature in April. RCO is gearing up for an additional 100 to 120 projects during the next few years. Salmon Section staff are analyzing workload and preparing to shift some of the Salmon Recovery Funding Board project load from Dave Caudill to others. Elizabeth Butler will be taking on the fish passage program overflow. The change will take place

in the next several weeks. On May 23, RCO will host a recommitment meeting with program partners. The three implementing agencies – RCO, WDFW, and the Department of Natural Resources (DNR) -- will revisit program roles and agree on a work plan for the new funding. More information is in item #6.

Transfer of Habitat Work Schedule Management to RCO

The Habitat Work Schedule (HWS) data system contract with Paladin Data Systems Corporation has been managed jointly by the Department of Fish and Wildlife and Governor's Salmon Recovery Office for the past two years. HWS is a salmon recovery project planning and coordination system for lead entities and salmon recovery regional organizations. The contract and primary project management responsibilities are in the process of being transferred from the Department of Fish and Wildlife to RCO, with WDFW continuing on in a narrower, subcontractor role. All funding for this project will flow directly from the US Fish and Wildlife Service to RCO.

RCO Management Activity

State Auditor's Office Finding

The State Auditor recently completed its fiscal year 2011 A-133 audit for Pacific Coastal Salmon Recovery Funds (PCSRF). The auditor considered the two previous findings involving cash advances and sponsor reviews to be resolved. However, the audit had two new findings for RCO and management recommendations.

Findings: The two findings are related to the way that RCO treats the administration charges (payroll and other) to PCSRF. Specifically, the audit noted that RCO charges the federal grant directly for administration at a set percentage of the grant, but the charges should be based on actual time spent. There were two findings: one finding for payroll charges and the second for other administrative charges. We now base our administrative charges on our federally-approved indirect rate.

Management Recommendation: The management recommendation alerted RCO to the auditor's interpretation that the administrative limit of three percent applied to the entire state of Washington. The RCO had interpreted the limit as a three percent maximum for our administrative charges. The auditor's interpretation would have significant implications for other state agencies that are subrecipient of grant funds (e.g., for monitoring efforts). We are working with the other affected agencies and researching possible changes to our memorandum of understanding. We recently learned that the National Oceanic and Atmospheric Administration agrees that the 3 percent limit does not apply to subrecipients who are also state agencies.

Finding Efficiencies in our Salmon System

The Salmon Recovery Funding Board directed RCO to work with salmon recovery lead entities and regional organizations to find any possible process and structural efficiencies in the salmon recovery system. The Governor's Salmon Recovery Office staff has been working with regions on that effort; more information is in item #2A.

Policy Team Update

The policy team continues to work on the allowable uses policy, the State Comprehensive Outdoor Recreation Plan, the Habitat and Recreation Lands Coordinating Group, and a boating "app" that provides information about boat ramps and moorage facilities. The policy team also has been working with the section managers to prioritize key policy issues and determine who is best able to address the priorities. More information is in item #1C.

IT Update

IT staff are working on two priority projects: (1) the PRISM Sponsor Application team is reviewing GeoEngineers' work on the Project Search, Dashboard, and Pin-the-Point maps. These Web maps are expected to be completed June 1; and (2) IT staff have started working with the Governor's Salmon Recovery Office, Washington Department of Fish and Wildlife, and Paladin on creating a Web version of the 2012 *State of the Salmon in Watersheds* report.

Outreach Activities

Communications Report

Our communications staff (i.e., Susan) has tackled a wide variety of projects, from helping edit RCO's application for a federal salmon recovery grant, to meeting with the Washington Department of Transportation on outreach plans for feral pigs, to editing print and Web materials for recruiting volunteers to evaluate grant applications. In addition, the communications staff has edited *Manual 4, Restoration Projects*, advisory committee manuals, and a report to the Legislature on the Family Forest Fish Passage Program, as well as helped me with my talking points for several key partner groups and events.

Update on Sister Boards

Recreation and Conservation Funding Board (RCFB)

The RCFB's next meeting will be June 27-28 in Port Angeles. The first day of the meeting will include updates on preparations for the 2013 legislative session and the public comment on the allowable uses policies. The second day of the meeting will be project tours, including the Elwha Dam and Olympic Discovery Trail.

Washington Invasive Species Council

Following the March 15 council meeting, staff has been finalizing the work plan for the second phase of a study of invasive species in and near Puget Sound, preparing a letter to several of Washington's congressional members requesting federal support for enhanced zebra and quagga mussel inspection and decontamination efforts in the Pacific Northwest states, beginning budget planning for 2013-2015, and revising the Invasive Species Council Web site.

Habitat and Recreation Lands Coordinating Group

At its quarterly meeting, the lands group discussed several policy issues that arose during the Annual State Land Acquisition Coordinating Forum in March. The biggest issue was how to identify operation and maintenance costs associated with land purchases as part of the planning process. The group also prepared to publish the next *Biennial State Land Acquisition Forecast Report* in June, which will describe state land purchases planned for 2013-15. Because the lands group was recently extended until 2017, the group also discussed what it would like to accomplish during the next five years.

Governor's Salmon Recovery Office (GSRO)

At the April SRFB meeting, the board approved seven new monitoring efforts. Keith Dublanica is getting contracts in place. Jennifer Johnson is ramping up the work focused on the *State of the Salmon in Watersheds* report, including identifying and clarifying metrics and indicators and incorporating regional stories and data into the report. More information is in item #2A.

Salmon Recovery Funding Board Briefing Memo

Meeting Date: June 2012
Title: Management Status Report: Financial Report
Prepared By: Mark Jarasitis, Chief Financial Officer
Approved by the Director: *Kaleen Cottingham*

Summary

This financial report reflects Salmon Recovery Funding Board (board) activities as of April 30, 2012. The available balance (funds to be committed) is \$13.5 million.

Board Action Requested

This item will be a:

- ☐ Request for Decision
- ☐ Request for Direction
- ☒ Briefing

Summary of Board Balances

Fund	Balance
Funds to be Awarded by the Board	
Current state balance	\$3,908,476
Current federal balance – Projects	\$941,037
Current federal balance – Activities ¹	\$3,921,662
Puget Sound Acquisition and Restoration (PSAR) & Puget Sound Restoration (PSR)	\$2,086,954
Puget Sound Critical Stock	\$48,282
Other Funds to be Awarded	
Family Forest Fish Passage Program (FFFP)	\$10,713,656
Estuary and Salmon Restoration	\$1,609,550
Lead Entities	\$0

¹ Hatchery/Harvest and monitoring activities as defined in PCSRF application, but not yet awarded by RCO

Salmon Recovery Funding Board Budget Summary

For the Period of July 1, 2011 - June 30, 2013, actuals through 04/30/2012 (fm10) 05/14/2012

Percentage of biennium reported: 41.7%

	BUDGET	COMMITTED		TO BE COMMITTED		EXPENDITURES	
	new & reapp. 2011-13	Dollars	% of budget	Dollars	% of budget	Dollars	% of comm
GRANT PROGRAMS							
State Funded 03-05	\$829,178	\$829,178	100%	\$0	0%	\$439,034	53%
State Funded 05-07	\$1,992,436	\$1,992,436	100%	\$0	0%	\$570,306	29%
State Funded 07-09	\$3,337,100	\$3,337,100	100%	\$0	0%	\$347,660	10%
State Funded 09-11	\$4,919,460	\$4,855,361	99%	\$64,099	1%	\$3,916,182	81%
State Funded 11-13	\$9,760,140	\$5,915,763	61%	\$3,844,377	39%	\$618,567	10%
State Funded Total	20,838,314	16,929,838	81%	\$3,908,476	19%	5,891,749	35%
Federal Funded 2007	\$6,635,952	\$6,563,039	99%	\$72,913	1.1%	\$4,236,587	65%
Federal Funded 2008	\$11,272,515	\$11,237,291	100%	\$35,223	0%	\$4,330,436	39%
Federal Funded 2009	\$11,189,547	\$11,122,721	99%	\$66,826	1%	\$5,089,656	46%
Federal Funded 2010	\$24,028,172	\$23,624,483	98%	\$403,689	2%	\$6,503,185	28%
Federal Funded 2011	\$24,728,261	\$20,444,213	83%	\$4,284,048	17%	\$1,979,373	10%
Federal Funded Total	77,854,447	72,991,748	94%	\$4,862,699	6%	22,139,237	30%
Lead Entities	6,170,832	6,170,832	100%	\$0	0%	1,603,769	26%
Puget Sound Acquisition and Restoration	37,892,542	35,805,588	94%	\$2,086,954	6%	8,672,831	24%
Estuary and Salmon Restoration	10,761,527	9,151,977	85%	1,609,550	15%	1,297,280	14%
Family Forest Fish Passage Program	14,868,397	4,154,741	28%	10,713,656	72%	1,840,727	44%
Puget Sound Critical Stock	4,023,619	3,975,337	99%	48,282	1%	1,072,460	27%
Subtotal Grant Programs	172,409,678	149,180,060	87%	23,229,618	13%	42,518,052	29%
ADMINISTRATION							
SRFB Admin/Staff	4,484,619	4,484,619	100%	-	0%	1,693,176	38%
Technical Panel	598,777	598,777	100%	-	0%	140,721	24%
Subtotal Administration	5,083,396	5,083,396	100%	-	0%	1,833,897	36%
GRANT AND ADMINISTRATION TOTAL	\$177,493,074	\$154,263,456	87%	\$23,229,618	13%	\$44,351,949	29%

Salmon Recovery Funding Board Briefing Memo

Meeting Date: June 2012
Title: Management Status Report: Policy and Legislative Update
Prepared By: Steve McLellan, Policy Director
Approved by the Director: *Kaleen Cottingham*

Summary

The following are some policy and legislative highlights. Staff will provide an update at the meeting of the Salmon Recovery Funding Board (board).

Board Action Requested

This item will be a:

<input type="checkbox"/>	Request for Decision
<input type="checkbox"/>	Request for Direction
<input checked="" type="checkbox"/>	Briefing

Legislative and Budget Preparation Work for the 2013 Legislative Session

Recreation and Conservation Office (RCO) staff has been meeting with partner agencies and other stakeholders about possible 2013 legislation to reform liability laws that affect restoration projects (e.g., engineered logjams). Those discussions will continue over the summer.

The deadline for submitting proposed agency request legislation to the Governor is in September, although stakeholder work can continue after this date. Any proposed legislation would also be reviewed by the incoming governor.

RCO staff also is working with partner agencies as they determine their 2013-15 budget request levels for key salmon recovery grant programs including the Estuary and Salmon Restoration Program (ESRP), the Family Forest Fish Passage Program (FFFPP), and the Puget Sound Acquisition and Restoration Program (PSAR).

Puget Sound Action Agenda

At its April 26, 2012 meeting, the Puget Sound Partnership (PSP) Leadership Council postponed approval of the Action Agenda to give PSP staff more time to develop the strategic initiatives.

The strategic initiatives are:

- Prevention of pollution from urban stormwater runoff
- Protection and restoration of habitat in support of salmon recovery
- Recovery of shellfish beds

The PSP will engage the Recreation and Conservation Office and the Governor's Salmon Recovery Office in developing the strategic initiative related to habitat for salmon recovery. We expect the salmon recovery portions of the Action Agenda to closely tie to the Puget Sound recovery plan. The Leadership Council is expected to approve the final Action Agenda this summer.

Habitat and Recreation Lands Coordinating Group

As noted in the April report, the Habitat and Recreation Lands Coordinating Group held its annual forum in March 2012. Presentations from the forum are now posted on the RCO website at http://www.rco.wa.gov/doc_pages/other_pubs.shtml#hrlcg. The forum was a chance for local governments, citizens, state agencies, legislators, and others to learn about lands that state agencies hope to buy in the 2013-15 biennium. Much of the discussion focused on how proposed state land acquisitions will be managed over time. Based on comments received at the forum and from legislators and legislative staff in other settings, we expect that funding of ongoing maintenance costs for land acquired and managed by state agencies will be a topic of interest in the 2013 legislative session.

Allowable Uses

In April, a Recreation and Conservation Funding Board (RCFB) subcommittee requested public comment on a proposed policy addressing allowable uses on grant-funded sites. Comment was accepted through May 21.

The proposal requires grant recipients to manage non-recreation and non-habitat uses in ways that protect the habitat or outdoor recreation functions that were funded by the grant. It includes programmatic policies that address tree removal (all grant programs), livestock grazing (Washington Wildlife and Recreation Program, Critical Habitat category), and telecommunications facilities (Washington Wildlife and Recreation Program, Local Parks category). The proposal also sets up a method for staff to use when deciding if other uses may be allowed on grant-funded sites. The proposal is intended to help RCO staff make clear, consistent, and more streamlined decisions about whether proposed uses of project sites are consistent with the grant purposes.

Overall, the comments received were supportive of the effort to more clearly define what is or is not allowed. Several comments suggested ways to clarify the criteria that would determine whether specific uses would be allowed (e.g. how the tree removal proposal would apply to local parks). Other comments included recommendations that community support for the non-recreation or non-habitat use be required and that the policy address additional uses such as revegetation.

The RCFB will discuss the proposal and comments when it meets June 27 in Port Angeles. The RCFB is expected to make a final decision about the proposal in October 2012.

Salmon Recovery Funding Board Briefing Memo

Meeting Date: June 2012
Title: RCO Work Plan and Performance Measures Update: Salmon
Prepared By: Rebecca Connolly, Board Liaison and Accountability Manager
Approved by the Director: *Kaleen Cottingham*

Summary

This memo provides highlights of agency performance related to the projects and activities funded by the Salmon Recovery Funding Board (board).

Board Action Requested

This item will be a:

- ☐ Request for Decision
- ☐ Request for Direction
- ☒ Briefing

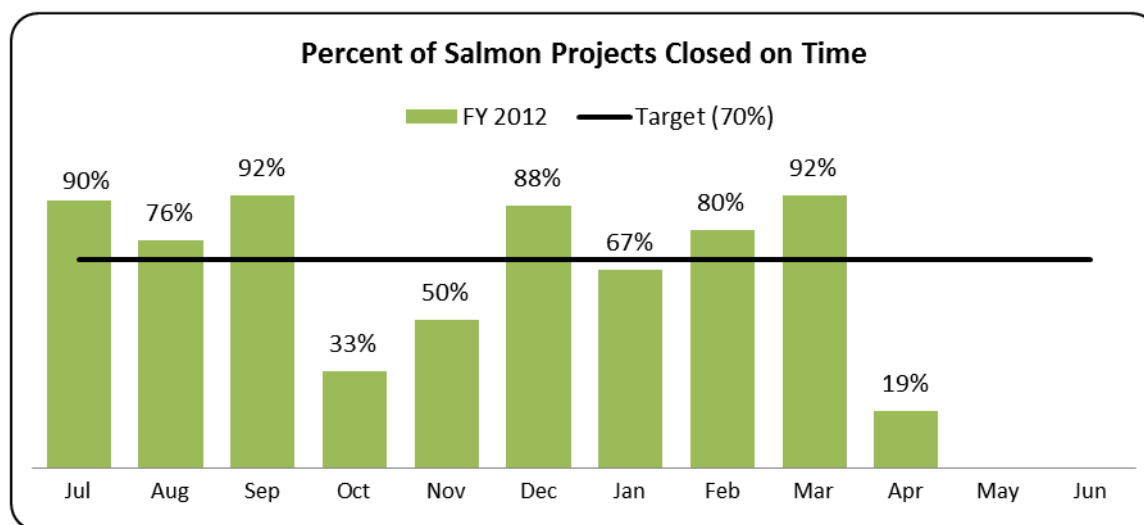
Grant Management Measures

All data are for salmon grants only, as of May 1, 2012.

Measure	Target	FY 2012 Performance	FY 2012 Indicator
Percent of salmon projects closed on time	70%	61%	●
% salmon grant projects issued a project agreement within 120 days after the board funding date	75%	89%	●
% of salmon grant projects under agreement within 180 days after the board funding date	95%	90%	●
Cumulative expenditures, salmon target by fiscal month	21.5%	18.7% (in progress)	●
Bills paid within 30 days: salmon projects and activities	100%	82%	●
Percent of anticipated stream miles made accessible to salmon	100%	99%	●

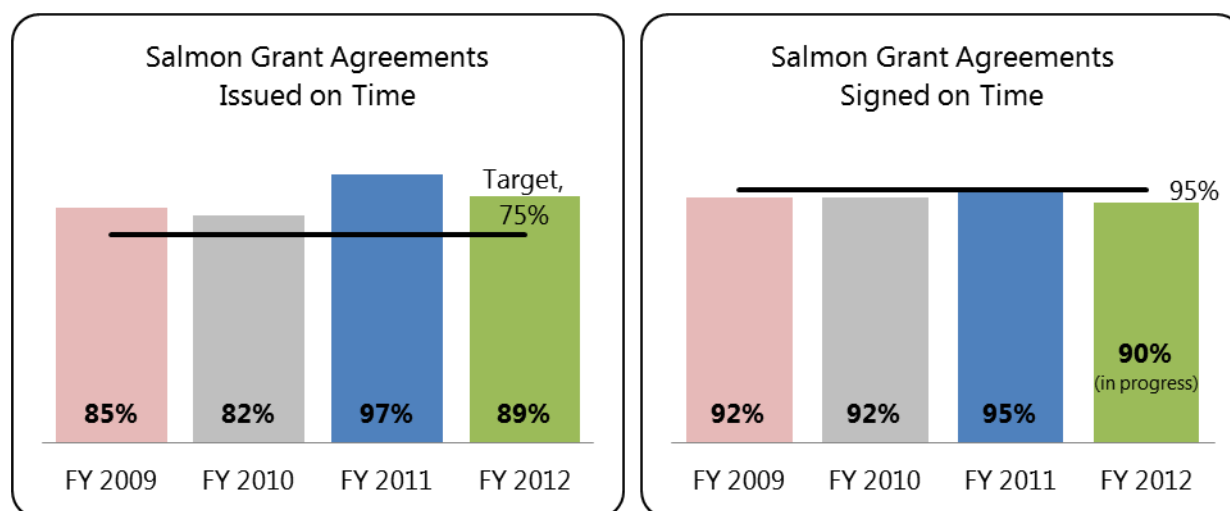
Notes and Analysis

Projects Closed on Time



In this fiscal year, staff has closed 109 salmon agreements on time, while 70 have slipped into the closure backlog. Thirty-six of the 70 “backlog” projects had been closed as of May 10; they were in the backlog for an average of 72 days. Strong performance in most months is offset by challenges in October, November, and April when staff are faced with conflicting priorities (e.g., grant evaluations and placing grants under agreement). April also is challenging because (1) there is a high number of projects due to close in that time frame (any project that ends in December would be due for closure in April) and (2) staff are in the field conducting site visits of proposed projects.

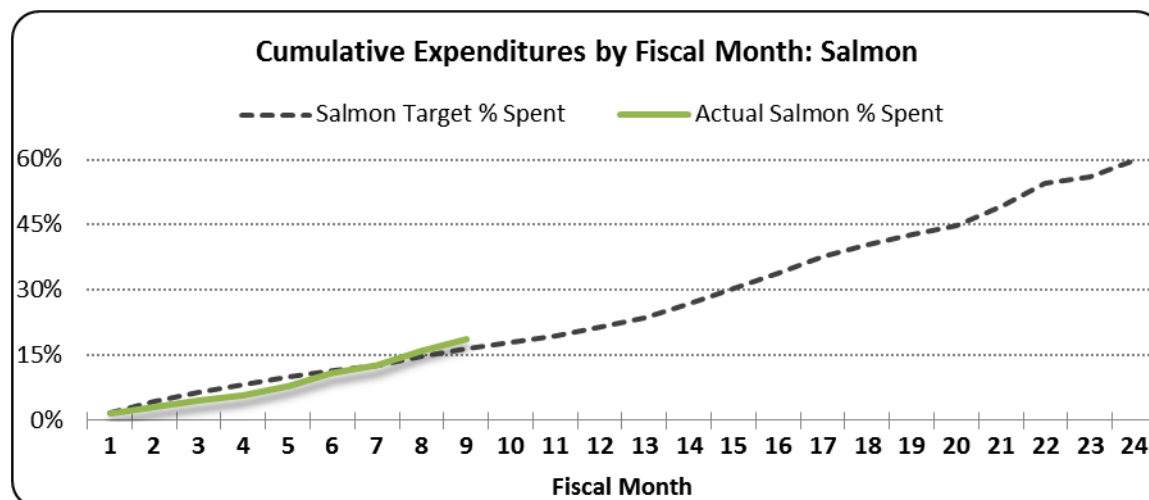
Project Agreements Issued and Signed on Time



Staff and sponsors continually succeed in placing grants under agreement. As a result, funds are obligated in a timely manner, and projects can begin implementation soon after board funding.

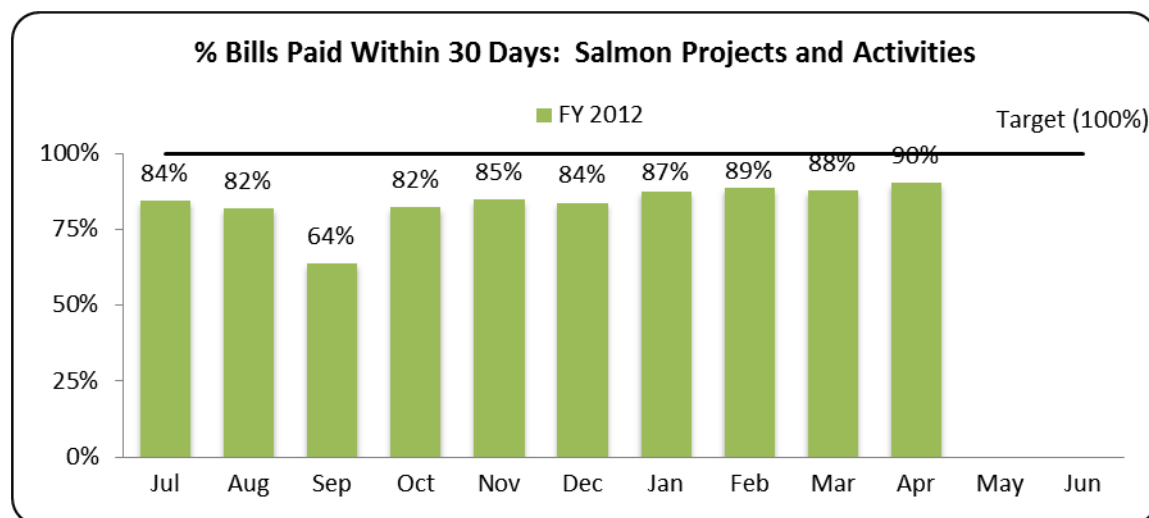
More than 130 projects needed to be placed under agreement or amended into existing contracts following the December 2011 funding meeting.

Cumulative Expenditures by Fiscal Month



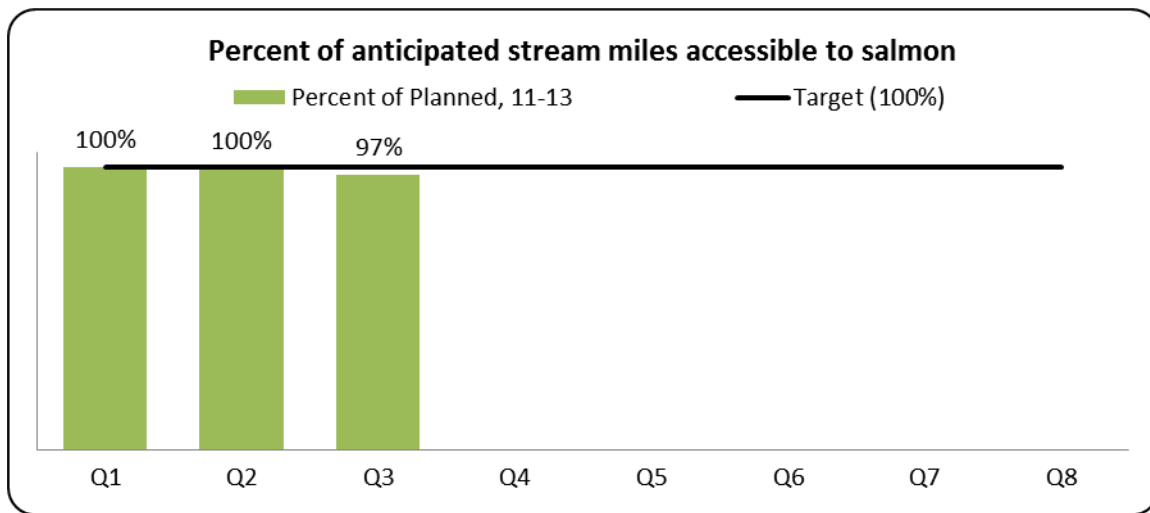
In this biennium, the RCO is aiming for a 40 percent reappropriation rate for salmon funds. To achieve this, we need to expend 60 percent, or about \$120 million. As shown in the chart, expenditures are on track to meet the target.

Bills Paid on Time



Between July 1 and May 1, there were 1,587 invoices due for salmon recovery projects and activities (e.g., lead entities, regions, and review panel). Of those, 1,303 were paid on time and 264 were paid late. Only 20 are outstanding, generally due to problems with documentation from the sponsor. The average number of days to pay a bill is 18.

Stream Miles Made Accessible



This is one of many measures that the RCO collects about the benefits of projects. The measure compares the number of stream miles expected to be opened (at application) to the number of miles actually made accessible at project closure. Over 100 miles have been made accessible since July 1, 2011. Not all projects include this measure.

Salmon Recovery Funding Board Briefing Memo

Meeting Date: June 2012
Title: Management Report, Governor's Salmon Recovery Office
Prepared By: Megan Duffy, Executive Coordinator
Approved by the Director: *Kaleen Cottingham*

Summary

This memo provides highlights of work being done by the Governor's Salmon Recovery Office.

Board Action Requested

This item will be a:

- ☒ Request for Decision
- ☐ Request for Direction
- ☒ Briefing

Proposed Motion Language

Move to approve Resolution #2012-01.

Finding Efficiencies in our Salmon System

The Salmon Recovery Funding Board (board) directed the Recreation and Conservation Office (RCO) to work with salmon recovery lead entities and regional organizations to find any possible process and structural efficiencies in the salmon recovery system.

Based on that direction, RCO requested, and the Upper Columbia Salmon Recovery Board approved, the consolidation of two lead entities (Chelan and Okanogan Counties) into one. The new lead entity will be housed in the Upper Columbia Regional Organization and will cover the entire region. Efforts are underway in the Upper Columbia region to determine the right approach for balancing local outreach at the county level with the effectiveness and efficiency of a region-wide lead entity. The consolidation will be finalized by the end of the year and effective on January 1, 2013. . The Upper Columbia Salmon Recovery Board has asked that the board approve a resolution accepting the proposed consolidated lead entity effective January 1, 2013

and affirming that resources will be budgeted accordingly. Resolution 2012-01 is attached to this memo.

Additionally, the Puget Sound lead entities have begun a discussion of possible efficiencies within that region. This discussion is being led by the Puget Sound Partnership (PSP) with participation from the Governor's Salmon Recovery Office (GSRO). The Partnership is having discussions with the Puget Sound lead entities and the Puget Sound Recovery Council. Questions and issues being considered include:

- Are there efficiencies that can be found in the SRFB process between the state, region, and lead entities?
- What should be the role and purpose of the state and of the region?
- Should there be more responsibilities absorbed by the region?
- Should there be a consolidation of lead entities?
- Should the region be reduced and responsibilities distributed to the lead entities?

The regions will present updates to the board in June 2012

Funding for the Northeast

GSRO has been engaged in discussions with the Northeast regarding its lead entity and project funding allocations. The newly-articulated Pacific Coastal Salmon Recovery Fund (PCSRF) priorities do not include the bull trout population in the Northeast because they are non-anadromous. As a result, only state capital funds may be allocated to the Northeast for its annual project allocation (two percent of the overall project funding) and only state operating funds may be used for its lead entity administrative funding. Additionally, these funds cannot be included as part of Washington State's 33 percent non-federal match for PCSRF.

No board action is required at this time. The intent is only to inform the board of the need for a shift in the types of funds allocated to the Northeast. We have discussed possibilities of funding for bull trout projects with the US Fish and Wildlife Service (USFWS), but it does not appear there will be USFWS funds through the board. We will be exploring other ways to address the match issue, such as identifying other non-federal fund sources that project sponsors currently receive.

Habitat Work Schedule and PRISM

GSRO, RCO, lead entities, and system designers have made progress in sharing data and connecting PRISM and the Habitat Work Schedule. Salmon project application data for the 2012 grant round is being entered through Habitat Work Schedule and then submitted to PRISM where sponsors can finish the applications. This creates a link between the two systems for each

project, reduces duplicate data entry, and increases communication between lead entities and project sponsors.

GSRO is now working with Habitat Work Schedule developers to align project metrics between the systems. This summer, GSRO and system designers will present the metrics to be aligned so that Habitat Work Schedule can publish these PRISM metrics by the fall of 2012. GSRO also will be working with lead entities to identify what data from older/closed projects can be shared and viewed in both systems.

Attachments

Resolution #2012-01

- A. Letter from Upper Columbia Salmon Recovery Funding Board about consolidation effort
- B. Letters of support for lead entity consolidation proposal received by RCO

Salmon Recovery Funding Board

Resolution #2012-01

Accepting the Proposed Consolidated Lead Entity Effective January 1, 2013 and Affirming that Resources will be Budgeted Accordingly

WHEREAS, RCW 77.85.050 creates lead entities and provides that counties, cities, and tribal governments must jointly designate, by resolution or by letters of support, a lead entity that is to be responsible for submitting the habitat project list; and

WHEREAS, two lead entities currently operate in the Upper Columbia Salmon Recovery Region: the Chelan County lead entity and the Okanogan County/Colville Tribe lead entity; and

WHEREAS, the Upper Columbia Salmon Recovery Board (UCSRB) was created as a regional recovery organization to develop a recovery plan and coordinate its implementation to restore viable and sustainable population of salmon, steelhead and other at-risk species; and

WHEREAS, the UCSRB consists of five representatives – one each from Chelan, Douglas, and Okanogan counties, the Colville Confederated Tribes, and the Yakama Nation; and

WHEREAS, the UCSRB voted unanimously at its February 23, 2012 meeting and all five representatives reconfirmed on April 26, 2012 to support a proposal to consolidate the Okanogan and Chelan County lead entities into one lead entity that would serve the entire regional area, house the new lead entity in the UCSRB Regional Organization Office, and continue ensuring funds for salmon recovery-related outreach efforts in the counties; and

WHEREAS, pursuant to RCW 77.85.120, the Salmon Recovery Funding Board (board) provides grants for salmon habitat projects and salmon recovery activities, including financial support for lead entities and regional organizations; and

WHEREAS, the Recreation and Conservation Office (RCO), as the administrative office for the board, has received and will continue to receive letters of support for the consolidation from affected parties (i.e., counties, cities, and tribal governments in the Upper Columbia region) in accordance with RCW 77.85.050; and

WHEREAS, the board's Strategic Plan guides the board to, within the limits of its budget and priorities, fund projects, monitoring, and human capital in a way that best advances the salmon recovery effort; and, further guides the board to be accountable for board investments by promoting public oversight, effective projects, and actions that result in the economical and efficient use of resources;

NOW THEREFORE BE IT RESOLVED, that the Salmon Recovery Funding Board accepts the proposed consolidated lead entity, effective January 1, 2013; and

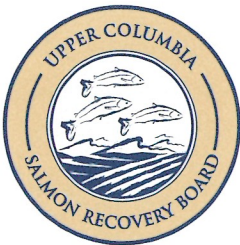
BE IT FURTHER RESOLVED, that the board affirms that it will allocate funding for projects and activities according to this new structure effective January 1, 2013.

Resolution moved by: _____

Resolution seconded by: _____

Adopted/Defeated/Deferred (underline one)

Date: _____



The mission of the Upper Columbia Salmon Recovery Board is to restore viable and sustainable populations of salmon, steelhead, and other at-risk species through collaborative, economically sensitive efforts, combined resources, and wise resource management of the Upper Columbia region.

11 Spokane Street, Suite 101, Wenatchee, WA 98801

phone: (509) 662-4707

fax: (509) 665-6475

www.ucsrb.com

May 18, 2012

Ms. Kaleen Cottingham
Director, Recreation and Conservation Office
Natural Resources Building
PO Box 40917
Olympia, WA 98504

Dear Ms. Cottingham:

On behalf of the Directors of the Upper Columbia Salmon Recovery Board (UCSRB), I am submitting this letter to update you on our progress to consider consolidation of the Upper Columbia Lead Entities per your letter of February 8, 2012. The UCSRB met on February 23, and again on April 26, to discuss your letter and a process forward. At both meetings, the UCSRB affirmed its decision to move forward with consolidation of the Upper Columbia Lead Entities.

At the February 23 UCSRB meeting, the Directors had a thorough conversation of the topic, which also included Megan Duffy via teleconference. The Directors moved to:

"...consolidate the lead entities for Okanogan and Chelan lead entities into one individual lead entity to be housed in the UCSRB Offices under the direct supervision of the Executive Director. The Executive Director will work with the RCO in order to meet all regulatory and legal obligations, to outline a plan for lead entity consolidation, and ensure funding for outreach for the counties."

At the April 26 meeting, with Megan Duffy in attendance, the Directors again affirmed its commitment to consolidate the Upper Columbia lead entity function within the regional organization. All five Board Members further clarified their intent in Executive Session on the topic, agreeing that:

- the target date for consolidation will be the end of the 2012 calendar year; and
- the County Commissioners on the UCSRB will work with the cities within their respective counties to develop support for the consolidation.

May 18, 2012

Page 2

We appreciate the difficult position the state is in by asking the local salmon recovery partners to consolidate the existing Lead Entities into the UCSRB. By leaving the decision of how to consolidate to us, you are reinforcing the local salmon recovery approach in Washington State. We also appreciate our close partnership with you, Megan Duffy and your other staff at RCO.

Please do not hesitate to contact me at 509-949-4129 or Julie Morgan at 509-662-4710 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Ward", written in a cursive style.

Paul Ward, Chair
Upper Columbia Salmon Recovery Board



CITY OF EAST WENATCHEE

OFFICE OF THE MAYOR

271 9TH STREET NE * EAST WENATCHEE, WA 98802

PHONE (509) 884-9515 * FAX (509) 884-6233

April 25, 2012

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MAY - 3 2012

RECREATION AND CONSERVATION OFFICE

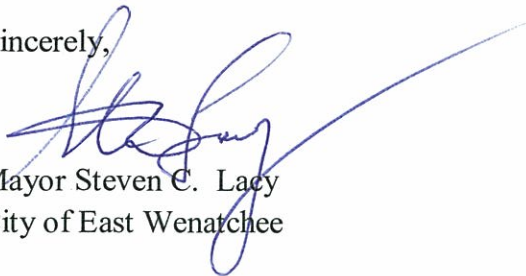
Kaleen Cottingham, Director
State of Washington Recreation and Conservation Office
P.O. Box 40917
Olympia, WA 98504-0917

Dear Ms. Cottingham:

We appreciate the recent update on salmon recovery efforts and the proposed Lead Entity transition provided to us in a joint presentation by the Upper Columbia Salmon Recovery Board and the Washington State Department of Wildlife. We understand that the Lead Entity consolidation proposal is designed to improve the efficiency of salmon recovery in North Central Washington and address reductions in salmon recovery funding from state and federal sources.

The East Wenatchee City Council would like to express our support for the Upper Columbia Salmon Recovery becoming a lead entity as outlined in Washington State HB2496, and we look forward to the benefits such a consolidation may produce.

Sincerely,


Mayor Steven C. Lacy
City of East Wenatchee



CITY OF
ROCK ISLAND

5 North Garden
Rock Island, WA
98850

Ruffy
RECEIVED

MAY - 4 2012

RECREATION AND CONSERVATION OFFICE

May 1, 2012

Ms. Kaleen Cottingham, Director
State of Washington Recreation and Conservation Office
Natural Resources Building
P.O. Box 40917
Olympia, WA 98504-0917

RE: Lead Entity

Dear Ms. Cottingham:

We appreciate the recent update on salmon recovery efforts and the proposed Lead Entity transition provided to us in joint presentation by the Upper Columbia Salmon Recovery Board and the Washington State Department of Wildlife. We understand that the Lead Entity consolidation proposal is designed to improve the efficiency of salmon recovery in North Central Washington and address reductions in salmon recovery funding from state and federal sources.

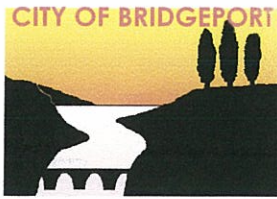
The City of Rock Island would like to express our support for the Upper Columbia Salmon Recovery becoming a lead entity as outlined in Washington State HB 2496, and we look forward to the benefits such a consolidation may produce.

Sincerely,

A handwritten signature in blue ink, appearing to read "Russell Clark", is written over the word "Sincerely,".

Russell Clark
Mayor

Cc: Mr. Don McIvor, Natural Resources Coordinator, Upper Columbia Salmon Recovery Board



RECEIVED

May 7, 2012

MAY - 9 2012

RECREATION AND CONSERVATION OFFICE

Re: North Central Washington Lead Entity Consolidation

Kaleen Cottingham, Director
State of Washington Recreation and Conservation Office
Natural Resources Building
P.O. Box 40917
Olympia, WA 98504-0917

Dear Ms. Cottingham;

We appreciate the recent update on salmon recovery efforts and the proposed Lead Entity transition provided to us in a presentation by the Upper Columbia Salmon Recovery Board. We understand that the Lead Entity consolidation proposal is designed to improve the efficiency of salmon recovery in North Central Washington and address reductions in salmon recovery funding from state and federal sources.

The Bridgeport City Council has directed me to express the City of Bridgeport's support for the Upper Columbia Salmon Recovery Board becoming a lead entity as outlined in Washington State HB 2496, and we look forward to the benefits such a consolidation may produce.

Sincerely,

Marilynn Lynn,
Mayor



City of Tonasket

P.O. Box 487 ♦ Tonasket, WA 98855

RECEIVED

MAY 18 2012

RECREATION AND CONSERVATION OFFICE

509 / 486-2132 ♦ Fax 486-1831
E-Mail: tonasket@nvnet.com

May 14, 2012

Kaleen Cottingham, Director
State of Washington Recreation and Conservation Office
Natural Resources Building
PO Box 40917
Olympia, WA 98504-0917

Dear Ms. Cottingham:

We appreciate the recent update on salmon recovery efforts and the proposed Lead Entity transition provided to us in a joint presentation by the Upper Columbia Salmon Recovery Board and the Washington State Department of Wildlife. We understand that the Lead Entity consolidation proposal is designed to improve the efficiency of salmon recovery in North Central Washington and address reductions in salmon recovery funding from state and federal sources.

The City of Tonasket would like to express our support for the Upper Columbia Salmon Recovery becoming a lead entity as outlined in Washington State HB 2496, and we look forward to the benefits such a consolidation may produce.

Sincerely,

Patrick Plumb
Mayor

Cc: Paul Ward, Chair, UCSRB

CITY OF OROVILLE

Clerk's Office, P.O. Box 2200, Oroville, Washington, 98844, 509-476-2926 FAX 509-476-9067

OFFICERS

C.F. "Chuck" Spieth, Mayor
Kathy M. Jones, Clerk-Treasurer
Rodney L. Noel, City Superintendent
Chris Branch, Planning & Community Dev. Dir.
Christian Johnston, Bldg. Insp.-Permit Admin.
Clay Warnstaff, Police Chief

COUNCIL MEMBERS

Ed Naillon
Jon R. Neal
Tony Koepke
Walt Hart III
Neysa Roley

RECEIVED

MAY 21 2012

RECREATION AND CONSERVATION OFFICE

May 16, 2012

Kaleen Cottingham, Director
State of Washington Recreation and Conservation Office
Natural Resources Building
P.O. Box 40917
Olympia, WA 98504-0917

Dear Ms. Cottingham;

We appreciate the recent update on salmon recovery efforts and the proposed Lead Entity transition provided to us in a joint presentation by the Upper Columbia Salmon Recovery Board and the Washington State Department of Wildlife. We understand that the Lead Entity consolidation proposal is designed to improve the efficiency of salmon recovery in North Central Washington and address reductions in salmon recovery funding from state and federal sources.

The City of Oroville would like to express our support for the Upper Columbia Salmon Recovery becoming a lead entity as outlined in Washington State HB 2496 and we look forward to the benefits such a consolidation may produce.

Sincerely,



Chuck Spieth
Mayor

cc: Paul Ward, Chair, UCSRB



Post Office Box 459
Winthrop, WA 98862

TOWN OF WINTHROP

Phone (509) 996-2320
Fax (509) 996-9221

RECEIVED

MAY 21 2012

RECREATION AND CONSERVATION OFFICE

May 16th, 2012

Kathleen Cottingham, Director
Washington State Recreation and Conservation Office
Natural Resources Building
P.O. Box 40917
Olympia, WA 98504-0917

Dear Ms. Cottingham,

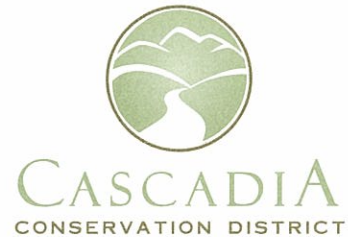
Recently, we received an update on salmon recovery efforts and the proposed Lead Entity transition in our region from the Upper Columbia Salmon Recovery Board and the Washington Department of Fish and Wildlife at one of our town council meetings. We understand that the Lead Entity consolidation proposal should improve the efficiency of salmon recovery efforts in North Central Washington and help ease the impacts of reductions in salmon recovery funding from state and federal sources.

The Town of Winthrop supports the Upper Columbia Salmon Recovery Board becoming a lead entity as outlined in Washington State HB2496. Salmon recovery is an important economic and quality of life issue for Winthrop and its surrounding area and we welcome changes that improve the efficiency and effectiveness of those efforts.

Sincerely,

David T. Acheson
Mayor

May 21, 2012



Kathleen Cottingham
Recreation and Conservation Office – Salmon Recovery Funding Board
Natural Resources Building
PO Box 40917
Olympia, WA 98504-0917

RECEIVED

MAY 25 2012

Re: Lead Entity Consolidation

RECREATION AND CONSERVATION OFFICE

Dear Kathleen,

The Cascadia Conservation District strongly supports salmon recovery in the Upper Columbia region. We are writing in support of the February 8, 2012 letter from the RCO requesting that the Upper Columbia Salmon Recovery Board consider providing lead entity services in the Upper Columbia in order to address decreased funding and increase efficiencies.

We support the request of RCO and recommend that the lead entity functions be consolidated within the existing regional structure of the Upper Columbia Salmon Recovery Board. This structure has worked well in other regions in Washington and builds on the leadership by the Upper Columbia Salmon Recovery Board of the Regional Technical Team in Chelan and Okanogan counties. This consolidation would eliminate current duplication between the Upper Columbia Salmon Recovery Board and Chelan County Natural Resources as lead entity and avoid the perception of conflict of interest when a project sponsor is also the process facilitator. The Upper Columbia Salmon Recovery Board has a proven record of being honest brokers of facilitating the coordination of funding and implementation of salmon recovery efforts in the region. Further, the UCSRB does not sponsor projects so this helps eliminate the potential for any conflicts of interest.

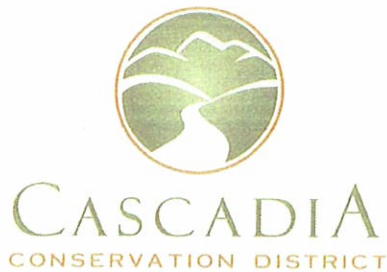
The Cascadia Conservation District continues to support efficient and transparent salmon recovery efforts in the Upper Columbia region. Even prior to RCO's request for consolidation of the lead entities into the Upper Columbia Salmon Recovery Board, projects sponsors in Chelan County made a similar request for consolidation to improve efficiency, transparency, and effectiveness of the lead entity program in the Upper Columbia region.

Please let me know if you have questions if you would further information.

Respectfully,

Michael J. Rickel
Program Manager

cc: SRFB Members



215 Melody Lane Wenatchee, WA 98801 Phone (509) 664-9370 Fax (509) 662-1628 www.cascadiaed.org

February 21, 2012

RECEIVED

MAY 25 2012

RECREATION AND CONSERVATION OFFICE

Upper Columbia Salmon Recovery Board
11 Spokane Street, Suite 101
Wenatchee, WA 98801

Dear Chairman Ward, and members Hover, Walter, Jenkins, and Towey:

The Cascadia Conservation District strongly supports salmon recovery in the Upper Columbia region. We are writing in support of the February 8, 2012 letter from the RCO requesting that the Upper Columbia Salmon Recovery Board consider providing lead entity services in the Upper Columbia in order to address decreased funding and increase efficiencies.

We support the request of RCO and recommend that the lead entity functions be consolidated within the existing regional structure of the Upper Columbia Board. This structure has worked well in other regions in Washington and builds on the leadership by your board of the Regional Technical Team in Chelan and Okanogan Counties. This consolidation would eliminate current duplication between the UCSRB and Chelan County Natural Resources as lead entity, avoid the perception of conflict of interest when a project sponsor is also the process facilitator, and enable the Board to coordinate equitable public outreach.

We look forward to working on this plan with the Board and all project partners in the Upper Columbia.

Respectfully,

Michael J. Rickel
Program Manager



May 23, 2012

RECEIVED

MAY 29 2012

RECREATION AND CONSERVATION OFFICE

Kaleen Cottingham and
Members of the Salmon Recovery Funding Board
Recreation and Conservation Office
Natural Resources Building
PO Box 40917
Olympia, WA 98504-0917

Dear Director Cottingham, Chairman Hover, and Members Barber, Brown, Rockefeller, and Trout:

The Chelan-Douglas Land Trust has been a partner in and strong supporter of salmon recovery in the Upper Columbia Region from its inception. We are writing in support of the February 8, 2012 request from the Recreation and Conservation Office to address decreased funding by improving efficiencies in the delivery of lead entity services in the Upper Columbia.

We have given considerable thought to the pros and cons of the current system, and how it could be improved to reduce costs while preserving local input. We recommend that the Lead Entity functions be consolidated within the existing regional structure of the Upper Columbia Salmon Recovery Board (UCSRB). We believe the consolidation will lead to greater efficiencies while maintaining the local process.

Though the UCSRB covers a recovery region, they are a local non-profit organization created to address the ESA listings of Spring Chinook and steelhead. In order to implement the *Upper Columbia Spring Chinook and Steelhead Recovery Plan*, the UCSRB functions as a coordinator for the implementation of the Recovery Plan. We believe that efficiencies can be achieved by improving coordination of funding sources, a function that the UCSRB already performs for other funding sources. Moreover, the UCSRB does not implement projects, which eliminates the potential for real or perceived conflicts of interest. One of their core functions is to facilitate project selection in coordination with the Regional Technical Team. The UCSRB role of Lead Entity would streamline the process and improve cost efficiency.

We support the consolidation of the lead entity functions within the UCSRB and feel this shift would increase the efficiencies in the delivery of Lead Entity services in the Upper Columbia Region. Please feel free to contact me with questions at (509) 667-9708.

Sincerely,

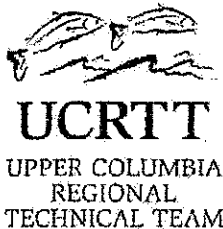
Bob Bugert, Executive Director

CC: Julie Morgan, UCSRB

CHELAN-DOUGLAS LAND TRUST

email: info@cdlandtrust.org • web: cdlandtrust.org

PHONE: 509.667.9708 • FAX: 509.667.0719 • P.O. Box 4461 • WENATCHEE, WASHINGTON 98807-4461



May 28, 2012

Kaleen Cottingham
Director, Recreation and Conservation Office
Natural resources Building
1111 Washington St. S.E.
Olympia, WA 98501

Dear Ms. Cottingham:

The Upper Columbia Regional Technical Team (UCRTT) has been assisting the Upper Columbia Salmon Recovery Board for over 10 years with technical issues regarding salmon recovery in the Upper Columbia Region (UCR). One of the UCRTT's primary functions has been to evaluate the technical aspects of potential habitat protection and restoration projects that are funded by the state Salmon Recovery Funding Board.

In a letter dated February 8, 2012, the Recreation and Conservation Office wrote to the UCSRB asking for assistance with consolidating the lead entities in the UCR. The UCSRB agreed, and subsequent action was initiated to consolidate and manage the lead entity process by the UCSRB.

One of the lead entities' primary responsibilities is to coordinate the technical review that the UCRTT provides for potential projects. Therefore, the UCRTT can be viewed as a client to the lead entities and this has functioned fairly well over the years. However, the RTT sees where great improvement in communication can be gained if there is only one lead entity coordinating the process, and it would also remove any perceived or real conflicts of interest that could occur if a lead entity is also a project sponsor.

As such, the RTT fully supports the consolidation of the lead entities under the auspices of the UCSRB, and believes that this should happen well before the next (2013) cycle so all potential project sponsors and other stakeholders, like the UCRTT, can be coordinated and "hit the ground running" for the next cycle.

Please do not hesitate to call if you have any questions.

Best regards,

Chuck Peven
UCRTT Chairperson

(509) 329-6169 or (509) 670-5100
pci@nwi.net

Cc: SRFB
UCSRB
UCRTT

Salmon Recovery Funding Board Briefing Memo

Meeting Date: June 2012
Title: Management Report, Salmon Recovery Grant Management
Prepared By: Brian Abbott, Section Manager
Approved by the Director:

Kaleen Cottingham

Summary

The following are some highlights of work being done by the salmon section staff in the Recreation and Conservation Office (RCO).

Board Action Requested

This item will be a:

<input type="checkbox"/>	Request for Decision
<input type="checkbox"/>	Request for Direction
<input checked="" type="checkbox"/>	Briefing

Grant Management

Salmon Section staff is busy visiting project sites with Review Panel members, lead entity coordinators, and project sponsors. We are about half way through lead entity site visits. So far, 190 projects have been entered in PRISM for the 2012 grant round. Site visits will be wrapped up by June 15.

For the 2011 grant round, we are nearly done putting projects funded in December under agreement; only 17 contracts are still awaiting signature.

Staff completed a successful applicant webinar on April 20. We had 44 sponsors participate using their computer and phone. The webinar was recorded and made available on the RCO website at: http://www.rco.wa.gov/doc_pages/app_materials.shtml (scroll down the page to Successful Applicant Workshop).

Amendments Approved by the Director

In December 2011, the board asked that staff include in this report a list of major amendments (scope and cost increases) approved by the director. The table below shows the sole major amendment approved between March 20, 2012 and May 16, 2012.

Number	Name	Sponsor	Program	Amendment Type	Amount
07-1676	Historic Skamokawa Creek Restoration	Wahkiakum Conservation District	Salmon State	Cost increase due to increase in structure size and permitting	\$70,000

Staff processed a total of 111 amendments during this period, but most were minor revisions related to the metric update project.

Closed Projects

The move to provide board meeting materials electronically and the new SnapShot feature in PRISM have presented a great opportunity to share recently closed projects. A closed project means all expenditures have been billed and eligible expenses have been reimbursed, a final report has been received and accepted, and all required documents have been submitted.

Attachment A lists projects that have closed between March 20 and May 16. To view information about a project, click on the blue project number¹. You can open and view the project attachments (e.g., design, photo, map, and final report). You also will find a project search feature on the RCO website at Project Search to query additional projects.

Sponsor Field Audit

On May 8, 2012, RCO and the Washington Department of Fish and Wildlife (WDFW) learned that a grant recipient, Sound Salmon Solutions, had terminated the employment of its executive director. Sound Salmon Solutions is a statutorily-established non-profit Regional Fisheries Enhancement Group.

We learned from conversations with members with their staff and board that there was a potential that public funds were improperly used. We were told that the financial manager resigned following the director's termination, and an investigation was underway on financial

¹ Must be connected to the internet; Depending on the computer, you may have to right click and select "open hyperlink."

improprieties. RCO contacted the Fraud Division of the Washington State Auditor's office and put them on notice of the pending investigation.

This group has seven active grants from the RCO totaling about \$1.4 million, and one administrative contract with the WDFW totaling about \$200,000. Based on the circumstances, the board of Sound Salmon Solutions agreed to a joint field audit by RCO and WDFW. The audit was conducted May 16 and 17; the following are some preliminary findings.

- Sound Salmon Solutions has submitted only five invoices to RCO since March 2011. RCO's fiscal staff reviewed the backup documentation and copies of redeemed checks from the bank for each invoice, and found the all documentation to be complete with no significant problems.
- RCO and WDFW also looked further into the organization's financial processes. Our staff found a significant lack of financial controls and incorrect handling of accounting transactions.
- The potentially improper use of public funds does not affect or involve RCO funds.

Based on discussions, it appears that Sound Salmon Solutions will bring financial staff into the organization to realign its practices with normal accounting processes. We are preparing several detailed recommendations for them. The bottom line is that the organization still has key staff members who are knowledgeable and dedicated, and who should be able to bring the organization back to normal functions. We will continue to monitor this sponsor for progress in this area and will conduct future audits as needed.

The Regional Fishery Enhancement Groups are a major recipient of Salmon Recovery Funding Board grant funding. This program has dedicated countless hours of volunteer service and has leveraged considerable matching funds for salmon recovery projects throughout the state of Washington. We hope that once the scope of the situation is fully known, there may be valuable lessons and future safeguards put in place to make the RFEG's an even stronger and more productive program for restoring Washington's salmon.

Grant Administration

The following table shows the progress of the Salmon Recovery Funding Board in funding and completing salmon recovery projects since 1999. Information is current as of May 16, 2012.

Funding Cycle	Fiscal Year	Active Projects	Pending Projects (approved but not yet active)	Completed Projects	Total Funded Projects
Governor's Salmon Recovery Office Federal 1999	1999	0	0	94	94
Interagency Review Team (Early Action grant cycle) State 1999	1999	0	0	163	163
SRFB - Early (State) 2000	2000	0	0	90	90
SRFB - Second Round 2000	2001	0	0	147	147
SRFB - Third Round 2001	2002	6	0	126	132
SRFB - Fourth Round 2002	2003	1	0	88	89
SRFB - Fifth Round 2004	2004	2	0	106	108
SRFB - Sixth Round 2005	2006	3	0	101	104
SRFB - Seventh Round 2006	2007	2	0	92	94
SRFB - 2007 Grant Round (<i>includes PSAR</i>)	2008	53	0	168	221
SRFB - 2008 Grant Round	2009	37	0	65	105
SRFB - 2009 Grant Round (<i>includes PSAR</i>)	2010	176	0	69	245
SRFB - 2010 Grant Round	2011	108	0	9	117
SRFB - 2011 Grant Round (<i>includes PSAR</i>)	2012	120	12	0	132
*Family Forest Fish Passage Program	To Date	19	20	171	210
** Estuary Salmon Restoration Program	To Date	9	0	3	12
Totals		536	32	1,492	2,060
Percent		26%	1.5%	72.4%	

Attachments

A. Salmon Projects Closed Between March 20 and May 16

Salmon Projects Closed Between March 20, 2012 and May 16, 2012

Number	Name	Sponsor	Program	Closed on
09-1411	Gardena Farms Div. Dam Fish Passage	Gardena Farms Irr. District #13	Salmon Federal	3/22
09-1683	South Fork Nooksack at Hardscrabble ELJ Design	Nooksack Indian Tribe	PSAR	3/22
06-2292	Hancock Springs Restoration Project	Yakama Nation	Salmon State	3/26
07-1643	Camp Gilead Off Channel Habitat Reconnection	King County DNR & Parks	Salmon Federal	3/26
07-1643	Snoqualmie-Fall City Reach Restoration Assessment	King County DNR & Parks	Salmon State	3/27
09-1647	Calistoga Setback Levee – Property Acquisition	City of Orting	PSAR	3/30
06-2324	Skamokawa Creek	Wahkiakum Conservation District	Salmon Federal	4/13
06-2253	Invasive Species Prevention Phase 1	Underwood Conservation District	Salmon Federal	4/19
09-1640	Knotweed Control – Union & Dewatto	Hood Canal Salmon Enhancement Group	Salmon Federal	4/23
09-1378	Germany Creek Conservation & Restoration Phase 1	Columbia Land Trust	Salmon Federal	4/26
09-1593	Touchet River Access	City of Dayton	Salmon Federal	5/8
07-1881	Culvert & Bridge Inventory & Evaluation	Walla Walla Community College	Salmon Federal	5/11
07-1567	NF Ahtanum Gauging Station Fish Passage	North Yakima Conservation District	Salmon Federal	5/14

Salmon Recovery Funding Board Briefing Memo

Meeting Date: June 2012
Title: Management Report, Policy Development Update
Prepared By: Brian Abbott, Section Manager
Megan Duffy, GSRO Executive Coordinator
Approved by the Director:

Summary

This memo provides an update of key policy activities related to the work of the Salmon Recovery Funding Board (board), as requested in April 2012.

Board Action Requested

This item will be a:

<input type="checkbox"/>	Request for Decision
<input type="checkbox"/>	Request for Direction
<input checked="" type="checkbox"/>	Briefing

Background

In April 2012, staff presented a list of policy ideas and asked the board to support analysis of a few items during 2012. The board approved the tiered approach and asked staff to provide regular progress updates.

This memo provides updates on the following:

- Tier 1 issues – those that staff will address in 2012
- Tier 4 issues – those that others are addressing in 2012.

Staff is not providing updates on Tier 2 issues (those that may or may not be addressed in 2012) or Tier 3 issues (those that will be addressed in the future) at this time.

Tier One: Issues for staff to address during 2012

Issue	Update
Consider whether hatchery-related projects (like acclimation ponds) are an allowable use on board-funded properties and easements. (Hatchery projects are not eligible for board funding.)	Staff has begun discussions with WDFW about these types of projects and will begin outreach to regions on this issue. Staff also is coordinating this issue with the development of an Allowable Uses policy under consideration by the Recreation and Conservation Funding Board (see Item 1C).
Consider a ceiling for administrative and engineering costs for phased projects that have a previously-funded design-only phase	Staff is drafting proposed guidelines for administrative and engineering (A&E) costs. These guidelines would provide guidance as the A&E costs are negotiated at the contract phase. Once language is complete, staff will ask grant managers to review and then solicit public comment from key stakeholders as part of the annual Manual 18 update.
Communicate availability of planning grants to improve project sponsor capacity	Staff is identifying potential venues for this communication, including the 2013 salmon conference, Habitat Work Schedule, and a new section to be incorporated into Manual 18 during the next update.
Consider requiring previously-funded deliverables to be completed when application/technical review is done for the next phase of a project	Staff is developing a list of advantages and disadvantages to requiring that both deliverables and design be completed before subsequent phases of a project. Once the list is completed, staff will ask grant managers to review and then solicit public comment from key stakeholders as part of the annual Manual 18 update.
Require that preliminary or final design be completed and submitted with application for construction funding	
Incorporate into PRISM a specific section where applicants identify the recovery plan priority actions addressed by a proposed project.	Staff has discussed including this in PRISM with the RCO/PRISM database manager. It will be included in updates to be completed in 2012.

Tier Four: Issues addressed in other forums or through other RCO processes

Addressed by	Issue	Update
Review Panel	Consider outlining in which situations bank stabilization is an allowable project element.	If time and budget allow, the Review Panel may provide a set of recommendations for consideration in the next Manual 18 update. Staff will develop language and release for public comment.
	Consider outlining the key design objective that bank stabilization project must meet to have a project approved.	
	Review the criteria used by the technical review panel in considering individual proposed projects.	The Review Panel, under guidance from the Review Panel Chair, will note where review criteria do not fit well or where criteria are not providing adequate coverage for a project issue. The Review Panel will make recommendations for improvements to the current criteria for incorporation into next year's Manual 18.
Monitoring Workgroup	Examine ways to support broader effectiveness monitoring and close the loop on learning from that investment.	In April, the board approved an effectiveness monitoring project that includes an examination of better ways to (1) communicate results and (2) consider analyses in a manner that supports regions, lead entities and project sponsors. A request for proposal was released for that project on May 11, and a pre-proposal conference was held on May 14. Proposals are due on May 29, and RCO expects to identify an apparent successful vendor on June 6.
	Review the option to focus on implementation monitoring as a way to provide information for future design and implementation.	In April, the board approved pilot proposals for implementation monitoring from the Lower Columbia, Upper Columbia, and Hood Canal regions. Contracts will be finalized with these entities by the end of May. They will then begin to implement their pilot projects and will provide a report to the board in 2013.
Lead Entities	Discuss monitoring as match approach.	Lead entities have formed a small workgroup and have met a several times. They have exchanged information with RCO and GSRO staff, but it is unclear whether this group will make any formal recommendations.

Salmon Recovery Funding Board

June 2012

Item 3A, Council of Regions Report

There are no advance materials.

Lead Entity Advisory Group (LEAG)

Report to the Salmon Recovery Funding Board

May, 2012

The Lead Entity Advisory Group (LEAG) met May 1, 2012 in the Ellensburg area. We had strong attendance and participation. To best use our limited time and financial resources when we meet, LEAG is creating opportunities for our members (lead entity coordinators from throughout the state) to network, and learn from colleagues, projects and practices elsewhere.

For instance, at the May meeting, LEAG members who arrived the afternoon before the meeting had an opportunity to view two restoration sites and hear from Lead Entity Coordinator Darcy Batura of the Yakima Basin Fish and Wildlife Recovery Board, Becca Wassel Mid-Columbia Rural Fisheries Enhancement Group, and Scott Nicolai, with the Yakama Indian Nation and former SRFB Review Panel Member.

Participants toured the Reecer Creek Floodplain Restoration (PRISM 07-2020) which was a collaborative effort with numerous partners to restore floodplain and enhance salmon habitat along a tributary to the Yakima River in a popular Ellensburg recreation area. This project well captures and educates people recreating there about the project and resulting salmon and ecosystem benefits.

Next stop was Taneum Creek where numerous restoration actions (PRISM 07-1551) involving a multitude of partners and funders have occurred, including three recent projects that addressed passage barriers in the lower reach as well as the addition of wood and floodplain improvements, which now allow for fish spawning in the upper reaches. Together, these actions have restored migratory access to 30 miles of high quality habitat.

After the tour, participants and other LEAG members arriving early met for dinner that night which helps build working relationships, generates ideas and provides a better understanding of efforts elsewhere.

We met the next day at the Colockum Conference Room at the Renewable Energy Center of the Wild Horse Wind and Solar Facility outside Ellensburg. After lunch, members took a short tour of the facility, entered a wind turbine and learned about harnessing the power of sun and wind, both of which were in great supply.

Meeting topics included: state and federal budget update, legislative session outcomes, SRFB Meeting follow-up re: consolidation proposals, projects needed for Family Forest Fish Passage Program, a query regarding interest in web-trainings for lead entities and project sponsors wanting to learn about advanced HWS tools, among others.

We remembered the work of longtime Quinault Lead Entity Coordinator and Veteran John Sims who died in March and collected \$300 from our members, as well as GSRO & RCO staff. Those donations are going to the Disabled American Veterans in John's memory.

Elections were held and Cheryl Baumann was re-elected to another term which begins July 1 as LEAG Chair. Darcy Batura was elected Vice Chair. Executive Committee Members will be finalized before the new term begins.

The following are some brief updates of activities and items of interest as reported by some of our lead entity members:

Hood Canal Lead Entity: Recruitment efforts to boost participation in their Technical and Citizen teams have been successful, according to Heidi Huber, Habitat Programs Coordinator for the Hood Canal Coordinating Council. She reports they have more people participating on their technical and citizen teams than ever before and they had their highest turnout for project site visits. Heidi said 30 people attended site visits one day in the southern area of Hood Canal, followed by a second day of project site review in the middle to northern region of Hood Canal.

There are 14 projects proposed in the Hood Canal Lead Entity, with an approximately \$3.2 million request for funds and a \$1.2 million allocation.

West Sound Watersheds Lead Entity: An area of emphasis for Kathy Peters, who coordinates this group; is working to communicate salmon recovery messages to the public. Besides regular website updates, she gave a presentation titled “Salmon in the Streams You Drive Over Twice A Day” to the “Water Courses Connecting West Sound” community event last fall and a similar presentation to the Kitsap County Stream Stewards class in January.

For collaboration and efficiency, rather than scheduling separate meeting, the focus of several West Sound Watersheds meetings this year were used by the West Sound Action Area representatives (in lieu of a Local Integrating Organization) to discuss and provide information on local near term actions needed to recover area ecosystems as part of the Puget Sound Action Agenda update.

Yakima Basin Lead Entity: As of May 13, a record 6,324 Yakima Steelhead (6,172 wild steelhead) have passed over the Prosser Dam. According to Darcy Batura, Lead Entity Coordinator with the Yakima Fish & Wildlife Recovery Board, it is the third consecutive year that returns have exceeded 6,000. It is unconfirmed at this point but it looks like it may be a record-breaking year.

In terms of the grant round, Darcy said that because of the new PRISM Project Snapshot pages, 50% of their technical team reviewers have opted for electronic review over the traditional paper copies, saving staff time and resources.

Another new feature this year is the option for the technical and citizen committee members to submit project evaluation scores electronically. The goal is to have members submit scores in advance of the evaluation/ranking meetings which will allow more time for discussion.

It will also identify where there is general agreement on scores and where there is not, thereby identifying issues and focusing the discussion. The electronic system will provide an average score for each category, the range, and the number of scorers. Darcy said the hope “is that we can cut to the chase and facilitate more substantive discussions and achieve consensus faster this way.”

Lake Washington/Cedar/Sammamish (WRIA 8) Lead Entity:

They held a workshop May 15 at UW Bothell to advance a new effort on protecting and restoring riparian areas throughout the Lake Washington/Cedar/Sammamish watershed. About 50 people attended. Presentations included tips for persuasive communications and short presentations by seven local governments and non-profits that engage streamside landowners. Time was included for networking, as well as facilitated lunch discussions on specific topics and brainstorming on a potential “Trees for Streams” grant.

Jason Mulvihill-Kuntz, the Watershed Actions and Funding Coordinator; indicates that participants are interested in a coordinated, multi-layer campaign to develop consistent branding and marketing, create outreach and education tools that all could use, and fund existing programs that work.

Workshop evaluation results showed: 81% said they plan to work with streamside landowners to encourage them to plant or protect trees, 60% said it improved their capacity to work with streamside landowners, and 96% said they made connections that will help them with future work.

Report Submitted by Cheryl Baumann, LEAG Chair 5-24-12

Salmon Recovery Funding Board

June 2012

Item 3C, Regional Fisheries Enhancement Groups

There are no advance materials.

Salmon Recovery Funding Board

June 2012

Item 3D, Agency Updates

There are no advance materials.

Salmon Recovery Funding Board

June 2012

Item 4, Reports on Status of Efficiency Efforts in the Regions

There are no advance materials from the regions.

Please see Item #2A for the staff briefing, resolution under consideration, and letters regarding the Upper Columbia lead entity consolidation.

Salmon Recovery Funding Board

June 2012

Item 5, Legislation for Watershed Investment District Concept

There are no advance materials.

Salmon Recovery Funding Board Briefing Memo

Meeting Date: June 2012
Title: Update on Fish Passage Issues
Prepared By: Brian Abbott, Salmon Section Manager
Approved by the Director: *Kaleen Cottingham*

Summary

This memo provides an overview of efforts to implement the new capital funding for the Family Forest Fish Passage Program and the progress made by the fish passage work group.

Board Action Requested

This item will be a:

<input type="checkbox"/>	Request for Decision
<input type="checkbox"/>	Request for Direction
<input checked="" type="checkbox"/>	Briefing

New Capital Funding for Family Forest Fish Passage Program

The 2012 Supplemental Budget included \$10 million in additional funds for the Family Forest Fish Passage Program (FFFPP). This program provides funding to small forest landowners to repair or remove fish passage barriers. It is jointly managed by Washington Department of Natural Resources (WDNR), Washington Department of Fish and Wildlife (WDFW), and Recreation and Conservation Office (RCO).¹

This funding is a significant increase for FFFPP, and comes with an ambitious goal of completing about 100 crossing corrections by December 31, 2014. Doing so will require a focused effort by all involved. WDNR, WDFW, and RCO are jointly developing a plan to accomplish the work on time. Plan elements include outreach to eligible landowners and project sponsors, more frequent reviews of applications, and grant management.

¹ The Salmon Recovery Funding Board received a briefing on this program in August 2011. The memo is available at http://www.rco.wa.gov/documents/salmon/agendas/2011/08/S0811_8.pdf.

The partner agencies met on May 23 to review the FFFPP goals and accomplishments, assess the capacity to do elements of the work plan, refine the outreach strategy, and commit to timelines and targets for getting projects on the ground. RCO staff will provide an update at the Salmon Recovery Funding Board (board) meeting on June 7.

Fish Passage Workgroup

Staff from the Washington Department of Transportation (WDOT), WDNR, WDFW, and RCO have met twice to discuss better coordination of fish passage efforts across the state. The agencies have reviewed recommendations to address fish passage from the 1997 *Fish Passage Task Force Report* and the 1999 *Extinction is Not An Option* report. The purpose of this review is to (1) understand what recommendations have been implemented and what work has been accomplished, and (2) identify the unmet needs.

Some progress has been made, but fish passage remains an issue in almost every watershed. Many of the passage issues are on small streams that are home to coho, cutthroat, steelhead, and chum. The board has funded over 24 barrier inventories since 2000, and invested in several high priority barrier projects across the state. Despite these efforts and those of others (e.g., WDOT, county & city governments, and the forest industry) much more work remains.

The review found four main categories of areas of focus;

- 1) **Fixing the problems we know about** by working together and making the best use of limited resources. The work group wants to help local watersheds coordinate fish passage programs and align priorities so that fish passage efforts in the same watershed or stream can have a greater collective impact.
- 2) **Sharing the existing fish passage inventory data** by using the systems we already have more effectively. WDFW is identifying the technical and financial resources that are needed to improve our ability to share data.
- 3) **Conducting comprehensive barrier inventories in watersheds.** In some watersheds, this may require updating existing inventory information while other watersheds may need a completely new effort. This is likely to be a long-term, concentrated endeavor due to the cost and complexity of this work.
- 4) **Securing funding for inventories and barrier removal projects** is a constant challenge. Future funding mechanisms may be able to take advantage of transportation or mitigation funding.

Barrier-free fish passage is an achievable goal in many watersheds. The group will meet again in July, and plans to coordinate with selected regional organizations and lead entities to align the different state programs with local priorities.

Salmon Recovery Funding Board Briefing Memo

Meeting Date: June 2012
Title: 2013 Salmon Project Conference
Prepared By: Brian Abbott, Salmon Section Manager
Approved by the Director:

Kaleen Cottingham

Summary

The Salmon Recovery Funding Board (board) hosted project conferences in 2007, 2009, and 2011. Staff is asking the board whether it wants to host a conference in 2013, and if so, to determine the location and budget.

Board Action Requested

This item will be a:

- ☒ Request for Decision
- ☐ Request for Direction
- ☐ Briefing

Proposed Motion Language:

Move to approve funding of up to \$63,000 for a salmon project conference to be held in the Vancouver, Washington area in April 2013.

Background

The Salmon Recovery Funding Board (board) has funded and hosted three successful project conferences since 2007. With over 1,600 projects funded at a public cost of \$358 million¹, these conferences are an important way to look at lessons learned as we continue forward with salmon recovery efforts. Lead entities, regional organizations, and project sponsors support the idea of continuing this event every two years.

Recreation and Conservation Office (RCO) staff would like to start the planning process for the fourth project conference to be held in April or May 2013. Staff needs sufficient time to secure a

¹ Projects funded by state capital funds, Puget Sound Acquisition and Restoration (PSAR) funds, and the Pacific Coastal Salmon Recovery Fund (PCSRF).

facility and plan logistics, so we are asking the board to approve the conference and location at its May 2012 board meeting.

Conference Planning Proposal

RCO staff will use the 2011 conference evaluation and the lessons learned to help plan the 2013 event. Staff proposes that the 2013 conference would be a two-day conference that provides a forum to highlight what has worked in salmon recovery, what has not, and how to improve the quality and cost-effectiveness of projects.

We plan to use an organizing subcommittee to help guide conference planning and agenda development. The subcommittee will potentially include the following:

- RCO staff
- Representative from the Lead Entity Advisory Group (LEAG)
- Representative from the Council of Regions
- Representative from the Lower Columbia Fish Recovery Board
- Representative from NOAA Fisheries Communications

In general, speakers likely will be asked to present in one of five categories: (1) Habitat restoration, (2) Nearshore, (3) Acquisition, (4) Assessments, or (5) Monitoring.

Conference Costs

The estimated costs for a two-day conference are shown in the following table. Conference registration would be free for each lead entity coordinator or their representative (limit of one person per lead entity), project sponsors who are presenting a project at the conference, Salmon Recovery Funding Board members and staff, and the organizing sub-committee². All other participants would pay a registration fee of \$105, which is a slight increase from 2011. Staff estimates that registration fees would offset the cost of the conference by about \$42,000. Over 500 people attended the conference in 2011.

Consultant or project staff	\$18,000
Facility rental & meals	\$55,200
WSU Conference Center - Registration	\$15,000
Materials and advertising	\$4,800
Video recording of conference	\$5,000
Subtotal	\$98,000
Registration (Estimated 400 @ \$105)	(-\$42,000)
Net Cost	\$56,000

² Lead entity coordinators, project sponsors, and the organizing sub-committee would be responsible for the costs of their lodging, meals, and travel.

Conference Date and Location

Staff proposes that the conference be held in Vancouver, Washington. Previous conferences have been held in the Olympia area, the Shelton area, and Tacoma.

Holding the conference in April has worked well for sponsors in the past, because it falls before the summer field season and supports the project development timelines. Staff recommends that the 2013 conference be held in April or early May.

Staff Recommendation

Staff recommends that the board fund a salmon project conference in April/May 2013, using returned funds and registration fees to cover the estimated cost. Staff suggests approval of up to \$63,000 for a two-day event. This is the same as the amount approved for the 2011 conference. It is slightly higher than the estimated net cost so that expenses are covered even if registration is lower than anticipated.

Salmon Recovery Funding Board Briefing Memo

Meeting Date: June 2012
Title: Target 2012 Grant Round Funding Level
Prepared By: Brian Abbott, Salmon Section Manager
Approved by the Director: *Kaleen Cottingham*

Summary

Recreation and Conservation Office (RCO) staff is asking the Salmon Recovery Funding Board (board) to approve a funding target of \$18 million for the 2012 grant round based on the balance of returned/available funds and the estimated Pacific Coastal Salmon Recovery Fund (PCSRF) award for 2012.

Board Action Requested

This item will be a:

- ☒ Request for Decision
- ☐ Request for Direction
- ☐ Briefing

Proposed Motion Language

Move to approve a funding target of \$18 million in grant awards for salmon habitat and restoration projects during the 2012 grant cycle, contingent on receipt of the 2012 PCSRF award.

Background

Each year, the Salmon Recovery Funding Board (board) sets a target for the project grant round funding level. This determines how much funding will be available for restoration/recovery projects in each regional area.

Analysis

Considerations in Setting the Final Allocation

Staff has calculated that \$19.8 million is available for projects and other board activities. This total includes existing federal and state funds along with returned¹ and other available funds.

- Federal Pacific Coastal Salmon Recovery Fund (PCSRF) funding is \$65 million for federal fiscal year 2012. Washington State hopes to receive at least 35 percent of that total (our typical amount), which would be \$22.75 million. After allocations for hatcheries, RCO administration, and monitoring, the board would have about \$15 million from PCSRF to allocate to projects and capacity. The actual amount depends on a grant decision from the National Oceanic and Atmospheric Administration.
- There is a balance of \$3.9 million in state capital funds for projects.
- The balance of available returned funds is just over \$900,000 (as of May 15, 2012).

Staff recommends the board distribute the funds as follows. This approach benefits current activities and projects, and holds a significant amount to help the board continue its support for salmon recovery activities in the next biennium.

Item	Amount
Available Funds	
PCSRF (estimate based on \$22.75 million award)	\$15,024,000
State Capital Funds	3,908,476
Returned Funds	941,037
Total Available Funds	\$19,873,513
Proposed Allocations	
Potential Cost Increases for Projects ²	\$500,000
Restore Lead Entity GFS Budget Reduction	50,000
Salmon Recovery Conference	63,000
Reserve to support salmon recovery projects and activities in 2013-15	1,260,513
2012 Grant Round	18,000,000
Total Proposed Allocations	\$19,873,513

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

² This amount was reduced from the typical \$750,000 per board direction in April 2012.

Distribution to Regions

The following table shows the regional allocations at an \$18 million funding level.

Regional Area	Percent	Allocation at \$18 million
Hood Canal Coordinating Council	2.35%	\$423,000
Lower Columbia Fish Recovery Board	15.00%	\$2,700,000
Northeast Washington (State funds only) ³	2.00%	\$360,000
Puget Sound Partnership	42.04%	\$7,567,200
Snake River Salmon Recovery Board	8.88%	\$1,598,400
Upper Columbia Salmon Recovery Board	10.85%	\$1,953,000
Washington Coast Sustainable Salmon Partnership	9.00%	\$1,620,000
Yakima Basin Fish and Wildlife Recovery Board	9.87%	\$1,776,600

Next Steps

Once the board approves the final allocation, staff will inform regions and lead entities of the allocation target for their regional area.

³ The Northeast is eligible only for state funds because non-anadromous fish are no longer eligible for the federal PCSRF funds.

Salmon Recovery Funding Board

June 2012

Item 9A, Presentations of Findings and Results from Monitoring Programs

There are no advance materials.

Salmon Recovery Funding Board Briefing Memo

Meeting Date: June 2012
Title: Monitoring Decisions Related to 2012 Federal Funds
Prepared By: Megan Duffy, Executive Coordinator
Approved by the Director:

Kaleen Cottingham

Summary

This memo presents background on the Salmon Recovery Funding Board decisions to fund monitoring efforts required by the Pacific Coastal Salmon Recovery Fund, and requests board decisions for use of potential funds in federal fiscal year 2012.

Board Action Requested

This item will be a:

- ☒ Request for Decision
- ☐ Request for Direction
- ☐ Briefing

Proposed Motion Language

Move to approve Resolution #2012-02.

Background

The state of Washington applies for a federal Pacific Coastal Salmon Recovery Fund (PCSRF) grant each year to fund salmon recovery projects throughout the state. The Washington State award has ranged from about \$23 million to \$28 million in each of the last ten years. The PCSRF grant program requires that 10 percent of the overall state award be dedicated to monitoring efforts. Goals of this requirement include analyzing (1) the impact of funded projects on salmon habitat and (2) whether the projects are impacting fish populations.

Board Approach to Monitoring Allocations

The Salmon Recovery Funding Board (board) allocates PCSRF dollars for salmon recovery projects and monitoring efforts.

This approach was developed in 2003 and has been informed by several key efforts including: 1) the Washington Comprehensive Monitoring Strategy; 2) the Framework for Monitoring Salmon

Population Listed under the Federal Endangered Species Act and Associated Freshwater Habitats; and 3) the board's 2003 Monitoring and Evaluation Strategy for Habitat Restoration and Acquisition Projects¹. The board's monitoring strategy provides:

- An overall effectiveness and validation monitoring strategy for the board;
- Prioritized monitoring by type and category;
- Estimated costs over ten years; and
- Metrics agreed upon by the board, NOAA Fisheries, Oregon Watershed Enhancement Board, and Bonneville Power Administration.

The board has been using its strategy to guide key monitoring funding decisions and determine monitoring priorities. Based on its strategy, the board allocated most of its monitoring funding to three larger, longer-term monitoring efforts: project effectiveness monitoring, fish-in/fish-out and intensively monitored watersheds.

Forum Review of the Board's Monitoring Strategy and Priorities

In 2009, the board asked the Monitoring Forum to review its monitoring priorities and either (a) reaffirm and/or (b) provide additional recommendations. (See Attachment A – October 2009 board memo).

With regard to the three main monitoring efforts funded by the board, the Monitoring Forum's review resulted in several recommendations and findings:

1. **Effectiveness Monitoring.** The Forum recommended that the board continue to fund the effectiveness monitoring program, but incorporate a number of technical and design changes into the contract. In part, the Forum recommended that several project categories be dropped (e.g., fish passage structures and diversion screening projects) because sufficient information had been collected. These categories are no longer monitored. The spawning gravel placement category also has been dropped because there were not enough projects to collect sufficient data for an analysis.
2. **Fish-In/Fish-out Monitoring.** The Forum concluded that the board should continue its contribution to the Washington Department of Fish and Wildlife (WDFW) overall fish-in/fish-out monitoring program. The recommendation noted that the board was one of many funders, and contributed about 7 percent of the total funding for the program. The

¹ "The Washington Comprehensive Monitoring Strategy and Action Plan for Watershed Health and Salmon Recovery" http://www.rco.wa.gov/documents/monitoring/Executive_Report_final.pdf;
"Washington State Framework for Monitoring Salmon Populations Listed under the Federal Endangered Species Act and Associated Freshwater Habitats:"
http://www.rco.wa.gov/documents/monitoring/Framework_Document.pdf;
"Monitoring and Evaluation Strategy for Habitat Restoration and Acquisition Projects"
http://www.rco.wa.gov/documents/monitoring/SRFB_Monitoring_Strategy.pdf

Forum also noted that the data obtained is fundamental to salmon recovery and that the program is consistent with the Comprehensive Monitoring Strategy.

3. **Intensively Monitored Watersheds.** The Forum noted that the intensively monitored watersheds program is the most expensive monitoring program funded by the board, but also that it is the only program capable of answering the fundamental question of whether habitat restoration results in increased production of salmon. The Forum noted, however, that the IMW monitoring program could be successful *only* if the treatment plans associated with the monitoring design were implemented in the board-funded IMW watersheds. The Forum recommended that the board confirm that treatment efforts would be completed, and that if not, then consider either terminating the IMW monitoring contract or deciding how to fund the necessary restoration treatments. The Forum concluded that intensive monitoring may not be cost-effective in watersheds that do not complete their restoration treatment plans in a timely way.

Following the Forum's review, the board continued funding these key monitoring efforts consistent with the Forum's review. Scientists from TetraTech, the Department of Ecology (DOE), and the Department of Fish and Wildlife (WDFW) will summarize the current status and findings of these efforts at the June board meeting.

National Oceanic and Atmospheric Administration (NOAA) Priorities for Monitoring

In 2012, the National Oceanic and Atmospheric Administration (NOAA) introduced its own priorities for monitoring. This prioritization is an important factor for the board to consider in its allocation decisions. Specifically, NOAA articulated that one of its top four priorities would be:

"Effectiveness monitoring of habitat restoration actions at the watershed or larger scales for ESA-listed anadromous salmonids, status monitoring projects that directly contribute to population viability assessments for ESA-listed anadromous salmonids, or monitoring necessary for the exercise of tribal treaty fish rights or native subsistence fishing on anadromous salmonids."

Scott Rumsey of NOAA will discuss NOAA's monitoring priorities with the board at its meeting on June 7, 2012.

Timing Considerations

The current monitoring contracts are on different cycles for many reasons, including the timing of the original funding requests and the cycles required for the data gathering and analyses. As a result, the board makes its monitoring allocation decisions at various times throughout the year. Board members have expressed frustration with this approach, and asked staff to review options that would allow them to approach monitoring decisions more comprehensively.

Decision Requested

Staff is asking the board to make its allocation decision for all monitoring funds from the anticipated PCSRF award (about \$2.3 million) at its June Board meeting, and to delegate authority to the director to enter into the contracts as they expire.

Staff Recommendation for Monitoring Allocations

Washington State typically receives about 34 percent of the total funding amount available to states from PCSRF. For federal fiscal year, that would be about \$22.75 million. At that level, the amount dedicated to monitoring efforts would be a minimum of \$2.275 million. Staff recommends the board allocate the 2012 PCSRF monitoring dollars and state dollars in the following way:

Monitoring Program	2011 Allocation PCSRF and State	2012 Recommended Funding		
		PCSRF	State funds ²	Total
Project effectiveness	\$287,000	\$437,000		\$437,000
Fish-In/Fish-out	\$208,000	\$208,000		\$208,000
IMWs	\$1,467,000 ³	\$1,165,130 ⁴	\$259,746	\$1,424,876
Other monitoring efforts	\$797,242	\$464,870		\$464,870
Total Funding	\$2,758,242	\$2,275,000	\$259,746	\$2,534,746

Project Effectiveness Monitoring

Staff recommends that the board fund the project effectiveness monitoring program at \$437,000. Of this amount, \$287,000 would be used to continue the existing project effectiveness program currently implemented by Tetra Tech. In 2012, the focus of this effort will be on the following categories, based on the rotating panel schedule:

- Habitat protection
- In-stream structures
- Floodplain enhancement projects

² State funds are required in the IMW program to fund NOAA employees who are subcontracted by DOE to participate in the IMW efforts in the Skagit and the Straits. Federal funds cannot be used to support the NOAA employees subcontracted to DOE.

³ Total IMW funding for 2011 was \$1,467,000 (\$1,207,254 in federal funding and \$259,746 in state funding).

⁴ See footnote #2.

Staff recommends that \$150,000 be added to the effectiveness monitoring allocation to include expanded floodplain enhancement and in-stream habitat sampling. This would continue the funding approved by the board at its April 2012 meeting for the expanded project effectiveness categories⁵.

Fish-in/Fish-out Monitoring

Staff recommends that the board provide \$208,000 in funding for the WDFW fish-in/fish-out monitoring effort. This funding helps support a broader fish-in/fish-out monitoring effort and represents about 7 percent of the overall funding for the effort.

Intensively Monitored Watersheds (IMW)

Staff recommends that the board fund the IMW effort at \$1,424,876, a decrease of about \$42,000 compared to 2011.

There are four board-funded IMW complexes around the state. Staff recommends full funding for three efforts and reduced funding for the fourth, as shown in the table.

IMW	Notes	Funding Recommended⁶
Skagit River Estuary	Successful: significant investment in restoration treatments and important data collected	Full Funding - \$246,124 <i>(\$93,478 in state funds)</i>
Hood Canal <i>Little Anderson, Seabeck, Stavis and Big Beef Creeks</i>	Successful: significant investment in restoration treatments and important data collected	Full Funding - \$368,110
Strait of Juan de Fuca <i>East and West Twin Rivers and Deep Creek</i>	Concerns, issues, or questions raised – see discussion below	Full Funding - \$406,462 <i>(\$166,268 in state funds)</i>
Lower Columbia <i>Germany, Abernathy, Mill Creeks</i>	Concerns, issues, or questions raised – see discussion below	Reduced Funding - \$404,180

Strait of Juan de Fuca IMW

The IMW in the Strait of Juan de Fuca consists of East and West Twin Rivers and Deep Creek. The IMW does not use the before-after control-impact design used by the other IMW efforts. Rather, it compares fish populations to (1) production and (2) the rate of change over time in both treatment and control basins after restoration.

⁵ The work for the expanded project effectiveness categories will be awarded through a competitive RFP. A contractor has yet to be selected for the 2011 PCSRF funding awarded in April 2012.

⁶ These costs are based upon the estimated yearly costs for the IMW complexes.

Significant restoration work has occurred in the East Twin River and Deep Creek; none has occurred on the West Twin River as part of the IMW effort because it is the control location. The main restoration treatment has been in-stream large wood placement.

Data collected in this IMW have produced valuable information about fish life history strategies⁷ and the effect of restoration treatments on the fish populations. Data collected to date indicate that the fish are not responding to the in-stream large wood placement and that other restoration types, such as side channel habitat, might be more successful in increasing fish production.

The key questions raised within the context of this IMW are:

- How much longer should monitoring continue in this IMW to ensure validity of data?
- Should additional restoration treatments be implemented in the treatment streams (i.e., implement side channel habitat projects instead of in-stream wood structures)? If so, at what cost and for how long would the IMW need to continue to detect a change based on a different restoration treatment approach?
- What does this IMW tell us about large wood placement in streams in general, and should we invest in more focused study of the impact of large wood in a different watershed?

Staff recommends that the IMW Steering Committee⁸ and GSRO staff consider these key questions and prepare a recommendation for the future of the Straits IMW after 2012. This will allow data to be collected for another year and allow time for a scientific analysis of how best to move forward.

Lower Columbia IMW

The Lower Columbia IMW program addresses the Mill, Abernathy, and Germany Creeks subbasin complex. The IMW involves two interrelated elements: (1) Monitoring fish populations and habitat conditions in both the treatment and control watersheds, and (2) conducting extensive habitat restoration work in the treatment watersheds (Abernathy and Germany Creeks).

The original restoration treatment plan (plan) identified potential restoration projects in Abernathy and Germany Creeks. The plan called for three phases of restoration project implementation, with each phase composed of 20 restoration projects. It was later determined that implementing only the Phase I projects would generate enough fish abundance and productivity changes for IMW monitoring.

⁷ Fish life history strategy refers to the timing and cycle of when spawning occurs, , how long fry remain in streams, when they move seaward, how long they remain at sea and when they return to spawn.

⁸ The Steering Committee consists of representatives from: Department of Ecology, Washington State Department of Fish and Wildlife; Weyerhaeuser Co.; NOAA Science Center, Lower Elwha Tribe; and Skagit River Cooperative.

Six of the twenty projects have now been funded. Four were funded with board grants⁹ at a total grant cost of \$1.6 million and sponsor match of just over \$600,000. Two other projects were funded through the Federal Columbia River Power System Biological Opinion with federal sources. The estimated cost of completing the remaining 14 Phase 1 projects is \$4.5 million. Additional restoration work that was not part of Phase I has been completed in Abernathy Creek; these projects totaled nearly \$1.25 million.

Nutrient enhancement work has also taken place in Germany Creek. The project's goal is to determine (in conjunction with IMW fish monitoring) if the addition of nutrients will increase the productivity and abundance of salmon and steelhead over a four-year period. The board provided grant funding for the addition of carcass analogs to 12.5 miles of Germany Creek for two years¹⁰. The total board investment is \$384,549 with a sponsor match of \$150,000 for a total of \$534,549. Additional funding may be needed to complete the fourth year of nutrient enhancement.

The original time frame for the Phase I work was 2011-2013. A key limiting factor to the Lower Columbia IMW has been inadequate funding to implement the necessary restoration work. This lack of funding has delayed implementation of the restoration projects in Phase I, thereby extending the likely timeframe for the overall IMW work in the Lower Columbia.

As noted above, the Forum cautioned in 2009 that *"intensive monitoring may not be cost-effective in watersheds that do not complete their restoration treatment plans in a timely way."* The Forum's review also suggested that the IMW program be evaluated to determine *"whether to continue or terminate some of the IMW monitoring efforts."* To that end, RCO staff has engaged in conversations with the Lower Columbia Fish Recovery Board (the regional organization), DOE, and WDFW to discuss the viability of the Lower Columbia IMW in light of the anticipated costs and existing delays to implementation of restoration projects.

Based on these discussions, staff is presenting several approaches for the board to consider.

1. **Terminate the full Lower Columbia IMW effort.** This includes fish, habitat, and water quality monitoring, habitat restoration efforts identified in the restoration treatment plan, and nutrient enhancement efforts.

A key question associated with this option is what information may be lost by eliminating the work.

2. **Ensure funding to implement the remaining restoration work and continue to cover the associated monitoring costs.** The remaining Phase I habitat restoration projects on both Abernathy and Germany Creeks have an estimated cost of \$4.5 million. The costs to continue monitoring are \$446,180.

⁹ RCO Projects #09-1378; #11-1329; #11-1386

¹⁰ RCO project [#09-1373](#), Germany Creek Nutrient Enhancement

The key question is what potential sources of funding might exist to cover the restoration work costs

3. **Ensure adequate levels of funding to maintain some, but not all, elements of the IMW.** This approach would eliminate the planned habitat restoration projects in Germany Creek but continue restoration project implementation in Abernathy Creek. This would reduce the need for project funding from about \$4.5 million to \$2.0 million over the next three years. The monitoring and nutrient enhancement elements also would be continued under this option at an approximate cost of \$446,180.

The Lower Columbia Fish Recovery Board has indicated that they would consider providing 20-25 percent of the total (about \$500,000) over the next three years depending on PCSRF funding levels and its annual allocation from the board. WDFW committed to trying to identify the \$1.5 million needed to close the gap in funding.

The key question associated with this option is what the potential outcome would be if additional resources cannot be identified. .

4. **Do not fund any habitat restoration projects identified in the restoration treatment plan, but continue to fund continuation of the fish-in/fish-out monitoring and/or continued nutrient enhancement efforts and associated monitoring.** This approach would eliminate the habitat restoration portion of the treatment, as well as the water quality and habitat monitoring. The resulting savings to the IMW program would be only about \$42,000. However, the approach eliminates the need to find and expend \$4.5 million in restoration funds.

Key questions associated with this approach include:

- Is the fish-in/fish-out monitoring occurring in the best place for purposes of measuring recovery? If not, would the benefit of moving the fish-in/fish-out to another location outweigh the significant data already collected in the Germany/Mill/Abernathy complex? Should it be funded as part of the annual WDFW Fish-in Fish-out allocation?
- Does the nutrient enhancement effort have enough value from an IMW perspective that the board should continue to fund this effort? In essence, does the treatment address a known limiting factor? If not, should the nutrient effort and associated monitoring continue outside of the IMW program?

Staff Recommendation on the Lower Columbia IMW: Given the significant costs associated with funding Phase 1 restoration projects and the time frame associated with securing funding and project implementation, staff recommends option four. This maintains important fish-in fish-out efforts and allows for continuation of the nutrient enhancement program at a much lower cost.

Staff Recommendation for Timing Considerations

As noted above, the board has historically made its monitoring allocation decisions at various times throughout the year. Board members asked staff to review options that would allow them to approach monitoring decisions more comprehensively.

Staff recommends that the board make its major monitoring allocations at one meeting, and give the RCO Director the authority to enter into contracts as they expire. A summary of the staff recommendations is noted below. Staff will track contract status and board allocation decisions. When new contracts begin, staff will notify the board through the regular GSRO board memo.

To begin implementing this approach, staff recommends that the board determine the allocations for three board-funded monitoring programs at its June 2012 meeting: project effectiveness, fish-in fish out, and intensively monitored watersheds. Staff will then work with the monitoring workgroup that developed recommendations for PCSRF 2011 monitoring projects and develop a list of recommendations for the remaining 2012 PCSRF monitoring money. These recommendations would be brought to the board at its December meeting.

Summary of Staff Recommendations for Funding

1. Approve \$437,000 for effectiveness monitoring, as follows:
 - \$287,000 to continue the existing project effectiveness program, with a focus in 2012 on habitat protection, in-stream structures, and floodplain enhancement projects
 - \$150,000 for effectiveness monitoring to include expanded floodplain enhancement and in-stream habitat sampling
2. Approve \$208,000 in funding for the WDFW fish-in/fish-out monitoring effort
3. Approve \$1,424,876 in state and federal funds for intensively monitored watersheds, as follows:
 - \$246,124 for the Skagit River Estuary (\$152,646 from 2012 PCSRF funds and \$93,478 in state funds)
 - \$368,110 from 2012 PCSRF funds for the Hood Canal
 - \$406,462 for the Strait of Juan de Fuca (\$240,194 from 2012 PCSRF funds and \$166,268 in state funds)
 - \$404,180 from 2012 PCSRF funds for continuation of the fish-in/fish-out monitoring and/or continued nutrient enhancement efforts in the Lower Columbia

All funding decisions would be contingent on receipt of PCSRF funds for federal fiscal year 2012.

Attachments

Resolution #2012-02

- A. October 2009 board memo regarding monitoring

Salmon Recovery Funding Board
Resolution #2012-02
Approving Monitoring Allocations for Federal Fiscal Year 2012 PCSRF
Funds and Delegating Authority to the Director for Contracts

WHEREAS, the Pacific Coastal Salmon Recovery Fund (PCSRF) grant requires that at least ten percent of the Washington State award be dedicated to monitoring efforts, and

WHEREAS, the anticipated PCSRF award for federal fiscal year is about \$22.75 million, and

WHEREAS, the Salmon Recovery Funding Board is the state entity responsible for allocating PCSRF funds to monitoring activities, and

WHEREAS, the board has adopted a strategy for selecting and funding monitoring activities that is consistent with the state's Comprehensive Monitoring Strategy, and

WHEREAS, the Governor's Forum on Monitoring Salmon Recovery and Watershed Health's (Monitoring Forum) reviewed the board's strategy and priorities in 2009, and

WHEREAS, the staff recommendations are consistent with the board's strategy and the Monitoring Forum's recommendation, and

WHEREAS, the board has asked the Recreation and Conservation Office (RCO) and the Governor's Salmon Recovery Office (GSRO) to streamline the approval process so that monitoring decisions are made comprehensively once per year,

NOW THEREFORE BE IT RESOLVED, that the board delegates authority to the RCO director to enter into monitoring contracts as needed to implement this resolution as existing contracts expire following established state contracting guidelines, and

BE IT FURTHER RESOLVED, that the board approves \$287,000 to continue the existing project effectiveness program, with a focus in 2012 on habitat protection, in-stream structures, and floodplain enhancement projects, and

BE IT FURTHER RESOLVED, that the board approves \$150,000 for effectiveness monitoring to include expanded floodplain enhancement and in-stream habitat sampling, and

BE IT FURTHER RESOLVED, that the board approves \$208,000 in funding for the WDFW fish-in/fish-out monitoring effort, and

BE IT FURTHER RESOLVED, that the board approves a total of \$246,124 for the Skagit River Estuary intensively monitored watersheds effort; \$152,646 from 2012 PCSRF funds and \$93,478 in state funds, and

BE IT FURTHER RESOLVED, that the board approves \$368,110 from 2012 PCSRF funds for the Hood Canal intensively monitored watersheds effort, and

BE IT FURTHER RESOLVED, that the board approves a total of \$406,462 for the Strait of Juan de Fuca intensively monitored watersheds effort, \$240,194 from 2012 PCSRF funds and \$166,268 in state funds, and

BE IT FURTHER RESOLVED, that the board directs GSRO staff to work with the IMW Steering Committee to prepare a recommendation for the future of the Straits IMW after 2012, and

BE IT FURTHER RESOLVED, that the board approves \$404,180 from 2012 PCSRF funds for continuation of the fish-in/fish-out monitoring and/or continued nutrient enhancement efforts in the Lower Columbia intensively monitored watersheds effort, and

BE IT FURTHER RESOLVED, that the contracts and other actions authorized by this resolution are contingent on receipt of sufficient PCSRF funds for federal fiscal year 2012.

Resolution moved by: _____

Resolution seconded by: _____

Adopted/Defeated/Deferred (underline one)

Date: _____

Natural Resources Building
1111 Washington St SE
Olympia WA 98501

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STATE OF WASHINGTON

RECREATION AND CONSERVATION OFFICE

MEETING DATE: October 2009

ITEM NUMBER: 7

TITLE: Monitoring Forum Recommendations and Monitoring Contracts

PREPARED BY: Ken Dzinbal, Monitoring Forum Coordinator

APPROVED BY THE DIRECTOR:

Proposed Action: Decision

Summary

In response to a request in 2008 from the Salmon Recovery Funding Board (SRFB), the Washington Forum on Monitoring (Forum) is delivering its recommendations about SRFB funding priorities related to monitoring. After the briefing and discussion on the recommendations, staff will ask the board to consider several contracts to implement or continue monitoring programs consistent with those recommendations, and in some cases, to change the contract timelines.

Staff Recommendation

Recreation and Conservation Office (RCO) staff recommends that the SRFB implement the Forum's recommendations by entering into contracts for specified monitoring efforts.

Background

Allocation of Monitoring Funds

The SRFB is required to allocate 10 percent of its annual PCSRF grant for monitoring. In 2008, the total allocation was \$2.35 million, which funded several monitoring programs. Each of these monitoring programs has been in place for several years, and in some cases constitutes a long-term commitment to monitoring in support of restoration efforts funded by the SRFB.

For 2009, the total allocation is expected to be \$2.65 million (10 percent of the anticipated \$26.5 million award). This increase is an important factor in determining how the SRFB should fund monitoring in the upcoming fiscal year.

Forum Review Process

In October 2008, the SRFB discussed its current approach to monitoring, and how to ensure that they invest in the most important and useful monitoring for salmon recovery. Some members of the SRFB expressed an interest in receiving input from the Forum on SRFB monitoring priorities.



The questions asked by the SRFB can be summarized as follows:

- Is the SRFB funding the correct monitoring programs?
 - Are there gaps?
 - Are there things that no longer need to be monitored?
- Is the funding allocation among monitoring programs correct?
- Have we learned enough to revise or update technical design, sampling details, or general monitoring program details?
- Can we improve the timing of funding cycles, avoid last-minute requests, and improve stability of long-term programs?

The Forum convened a workgroup to review SRFB monitoring programs and investments. The workgroup met several times, and provided interim recommendations to both the Forum and SRFB. This report provides final recommendations from the Forum. These recommendations are based on the Forum's consideration of the workgroup's overall findings, as discussed at the September 11, 2009 meeting of the Forum.

Analysis

In reviewing the SRFB monitoring programs, the Forum considered the following criteria:

- Do the investments meet the monitoring objectives of the SRFB?
- Are the investments consistent with the Comprehensive Monitoring Strategy and the Forum Framework?
- Are the investments the right size or do individual elements need to be "right-sized"?
 - Statistical power
 - Are these still good investments?
 - Threshold of diminishing returns
- Are there ways to improve coordination and alignment between and among monitoring programs, including those implemented by federal and local agencies?

The Forum recommendations can be divided into two lists: 1) existing monitoring, and 2) potential new monitoring elements. Within those lists, the Forum considered six monitoring categories: Implementation; Project Effectiveness; Intensively Monitored Watersheds; Status and Trends; Nearshore; and Data Management.

The following table summarizes the Forum's funding recommendation; details for each item are in the text below.

Monitoring Program	2008 Allocation	2009 Recommended Allocation
Existing Monitoring Programs		
<i>Implementation Monitoring</i>	\$75,000	\$75,000
<i>Effectiveness Monitoring</i>	\$550,000	\$434,000
<i>Intensively Monitored Watersheds</i>	\$1,467,000	\$1,467,000
<i>Status and Trends (Fish-in / Fish-out) Monitoring</i>	\$208,000	\$208,000
<i>Nearshore Monitoring</i>	\$50,000	
SUBTOTAL, EXISTING	\$2,350,000	\$2,184,000
Savings Plus Remaining Unallocated Monitoring Funds		\$466,000
Proposed New Monitoring Elements		
<i>#6: Effectiveness monitoring web reporting and data migration</i>		\$35,000
<i>#7: Statewide strategy for effectiveness monitoring</i>		\$50,000
<i>#8: IMW workshop</i>		No Cost
<i>#9: Watershed-scale land-use/land-cover (habitat remote sensing)</i>		\$100,000 (est)
<i>#10: Provide web access to habitat status and trends database</i>		\$140,000
<i>#11A: Add adult salmon to smolt data exchange</i>		\$100,000 (est)
SUBTOTAL, NEW		\$425,000
Remaining Unallocated Monitoring Funds ¹		\$41,000
TOTAL (ALLOCATED PLUS UNALLOCATED)	\$2,350,000	\$2,650,000

Existing Monitoring Program: Findings and Recommendations

1. No single monitoring program is capable of answering all of the questions relevant to salmon recovery. A mix of monitoring approaches is required.
2. The SRFB's current mix of monitoring programs represents "core" monitoring elements and is appropriate, although some gaps remain.
 - a. The SRFB can improve the timing of funding cycles and the stability of long-term programs by extending annual contracts to 18 months or more to allow for start-up, field preparation, sampling, data evaluation, and reporting.
3. Three of the core monitoring programs – implementation monitoring, effectiveness monitoring, and intensively monitored watersheds – are budgeted at levels commensurate with their objectives and scales, and should continue to receive SRFB funding, with some caveats.

¹ Some of the initial estimates were lower than anticipated, so the total allocation is not yet \$2.65 million. Staff will discuss options for addressing this variance at the October SRFB meeting.

- a. **Implementation Monitoring.** Implementation monitoring is included as part of the RCO's administrative costs. This element allows grant managers to do final inspections and project completion reporting for SRFB-funded restoration projects. It is budgeted at a level commensurate with RCO's costs. The Forum recommends keeping implementation monitoring funded at the current level.
- b. **Effectiveness Monitoring.** The Forum recommends that the SRFB continue to fund the current effectiveness monitoring program at the current level, but to incorporate a number of technical and design changes into the contract.

The current effectiveness monitoring program is implemented through a competitively bid contract managed by RCO. As recommended by the contractor (TetraTech) in the five-year report published in April 2009, some cost savings could be realized in the current program by dropping several project categories for which sufficient information has now been collected. The Forum also recommends incorporating the other technical recommendations included in the five-year report, which would result in a number of technical and design improvements, gradually reducing field sampling as the original project schedule is completed over the next several years (to 2017), and some overall cost savings in the current contract.

- c. **Intensively Monitored Watersheds.** The intensively monitored watersheds program is the most expensive monitoring program funded by the SRFB, but it is the only program capable of answering the fundamental question of whether habitat restoration results in increased production of salmon. However, the IMW monitoring design can only be successful in watersheds that complete the requisite restoration treatments. That is, the monitoring program will be successful *only* if the treatment plans associated with the monitoring design are implemented in the SRFB-funded IMW watersheds. The SRFB should evaluate and confirm that treatment efforts will be completed in concert with the IMW monitoring program. If not, the SRFB should consider either terminating the IMW monitoring contract or deciding how to fund the necessary restoration treatments. Intensive monitoring may not be cost-effective in watersheds that do not complete their restoration treatment plans in a timely way. The Forum recommends that the SRFB fund the current IMW monitoring through the coming field season (2010), while simultaneously evaluating whether to continue or terminate some of the IMW monitoring efforts for the following field season (2011).
4. **Fish-in/Fish-out Monitoring.** The fourth monitoring element supported by the SRFB (fish-in/fish-out) represents a reasonable contribution to the Washington Department of Fish and Wildlife (WDFW) overall fish-in/fish-out monitoring program. That program depends on funds collected from a variety of sources, none of which has the capacity to support the entire program. Currently, the SRFB contributes approximately 7% of the total WDFW fish-in/fish-out monitoring. The data obtained through this program are fundamental to salmon recovery. Participating in the funding of this program is consistent with the Comprehensive Monitoring Strategy and the data itself supports the Forum's Framework and high-level indicators for salmon recovery. The Forum recommends the SRFB continue its contribution to this program.
5. **Nearshore Monitoring.** The fifth program, nearshore monitoring, is not currently implemented but has been proposed by the SRFB for several years in recognition of the importance of nearshore habitats in the salmon lifecycle. The SRFB has reserved, but not awarded, \$50,000 in 2008 PCSRF funds for implementing a nearshore monitoring element. A proposal to develop nearshore/estuarine Rapid Assessment Protocols is part of the SRFB agenda in October 2009

and will be presented by the Estuary and Salmon Recovery Program (ESRP). The Forum supports allocating \$50,000 from the previously reserved 2008 funds in support of ESRP's proposal to develop a River Delta Tidal Wetlands Rapid Assessment Protocol.

New Monitoring Elements: Recommendations for use of available Monitoring Funds

The Forum believes that several additional monitoring elements merit consideration by the SRFB. The first three elements should be initiated in the near term, using savings noted above and \$50,000 from available monitoring funds. The remainder of the elements (#9 through #11) need further staff work to scope, cost, and prioritize the efforts within the remaining SRFB monitoring budget. If acceptable, Forum staff will bring more specific costs and priorities for items #9 through #11 to the December SRFB meeting for further discussion and decision.

6. **Improve the effectiveness monitoring program** (using savings noted above) as follows:
 - a. Develop web-based reports and improve outreach to local project sponsors; and
 - b. Migrate the effectiveness monitoring data to a state-owned database.
7. **Develop a statewide strategy for effectiveness monitoring** The Forum recommends collaborating with other agencies currently supporting or interested in effectiveness monitoring to: leverage additional resources, increase sample sizes and statistical confidence, and to provide additional incentive for agencies to align protocols and improve data sharing and data access. This collaboration needs to include scoping a broader, statewide effectiveness monitoring strategy *with* other regional agencies² also interested in effectiveness monitoring. The Forum is willing to lead this effort if the SRFB so requests, but suggests that the SRFB budget up to \$50,000 for one-time consulting support. The product of this effort would be a re-scoped, statewide effectiveness monitoring program funded through several collaborating agencies including the SRFB.
8. **Host an IMW workshop** to improve coordination and communication across all IMWs currently being implemented in the state.
9. **Watershed-scale land-use/land-cover (habitat remote sensing program).** This status and trends monitoring element is described in the Forum framework and has been a priority for several years. WDFW has proposed a remote-sensing monitoring program to obtain this information through a combination of satellite (Landsat) photography and low-level aerial photography. Work needs to be done to develop the scope and costs of developing this monitoring program.
10. **Provide web access to the in-stream habitat status and trends database.** The SRFB funded the original status and trends framework proposal and the current Quality Assurance Monitoring Plan. This program is being implemented in the Puget Sound basin, and is expected to receive on-going state funding to allow a four-year rotation through all eight salmon recovery regions statewide. Assuming funding remains secure for on-going implementation, the forum workgroup discussed a one-time contribution to make the data management system easily available as a web application for local cooperating partners. This would significantly improve local organizations' access to the database and make their participation and contributions to the

² Agencies could include Northwest Power Conservation Council, Bonneville Power Administration, tribes, Oregon Department of Fish and Wildlife, and others.

statewide monitoring program significantly easier and more likely. Work needs to be done to develop the scope and costs of developing this web access.

11. **Data management.** The Forum believes that data management is a required element of any comprehensive monitoring program, but cautions against taking on any large, statewide or regional data management strategic development efforts. Instead, the Forum listed the following data management elements that represent logical and helpful “next-steps” to improve data sharing and data accessibility among all participating agencies as priorities for the use of SRFB funding:
- a. Add adult salmon data to the juvenile salmonid data exchange network currently under development by the Puget Sound Partnership, WDFW, NWIFC, Ecology, and RCO;
 - b. Enable Web access to the status and trends database (described in #10); and
 - c. Migrate the effectiveness monitoring data to a state database (described in #6b, above).

Work needs to be done to develop the scope and costs of developing this data management component.

Next Steps

Staff will review these recommendations at the SRFB’s October meeting. After board discussion and public comment, staff will ask the SRFB to consider the following:

- Approve funding and contract extensions for effectiveness monitoring, intensively monitored watersheds, and fish-in/fish-out monitoring;
- Approve spending up to \$50,000 to support the ESRP nearshore monitoring proposal; and
- Approve potential new monitoring program additions #6 through #8 as recommended by the Forum.

If approved, these actions would allocate \$2.319 million of the current monitoring budget. Forum staff will bring more specific costs and priorities for items #9 through #11 to the December SRFB meeting for further discussion and decision.

If the SRFB agrees with the recommendations from staff and the Forum, the monitoring budget for the 2009 PCSRF funds would be \$2.65 million, as shown on the following table.

MONITORING PROGRAM	2009 ALLOCATION
Implementation Monitoring	
Existing contract extension	\$75,000
Effectiveness Monitoring	
A. Contract with TetraTech	\$469,000
Existing contract extension	\$434,000
New Element #6a: Web-based reports	\$21,000
New Element #6b: Migrate effectiveness monitoring data	\$14,000
B. New Element #7: Effectiveness monitoring strategy	\$50,000
Intensively Monitored Watersheds	
Existing contract extension	\$1,467,000
New Element #8: IMW workshop	No cost
Status and Trends Monitoring: Fish-in/Fish-out	
Existing Contract Extension	\$208,000
New Element #9: Watershed-scale land-use/cover	Est. \$100,000
New Element #10: Web-access for status and trends database	\$140,000
Nearshore Monitoring	
Carry forward of 2008 funds (\$50,000)	
Data Management	
New Element #11A: Add adult salmon to smolt data exchange	Est. \$100,000
Remaining Unallocated Monitoring Funds	\$41,000
TOTAL	\$2,650,000

Attachments

- A. Forum recommendations presentation



May 28, 2012

Kaleen Cottingham
Director, Recreation and Conservation Office
Natural resources Building
1111 Washington St. S.E.
Olympia, WA 98501

Dear Ms. Cottingham:

The Upper Columbia Regional Technical Team (UCRTT) has been assisting the Upper Columbia Salmon Recovery Board for over 10 years with technical issues regarding salmon recovery in the Upper Columbia Region (UCR). One of the UCRTT's primary functions has been to evaluate the technical aspects of potential habitat protection and restoration projects that are funded by the state Salmon Recovery Funding Board.

In a letter dated February 8, 2012, the Recreation and Conservation Office wrote to the UCSRB asking for assistance with consolidating the lead entities in the UCR. The UCSRB agreed, and subsequent action was initiated to consolidate and manage the lead entity process by the UCSRB.

One of the lead entities' primary responsibilities is to coordinate the technical review that the UCRTT provides for potential projects. Therefore, the UCRTT can be viewed as a client to the lead entities and this has functioned fairly well over the years. However, the RTT sees where great improvement in communication can be gained if there is only one lead entity coordinating the process, and it would also remove any perceived or real conflicts of interest that could occur if a lead entity is also a project sponsor.

As such, the RTT fully supports the consolidation of the lead entities under the auspices of the UCSRB, and believes that this should happen well before the next (2013) cycle so all potential project sponsors and other stakeholders, like the UCRTT, can be coordinated and "hit the ground running" for the next cycle.

Please do not hesitate to call if you have any questions.

Best regards,

Chuck Peven
UCRTT Chairperson

(509) 329-6169 or (509) 670-5100
pci@nwi.net

Cc: SRFB
UCSRB
UCRTT

SALMON RECOVERY FUNDING BOARD SUMMARIZED MEETING AGENDA AND ACTIONS, JUNE 7, 2012

Agenda Items without Formal Action

Item	Follow-up Actions
Management Report	There were no follow-up actions
Salmon Recovery Management Reports – Grants	There were no follow-up actions
GSRO Update	There were no follow-up actions
Reports from Partners/State Agency Partner Reports	There were no follow-up actions
Areas of Policy Focus for 2012	There were no follow-up actions

Agenda Items with Formal Action

Item	Formal Action	Follow-up Actions
Minutes	Minutes from December 2011 <u>Approved</u>	None
Efficiencies in Regions	Resolution 2012-01 approving the lead entity consolidation in the Upper Columbia Region <u>Approved</u>	Upper Columbia Region to provide a follow-up report at the end of the year Staff to provide a report to the board about the roles of the technical panels at all levels.
Target Grant Round	Approve a funding target of \$18 million in grant awards for the 2012 grant cycle <u>Approved</u>	Notify regions and lead entities of the target funding levels
2013 Salmon Project Conference	Up to \$63,000 approved for the project conference in May 2013 <u>Approved</u>	Hold project conference in May 2013.
Monitoring Allocations	Fund project effectiveness (\$437,000) and fish and fish out (\$208,000). <u>Approved</u> Delegate authority to the director to enter into contracts <u>Approved</u> Fund Hood Canal IMW (\$368,110) <u>Approved</u>	In August, bring back options for funding IMW-related restoration projects in the Lower Columbia IMW. In August, bring back a recommendation from the IMW Steering Committee regarding whether to continue the Strait of Juan de Fuca IMW.

Fund Skagit IMW (\$246,124).

Approved

Assess Skagit IMW before the 2013 contract discussions.

Approved

Fund in the Lower Columbia IMW for another year(\$446,180)

Approved

Do not fund the Strait of Juan de Fuca IMW.

Failed

Fund the Strait of Juan de Fuca IMW

Failed

Fund the Strait of Juan de Fuca IMW until the next board meeting (about \$200,000) and have the IMW Steering Committee report at the August meeting regarding whether it should be continued.

Approved

Before the contract expires in 2013, bring back an analysis of the Skagit IMW for board consideration of whether to continue it.

SALMON RECOVERY FUNDING BOARD SUMMARY MINUTES

Date: June 7, 2012

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

Salmon Recovery Funding Board Members Present:

Bud Hover, Chair	Okanogan County	Mike Barber	Department of Transportation
Harry Barber	Washougal	Melissa Gildersleeve	Department of Ecology
Josh Brown	Kitsap County	Sara LaBorde	Department of Fish and Wildlife
Phil Rockefeller	NWPCC	Craig Partridge	Department of Natural Resources
David Troutt	Olympia	Carol Smith	Conservation Commission

Member Brown left the meeting at about 2 p.m. and was not present during the monitoring discussion.

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.

Opening and Welcome

Chair Bud Hover called the meeting to order at 9:04 a.m. and a quorum was determined.

David Troutt moved to adopt the agenda.

Seconded by: Josh Brown

Motion: APPROVED

Harry Barber moved to adopt the April 2012 minutes.

Seconded by: Josh Brown

Motion: APPROVED

Management and Partner Reports

Item 1: Management Status Report

Director Cottingham highlighted the following topics:

- An outside group had asked for an audit of the Wiley Slough project; an engineering report will be completed in the next few weeks and she will decide what to do after that.
- The state does not yet know the 2012 federal Pacific Coastal Salmon Recovery Fund (PCSRF) award amount. The State Auditor has stated its opinion that the 3 percent PCSRF administration cap should apply to all state agencies; however, the National Oceanic and Atmospheric Administration (NOAA) intends to clarify that the 3 percent cap applies only to the Recreation and Conservation Office (RCO).
- Habitat Work Schedule is managed by RCO with funding from the US Fish and Wildlife Service. USFWS is now indicating that this is the last year that they will fund it. A group is working with USFWS to try to retain the funding for HWS.
- Steve McLellan is working on whether it is feasible to address the landowner liability issues legislatively.

Item 2: Salmon Recovery Management Reports

Governor's Salmon Recovery Office (GSRO): Megan Duffy asked Jennifer Johnson to give the board an update on the State of the Salmon Report. Johnson shared a mockup of the anticipated web design and explained how the data would roll up at different levels (e.g., region, lead entity, ESU, population, etc.). They have been working with the Department of Ecology, Washington State Department of Wildlife and the regions on ways to present data. She explained the timeline to the board, noting that they intend to release the report on December 31. Director Cottingham noted that this will be more interactive, and will save printing costs. There will be a printed executive summary, and there will be an ability to print some of the screens.

Member H. Barber asked for a report on the number of hits on the site. He also asked for the report to differentiate between hatchery and wild fish. Member Rockefeller asked if there was any coordination with similar work being done by the Northwest Power and Conservation Council, and offered to put the GSRO in touch with key staff.

Member Troutt asked that the report mention VSP parameters other than abundance, and also suggested that there be an ability to print out information at the watershed level. He concluded by asking if the report could begin to address local threats. Johnson responded that they had asked regions to include that information in their contextual information.

Grant Management:

Brian Abbott, Salmon Section Manager, reviewed the status of several items in the staff memo. He gave an update on the audit done of Sound Salmon Solutions, which is a Regional Fisheries Enhancement Group (RFEG) with seven active RCO grant agreements. He distributed a report of the findings. Chair Hover asked if there was any impropriety with non-board funds. Director Cottingham noted that they are still trying to figure it out; the RFEG has a forensic accountant working with them and they will need to provide significant documentation for future billings. Member H. Barber asked if there were other audits that could have signaled a problem earlier. Abbott noted that they had not reached the RCO threshold of federal funding that would have triggered an audit. H. Barber suggested that the RCO institute simpler audits below the threshold. Member LaBorde noted that the Department of Fish and Wildlife (WDFW) was asking the same questions to strengthen the RFEG program. H. Barber suggested it be discussed by the RFEG coalition.

Grant manager Elizabeth Butler presented a series of Puget Sound Critical Stock projects. Kay Caromile presented the Upper Wapato Reach Restoration (08-1948). Alex Conley, Yakima Basin, spoke about the Upper Wapato Reach Restoration project, the local benefits, and the big picture. Dave Caudill presented the Carpenter Creek Estuary Restoration (10-1898). Members Brown and Rockefeller noted the leadership from the community on this project. Caudill noted that local residents had volunteered to monitor the project for 10 years. Member Laborde explained the history of the funding for the Puget Sound Critical Stock program, and the importance of the three-year workplans and watershed leads for securing the funds.

Policy Development Update:

Megan Duffy and Brian Abbott updated the board on the policy development activities. Duffy presented the first item, allowability of hatchery-related projects. Chair Hover asked if there was any pushback about acclimation ponds. Duffy responded that there is no opposition at this time, but they want to be clear about what will and will not be allowed, versus what is eligible for grant reimbursement. Member Troutt reminded staff to have discussions with the tribes, and thought that any hatchery-related activities should

be explicitly addressed in the recovery plans. Duffy concurred, noting that they will develop a process and policy for the board to approve for Manual 18. For now, the RCO is dealing with requests on a case-by-case basis. Member Gildersleeve encouraged staff to include consideration of impacts to water quality. Member H. Barber noted that they definitions of hatchery projects need to be fairly narrow and tight.

Abbott presented the remaining Tier 1 topics, as described in the staff memo. Member Troutt asked if the recovery plan priority could be brought in from Habitat Work Schedule. Abbott agreed that it could be considered.

Item 3: Partner Reports

Council of Regions Report: Julie Morgan presented the report for Jeff Breckel. She reported that they are meeting with state agencies about progress on the recovery plans.

Lead Entity Advisory Group (LEAG) Report: Cheryl Baumann and Amy Hatch-Winecka presented information about lead entity activities. Hatch-Winecka presented an overview of lead entity investments, in WRIAs 13 and 14. Member H. Barber asked what role the lead entity has in helping sponsors maintain financial controls. Hatch-Winecka responded that she tracks project progress, but doesn't delve into their financial affairs. The lead entity role is to help them ensure that they are budgeting correctly for the projects.

Regional Fisheries Enhancement Groups (RFEGs): Lance Winecka noted that the RFEGs are proposing 37 projects in the current grant round and also are working on several projects to implement the new funding for the Family Forest Fish Passage Program. The Fish and Wildlife Commission and WDFW will help the RFEGs work to secure their federal funding for 2013. WDFW also will continue to implement the egg and carcass program on behalf of the RFEGs.

Winecka also addressed the problems facing Sound Salmon Solutions. WDFW staff will be doing informal audits of each RFEG, and will assess documentation more closely. Member Troutt asked if they are considering lower level voluntary audits. Winecka responded that every group is different and has different levels of sophistication. Member H. Barber asked how many RFEGs meet the \$500,000 threshold for a federal audit. Winecka responded that he would find out, and noted that they may do more training of the RFEG board members about their roles and responsibilities.

State Agency Partners

Mike Barber, Department of Transportation, had no updates to report.

Craig Partridge, Department of Natural Resources, had no updates to report.

Carol Smith, Conservation Commission, gave an update on the CREP program. They have recently lifted the moratorium on new projects. She also discussed the Conservation Reserve Program (CRP), which is a nationwide federal program that rents land from farmers to keep it conserved. Another quarter million acres are due to expire in 2013, and we do not know if they will be allowed to re-enroll those lands. The cap is decreasing. They are waiting for the Farm Bill to know what the outcome will be. NRCS has a few million for the Puget Sound program. They are prioritizing culverts, habitat, and manure lagoons.

Melissa Gildersleeve, Department of Ecology, encouraged groups to contact her if they have projects that involve water quality. They are managing a number of EPA and Department of Health grants, and she encouraged applicants to work directly with Ecology staff so that their applications hit the mark.

Sara Laborde, Department of Fish and Wildlife, noted Norm Dicks' efforts on May 8 to keep PCSRF at \$65 million rather than at \$50 million. She received a positive response to the Council of Regions' policy priority document from WDFW's executive leadership.

Phil Rockefeller, Northwest Power and Conservation Council, noted that the council is about to adopt high-level indicators and that they line up nicely with those in the State of the Salmon report. They are working to decide on how much of their resources to dedicate to monitoring.

General Public Comment

There was no general public comment.

Board Briefings

Item 4: Reports on Status of Efficiency Efforts in Regions

Upper Columbia Salmon Recovery Board:

Julie Morgan and Derek Van Marter of the Upper Columbia Salmon Recovery Board (UCSRB) presented information about the request to consolidate lead entities. The discussion started a year ago, with concerns about the integrity of the lead entity processes, board discussions about budget cuts, and GSRO activities around ensuring that there were no conflicts of interest. In February, they received a letter from RCO asking for the consolidation. The process moved forward, with the target of completing the consolidation by the end of the year. They are working with citizens' committees and stakeholders to ensure that everyone understands what is being proposed. The UCSRB will report back to the board at the end of the year.

Member H. Barber asked if the particulars had been worked out, and how they would achieve savings. Van Marter responded that they were still working out the details. The focus has been more on the process integrity than on cost savings. Chair Hover noted that it is important to maintain a balance between project funding and the cost of human capacity behind it.

Public Comment

Jason Hatch, Trout Unlimited, thanked the counties for their leadership and stated that this is an opportunity to rethink how they get salmon recovery projects on the ground in a cost-effective way. They support the consolidation proposal.

Phil Rockefeller moved to approve Resolution 2012-01.

Seconded by: Josh Brown

Motion: APPROVED

Puget Sound Recovery Council:

Jeannette Dorner, Director of Salmon Recovery at the Puget Sound Partnership, noted that they received a letter from Director Cottingham about cost efficiencies in Puget Sound. The proposal was presented to the Puget Sound Recovery Council (PSRC) on May 31. The council does not want this to be a question only of lead entity consolidation, and approved exploring these questions:

- Are there efficiencies in the board's process between the state, region, and lead entities?
- What should be the role and purpose of the state and of the region?
- Should there be more responsibilities absorbed by the region?

- Should there be a consolidation of lead entities? The region can facilitate this discussion, but ultimately, the lead entities make the decisions.
- Should the region be reduced and responsibilities distributed to the lead entities?

Another topic for the PSRC has been to review how it works and develops its work plan. The council asked for a better understanding of how each watershed operates. They will have a conference that will help the council determine how to better support recovery plan implementation. The board's request about efficiencies will be incorporated into that conference.

Puget Sound also is interested in looking at the roles and responsibilities of the Regional Technical Team and the state's Technical Review Panel. Dorner and Brian Abbott will meet with the chairs of the two teams to start that conversation.

Member Smith suggested that they also look at the role of the local technical panels, especially in light of the discussions of conflict of interest and the need for broader scientific input.

Chair Hover noted that he understands that each lead entity wants to maintain autonomy and decision making, but that it is becoming more difficult to support funding all of them as the ratio of project to administration dollars shrinks. It is their decision about consolidating, but they need to realize that funding may shrink. He understands that they leverage other funds, but consolidating does not mean that they cannot leverage funds. He wants solutions to come from the bottom up; he does not want to mandate it as a board.

Member LaBorde noted that the board needs to look at both regional and lead entity costs when considering the project to administration ratio, not just lead entities.

Member Brown asked for a report to the board about the roles of the technical panels at all levels so they can see the overlaps. He noted that the issue is also political. The board needs to provide facts and resources to encourage consolidation action locally.

Member Troutt noted that the legislation emphasized local control, and it has been successful. He suggested that instead of focusing on fluctuating budgets, they should focus on what they want to accomplish: (1) recover salmon and (2) have local people involved in decisions. Resources should be focused on those goals rather than on the tension between the two. He thinks that consolidation is a conflict with the second goal. He believes that the investment in administration has broader benefits than the board recognizes.

Member H. Barber stated that administrative costs should be fixed, and if the lead entities do not consolidate voluntarily it will happen to them. He referenced his work in the private sector, and noted that they experience similar concerns about consolidations; the board can learn from them. He encouraged Puget Sound to be more aggressive in their efforts. He would prefer to see them be proactive rather than reactive; maybe consolidation is not the answer, but they should look at cost reduction.

Member Gildersleeve asked how much of the structure in the sound is dictated by the Puget Sound Partnership legislation. Dorner noted that there is flexibility, and that the watersheds do a good deal of regional work.

Northeast:

Megan Duffy informed the board that the Northeast receives about 2 percent of the overall project funding, and about \$100,000 in capacity funding. 2010 PCSRF program priorities made it clear that PCSRF funding cannot be used for non-anadromous bull trout, so the Northeast can be funded with only state funds. As a result, about \$460,000 of state funding cannot be used as PCSRF match.

Item 5: Legislation for Watershed Investment District Concept

Joan McGilton and Doug Osterman from WRIA 9 presented a proposed legislative concept. Osterman explained the local efforts to identify and meet funding needs for salmon recovery. They noted that salmon recovery has many ancillary benefits and projects could meet multiple objectives, but some were too large for current funding sources. There was no dedicated, sustainable funding or governance structure. They believe the Watershed Investment District can fill that gap. He then reviewed the proposed governance structure, funding options, and concepts. The legislation has yet not been presented in the legislature.

Chair Hover asked what the tax basis would be. Osterman responded that it could be existing taxes, mitigation, or portions of other fees. He noted that the justification can be the broader benefits of the projects funded. McGilton noted that they had reviewed 25 different options, and it would be difficult to find two or three that would be acceptable for everyone.

Member Troutt said that it was good work that would help fill the gaps that have been identified for salmon recovery. He noted that there are times when they have the support, but not the resources, for a big project; support wanes when there are no resources.

Member Partridge asked if they would use existing systems such as recovery plans to identify where the funds would go. Osterman confirmed that areas could use that approach, but every area is different.

Member H. Barber noted that the approach relied on high populations, so it was Puget Sound-centric and would not be beneficial to other parts of the state.

Member Brown noted that counties need options to incentivize landowners to do the work themselves, rather than assuming it will all be done with public funds. He noted concern with creating yet another junior taxing district on top of the existing structures.

Item 6: Update on Fish Passage Issues

Brian Abbott reviewed the updates provided in the staff memo. The state agencies that manage the Family Forest Fish Passage Program (FFFPP) met on May 23. They are moving forward with the work needed to fund projects with the additional \$10 million in the 2012 supplemental budget. They have already funded 47 projects. He thanked staff from the RCO, the Department of Natural Resources, and for their work. He also noted the Fish Passage Workgroup information that is in the memo; agencies are looking for ways to coordinate to secure funding, be efficient, and improve fish passage.

Board Decisions

Item 7: 2013 Salmon Project Conference

Brian Abbott noted that they are planning the conference for May 14 and 15, 2013. He reviewed the 2011 conference, including attendance, exhibitors, purpose, registration, and costs. He noted that they were planning to use a publically-owned facility in Vancouver for the 2013 event. Director Cottingham noted that TVW would broadcast parts of the conference if the RCO contracted with a reputable videographer for the recording.

Bud Hover moved to approve funding of up to \$63,000 for a salmon project conference to be held in the Vancouver, Washington area in May 2013.

Seconded by: Harry Barber

Motion: APPROVED

Item 8: Target 2012 Grant Round Funding Level

Brian Abbott reviewed the table in the memo that addressed the funding for the 2012 grant round. Director Cottingham noted that they do not yet know the 2012 PCSRF amount for Washington State. Abbott noted that once they know the amount, they would notify the regions and lead entities.

David Troutt moved to approve a funding target of \$18 million in grant awards for salmon habitat and restoration projects during the 2012 grant cycle, contingent on receipt of the 2012 PCSRF award.

Seconded by: Harry Barber

Motion: APPROVED

Item 9: Monitoring Programs

Keith Dublanica presented an overview of the board's monitoring strategy, its major efforts, and the other monitoring work underway.

Effectiveness Monitoring

Jennifer O'Neil presented the results and findings of project-scale effectiveness monitoring. She explained the reasons that they monitor at the project scale, and presented a timeline that indicated that the data collection for the entire project would be completed in 2020. Monitoring is complete in three project categories – fish passage, diversion screening, and spawning gravel. 73 locations have been monitored (90 projects). They need to complete monitoring on existing projects, add projects for in-stream habitat and floodplain enhancement, do additional outreach at the local and regional levels, and find future partnership opportunities with OWEB and others. She reviewed the results to date related to habitat, limiting factors, and other indicators as well as project costs.

Member Rockefeller asked how they account for other factors external to the project implementation. O'Neal explained that they use a control reach, generally upstream of the sample site in the same stream. He asked if the data were predictive for other projects, and if so, could this be used to replace monitoring at specific sites. She responded that the projects were selected from across the state. From a statistical perspective, the data should be predictive to other sites. If the new projects are designed and implemented according to the same standards (i.e., the sites are similar), there's a fair probability that they are representative.

Fish In Fish Out Monitoring

Mara Zimmerman and Erik Neatherlin of WDFW presented information about Fish In/Fish Out Monitoring (FIFO). Zimmerman explained that it combines juvenile and adult monitoring of the same populations. It provides a measure of abundance and survival in freshwater versus marine environments. The information helps direct management actions. She used an example of Elwha River Chinook Salmon to show that abundance has been decreasing for 100 years. She noted that dams would be removed, but that the FIFO information can tell them if new freshwater productivity will solve the problem. She showed that FIFO tells them that if because ocean survival is low for this population, they need high freshwater survival.

They strategize their efforts based on the Monitoring Framework, which connects juvenile and adult monitoring with habitat monitoring and prioritizes data gaps. She stated that the current annual statewide cost is \$6 million, with local, tribal, federal, state, IMW, and SRFB funding.

In response to board questions, she noted that the return and survival rates factor in harvest rates among many factors that affect the rates. Harvest is one factor that can be managed.

Member Troutt asked if there are other monitoring efforts could be "piggybacked" onto this monitoring (e.g., genetic sampling) to save money. Zimmerman responded that there were, but it was basin-specific.

Member Smith asked how many Chinook populations were monitored, and if all ESUs were covered. Zimmerman said that they were meeting the goal of one population per MPG.

Intensively Monitored Watershed

Bill Ehinger, Department of Ecology, presented information about Intensively Monitored Watersheds (IMW). He explained that the background that led to the IMW monitoring approach and the locations of the study watersheds. He noted the annual monitoring budget includes SRFB funds, in-kind support, and existing monitoring. Ecology contracts out much of the work for IMW efforts. He noted that there always has been a challenge because the restoration and monitoring are funded and managed separately. The answer to the question of "when will we be done?" varies by stream. Some results are available now; he reviewed some of the data and key findings at the four sites: Strait of Juan de Fuca, Hood Canal, Skagit River Estuary, and Lower Columbia. He noted that there does not appear to be a fish response to the restoration efforts in the Strait of Juan de Fuca.

Member Gildersleeve asked if there is any effort to incentivize the restoration efforts so that the monitoring can be completed in the Lower Columbia. Bruce Crawford, NOAA, told the board that when the four sites were authorized, the board was cautioned that the watersheds should be small enough in order to help ensure that projects can be implemented. The number of projects in the Lower Columbia was always a concern, but there was a desire to have an IMW outside Puget Sound. Crawford noted that the Lower Columbia has a lot of watersheds with a lot of high priority projects. Member Troutt noted that a challenge for the board is that the projects are selected at a local level, and not by the board.

Chair Hover asked what they can learn from large woody debris in the Straits IMW that might be applicable on a statewide basis. Ehinger responded that higher in the watershed, where sediment moves through, they are seeing positive habitat effects, but no fish response. Lower in the watershed, where they see more landslides and mass wasting events, they are not seeing habitat effects yet. Member H. Barber noted that independent literature exists to support large woody debris; they may not have had a fish response because it was the wrong limiting factor.

Member Troutt asked how far along each of the locations are in terms of accomplishing the treatment plans linked to the IMW. Ehinger responded that it varies significantly by area. All of the main channel in-stream work in the Straits has been done, except that they theorize more nutrient work needs to be done.

NOAA Priorities

Bruce Crawford, NOAA, presented on behalf of Scott Rumsey. He explained that the 2011-12 PCSRF program review (1) addressed how effective the funds have been in achieving the program purpose and (2) asked how it could improve its impact, performance, and reporting in the future. He noted that the board fared well in the review. Monitoring has now been established as the third of four PCSRF priorities. He noted that all three components – effectiveness, fish in/fish out, and IMW – are important. He noted that for effectiveness monitoring, NOAA wants to see a focus on programmatic monitoring, consistent design and methodology, pre-project monitoring, adequate sampling, coordination, and regular analysis and information sharing. For IMWs, they want to see pre-treatment monitoring, timely implementation of treatments, and coordination and information exchange. For status and trends, they want to see natural spawner abundance estimates for every population, juvenile migrant estimates for at least one population per MPG, and annual distribution of data. They have completed a study of VSP prioritization and gap analysis for Puget Sound, which should help with funding needs.

Allocation of Funds

Director Cottingham noted that the board has expressed concern that the monitoring contracts have been done piecemeal. In response, she has asked staff to present the decisions together at this meeting, with delegation to the director to enter into the contracts as appropriate.

Megan Duffy presented the funding recommendations for effectiveness, status and trends, and IMW monitoring as described in the staff memo. She noted that staff was recommending that monitoring be continued in the Strait of Juan de Fuca IMW for one year, but that the IMW Steering Committee make a recommendation about whether to continue funding in 2013 and beyond. She also presented four options for funding the Lower Columbia IMW, as described in the staff memo, and presented updated cost estimates based on new figures from the Department of Ecology. She noted that small monitoring efforts would be funded at a later date, following a similar process to the one used for 2011.

Public Comment

Alex Conley, *Yakima Basin Salmon Recovery Funding Board*, challenged the board to think about how they allocate monitoring in the future so that they can better address regional questions that are related to unique regional situations.

Director Cottingham noted that some of those questions were addressed with the monitoring done in the smaller monitoring projects.

PROCESS NOTE: The board opted to use motions rather than the resolution prepared by staff.

Phil Rockefeller moved to adopt the staff recommendation regarding funding for project effectiveness (\$437,000) and fish and fish in-fish out (\$208,000).

Seconded by: Harry Barber

Motion: APPROVED

Phil Rockefeller moved to delegate authority to the director to enter into contracts and implement the days' decisions.

Seconded by: Harry Barber

Motion: APPROVED

David Troutt moved to support the staff recommendation regarding the Hood Canal Intensively Monitored Watershed (full funding of \$368,110).

Seconded by: Phil Rockefeller

Motion: APPROVED

Bud Hover moved that they accept the staff recommendation regarding Skagit Intensively Monitored Watershed (full funding of \$246,124).

Seconded by: Phil Rockefeller

Motion: APPROVED (3 in favor, 1 opposed)

Member Troutt expressed concern that there was not enough information to determine when the IMW would be done. He stated that the IMW was behind schedule in terms of restoration project implementation. Member LaBorde suggested that the board should ask staff to do an assessment like they did with Lower Columbia IMW.

David Troutt moved that staff bring back an analysis of the Skagit IMW before the 2013 contract discussions.

Seconded by: Harry Barber

Motions: APPROVED

Lower Columbia

Member Troutt asked why there is so much scrutiny on Lower Columbia versus the Skagit River Estuary. Duffy responded that the Skagit is a smaller effort, where local entities are committed to using a variety of funding sources to implement restoration projects. Member Troutt disagreed, indicating that landowner commitment is an issue in the Skagit and thinks that staff should be more consistent in the evaluation of the IMWs. Member LaBorde suggested that the board dedicate specific funds for the restoration work in the Lower Columbia in order to complete the work necessary for the IMW.

Duffy asked if Member Laborde intended for the \$1.5 million to come off the top of the annual project pot. Member LaBorde confirmed that was her intent. Duffy noted that it would change the annual grant round to \$17.5 million (based on public comment from Jeff Breckel that it would take about three years to expend, or about \$500,000 per year). Brian Abbott also noted that the funds could come from returned funds, rather than from the overall grant round. Member LaBorde suggested it also could come from additional PCSRF if the state received more funds than anticipated.

Member H. Barber asked Jeff Breckel of the Lower Columbia Region if the money that Region 5 received from Bonneville Power Administration (BPA) could be used for these projects. Jeff responded that it could be used only for tidally influenced areas and tributaries. One of the projects on Abernathy Creek may be eligible, but that is the only one.

Harry Barber moved to adopt Option #3 of the staff memo regarding Lower Columbia.

Seconded by: Phil Rockefeller

Motion: APPROVED

Megan Duffy reviewed option 3, noting that there is a \$1.5 million project funding gap. The original proposal in the staff memo was for WDFW to find the funding needed. The suggestion at the board meeting was that that it would be filled over three years, with \$500,000 per year coming from either the grant round or returned funds. Director Cottingham noted that the board would need to provide this clarification about how it would be done.

Member Rockefeller asked how projects like this would normally be funded; Director Cottingham noted that it this funding approach was unprecedented. Chair Hover asked if this would be a change to a top-down approach. Director Cottingham noted that the board could wait until August to decide how to fund the projects. She committed that staff would bring back options and recommendations about how to fund the projects.

Chair Hover clarified, and Members Barber and Rockefeller confirmed, that the motion would approve funding to continue the monitoring work in the Lower Columbia IMW. Megan Duffy noted that the amount of funding was \$446,180.

Public Comment

Jeff Breckel, Lower Columbia Salmon Recovery Board, supports the Lower Columbia IMW. They think it is important in the region and an important element in the recovery plan. They know that they cannot fund it all with the existing regional allocation, and have expressed concerns since the beginning. They have invested a fair amount of money already, which indicates their commitment. They will continue to try to support it if others do as well. The potential loss of the IMW concerns him, but the LCSR understands the fiscal issues. They want to proceed with something that has a reasonable likelihood of success. Based on the existing capacity, it would take two to three years to put \$1.5 million in projects on the ground.

Strait of Juan de Fuca

Member Rockefeller noted that he didn't see a reason to continue the Strait of Juan de Fuca IMW effort because they had learned that the treatment was not effective. Chair Hover asked how they would know if there might be an effect down the road. Ehinger responded that preliminary data indicate that this treatment did not work, but that they could look at the nutrient enhancement and other treatments to see if they would be effective. Member Rockefeller noted that the Lower Columbia would also have nutrient enhancement. Ehinger responded that there are differences in life history strategies and amount and types of restoration done. Ehinger also noted that he reported results to date and a preliminary analysis; the treatments are not yet completed. Member Smith noted that the negative result is more interesting for adaptive management.

Board members discussed the benefits of additional information and technical review, cost of continuing, and the applicability of the data outside of this basin. Board members also expressed concerns about ensuring that they make the most of the existing investment. The board was split on whether to (a) consider the project complete because early results showed that fish did not respond to the treatment or (b) continuing the monitoring to determine if fish would respond to projects that addressed other limiting factors (e.g., nutrients and off-channel habitat). Director Cottingham advised that they consider providing funding through the summer to get the most of the data collection through the summer field season.

Phil Rockefeller moved that they not fund the Strait of Juan de Fuca IMW.

Seconded by: Harry Barber

Motion: FAILED (1 in favor, 2 opposed, 1 abstention)

David Troutt moved to support the staff recommendation regarding the Strait of Juan de Fuca IMW

Seconded by: Bud Hover

Motion: FAILED (2 in favor, 2 opposed)

Bud Hover moved to fund the Strait of Juan de Fuca IMW until the next board meeting (about \$200,000) and have the IMW Steering Committee report at the August meeting regarding whether it should be continued.

Seconded by: David Troutt

Motion: APPROVED

Public Comment

Cheryl Baumann, North Olympic Lead Entity, brought forward an IMW project in 2009, and they have been adding wood at the project. They are hoping that they still have funding for the analysis in the Strait of Juan de Fuca IMW in the future.

Meeting adjourned at 5:50 p.m.

Minutes approved by:



Bud Hover, Chair

8/23/12
Date

Salmon Recovery Funding Board

Resolution #2012-01

Accepting the Proposed Consolidated Lead Entity Effective January 1, 2013 and Affirming that Resources will be Budgeted Accordingly

WHEREAS, RCW 77.85.050 creates lead entities and provides that counties, cities, and tribal governments must jointly designate, by resolution or by letters of support, a lead entity that is to be responsible for submitting the habitat project list; and

WHEREAS, two lead entities currently operate in the Upper Columbia Salmon Recovery Region: the Chelan County lead entity and the Okanogan County/Colville Tribe lead entity; and

WHEREAS, the Upper Columbia Salmon Recovery Board (UCSRB) was created as a regional recovery organization to develop a recovery plan and coordinate its implementation to restore viable and sustainable population of salmon, steelhead and other at-risk species; and

WHEREAS, the UCSRB consists of five representatives – one each from Chelan, Douglas, and Okanogan counties, the Colville Confederated Tribes, and the Yakama Nation; and

WHEREAS, the UCSRB voted unanimously at its February 23, 2012 meeting and all five representatives reconfirmed on April 26, 2012 to support a proposal to consolidate the Okanogan and Chelan County lead entities into one lead entity that would serve the entire regional area, house the new lead entity in the UCSRB Regional Organization Office, and continue ensuring funds for salmon recovery-related outreach efforts in the counties; and

WHEREAS, pursuant to RCW 77.85.120, the Salmon Recovery Funding Board (board) provides grants for salmon habitat projects and salmon recovery activities, including financial support for lead entities and regional organizations; and

WHEREAS, the Recreation and Conservation Office (RCO), as the administrative office for the board, has received and will continue to receive letters of support for the consolidation from affected parties (i.e., counties, cities, and tribal governments in the Upper Columbia region) in accordance with RCW 77.85.050; and

WHEREAS, the board's Strategic Plan guides the board to, within the limits of its budget and priorities, fund projects, monitoring, and human capital in a way that best advances the salmon recovery effort; and, further guides the board to be accountable for board investments by promoting public oversight, effective projects, and actions that result in the economical and efficient use of resources;

NOW THEREFORE BE IT RESOLVED, that the Salmon Recovery Funding Board accepts the proposed consolidated lead entity, effective January 1, 2013; and

BE IT FURTHER RESOLVED, that the board affirms that it will allocate funding for projects and activities according to this new structure effective January 1, 2013.

Resolution moved by: Phil Rockefeller

Resolution seconded by: Josh Brown

Adopted/Defeated/Deferred (underline one)

Date: June 7, 2012

From: [Ken and Peggy](#)
To: [Connolly, Rebecca \(RCO\)](#)
Cc: [Ramsey, Michael \(RCO\)](#)
Subject: Union River projects
Date: Monday, May 14, 2012 5:16:14 AM

Rebecca, would you kindly forward this link to members of the Salmon Recovery Funding Board?

<http://www.kitsapsun.com/news/2012/may/12/union-river-restoration-seen-as-key-to-salmon/>

Thank you,
Ken VanBuskirk

Union River restoration seen as key to summer chum salmon return

Critics say its money used incorrectly

By Christopher Dunagan

Saturday, May 12, 2012

BELFAIR —A proposed assessment of habitat conditions in the Union River could be a major step toward increasing the number of baby salmon that can survive in the river, experts say.

The \$125,000 survey would identify the best places to restore channel complexity and boost salmon productivity year after year in this highly developed region near Belfair, said Mendy Harlow of the Hood Canal Salmon Enhancement Group.

The assessment is designed to preface the first major restoration projects in the Union River and its tributaries, other than several culvert replacements, she said.

A four-year hatchery program, started in 2000, quickly increased the number of wild summer chum returning to the Union, from an average of less than 400 a year to as much as 11,000 in 2003. But when the supplementation program ended, the numbers gradually dropped back to their previous levels.

Last year, only 276 summer chum returned, the lowest number since 1999. Returns for chum, in general, tend to be lower in odd-numbered years, such as 2011, when pink salmon return. Even so, the declining numbers of summer chum have raised questions about how many salmon the Union River can really support.

Critics of Union River restoration, including Ken VanBuskirk of Belfair, question whether the watershed can ever be restored to high productivity, given the numbers of homes built along the river in Mason County and up into Kitsap.

"It looks to me like the cart was put in front of the horse," said VanBuskirk, pointing out that it might have been wiser to restore the habitat before launching the hatchery program to boost the runs.

Tim Tynan of the National Marine Fisheries Service said normally streams are restored before or concurrent with supplementation programs. But the goal was different for the Union River.

"The idea," he said, "was to first bolster the numbers of summer chum returning to the Union so we could reintroduce summer chum to the Tahuya."

When Hood Canal summer chum were listed as a threatened species in 1998, the Union River was the only river in Hood Canal where the summer chum population was declared stable and "healthy," even though the numbers of fish were low. Summer chum, which start returning to the streams each August, had already gone extinct in seven major streams in Hood Canal and were on the verge of collapse in four others.

Summer chum were essentially gone from the Tahuya by 1990. A major factor in the decline was the significant number of the fish taken during an early-season net fishery designed to catch coho salmon. Biologists were convinced that the Tahuya run could be restored after that early fishery was eliminated — especially if serious habitat restoration was undertaken.

That plan has been moving along since 2003, first with supplementation to build up the wild runs in the Tahuya and then with habitat restoration to maintain the runs. Broodstock for the Tahuya hatchery continues to be taken from the Union.

The next major step in summer chum restoration is to rebuild the run on the Dewatto River, the third major river on the North Shore of Hood Canal. Neil Werner, executive director of the Hood Canal Salmon Enhancement Group, proposes to use broodstock from the Union for the Dewatto as well. Area Indian tribes must agree to the plan, which could get under way in 2013, he said.

Meanwhile, attention is shifting back to the Union, where biologists contend that the summer chum run could be increased substantially with adequate habitat restoration.

"I believe," said Harlow of the Salmon Enhancement Group, "that if the habitat was in great condition, we would continue to have those larger runs."

She said at least six residents of the watershed have approached her with offers to use their property for restoration projects. Having willing property owners is important, she said, but the next step is to identify the best projects so that limited restoration dollars can be spent wisely.

Thus the proposal for the \$125,000 assessment, which would identify places where logjams can be placed to create pools and riffles, where side channels can be reconnected to the river to provide places for salmon to hide and forage, and where vegetation can be planted to help cool the water.

Richard Brocksmith of the Hood Canal Coordinating Council said the number of salmon that the river can support is an ever-shifting proposition. Development tends to reduce productivity while restoration tends to increase it.

"We are always changing it," he said. "How we change it is a reflection of where our values are as a society. That is the discussion we are engaged in."

The assessment proposal must undergo extensive review and be approved by the state's Salmon Recovery Funding Board before the money is made available.

Meanwhile, work to improve the Union River estuary is scheduled to get under way this year with a major excavation at the old Johnson Farm at the mouth of the river, Werner

said. If things go according to schedule, dikes holding back tidal flows will be breached next year.

Opponents say the \$1.8 million project is a waste of money, because it will flood usable farmland, destroy a historic property and do little for salmon because of habitat limitations in the Union River itself.

But biologists, including Doris Small of the Washington Department of Fish and Wildlife, say restoring the estuarine wetland will provide critical habitat for many kinds of shorebirds and sea creatures — especially salmon, whose metabolism must switch from freshwater to saltwater as they learn to forage in a new environment.

Join a discussion about all things water-related at Watching Our Water Ways, <http://pugetsoundblogs.com/waterways>, a blog at pugetsoundblogs.com.



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