

SALMON RECOVERY FUNDING BOARD

MINUTES - REGULAR MEETING

October 16, 2008

Natural Resources Building Room 172
Olympia, Washington

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

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

MEETING CALLED TO ORDER

Chair Steve Tharinger opened the meeting at 9:02 a.m.

Chair Tharinger asked the Salmon Recovery Funding Board (Board), Recreation and Conservation Office (RCO) staff, and audience members to introduce themselves. The Board welcomed its newest agency designee, Scott Anderson, Stream Restoration Manager at the Department of Transportation. Scott has previous experience with the National Marine Fisheries Service and the Lower Columbia Fish Recovery Group. After introductions, the Chair welcomed everyone to the Salmon Recovery Funding Board meeting.

Chair Tharinger determined that the Board met quorum.

RCO Director Kaleen Cottingham noted that Board members had a revised meeting agenda with additional topics under Item #4. She also noted that the members were given additional handouts.

The Board approved the October 2008 meeting agenda as presented.

REVIEW AND APPROVAL OF JULY 2008 MEETING MINUTES

Bud Hover MOVED to approve the July 2008 meeting minutes as presented. Bob Nichols **SECONDED**. Board **APPROVED** July 1 - 2, 2008 minutes as presented.

UPDATE ON 2008 GRANT ROUND AND REVIEW PANEL CHECK-IN

Brian Abbott, RCO Salmon Section Manager, presented this agenda item. (See notebook item # 3 for details)

Brian Abbott gave an update on the status of the Board's 2008 grant round timeline. Brian highlighted the recent tasks of the Review Panel and staff, including:

- Formalizing comment forms at the October 2-3 meeting for project sponsor and LE review
- Regional area presentations describing regional recovery plans and current project applications

Brian noted that staff would distribute a draft report on October 29 to allow time for public comment. The final report will go out November 19, 2008. Currently, 76 projects received panel approval, 30 projects were classified as “Need More Information” (NMI), and 24 projects were considered “Draft Projects of Concern” (DPOC). New to the 2008 Final Report is a section dedicated to “notable” projects.

Carol Smith of the Conservation Commission asked if 24 DPOCs was a typical number. Brian responded that at this stage in the grant round, 24 is typical. Harry Barber asked if the split between the number of acquisitions and non-capital projects was typical. Brian answered that the numbers are typical, and noted that assessment projects do not include design only. David Troutt asked about the criteria for notable projects. Brian explained that there are no established criteria for notable projects; the purpose is to give additional positive feedback to sponsors and lead entities.

GOVERNOR’S SALMON RECOVERY OFFICE (GSRO) REPORT

Chris Drivdahl, GSRO, presented this agenda item. (See notebook item # 4 for details.)

Chris explained that her staff is writing the State of the Salmon report, and that they are replacing two of the dials in this report. The State of the Salmon is scheduled to go out in December, and will be available at the first 2009 Board meeting.

Kaleen Cottingham added that the RCO is creating a report to accompany the State of the Salmon. Both documents are going to the printer in December, and will be ready for the 2009 legislative session.

UPDATE ON SALMON STRONGHOLD PARTNERSHIP LEGISLATION

Sara LaBorde, Special Assistant to the Director of the Washington Department of Fish and Wildlife, presented this agenda item. Greg Block, Vice President of Conservation Projects at the Wild Salmon Center accompanied Sara in the presentation.

Chair Tharinger noted that this item was added to the agenda to provide background and an update.

Sara LaBorde went through her handout on the Pacific Salmon Stronghold Conservation Act of 2008. The document explained that the purpose of the legislation is to expand funding for protection and restoration of the healthiest salmon strongholds in North America through cooperative, incentive-based, public-private partnerships. The act encourages federal, state, tribal, private and non-governmental organizations to work collaboratively.

Sara explained Washington’s involvement in the North American Salmon Stronghold Partnership (NASSP), which has identified the policy, science, and financial issues. She also noted that the Wenatchee and Quinault watersheds in Washington received endorsements as strongholds. Washington’s participants had three guiding principles for the stronghold:

- NASSP funding does not reduce Pacific Coast Salmon Recovery Fund (PCSRF) funding, and that NASSP would support PCSRF at \$90 million level.
- It would use Washington's local prioritization, decision and funding process: work with salmon recovery groups
- NASSP does not create new layers of bureaucracy

Sara pointed out the following opportunities, such as expanding PCSRF support and diversifying funding for Washington's salmon and steelhead, and next steps of the legislation. Senator Cantwell asked the NASSP to strengthen the legislation for introduction to the Senate in February or March of 2008.

Board Discussion:

Bud Hover asked Sara whether NASSP has identified a funding level, how it will be distributed, and how priorities would be set. Sara responded that the legislation does not seek to set or prioritize funding sources quickly; instead, it is focused on developing processes and criteria for the distribution of funding.

The Board discussed concerns about "salmon fatigue" and how the Stronghold will affect existing recovery processes. Greg Block explained that the biggest strength of the legislation is that it is a cooperative (private and public) conservation strategy, which can make salmon recovery more strategic than the current Endangered Species Act (ESA) driven approach. The Board expressed concern that NASSP's approach could undercut existing strategies, and emphasized the need for the Stronghold to complement the current long-term game plan. Greg noted that the legislation takes a proactive and preventable approach, which enhances overarching recovery story.

David Troutt noted that the Tribes have not yet been involved in the creation and development of this legislation. David asked the Board about representation with NASSP. Chair Tharinger stated that the Board is interested in being involved, but doesn't see a need for a representative at this time. Sara LaBorde noted that she would like the Board to stay involved with the legislation, and that she is working to get the Tribes involved.

Chair Tharinger concluded the discussion by encouraging the Board and the NASSP to present a clear and consistent message, particularly with the upcoming tough budget year.

FUNDING FOR CHANGES TO THE U.S.-CANADA SALMON TREATY

Tim Smith, Special Assistant to the Director of the Washington Department of Fish and Wildlife, presented this agenda item. Sara LaBorde helped to answer the Board's questions.

Tim provided a handout and talked about how salmon migration patterns affect catch. Over half of the Canadian West Coast Vancouver Island troll fishery catches are Washington salmon, so the US-Canada Treaty can significantly Washington stocks.

Tim clarified that there are two definitions of "critical stocks:" The Pacific Salmon Commission categorizes "critical stocks" as those that are critical to fisheries, while the recovery community considers "critical stocks" to be those that are critically endangered.

He explained a handout entitled, *New Congressional Funding Required and Implementation Schedule for 2009- 2018*. The treaty requires that funds be used to retire troll fishery licenses. Total funding for the treaty is \$97.5 million, and it is subject to Congressional appropriations. A

mix of habitat and hatchery projects will be funded, but it is unclear whether the projects will be funded through the Board, the Washington Department of Fish and Wildlife, or the Pacific Salmon Commission Southern Fund. The U.S. State Department and/or National Oceanic and Atmospheric Administration (NOAA) likely will distribute the new federal money from the treaty.

The Board was concerned about how the Salmon Stronghold Partnership and US-Canada Treaty will affect PCSRF funding. A major part of implementation will be to ensure that salmon return to Washington's spawning beds. Tim also noted that selective fishing is needed to make sure that the salmon on spawning grounds are wild, not hatchery.

Board Discussion:

Craig Partridge asked how the "at-risk" fishery stocks relate to the regions' recovery plans. Sara noted that the at-risk stocks for fisheries also are "weak stocks" or at-risk species. Chair Tharinger asked the Board to support the treaty. Sara also noted that Canada is implementing harvest reductions in 2009. Harry Barber noted that he is supportive of the treaty, but asked how the harvestable rates are determined. Sara explained that percentages determine harvestable rates. The harvest effort is conservation minded, and the hope is that an increased number of native species will return to the spawning grounds. Sara noted that 60-70 percent of returning fish are hatchery fish that need to be caught before returning to the spawning grounds. David Troutt noted that the funding would supplement current PCSRF funding.

LARGE WOODY MATERIALS CONFERENCE REPORT

Lloyd Moody, GSRO, presented this agenda item. (See notebook item # 5 for details.)

Lloyd began his presentation with context for large woody materials used in Board-funded restoration grants. Most of the restoration grants have a wood component, and the trend for using wood is increasing. Lloyd noted that large wood is playing an increasing role in salmon recovery, so finding a way to improve the supply, transportation, and storage is important for future projects.

The GSRO's short-term focus is to take advantage of large wood events, such as clearing wood off agriculture lands after flood events. The long-term focus is on the supply and transport of large woody debris. Suggestions from the workshop include:

- Electronic network
- Demand forecasting
- Wood supply coordination
- Wood storage
- Funding options

Lloyd noted that while restoration and mitigation projects often use the same resources, restoration dollars would not be used for mitigation purposes. Lloyd asserted that the wood structure is good government, good economics, and good politics. Lloyd referred to a sample website www.DirtFill.com as a prospective sample system for managing large wood. He encouraged the Board to support building an infrastructure for managing large woody materials.

Board Discussion:

Harry Barber asked Lloyd if he plans to use the private sector donors in this process, because he is worried that sponsors will bid against each other. Lloyd noted that sponsors are currently

bidding against each other. Harry asked Lloyd about the incentive for developers to engage in the wood management process. Lloyd responded that the price and supply of wood could vary depending on the geographic location, so the infrastructure needs to be flexible.

David commended Lloyd on his work with improving the management on large wood. He asked Lloyd what the Board could do to support Lloyd and large wood. Lloyd responded that increased staff resources would help, and Chris Drivdahl added that GSRO could come back to the Board with ideas of how they can help with ways to improve the large wood management.

Tim pointed out the importance of demonstrating efficiencies to Congress in the PCSRF request, particularly considering the given the economic climate. The potential of Lloyd's work to lower unit costs associated with wood shows good use of public dollars. He asked Brian to consider other ways we can reduce unit costs.

Public Comment:

Roger Lowe, retired professional engineer

Roger noted that flood control is an issue that was not addressed in the large woody materials conversation. He stated that flood damage costs the state more than salmon recovery. Roger questioned the science that supports large woody materials and the relationship between the absence of wood and the presence of salmon. Roger believes that woody debris is harming, rather than helping, salmon because it creates better habitat for salmon predators. Roger pointed out the Columbia River in Washington, the Rogue River in Oregon, and the Copper River in Alaska as wood free, salmon-rich rivers.

Chair Tharinger asked Mr. Lowe to put his concerns and scientific evidence in writing. Tim Smith added that he would like Mr. Lowe to have access to the evidence the Board used as the foundation for LWM projects.

Martha Parker, Citizen, Renton, WA

Martha applauded Lloyd's work to improve efficiency and reduce costs. She then spoke of a death on the Sol Duc River, and warned the Board about the negative affects of the placement of wood in the river. She suggested providing oversight to avoid deaths.

COUNCIL OF REGIONS (COR) REPORT

Steve Martin, COR chair, presented this agenda item. (See notebook item #6 for details)

Steve Martin reviewed the following key items in his written report for the Board:

- COR Priorities and Roles: COR discussed its work plan and concluded that improving funding (amount, diversity, and certainty) and resolving monitoring questions (data management, indicators, funding, etc) are the highest two work plan elements.
- Report to State Legislature: *High Priority State and Federal Actions Needed to Implement Salmon Recovery Plans*. The GSRO report of high priority state and federal actions notes that regional salmon recovery organizations have transitioned from planning, and are now coordinating recovery plan implementation. Regions have developed implementation schedules, timelines, sequence for actions, and estimated costs of actions.
- SRFB Programmatic Funding Discussion: Noteworthy is the statewide consensus that the Board is the foundation of funding for core regional functions and that other fund sources cannot replace it.

- Support for RCO biennial request: Regional organizations agreed to send letters to the Governor in support of the RCO budget request for \$24 million, noting that the request is not nearly what is needed for salmon recovery but that it reflects the reality of the state budget situation.
- COR/NOAA Fisheries Meeting: Scott Brewer developed a topic paper for COR to consider. Four topics of focus are report cards, plan updates/revisions, species status review, and research, monitoring and evaluation (RME).

Chair Tharinger asked Steve about the report cards with NOAA Fisheries. Steve responded that COR is having conversations to address technical and policy issues.

LEAD ENTITY ADVISORY GROUP (LEAG) REPORT

Richard Brocksmith and Barbara Rosenkotter, Lead Entity Coordinator for the San Juans, presented the LEAG Report. (See notebook #7 for details)

Richard explained that the written report contained most of the information, so he would highlight only a few key points.

Richard noted that contrary to the report, there are a few outstanding invoices. New contract amendments have been completed and mailed out to all lead entity host organizations for fiscal year 2009. WDFW and LEAG officers worked with the RCO to develop the decision package for expanded LE Operational and Administrative Support 2009-2011, as authorized at the July Board meeting.

He then stated that the written report thoroughly described the coordination between LEAG and COR and added that the strategic planning discussion (Item #9) also would address coordination.

Richard said that the lead entities currently are supporting the region's review panel presentations. He said he expects a smooth transition to the next grant cycle because the process is getting nailed down. From a policy perspective, they are supporting the work of the regional allocation task force; Jeanette Dorner is the LEAG delegate.

LEAG continues to improve integration with relevant salmon recovery programs/staff in WDFW, as this was identified at our LEAG Retreat as a needed improvement. Programs include watershed steward team, the HPA and habitat assessment processes, and ways to increase engineering capacity.

LEAG is trying to increase the awareness and emphasis on monitoring within the lead entity process. They are trying to establish common ground among lead entities. They want to work more closely with Ken Dzinbal and TetraTech to do a better job of sharing information and use "lessons learned" to improve projects.

Richard noted that they had a celebration of the new and improved Habitat Work Schedule on August 19, 2008. They are excited about the system, although there is concern about the volume of work.

They are working with GSRO on the large woody material demand forecasting. They are trying to query the Habitat work Schedule to create maps that show where the wood is needed for projects and overlay that information with where the wood exists.

A committee is beginning to prepare for LEAG's Legislative Outreach Day on March 10, 2009.

Tim Smith commented that he was impressed with the collaborative efforts among LEAG, COR, regions, and the Forum on Monitoring. Chair Tharinger appreciates COR and LEAG addressing the monitoring issues.

ALLOCATION TASK FORCE (ATF) UPDATE

David Troutt presented this agenda item. (See notebook # 8 for details.)

David introduced Megan Duffy as the staff coordinator with the Allocation Task Force (ATF). He talked about how the work of the ATF ties to overall greater collaboration and the Board's work on strategic planning.

David explained that the ATF has been looking at three items: operating within the current "base" level of funding; ways to bring in more money, and; if they are successful, how to allocate those additional funds.

David reported that the ATF has agreed to recommend keeping the current allocation percentages if funding levels stay at or below their current levels.

The ATF thinks that the real future for salmon recovery is the ability to do other projects to implement the recovery plans. The base level funding cannot do that. The ATF is considering a proposal that would create a funding model based on the one used by the Washington Wildlife and Recreation Program (WWRP). They think the future involves new grant programs focused on specific recovery issues that are not currently addressed (e.g., hatchery reform, harvest management, and major ecosystem restoration projects).

Megan discussed the details of current allocations. The ATF has considered how to build in flexibility for the regions. As an example, she discussed certain classes of funds staying in the regions (e.g., excess funds). The ATF has considered the ways the regions could use the funds and the implications of money not going back to the Board. They also discussed adding eligible project types that reach beyond habitat, although that would more likely be tied to new grant programs. ATF discussed changing the grant cycle to include a rolling design grant cycle.

Bob Nichols asked how seeking out new funds fits in with the discussion regarding strategic planning, and expressed concerns about regional capacity, considering that many regions are already struggling with workload. Chair Tharinger responded that the ATF is focused more on project funding than capacity issues. Bud Hover suggested that the infrastructure needs increased support for regions in addition to projects to make the additional funding most effective. Jim Fox, RCO Special Assistant to the Director, agreed with Bob about addressing capacity issues when moving forward.

Chris Drivdahl, GSRO Director, noted that GSRO has developed a prioritized list of actions that are necessary to implement recovery plans from state and federal agencies. She suggested that GSRO pull the top actions, many of them capacity issues, to contribute to the Lead Entity request for new funding.

STRATEGIC PLANNING OVERVIEW

Jim Fox, RCO Special Assistant to the Director, presented this agenda item. (See notebook item # 9 for details.)

Since the Legislature established lead entities and the Governor's Salmon Recovery Office in 1998 and the Salmon Recovery Funding Board in 1999, the salmon recovery effort has gone through several major changes. Initially, there was a focus on "early action" habitat restoration and protection projects and the development of a statewide salmon recovery strategy. Since that time, lead entities have developed watershed-based habitat restoration and protection strategies, planning units have prepared watershed plans, and regional recovery organizations have developed ESU-based recovery plans for listed salmon.

These organizations are now beginning to implement these plans, which provide a strategic approach to siting habitat projects. In addition, the plans address other recovery activities such as hatchery reform, changes in harvest management, need for local regulatory changes, and education and outreach.

Jim explained that the presentation would combine strategic planning, programmatic funding, and questions of capacity. Jim referred to a handout regarding the following key questions:

Strategic Planning Overview

- What is the Board's role in funding the elements of salmon recovery?
- What are the Board's goals? How do these drive its funding priorities?

Programmatic Funding Practices

- What are the programs and activities that the Board is supporting?
- Does the current funding pattern reflect the desired balance between projects, activities, and infrastructure?

Infrastructure Capacity for Salmon Recovery

- What are infrastructure functions that the Board is supporting?
- Does the use of funds reflect the Board's priorities?
- What effect should capacity needs have on the Board's funding priorities?

Public Comment

- What else should the Board consider?

Wrap-up and Board Discussion

- What is the Board's role in funding the elements of salmon recovery?
- What are the Board's goals? How should they drive its funding priorities?
- Next steps?

Jim noted that a useful way to frame the discussion about planning is to focus on the adaptive management loop. In the loop, there is the planning at the lead entity level, projects, monitoring, and adaptive management. Jim noted that he would present another perspective of the adaptive management model to provide a view of what would happen if the board pursued more than habitat projects.

Bob asked about the role of the regional organizations in the adaptive management loop. Jim answered that regional organizations have been most involved in high level planning that feeds

into the lead entity level. Regions will be included on the diagram at the end of the presentation. Bob asked about planning units in the planning process. Jim responded that the role of planning units varies among regions, and that there are many players that are not on the diagram.

Programmatic Funding Practices

Brian Abbott, SRFB Program Manager, presented this agenda item. (See notebook item # 9b for details.)

Brian Abbott highlighted two questions

- What are the programs and activities that the Board is supporting?
- Does the current funding pattern reflect the desired balance between projects, activities, and infrastructure?

In July, the Board looked at competitive and programmatic activities. Brian presented another view of programmatic funding by comparing competitive and discretionary funds. Discretionary funded activities were decided on by the Board, while required activities were strongly recommended, congressional earmarks, or legislatively required spending. Brian discussed funding obligations by activity types (projects, monitoring, infrastructure) as an alternative to competitive vs. programmatic.

Board Discussion:

Chair Tharinger asked if the Lead Entity funding is discretionary. Kaleen asked Jim Fox if the Lead Entity money comes through the department of Fish and Wildlife. Jim responded that the base funds originally came through WDFW, and now comes through RCO, but there is a portion of the funds that are discretionary. Chair Tharinger asked Jim if the regional funds were discretionary. Jim noted that the regions were "highly recommended".

Bob Nichols asked Brian to identify the main heading and subheadings in the slide about competitive and discretionary. Brian responded that programmatic is the heading, and discretionary and required are subheadings. Jim noted that the key areas of focus should be policies, and whether we have the right balance between projects, monitoring, infrastructure, and "other." Steve agreed, but noted that it also is important to note what the Board is required to do.

David asked if the fiscal requirement for monitoring is included in the earmark. Kaleen explained that monitoring is not technically an earmark, but a suggestion from NOAA. Jim Fox answered that it could be argued either way.

Megan finished the programmatic funding presentation by explaining that RCO staff asked lead entities and regions for their perspectives on programmatic funding. Monitoring at the local level was a recurring theme, as well as hatchery and harvest reform and stewardship. She noted that the integration of adaptive management came up several times at the lead entity level.

Infrastructure Capacity For Salmon Recovery

Megan Duffy, RCO Policy Analyst, presented this agenda item. (See notebook item # 9c for details.)

Megan explained that for the capacity presentation, she would address the core functions of the lead entities and regions, while Richard Brocksmith and Steve Martin would address capacity.

Megan noted that the RCO prepared the discussion of the core functions by asking the lead entities and regions the following questions:

- What are the core functions of lead entities and regions?
- What capacity exists or is needed to support core functions?
- How does the Board support this infrastructure and core functions?

Megan described the survey process and responses

Megan then described the findings of the region survey. She noted that core functions varied among regions, which is probably a logical consequence of the bottom-up approach. In addition, people are working hard to meet core functions and are seeking other resources in order to meet the core functions as best they can. Chair Tharinger asked if the contracts vary among regions. Brian Abbott responded that the language is the same in all of the contracts.

Megan's presentation also covered how the core functions have changed over time, the percent of budget spent, and how the core functions are supported financially. She noted that Board funds are the primary support for the Regions for their core functions.

Megan then presented similar information about the lead entities, including how they define their core functions (statutory/contractual vs. additional expectations) and time spent on each function. The responses on time spent were divided by region to show the differences in different areas. She also described how the time spent has changed over time, followed by a discussion of funding sources. Again, she noted that Board funds are the primary support for the lead entities for their core functions.

David Troutt asked whether the lead entities are compensated for the additional expectations. Megan noted that she did not have the data to answer the question. Chair Tharinger asked how the survey separated lead entities from the project sponsor. Rebecca Connolly responded that the survey asked the lead entities how they use funds. Chair Tharinger noted that the role of the RCO staff is minimized in the data.

Richard Brocksmith discussed the lead entities' capacity. (See notebook item # 9c for details.)

Most lead entities report that they do not have enough money to perform their core functions. The needs of lead entities vary based on many factors, including location, role of region, age of lead entity, complexity of issues, and funding availability.

Bob Nichols asked about the existing efficiencies with regions and the division of responsibilities between lead entities and regional organizations. Richard responded that the lead entities are beginning to have the discussion to address gaps and overlaps. Chair Tharinger asked for a map showing where the lead entities and regions overlap to build efficiencies and show where overlap works and does not work.

Harry is interested in data showing administrative costs over the last ten years. He would suspect high administrative costs in the early years, and as implementation continues that administrative costs would decrease over time. Harry would like to see a greater focus on projects. Bud noted that he disagrees with Harry because planning and implementation of an infrastructure is just as important as projects.

Alex Connolly presented data on the regions' capacity. (See notebook item # 9c for details.)

Alex asked the Board to focus on the “fully” in fully meeting their functions, since the lead entities and regions are doing an excellent job of meeting their functions. Julie Morgan added that Alex did an excellent job of expressing the consensus of the regions.

Harry Barber stated that he would like to see Salmon Recovery at the top of the organizational chart, and all other organizations underneath with a goal to support recovery. He would like to see a screen for activities that do not support salmon activity.

Chair Tharinger referred to the list of functions for the lead entities and the regions, and noted that many of the functions overlap. Duplication needs to be identified so that efficiencies can be pointed out for those providing funding. If the Board is looking at prioritizing the three pots suggested by Bob Nichols (planning, projects, and monitoring), they need to think about how duplication can be reduced. Bud Hover added that salmon recovery is going to take time; the work is on a 30-40 year timeline. Education needs to take place for understanding the recovery process, and we need money for results. Jim asked the Board and the audience to think about what role “turning dirt” has in salmon recovery, and what role the involved organizations play in salmon recovery.

Brian Abbott continued the strategic planning and programmatic presentation by providing an overview of the sponsor capacity and introduced a panel of project sponsors consisting of Lance Wineka, Eric Erler, and Scott Steltzner. (See notebook item # 9c for details.)

Melissa Gildersleeve asked about the overhead costs for projects. Brian responded that it is up to 30 percent, but it depends on the type of project. Lance Wineka, of the South Puget Sound Salmon Enhancement Group, noted that it is difficult to determine how much A&E costs will add to the total. Scott Steltzner, Squaxin Tribe representative, noted that most projects have multiple sources with opposing criteria. Bob Nichols asked if the Board could assist in making the reimbursement process easier. Kaleen and Jim Fox answered that it is a policy issue, and is not in the statute. Jim Fox would add that the Allocation Task Force would be coming forward with a recommendation for the collaborative efforts.

Eric Erler of the Capitol Land Trust explained that the biggest challenge is the length of a project, particularly getting landowners to agree. David Troutt agreed and noted that it is the reason there are not many sponsors willing to come to the table regularly. Chair Tharinger asked if there are other things that the Board can do as it looks at its strategic plan to help. Eric noted that it is difficult to get board support for purchasing uplands.

Public Comment –

Amy Hatch Wineka, Lead Entity Coordinator, added that the Board could penalize sponsors for coming in over costs.

Bud Hover asked about artificially low budgets. Amy Hatch Wineka responded that she is having projects make cuts from contingency funds. Kaleen provided the Board with an update on RCO’s process on cost overruns. The agency allocated the entire \$750,000 set aside for cost increases in just nine months. Because there are currently no available excess funds, the agency is not currently approving any cost increases. Harry agreed with Bud that costs could reflect reality instead of making cuts from certain projects to give money to another project. Chair Tharinger noted that lead entity coordinators are in a difficult position because people need to stay at the table to receive any funding. Bud asked Chair Tharinger how money needs to be allocated, and how sponsors should build their budgets. Chair Tharinger raised the policy question about cost increases that the Board needs to address.

Tim described the ESRP's model of breaking projects into five phases: feasibility, design, construction, monitoring, and adaptive management. Breaking down the project allows staff to evaluate each phase of a project before it can move to the next step. The accuracy of the construction cost has improved the ability to look for ways to improve the project at the feasibility at the front end. Harry explained that money can be wasted up front on engineering, and maintained that the process is not broken.

Public Comment –

Jim Cramer, Consultant/Puget Sound Partnership, commented that the Board grant allocation process is inefficient by design. He asked the Board to think about the primary objective, which is to involve a diverse group of participants. Jim encouraged the Board to look back at previous efficiencies and follow up on the past changes. Jim has heard about delays in the permitting and matching grant funds. He noted that there have been great improvements in identifying the roles of lead entities and regions, and he is not sure how much more efficient the relationships can yield. Jim commended the Board on taking the lead in salmon recovery.

Bob Metzger, United States Forest Service (USFS), suggested increasing sponsor numbers and capacity. National Forest service lands are eligible, but the USFS is ineligible for SRFB grants. Bob recommended that the Board reevaluate this rule. Jim Fox responded that the federal government is not listed as an eligible sponsor in statute, but it is not specifically ineligible.

Barbara Rosenkotter, Lead Entity Coordinator, San Juan County, explained that San Juan County is eliminating its program as of January 1, 2009. San Juan County explained to Barbara that funding for salmon recovery has remained the same, while costs continue to increase. She warned the Board that local jurisdictions cannot always make up for the costs that they could not provide. She is working with the region, and hoping the budget will pass through the Governor's office, to salvage the program. Chair Tharinger asked how much San Juan County pays. Barbara answered that the county pays for 40 percent of the program fees, and since she is the only employee, it is her salary that will be cut.

Strategic Planning Wrap Up

Jim Fox, RCO Special Assistant to the Director, presented this agenda item. (See notebook item # 9 for details.)

Jim wrapped up the strategic planning discussion by providing two models of adaptive management. The presentation and data raised the questions of what the Board should fund within the scope of salmon recovery.

Board Discussion:

Chair Tharinger asked the Board to answer the question, from the key questions, "What is the Board's role in funding the elements of salmon recovery?"

Carol Smith asked the Board to discuss the Hatchery and Harvest issues. She noted that the Board needs to take a top down approach that has the capacity to address the larger issues. Carol does not want to see the habitat funds go to hatchery and harvest actions. Harry Barber noted that we are in lean financial times and it is not time to expand the Board scope. He does not think the Board should take on hatchery and harvest pieces. David Troutt separated strategic planning and implementing actions. David would like to see the strategic plan before addressing implementation.

Craig does not think the Board determines its own mission because the mission is determined by the legislature. He recommends that the Board go to legislature and suggest a different model. Ten years ago, the Board was charged with the mission of a bottom-up model that has become more strategic over time. Craig compared the decentralized WWRP model to the Puget Sound model, which is centralized. If the Board is going change its model, then the Board needs to go back to the legislature.

David noted that the Board's authority includes salmon related issues, so the Board can make hatchery decisions today. David asserted that the Board continually needs to have a conversation about its role. Chair Tharinger agreed with David that the Board does not need to go to the legislature to determine their model or purpose, but does need a greater focus. Tim Smith added that the Board needs a coordinated effort, which relates back to strengthening capacity, to get recovery done. Bud Hover seconded Tim's suggestion to increase capacity, since the coordinated efforts are a key element of the Board' and projects success.

Bob echoed Bud's point by saying that in recovery, people and relationships get things done, and improving the infrastructure would help the process, and the fish. Bob noted that in the open-ended nature of program funding the tendency would be to fill and expand needs. He discussed the concept of three buckets with specific percentage allocations so that regions can allocate funds as needed for local needs.

Harry Barber voiced that he did not support increasing the scope of the Board's authority, but would like to see projects expanded.

Bob noted that it is important for Jim to address the state level infrastructure too. He noted that after hearing the programmatic funding discussion at the July meeting, it may be prudent to discuss whether the RCO director have a fund set aside for emergencies.

Craig noted that he supports decentralized capacity building and adaptive management, but that there needs to be an ongoing search for efficiencies. He thinks that the Board needs to add monitoring and capacity "buckets" to the Board's traditional role in projects.

Steve noted that the Board was moving toward a scope and that they need to define what goes into the "buckets." Steve asked Jim Fox if staff had sufficient direction to move forward.

Bob Nichols noted that it is important to tease out what activities are in the "buckets" of projects, infrastructure, and monitoring because they seem intertwined in the survey results from lead entities and regions. Jim responded that the intermingling is a result of the way lead entities and regions do their accounting, but that staff would attempt the analysis.

Jim summarized the direction from the Board by noting that there are three things that staff will bring back to the Board:

- Within the infrastructure bucket, staff will to do a more detailed analysis of funding resources and current total funding so the Board determine how much funding it wants to put in and for what.
- For projects, the bucket currently covers habitat restoration and protection and things necessary to implement. Staff will do some research with regions and GSRO to get better idea of types of activities (other than projects) that are prioritized in recovery plans.
- Broaden mission and goal statements in the strategic plan, but keep the implementation and investment strategy narrow and focused on projects and infrastructure capacity.

The meeting adjourned for the day.

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

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

Meeting reconvened.**MANAGEMENT STATUS REPORT**

Kaleen Cottingham, RCO Director presented this agenda item. (See notebook item #10 for details.)

Kaleen highlighted a few key points from her written report. She noted that the Recreation and Conservation Office submitted their budget for the 2009-2011 biennium, including a \$24 million request in the capital budget for Board projects and activities. She mentioned that the regional area presentations to the Board's Review Panel were taking place concurrently with the Board meeting. Kaleen asked if the Board was interested in electronic notebooks as a sustainable option for meeting materials. She noted that Rebecca Connolly would send a survey about meeting materials to the Board.

Kaleen explained that the RCO was directed by the Office of Financial Management to make some budget cuts. The hiring and contracting freeze affected one monitoring staff position. The agency was also asked to make a one percent cut in state general funds. A minor portion of the agency operating budget is from state general funds (about \$1.5 million). Kaleen decided to take the one percent from administrative costs.

Harry Barber asked Kaleen to explain the budget process, after it has been submitted to the governor. Kaleen explained that the Governor will announce her supplemental budget and the 2009-2011 biennial budget on the 19 or 20 of December. Session begins in mid-January and runs 105 days. Most predictions are that the legislature will go into special session. The agency will receive budget numbers between April and June, which will be effective July 1, 2008.

Chair Tharinger asked Kaleen to clarify the Board's role in the legislative process. Jim Fox explained that the Board members can legally lobby, but the details must be reported. Jim noted that staff and Board members cannot do any grassroots lobbying, by energizing stakeholder

groups while wearing their staff or Board member hat. If anyone speaks to the legislature, it will need to be clarified whether or not an individual is representing the Board or not.

PROJECT MANAGEMENT REPORT AND REVIEW OF SELECTED PROJECTS

Brian Abbott, RCO, presented this agenda item. (See notebook item # 11 for details)

Brian Abbott reported that he visited each of the regions around the state and went through their recovery plans, scopes of work, and current projects. Brian noted that the 2008 Grant Round Final Report would be available to the Board by the December meeting. Dave Caudill was introduced as the newest grant manager in the Salmon Section. Dave will take over the Family Forest Fish Passage Program (FFFPP) in addition to the Northeast Washington recovery region.

Jason Lundgren, Barb McIntosh, and Kay Caromile gave a presentation updating the Board on the following five current or recently completed projects:

1. Lower Newakum Restoration 04-1338

Board Discussion:

David Troutt asked about the total cost of the wood for the project. Jason answered that he was not sure, and noted that wood tends to be a variable cost. Chair Tharinger asked if the wood was anchored. Jason answered that the wood is fastened, through piles, but it is not cabled.

2. Restoration of LWD in the Hyas Creek 06-2286

3. Alder Creek Side Chanel 07-1721

Board Discussion:

Bob Nichols asked how monitoring is conducted for the projects Jason presented. Jason answered that the Board does not fund effectiveness monitoring for every project, but staff does provide implementation monitoring. Bob asked how the lead entity gets information circulated back to the Board. Kaleen noted that the Board made a decision to remove effectiveness monitoring from project funds, and add that to the TetraTech monitoring contract.

Bob asked Jason to clarify if sponsors are gathering anecdotal information, through stream walking, and if they were gathering data, he would like to make it available to the Board. Harry responded that anecdotal information does not specify whether or not fish runs increase over time or if populations have simply moved. Chair Tharinger agreed with Bob and Harry, noting that information from sponsors needs to move forward, but with quality of information in mind. Bud Hover echoed the Chair's point, about developing a comprehensive monitoring plan. Tim Smith added that there is a "fourth bucket" in salmon recovery, hypothesis driven science. If monitoring is taking place, then the information needs to be standardized.

4. Duck Creek Fish Passage 06-2172, presented by Barb McIntosh, Salmon Grant Manager

Board Discussion:

David Troutt asked about the size of the bridge. Barb answered 55x24 feet.

5. Curl Lake Intake Fish Barrier Removal 05-1498 presented by Kay Caromile, Salmon Grant Manager.

DABOB BAY WAIVER/MATCH ISSUE

Brian Abbott, RCO, presented this agenda item. (See notebook item # 12 for details)

Brian presented an overview of project #07-1660, Tarboo-Dabob Bay Acquisition and Restoration, noting that it will preserve and restore 50 acres of high-quality nearshore habitat (coastal saltmarsh spit pocket estuary, intertidal, and forested shoreline habitat) for federally listed summer chum salmon and Chinook salmon. The project is part of a larger conservation project in north Hood Canal.

Brian then explained that the sponsor is asking for a waiver of board policy because the property that was planned for match is publicly owned. The RCO cannot accept the easement as a match because there are no state laws requiring that Jefferson County (the agency owning the land) receive compensation for the land if sold. To allow this property as match would be a violation of Board policy.

Kaleen explained that if the Board waived the match policy, then the county could move forward. Bud Hover asked if Jefferson County could put the property up for auction without deed restrictions. Kaleen answered yes. David Troutt was curious how this project slipped through the cracks, and asked Brian if there will be future projects with a similar match issue. Brian responded that RCO staff is working to prevent this type of situation from happening again.

Bud Hover **MOVED** to approve the waiver of the match for Tarboo Dabob Bay Acquisition and Restoration. Bob Nichols **SECONDED** the motion.

Bud Hover noted that he supports the motion because the property is a conservation easement.

Motion **APPROVED**.

UPDATES ON BUDGET AND AVAILABLE FUNDS

Jim Fox, RCO Special Assistant to the Director, presented this agenda item. (See notebook item # 13 for details.)

Jim provided a presentation on the remaining funds for the current grant cycle. He noted that the budget numbers have changed from those in the notebook because grant managers have gathered money from projects that closed under budget. Kaleen Cottingham noted that more money would be returned by December. Jim added that RCO's Chief Financial Officer Mark Jarasitis and Brian Abbott are confident that the RCO will meet the \$20 million target for the current grant round, but there may not be enough money for cost increases during the remainder of the biennium. Jim explained that if the WDFW and Ecology monitoring contracts were approved, the Board would meet the 10 percent PCSRF monitoring requirement.

Bud Hover asked how monitoring efforts would be vetted, to which Kaleen answered that the state has a coordinated monitoring strategy. Bud asked if the monitoring efforts are going through the regions, to maintain the bottoms up approach for the recovery efforts. Ken Dzinbal,

Monitoring Coordinator, noted that the monitoring efforts being proposed are consistent with the monitoring framework. Chair Tharinger noted that the legislature continuously asks about fish returns, and monitoring can answer that question. The Board continued to discuss how budget cuts would influence monitoring funding and the consequences relating to salmon recovery.

David noted that the Allocation Task Force has discussed whether cost increases should be included in initial budgets.

CONTRACT RENEWAL FOR DEPARTMENT OF ECOLOGY INTENSIVELY MONITORED WATERSHEDS (IMWs)

Jeff Breckel, Lower Columbia Fish Recovery Board, and Bill Ehinger, Washington Department of Ecology presented this agenda item. (See notebook item # 14 for details.)

Melissa Gildersleeve introduced Bill Ehinger, who is one of the Department of Ecology's chief scientists. Ecology manages the IMW contract.

The Washington State Department of Ecology (Ecology) is asking the Board for \$1.47 million so that it can continue monitoring activities in four Intensively Monitored Watershed (IMW) complexes during state fiscal year 2009. In September 2007, the Board made FY 2009 funding for all four IMW complexes contingent on the Lower Columbia Fish Recovery Board coming back in a year to describe its restoration treatment plan for the Lower Columbia IMW complex

Bill Ehinger gave a brief presentation on Intensively Monitored Watersheds in Washington State. Bill explained that this is the only type of monitoring that shows causal relationships. After the Comprehensive Monitoring Strategy (CMS) was adopted, questions arose about how this information could be used to improve restoration projects. IMW implementation began in 2005, and was reviewed by the Independent Science Panel in 2006. Bill discussed the four IMWs that are currently funded, as well as the in-kind funding that Ecology uses to support the program.

Kaleen explained that due to a staffing change, the RCO had overlooked the contract renewal earlier in the year. As a result, she granted the extension without additional funding.

Carol Smith stated that the work of IMWs is incredibly important as it relates how restoration actions are performing in terms of salmon recovery and land use.

Jeff Breckel introduced the restoration component of the IMW presentation, particularly in the Lower Columbia. Jeff introduced Bernadette Graham-Hudson, Lower Columbia's Habitat Program Manager, who presented the Restoration Treatment Plan for the Mill-Abernathy-Germany Creeks Intensively Monitored Watershed.

Jeff Breckel summarized Bernadette's list of recommended projects and noted that not all of the projects will take place due to constraints, namely landowner cooperation.

Board Discussion:

Steve asked when monitoring in the Lower Columbia would end and how the monitoring relates to the restoration timeline. Bill Ehinger noted that the Lower Columbia is the shortest monitoring contract (six years), and aside from inflation, monitoring costs are static.

David asked Jeff if he is using Ecosystem Diagnostic Treatment (EDT) in the monitoring process to establish predictions for the actions, and then measure against it to evaluate the effectiveness of EDT. Jeff responded that the monitoring program is EDT driven. Bill noted that he was unsure if EDT could be done on a reach-by-reach basis.

Bob Nichols asked what the end result of the IMWs would be and how it contributes to salmon recovery. Bill explained the shortfalls of not being able to monitor all of the projects, but working with NOAA, the results of the IMWs can be extrapolated to other parts of the state to assist in evaluating the results of salmon recovery efforts.

Bob and Chair Tharinger asked Bill about the timeline for results. Bill answered that results could be shown within three salmon lifecycles (about 12 years).

Harry asked Jeff about the nutrient enhancement in the Lower Columbia. Jeff responded that the request has gone through the local Regional Fish Enhancement Groups (RFEs), and noted that the project ranked highly, but the final funding package has yet to be decided. Harry noted the importance of nutrient enhancement, considering the Hatchery Scientific Reform Group (HSRG).

Craig noted that the IMWs are the most important way to determine whether or not the Board is meeting the goal of salmon recovery. He encouraged the Board to be patient with the data collection. Carol suggested that almost all of the Riparian projects could be funded through Conservation Reserve Enhancement Program.

Bob Nichols **MOVED** to approve \$1,466,989 for the Department of Ecology to continue monitoring activities in four Intensively Monitored Watershed complexes and direct RCO staff to enter into appropriate grant agreements. Bud Hover **SECONDED** the motion.

Bob would like to follow up on the investment of IMWs, perhaps through a report, that describes the product and when they will see it. Kaleen noted that it would be important to have Ken Dzinbal bring back the Monitoring Framework. Chair Tharinger suggested following up through the Forum on Monitoring.

David would like to use the results geographically, and see what it would look like to conduct intensive monitoring in Puget Sound. David also seconded Tim's idea about a "fourth bucket", for science and research, which may yield other hypothesis-driven resources other than IMWs to follow up to project effectiveness. Chair Tharinger agreed with David's idea to look outside of the IMWs to determine effectiveness of projects, but he wanted to caution the Board against funding research-only projects. The Board discussed why Puget Sound is not considered for an IMW and what alternatives exist for gathering the information. Chair Tharinger would like to have the regions share data and information.

Harry reiterated the request for a "roadmap" with milestones for IMWs.

Motion **APPROVED**.

CONTRACT RENEWAL FOR DEPARTMENT OF FISH AND WILDLIFE SMOLT MONITORING

Tim Smith, Washington Department of Fish and Wildlife (WDFW), presented this agenda item. (See notebook item # 15 for details.)

Tim invited Erik Neatherlin and Mara Zimmerman, of the Washington Department of Fish and Wildlife, and RCO's Monitoring Executive Coordinator, Ken Dzinbal to answer questions during his presentation.

Tim explained that WDFW is requesting \$207,771 for October 2008 through December 2009 to monitor adult and juvenile salmonids. If approved, this funding request will close the fiscal year 2009 gaps statewide on the "fish in / fish out" framework. It will provide enough monitoring of adults and juveniles to estimate productivity for at least one major population group per Evolutionary Significant Unit. Without this funding, WDFW anticipates financial gaps for Lower Columbia Coast and Gorge populations, and Middle Columbia Walla Walla populations.

Board Discussion:

Bob asked if the monitoring data in Tim's presentation were snapshots or trends, and if it translated into a reporting mechanism for the Board to view. Erik answered that the data are available for review. Bob asked what happens to the data that is collected, and how it translates to saving salmon. Tim answered that the collected data is included in the State of the Salmon report. Ken Dzinbal answered that the National Oceanic and Atmospheric Administration (NOAA) also uses the data to delist species. Bob asked how the data creates or promotes corrective action in salmon recovery, and improves adaptive management. Erik answered that the data guides restoration efforts. Mara Zimmerman added that the data shows how close a population is to recovery, and contributes to the delisting decision. Chris Drivdahl also explained that "fish in/fish out" helps eliminate variables in evaluating project effectiveness for policy makers.

Craig Partridge asked how WDFW could encourage the board to fund this program with positive feedback. The Board discussed the importance of gathering appropriate monitoring information, and deciding what questions need answers to fit in with the greater story of salmon recovery, particularly to drive the conversation regarding funding sources. David proposed that the topic be brought to the Board in February 2009. Tim clarified that there are two issues: what are the questions currently being asked in the context of monitoring, and what are we learning from fish in/fish out data. WDFW will respond to both.

Bud Hover **MOVED** to approve \$207,771 for the Department of Fish and Wildlife to continue "fish in/fish out" smolt monitoring activities and direct RCO staff to enter into appropriate grant agreements. Harry Barber **SECONDED** the motion.

Motion **APPROVED**.

POLICY SUMMIT REPORT

Julie Morgan, Upper Columbia Salmon Recovery Board, presented this agenda item. (See notebook item #16 for details.)

Julie Morgan provided a presentation on the May 2008 Policy Summit. Julie provided a background of the purpose of the Policy Summit, which was to identify statewide issues and develop proposals for funding and monitoring recovery plan implementation in ways that are integrated with other natural resource management efforts. She reviewed the summary report and its recommended actions for regional organizations, focusing on integration, monitoring,

and funding. Julie concluded her presentation by presenting the state request for 2009-2011 biennium for each of the regions.

Chair Tharinger encouraged the regions to continue the work.

2009 BOARD MEETING SCHEDULE AND WORK PLAN

Rebecca Connolly, RCO Board Liaison, presented this agenda item. (See notebook item #17 for details.)

Bud Hover **MOVED** to approve the meeting schedule for 2009, Harry Barber **SECONDED**.

Motion **APPROVED**.

ADJOURN

Meeting adjourned at 12:28 p.m.

Steve Tharinger, Chair

Next meeting: December 11-12, 2008
Olympia, WA