*SALMON RECOVERY FUNDING BOARD*

*MINUTES - REGULAR MEETING*

May 3, 2007 Centennial Center
Olympia, Washington

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

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| William Ruckelshaus, Chair | Seattle |
| Larry Cassidy | Vancouver |
| Steve Tharinger | Clallam County |
| Joe Ryan | Seattle |
| David Troutt | Olympia |
| Carol Smith | Designee, Conservation Commission |
| Dick Wallace | Designee, Department of Ecology |
| Tim Smith | Designee, Department of Fish and Wildlife |
| Craig Partridge | Designee, Department of Natural Resources |
| Barb Aberle | Designee, Department of Transportation |

**CALL TO ORDER:**
Chair William Ruckelshaus opened the meeting at 9:00 a.m.

Director Johnson reviewed a revised agenda moving the Monitoring portion of the meeting to later in the agenda and moving agenda item number eight before number seven.

The agenda was reviewed and approved as presented.

**REVIEW AND APPROVAL OF MARCH 2007 MEETING MINUTES**
Joe Ryan **MOVED** to approve the March, 2007 meeting minutes. David Troutt **SECONDED**. **Board APPROVED.**

Dick Wallace discussed Intensively Monitored Watersheds (IMW) and the topic of process streamlining. He hopes to have this on the next agenda.

Director Johnson noted that if this had been a two-day meeting these topics would have been covered. There may be a monitoring workshop in June where this topic can be discussed. She also announced that the agency also has an "apparently successful bidder" for RFP to look at the Re-appropriations issue. Part of the study will look at the process used to determine project eligibility. Staff is looking forward to a recommendation in this area.

The Board **APPROVED** the minutes as presented.

**2007 Legislative Results:**
Jim Fox presented this agenda item. (See notebook item #3 for details.)

Governor's Salmon Recovery Office (GSRO) and the Monitoring Forum have been extended, with a sunset date of 2015. The Monitoring Forum is now in statute.

HB 1598, called for a disclosure of information on Salmon Recovery Funding Board (SRFB) funds. This applies only to recipients of SRFB grants. Staff will need to inform groups about this. Contract language is being revised to reflect this requirement.

**PARTNER AGENCY REPORTS**
Dick Wallace, Department of Ecology, handed out a document on the status of instream flow settings. He noted that Chehalis already has some flows set but may need to change them to better suit the needs of the fish.

David Troutt asked if a map could be made to show where the flows are set and to determine if flows are being met.

Dick will work to get that, although it may be challenging since it only reflects a percent of time being met.

Craig Partridge, Department of Natural Resources (DNR), noted that DNR, as part of the Puget Sound effort has increased authority to engage in habitat restoration on state owned aquatic lands and to remove derelict vessels and creosote pilings. DNR will be continuing to develop a habitat conservation plan as well. They received $75 million in budget authority to replace trust lands that are moved into conservation status with new trust lands. The Legislature has instructed them to target at-risk working forest lands. DNR will be much more active in this process now. In addition, they have an increased budget for the Family Forest Fish Passage Program and for a conservation easement program.

Steve Tharinger asked about the legislation on public lands and if that will affect DNR.

Tim Smith, Washington Department of Fish and Wildlife (WDFW), provided an update on budget issues affecting WDFW and SRFB.

Carol Smith, Conservation Commission, was also pleased with the outcome of the legislative session, future projects, and the new Office of Farmland Preservation.

Barb Aberle, Washington State Department of Transportation (WSDOT), shared that WSDOT received $12 million for passage programs and $50 million for feasibility studies and stream bank protection.

**MANAGEMENT AND STATUS REPORTS:**
**Financial Services Report:**
Mark Jarasitis presented this agenda item (See notebook item #2b and two handouts for details.)

Director Johnson noted that there has been a lot of hard work done by Mark, Brian Abbott, staff and project sponsors to get the projects completed and excess funds returned.

Mark then reviewed the handout concerning budget details. The operating budget for the Office of the Interagency Committee for Outdoor Recreation (OIAC) totals $28 million and the capital budget totals $404 million. This budget is the largest the OIAC has ever had. Two reasons the budget is so much higher are due to the addition of the Puget Sound Partnership funds and the increase in the Washington Wildlife and Recreation Program (WWRP) funds to $100 million.

Chair Ruckelshaus noted that the need for coordination and streamlining between SRFB and other agencies is important in order to not get bogged down. This will ensure that there are no delays getting the funds out to communities.

Director Johnson noted that there is a fine line between expedition and accountability. There are definitely ways to streamline the process. Staff will do their part by ensuring that when dealing with SRFB grant programs the data is entered just once, they will use similar definitions, and follow similar procedures.

Steve Tharinger asked about the Pacific Coastal Salmon Recovery Fund (PCSRF) funds for fiscal year 2007.

Director Johnson reported that staff does not know exactly what the final outcome will be. The total budget for all states and tribes involved in PCSRF funding is $66 million. We need to put in an application for grant funds by May 29. She believes Washington should still end up with approximately the same amount as in the last fund cycle ($24 million).

Tim Smith noted that, given our excellent standing with the PCSRF funds that we should request additional funds.

Director Johnson agreed that this is an opportunity. The Board needs to show what the staff is currently doing and explain the additional capacity requested. This will be a competitive grant process and will be interesting.

Larry Cassidy noted that Alaska doesn't have any listed fish so it will be difficult for them to meet the requirements to get any of these funds. He also asked about the wording with hatchery language. Will this get the SRFB into funding hatchery items?

Director Johnson reported that SRFB hasn't funded hatchery issues in the past, but tribes and some of the other states have. She also noted that staff will need to get a draft application in as soon as possible. They are working with the regional office to get the National Oceanic and Atmospheric Administration's (NOAA) assistance in filling out this application amd get all of the information in the application.

David Troutt asked if there is a way to coordinate all the applications coming from Washington State so that both the state and tribes are presenting a coordinated approach.

The Director wasn't sure how to do that but staff will definitely try to coordinate as much as possible given the short timeframe.

David volunteered to assist with this.

**Project Management Report:**
Written report only. (See notebook item #2c for details.)

**Communication Report:**
Written report only. (See notebook item #2d for details)

**GSRO Report:**
Written report only. (See notebook item #2e for details)

**2007 GRANT ROUND**
Brian Abbott and Steve Leider presented this agenda item. (See notebook item #4 for details.)

Brian reported that members of the Review Panel have been selected. There remains an option to add an additional one to four panel members to assist with the Puget Sound proposals if needed. They are working on matching up a lead entity meeting with review panel members. There is an orientation meeting set for May 18, 2007 for the whole review panel.

Steve noted that the Review Panel and the Technical Recovery Team will meet in July and will review the process and coordinate efforts.

Brian shared that there will be application workshops in May, as well as training on the PRISM upgrade, which will be released on Monday, May 7. He reviewed Manuals 18 and 18b.

David Troutt asked if the review panel process had been clarified from last year.

Brian noted that he believes this process has been clarified in the manual.

Steve Tharinger asked about page 11, regarding matching funds. The SRFB funds can't be used for match with other SRFB funds. Is this a concern with the Puget Sound Partnership funds?

Director Johnson noted that the policy may need to be adapted to handle the Partnership funds.

Public testimony:
Jim Kramer and Jeanette Dorner noted some issues about the Puget Sound Partnership funding for salmon recovery and how it is affected by the manual. They were concerned with page 29, regarding the need to have someone who is familiar with the nearshore partnership review the projects. They do not want someone who is just familiar with the process but rather someone who actually has nearshore expertise.

Steve Leider suggested adding a nearshore person to the panel.

Jim Kramer doesn't believe the wording in the manual needs to be changed. Staff just needs to clarify that a nearshore partnership member should review the projects. He also was concerned about the need to have the whole panel deciding on projects of concern (POC) and technical issues. If the team members who did the site and project review were able to make a decision on whether projects they reviewed were either technically sound or POCs it would save time and streamline the process. The only reason to have the full panel make a decision is if there is an appeal to the decision.

Chair Ruckelshaus asked if Jeanette had discussed concerns with Lead Entity Advisory Group (LEAG).

Jeanette responded that the Interagency Committee for Outdoor Recreation (IAC) has worked very hard to coordinate with the (LEAG) on the manuals. The items of concern are due to the Puget Sound funds coming through the SRFB. Because this is a recent decision, there hasn't been time to discuss this issue at a LEAG meeting.

Jeanette noted that the need for having the Puget Sound funds distributed this year has caused concerns and changes.

Carol Smith asked Jim and Jeanette for clarification on how they are suggesting the projects be reviewed. Are they suggesting reviewing by the type of project rather than the geographic area?

Jim answered yes. In the past, a passage expert may have reviewed a habitat project and that may not have provided the expert review needed for a project.

Carol sees that there may be some benefit in this approach, but she also sees the benefit of having the full Review Panel review the total list of projects at a statewide level to get different viewpoints.

Dick Wallace stated that one of the benefits staff will see with the full panel review is the multidisciplinary look at the list of projects. He also sees the potential for logistical problems when trying to coordinate review of all the projects by category.

Jim Kramer noted that the TRT is already using a multidisciplinary approach to review. He understands that the review panel has been hired for this round already, so this approach may not work for this year.

Tim Smith likes the proposal and sees benefit in doing this in the future, although they may not be able to do it this year.

Jim Kramer suggested not making the decision on this today but to have a workgroup discuss the feasibility and make recommendations for the Board.

Steve Leider noted that the proposal is a valid one, but would benefit from a lot more discussion. Logistics would be a significant challenge. Matching expertise with projects is difficult when you don't always know which expertise is needed ahead of time.

The Chair summarized that the recommendation seems to be to leave the policy as it is for now but to look at this before the next meeting to see if there is a better way to review the projects by category. The Board needs to ensure that the projects have had the correct level of technical review. Staff may be able to come up with an approach that will work by the next board meeting.

David suggested a transition on the process for next year. He also wanted to make sure the review panel's role has been clarified before voting on approval of the Manual.

Jeanette came back to the table and shared that there is concern about whether the Panel reviews the technical merit or the strategy? There may still be confusion this year because the instructions to the panel have not changed.

Steve Leider noted that the confusion between the TRT's and the Review Panel's roles are being resolved by having a joint meeting of the two groups in July. If there is still concern then the nature of it will need to clarified.

The Chair wants to make sure the language on the role of the Review Panel is clarified. He suggested looking at this and coming back in July to clarify.

Larry Cassidy **MOVED** to approve Manual 18 and 18b with the option to make a final decision on the role of Review Panel in the Puget Sound at the July meeting. David Troutt **SECONDED**. Manual **APPROVED.**

**LEAG Report:**
Jeanette Dorner presented this agenda item. (See notebook item #5 for details.)

Jeanette noted that there is now a WRIA 20 lead entity (coastal area). Teresa Powell is the new part-time coordinator.

Steve Tharinger thanked Tim for helping to get this new lead entity in place.

Joy Jolson is the new coordinator in the Upper Columbia region. In WRIA 1 Becky Peterson is the new coordinator.

LEAG members extended their appreciation to WDFW for all the work they did on the Lead Entity Legislative Day. They didn't have as many legislators attend as they would have liked but it still provided an opportunity to make them more aware of the lead entity efforts. LEAG members are discussing the potential for coordinating a week for Lead Entities to take legislators out on tours in their areas. There is also a new directory listing including all the lead entities along with descriptions of the lead entity area.

The Chair suggested expanding this from just legislators to include local government officials.

Jeanette noted that this has been discussed and they will continue to work on including local government officials as well as legislators in the process. She is also working on a new role for LEAG and LEAG membership. The other shift includes making recommendations on a consensus model rather than voting. LEAG members would indicate a 1-5 level of support on any recommendations sent forward to the SRFB.

LEAG got an update on project permit streamlining from Chris Drivdahl. They appreciate her work on the federal permit streamlining. They still haven't gotten started on the state permit streamlining process. They have decided to send out an informal survey to find out where the Lead Entities see problems in permitting.

Since Richard Brocksmith resigned from his role this year as the Monitoring Forum LEAG Representative, they have been trying to find someone to fill his role.

The Chair noted that the new legislation on the Monitoring Forum makes it even more important to have a lead entity representative on this Forum and he encourages lead entity participation on this.

Jeanette reported that lead entities need more capacity. The level of funding has stayed relatively level but she is receiving more requests for additional administrative work. Most lead entity funding is at a level that allows for part-time staff only.

The Chair encouraged more coordination and efficiency. He has found that many times the representatives have not communicated back to those that are representing the issues.

Jeanette noted that the Council of Regions and LEAG are doing a good job of coordinating and communicating issues.

She also thanked the IAC staff for working with LEAG to make changes to the manuals and processes.

**MONITORING UPDATE:**
Bruce Crawford presented this agenda item. (See notebook item #10 for details.)

a) Monitoring Workshop Update
b) Tetra Tech – Effectiveness Monitoring Update

Bruce provided an update on the Monitoring Forum. The Monitoring Framework for fish, habitat, and water status and trends was sent out recently. This issue was identified at the first monitoring workshop and was worked on over the past year.

On June 20, 2007 there will be a second workshop on data. This workshop will be used to look at monitoring efforts and how to get better data for both the State of the Salmon report and for other state agencies and tribes who need help coordinating data.

The Monitoring Forum received a contract to provide funds for IMW work in three areas (Lower Columbia, Snake River, and Yakima). The Lower Columbia effort complements the work funded by the SRFB.

Larry Cassidy asked if the information coming out of the Abernathy and Germany Creeks will be useful in other areas of the State.

Bruce noted that there are two issues: one is what kind of treatment is needed in the area, such as with the IMW in the Lower Columbia where there are limiting factors associated with forest activities, does this treatment show how restoration and management practices would increase fish production in other areas or not.

The second issue is how far to extrapolate the information. The answer is still not clear and that is why Pacific Northwest Aquatic Monitoring Partnership (PNAMP) has recommended a larger network of IMWs to answer questions about limiting factors, watershed characteristics, and fish response.

The Board agreed that monitoring coordination is crucial.

Craig noted that in the past habitat projects in some of the IMWs weren't high on the lead entity list. The bigger the watershed the more expensive it will be to implement a successful IMW.

Dick talked about the IMWs and the projects that need to go into this. This topic needs to be on the July agenda to look at both the monitoring and projects needed in the IMW areas. He hopes that the federal IMWs aren't different from the IMWs that the state is doing. The Board needs to make sure these are the same rather than reinventing the wheel.

Larry Cassidy noted that the projects funded through the Northwest Power and Conservation Council (NWPCC) never got reports back on the results of the projects.

Bruce introduced Jennifer O'Neal reporting the Tetra Tech monitoring results.

Jennifer provided a presentation on the monitoring efforts. She discussed the time needed to start getting results in monitoring efforts. The Oregon Watershed Enhancement Board has adopted the same protocols being used in Washington so the results will be able to be shared between the states. This will provide more statistically significant results for less cost to both states.

The Chair stressed the need for cost effectiveness data.

David stressed the need to be careful on what the intent of the project is.

**Cost Effectiveness Report**

Daniel D. Huppert earned his Ph.D. from the University of Washington. Dr. Huppert was an economist and program leader for the National Marine Fisheries Service. He is currently one of the members of the Independent Economic Analysis Board created by the Northwest Power and Conservation Council.

Dr. Huppert provided an overview of the Independent Economic Analysis Board's review of the SRFB Monitoring program. (See handout for report details.) He recommends continued and increased monitoring efforts in the state.

The Board and Dr. Huppert discussed the ways to do a better job of monitoring efforts in the most cost effective way.

Bruce reported that staff is working to make sure results brought to the Board are the best, by obtaining reviews from the independent science panel, and hiring Tetra Tech to do the monitoring of efforts.

**LEAG Entity Contracts**
Tim Smith and Lauri Vigue presented this agenda item. (See notebook item #6 for details.)

Lauri provided an overview of lead entity accomplishments over the last year including:

- Lead entity directory
- Legislative day
- New lead entity area (WRIA 20)

Tim reviewed budget items:

- Budget changes from 05/07 to 07/09 budgets
- Lead entity contracts $3,100,000 to $3,135,000
- Administration $222,000 to $261,598
- Training $25,000 to $16,000
- Legislative appropriation stayed the same at $3,250,000
- SRFB request went from $97,000 to $162,598 this year

Dick asked about the increased amount of administrative costs.

Tim explained that the increase was due to pay increases, increased travel costs, and costs to create the directory.

David asked Tim how the budgets were created in the first place.

Tim reported that it was a variety of things, including the size of lead entity's and the number of requirements.

David noted that to date many of the Lead Entities aren't funded at full capacity. How do we develop a budget to get staff to full capacity?

Lauri explained that they will be working to develop a supplemental budget to get Lead Entities to full funding.

Steve Tharinger thanked Tim for their work with Lead Entities and understood the cost increases and increased requests. He reported that Clallam County will now be supporting two different Lead Entities (NOPLE and WRIA 20). They don't pay wages for staffing but they provide the office space and lights.

Public testimony:
Jay Watson, Hood Canal Coordinating Council, said cost of Living adjustments (COLAs) are being thought of by the state but COLAs for the lead entities have never factored in.

The Chair asked why Tim thinks the Legislature hasn't been responsive to providing lead entities COLAs?

Tim reported that they have asked for more funding but haven't been successful. He also noted that salmon recovery has changed over the years and that lead entity coordinators don't just need to know about salmon recovery issues. They also need to know more watershed general information (ecosystem level). The role of lead entities has become fuzzy.

Steve noted that the strategy needs to be developed to show the Legislature the need for more ecosystem level funding.

Steve Tharinger made a **MOTION** to approve funding for WDFW for an additional $162,598. Joe Ryan **SECONDED**. Board **APPROVED**.

The Chair would like to continue to look at ways to consolidate efforts and increase cost efficiency. They need to find ways to fund these efforts at a local level and retain local support.

**Regional Organization Funding Requests:**
Director Johnson introduced this agenda item. (See notebook item #8 for details.)

Brian Abbott and Steve Leider presented this agenda item.

Brian reviewed what is being asked of the regions and what the deliverables expected in the regional contracts will be.

Director Johnson handed out a summary sheet on the regional requests. Today's request is for Board approval to fund the regional efforts up to the $5,290,876 level.

Dick Wallace understands the work plans in the notebook are very general and he understands the final contracts will be more detailed. When reading through the materials he didn't see the word "projects" in the roll-up but believes working with the lead entities to identify projects is a major part of the regional role. He would like to stress the importance of a continuing dialogue and to have the regions help with securing the right amount of projects.

Steve Tharinger supports Dick's comments and supports monitoring the regional efforts to make sure the Board is getting the information it needs from the regions. The SRFB began as a place to fund projects and is now funding administrative activities at the regional level. While he supports this, the Board still needs to make sure.

Craig sees a difference in this agenda item from the previous one where lead entity funding from the SRFB provided additional funds to top off what the Legislature provided, as opposed to the regions where the SRFB is providing the funding. Should the regions be independently funded by the Legislature?

Director Johnson reported that the regions have been funded by Federal funds where the Lead Entities have been funded through the state. The federal government has been very supportive of and encouraged funding of regional efforts. Without the regional funds there would be no regional plans.

Larry noted that the NWPCC has used the regional groups in funding. He is supportive of Washington supporting the regions. Other states do not do this and it is more chaotic.

Phil Miller noted that the legislation that continued the GSRO reinforced the relationship between the GSRO and the regions.

Steve Tharinger **MOVED** to fund $2,790,876 million (remaining funding for 07-09 biennium) for the regional entities. Joe Ryan **SECONDED**. Board **APPROVED**.

Staff requested that $750,000 from the existing current biennium federal funds go toward this request.

Joe Ryan **MOVED** that $750,000 from the existing funds to go toward this request. Larry Cassidy **SECONDED**. Board **APPROVED**. [1]

Tim asked about the Yakima and Klickitat status.

Larry reported that Klickitat has been pulled into the Mid-Columbia.

Alex Conley reported that although Klickitat has been in the mid-Columbia it hasn't been involved in any of the mid-Columbia efforts.

Phil Miller reported that NOAA Fisheries has been developing the regional recovery plan, with assistance by the Yakama Nation. Klickitat County is on record as not supporting of the regional recovery plan.

The GSRO draws a distinction between lead entity and regional recovery efforts.

**Puget Sound Partnership Funds:**
Director Johnson introduced this agenda item with a presentation on funding requests and questions that need to be asked about this process. (See handout for details.)

1. Is this funding a parallel process to the regular SRFB grant round?
2. How and when should SRFB consult with the Partnership? With Nearshore?
3. Matching-fund requirements?

[1] EXPLANATORY NOTE: As of March 2007, the overall request for the regional organizations' operations for the 2007-09 biennium was $5.29 million. At the March 2007 meeting, the Board approved $2.5 million of already-available prior-year PCSRF federal funds. This left $2.79 million of the request unfunded. The May 2007 SRFB approval of $2.79 million completes the biennial funding package for regional operations. Of the amounts approved in May, $0.75 million is derived from additional available federal PCSRF funds, and approximately $2.04 million will be derived from FY 2007 PCSRF federal funds (and/or further prior-year federal funds if available).

4. Eligibility of project types and sponsors?
5. What review process applies?
6. If the SRFB Review Panel is used, what expertise and workload implications are expected?
7. Watershed-based allocation process?
8. Clarification regarding "Capital Program Management" Amount and uses?
9. Clarification of roles for tracking grant funds and administrative functions?
10. Need to consider phasing of projects?
11. Consider expedited process for "design funding" phase of restoration projects?

Jim Kramer presented this agenda item. (See notebook item #7 for details.)

Jim provided the background on the Puget Sound Partnership and budget request. The list of projects was provided to the Governor and she requested $42 million in her capital budget to fund the project list. The Legislature approved $40.75 million. Jim is proposing a separate and parallel process to the SRFB process. He believes it should be a separate process since it is a separate pot of money and has a couple differences. He would like approval of this process at today's meeting. He highlighted the differences between the SRFB process and the Puget Sound recommendation:

- Allocation method: Recovery Council recommendation that will be revisited at the May Council meeting.
- Project eligibility: Same as SRFB other than projects identified as highest priority projects to be eligible and funds be allowed to match SRFB funds.
- Match: Would like no match requirement. If the Board does not approve then he proposes 15 percent for the complete package, not per project. No match on design projects but on construction projects only.
- Role of SRFB panel: Modified proposal to have a reviewer or two look at the project but doesn't have to go to the full panel.
- Capital program management: 5 percent of total be used for capital program management.
- Cost to implement plan: Would be an allowed use of funds, then come back with a proposal on how those funds would be spent.
- Technical review: Narrowed list of review items to adjust the items that are technical review only.

**Match:**
Joe Ryan doesn't believe the Legislature attached a match requirement on these funds.

The Chair noted that when the SRFB first started funding projects they discussed whether or not to require match. He believes matching is a good idea, but he likes Brian's suggestion of no match on design projects.

Dick Wallace asked about legislative intent. Sometimes using institutional processes can jump start new funding. He agrees with the Chair on the importance of match for

local buy-in and support. He would separate the match into two separate issues. 1) Match for design and; 2) whether Puget Sound funds can match other funds or not.

Larry agreed with Dick's comments. The most important aspect of match funds is the local support. He believes the 15 percent requirement is very easy to meet. He would not want to see no match, although he may support the no match for design

Joe is worried about the process getting clogged. He agrees with no SRFB money matching SRFB money. He is worried about workload for IAC Staff.

Director Johnson agreed that there will be a workload issue in tracking the new projects but the match issue itself won't cause additional workload.

Dick reported that one way to not clog the system is to pace funds with a third now and two-thirds next year.

Jim Kramer noted that although they are requesting no match it does not mean that sponsors will not seek match anyway. If match is found, groups have more money to spend on additional projects. He does not understand why these funds can't be matched with SRFB funds since they could be matched with WWRP or other state funds.

Steve Tharinger believes the Shared Strategy has been fairly successful in getting private dollars and believes that including match is a good story to tell.

Jim agrees that getting match money is a good thing but they need to also get the projects underway to spend the money.

Jeanette clarified that the interest is only requiring Puget Sound funds to have no match. She is okay with having match for these funds if the SRFB funds are allowed to be the match.

Tim Smith is reminded the Board that there are fundamental governing rules (RCWs, WACs) that govern SRFB business. Some of the items in the proposal seem to be inconsistent with those fundamental rules. The questions should be whether the Puget Sound funds are different program. This needs to be resolved first.

The Chair reported that he doesn't see a reason to go through a different process. The language in the bill is general; there is nothing about expediting the process.

Craig Partridge was wondering if the Board can get some help from the Recreation and Conservation Funding Board (RCFB) when getting other grant sources.

Director Johnson noted this is probably different but that one item RCFB used was "non-governmental" match.

Dick Wallace believes the intent was to use the existing process.

Jim Fox is not aware of any specifics from the Legislature but OFM indicated that additional funds for the Puget Sound are expected to go into the traditional SRFB process.

Alex Conley proposed a way to make the match. He suggested that the current SRFB round require 15 percent match on all the traditional funds but to allow the use of SRFB funds to be match for the $40 million.

Jim Kramer believes the legislative intent is to accelerate the implementation of the regional plan. He doesn't believe private foundations will want to come up with the money. He is okay with Brian's proposal to go forward with design projects without match.

Steve Tharinger finds that when you have projects that are of interest to groups and they come forward with money then others step forward with funds.

Steve thinks that the funds are separate from SRFB funds but that the SRFB has some of the same responsibilities for this money.

David believes this would not even be a discussion if the money had gone to another funding board.

Joe Ryan asked if there is $6-20 million dollars out there to provide the match.

Larry Cassidy can't read the legislative intent but if the Legislature has a problem with how this money is spent they aren't going to go to Jim Kramer but to the SRFB to explain how these funds were spent.

Carol Smith can't believe that the Puget Sound can't come up with a 15 percent match.

Bill suggested going with Brian's proposal to not require match for design projects.

Jeanette is concerned with current projects that are ready to go but don't have the match. Nisqually has a project that will not be able to be completed if they are required to have a 15 percent match.

Joe Ryan made a **MOTION** stating that the match money can be raised Puget Sound wide. Steve Tharinger **SECONDED.**

Larry Cassidy spoke against this motion.

Steve Tharinger summarized his interpretation of the motion to mean that a region could create an account that they can use to meet the match of a specific project.

Joe Ryan **WITHDREW** his motion because he misunderstood the interpretation of the motion. Steve Tharinger also withdrew his **SECOND**.

Jim Kramer is suggesting taking time to look at the match issue. He believes that for the Board match is very important and for the Puget Sound getting projects completed is important.

**Eligibility Issue**

Larry would like to have staff look at whether Puget Sound Partnership funding allows broodstock projects to be eligible. He would like to make certain that the Board isn't stepping into an area they shouldn't be. He believes to recover salmon in Puget Sound they will need to think out of the box. He also wonders if the Board could approve an exemption for one project instead of making a statewide policy.

Director Johnson urged caution in allowing exemptions on a case by case basis.

David suggested allowing projects that are on the recovery plan and have gone through the TRT process even if they aren't the usual SRFB types of projects.

Tim Smith noted there is no match requirement in statute for SRFB funds. It falls under policy and the discretion of the Board. As for the types of projects, he believes these have some statutory requirements and the Board need to be careful on what projects are allowed.

Jim Kramer asked if they can start planning in a parallel process.

Joe Ryan believes the answer is yes. He is concerned with having so much trouble with legislative intent. It only says to follow the schedule.

The Chair noted that the members of the Board and staff all have the same goal in mind, which is to recover salmon. If they want to continue to get funds to do this they need to ensure the money is spent wisely.

Director Johnson asked for clarity on going forward with the option of no match for design projects and parallel processes.

The Board provided general agreement on going forward with the option of no match on design projects and use of a parallel process but will make a final determination on the Puget Sound process at the July SRFB meeting.

**SRFB Review Panel**

Tim Smith noted that the Puget Sound Nearshore Group is meeting on July 24, 2007 and that would be the time to get the projects for review on the agenda as the next meeting isn't until January.

Brian asked if there will be one list or two lists from the Puget Sound.

Jim Kramer believes it will be two lists.

**2008 REGIONAL ALLOCATION PROPOSAL:**
Director Laura Johnson introduced this agenda item. (See notebook item #9 for details.)

There could be a preliminary report at the July meeting, although Laura is not sure it will make it onto the July meeting agenda. Staff needs to continue the stakeholder work and might need to use the September meeting instead.

Craig wants to make sure staff doesn't get too far down the road without Board direction.

Director Johnson believes in the next year the Board will be learning what it means to be regional.

Steve Tharinger agrees with the staff recommended process.

Jim Kramer noted that the staff memo lists the wrong amount under Hood Canal.

**PUBLIC COMMENT:**
David Gerth, Kittitas Conservation Trust, welcomed the Board to the Yakima River Basin. He summarized this area's salmon recovery efforts and thanked the Board for its work.

**Adjourned:**
Meeting adjourned at 4:05 p.m.

SRFB APPROVAL:
Frank L. Cassidy Jr for

William Ruckelshaus, Chair

7/13/07
Date

Next meeting: July 13, 2007
Natural Resource Building
Room 172, Olympia