

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

Agenda Items without Formal Action

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

Agenda Items with Formal Action

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

SALMON RECOVERY FUNDING BOARD SUMMARY MINUTES

Date: May 20, 2010

Place: Best Western Lakeway Inn, Bellingham, WA, Washington

It is intended that this summary be used with the notebook provided in advance of the meeting. A recording is retained by RCO as the formal record of meeting.

Salmon Recovery Funding Board Members Present:

Steve Tharinger, Chair	Clallam County	Melissa Gildersleeve	Department of Ecology
David Troutt	DuPont	Sara LaBorde	Department of Fish and Wildlife
Bob Nichols	Olympia	Carol Smith	Conservation Commission (12:30)
Harry Barber	Washougal	Jon Peterson	Department of Transportation
		Craig Partridge	Department of Natural Resources

Opening and Welcome

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

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

Bob Nichols moved to adopt the February minutes.

Seconded by: David Trout

Motion: APPROVED

Management and Partner Reports

Management Status Report

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

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

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

No General Public Comment was provided

Legislative Update 2010 and Preparing for 2011

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

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

Public Comment

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

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

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

Seconded by: David Trout

Motion: APPROVED

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

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

Seconded by: David Trout

Motion: APPROVED

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

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

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

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

Public Comment

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

Partner Reports

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

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

Other Agency Updates:

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

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

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

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

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

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

Biennial Work Plan for Implementing Strategic Plan

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

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

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

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

Board Decisions

The board took action on four topics, as follows.

Factors for Considering Major Scope Changes – Acquisition Projects

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

Board members clarified the following points in their discussion:

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

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

Seconded by: Harry Barber

Motion: APPROVED

Monitoring Program

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

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

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

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

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

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

Staff committed to these follow-up actions:

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

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

Seconded by: David Troutt

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

Motion: APPROVED as amended

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

Seconded by: Harry Barber

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

Puget Sound Acquisition and Restoration (PSAR) Grant Awards

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

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

Seconded by: Harry Barber

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

Briefings

Regional Recovery Organization Presentation: Puget Sound (

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

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

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

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

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

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

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

Salmon Recovery Management Reports

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

Meeting adjourned at 1:30 p.m.

Approved by:

Steve Tharinger, Chair

Date