

SALMON RECOVERY FUNDING BOARD SUMMARIZED MEETING AGENDA AND ACTIONS, AUGUST 31, 2011

Agenda Items without Formal Action

Item	Follow-up Actions
Management Report	Hold federal funds for potentially backfilling lead entity contracts if general fund cuts are put in place. Place final decision on December agenda.
Salmon Recovery Management Reports	GSRO to set up a technical body to review monitoring proposals. The group would reflect the membership of the Forum.
Reports from Partners	No follow up actions requested.
Certainty of Landowner Commitments on Restoration Projects	No follow up actions requested.
Overview of the Family Forest Fish Passage Program	Staff will work with WDFW to compile a list of fish passage barrier projects in the Columbia Basin, and will follow up with Member Rockefeller regarding barriers and off-channel habitat
Preview of Project Tour	No follow up actions requested.

Agenda Items with Formal Action

Item	Formal Action	Follow-up Actions
Minutes	APPROVED as presented	No follow-up activities
Washington Department of Fish and Wildlife Smolt Monitoring Contract Extension	APPROVED Awarded \$208,000 for WDFW fish-in/fish-out monitoring from October 2011 through September 2013	Implement the decision.
Leque Island Estuary Restoration (RCO #04-1651), Request for Project Changes: Type, Scope, and Cost	APPROVED Approved the proposed changes to project type, scope, and cost for project #04-1651	Implement the decision.
Follow-up on Bear River Estuary Project (#10-1652)	APPROVED Use the funds held in abeyance as follows: award \$89,989 to the Ellsworth Creek Restoration project, return \$110,500 to the region for allocation to alternate projects on the 2010 list, and reallocate the remainder as returned funds to the board.	Implement the decision.

SALMON RECOVERY FUNDING BOARD SUMMARY MINUTES

Date: August 31, 2011

Place: Department of Natural Resources Southeast Regional Office, Ellensburg, WA

Salmon Recovery Funding Board Members Present:

Bud Hover, Chair	Okanogan County	Melissa Gildersleeve	Department of Ecology
David Troutt	DuPont	Sara LaBorde	Department of Fish and Wildlife
Harry Barber	Washougal		
Josh Brown	Kitsap County		
Phil Rockefeller	NWPC		

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. The first hour of the meeting was not recorded due to technical difficulties. The recording begins with the Lead Entity Advisory Group Report.

Opening and Welcome

Chair Bud Hover called the meeting to order at 12:35 p.m. and a quorum was determined. The chair introduced new member Phil Rockefeller.

David Troutt moved to adopt the agenda.

Seconded by: Phil Rockefeller

Motion: APPROVED

David Troutt moved to adopt the May and June minutes.

Seconded by: Phil Rockefeller

Motion: APPROVED

Management and Partner Reports

Management Status Report

Director's Report: RCO Director Kaleen Cottingham reviewed the additional materials provided to the members in the folders. She highlighted the new project search feature on the web site and staffing changes at the RCO.

Budget Update: Policy Director Steve McLellan stated that declines in revenue were likely for the September forecast, and that the RCO has been asked to do a 5% and 10% reduction exercise for the general fund. The positive news is that they did not bond to the greatest possible level, which means that there may not be further capital cuts.

He noted that all of the remaining general fund dollars in the RCO relate to salmon, and that the memo shows the potential cuts. Director Cottingham noted that the proposal goes the Governor next; at some point, the agency will be told what the reduction target will be. At that point, the board will

need to decide whether to backfill the lead entities. The decision can wait until December, but staff needs direction about whether to hold funds or award them to projects in December. The board directed staff to hold sufficient funds that can be used for at least one year.

Board members indicated that while their preference is to keep the lead entities whole, they do need to look at the effect on projects. Board members asked that the following information be provided in December:

- How the funds are distributed among the lead entities;
- The funds that are leveraged on the ground (have the Canty report available in December); and
- Models from the lead entities and regions showing 5% and 10% reductions.

Brian Abbott reminded the board that the funds will be needed for the 2012 grant round, especially if the Pacific Coastal Salmon Recovery Fund (PCSRF) grant is lower in federal fiscal year 2012. Member Troutt noted that it would be helpful to have a presentation about the lead entity program in December.

Megan Duffy noted that the PCSRF award for Washington State in federal fiscal year 2011 is \$28 million. For federal fiscal year 2012, the president's budget the total amount is proposed at \$65 million; the House brought it out at \$65 million as well. This is a reduction from federal fiscal year 2011.

Legislative Update: Steve McLellan explained that for the 2012 session, they are looking at a very narrow list of governor request legislation. One of the four key areas is "natural resources in Puget Sound." Agencies are being asked for limited legislative requests. The RCO does not currently anticipate any request legislation, but will work on senate confirmation for all governor appointees to the boards.

Policy Update: Steve gave an update on the Lands Group, highlighting the effort and the work needed before the group can sunset in June of next year. The RCO expects legislative action to extend the group, but one concern is the funding for staff support. Also, there are a number of concerns around state agency land acquisitions; this could be a place for the conversation to take place. He also noted the work underway to update the Puget Sound Action Agenda.

The board had no questions on the policy report or performance management reports.

Salmon Recovery Management Reports

Governor's Salmon Recovery Office: Megan Duffy, Executive Coordinator for the Governor's Salmon Recovery Office (GSRO), highlighted personnel changes in the section, noting that they are still working to fill the vacant science position. Jennifer Johnson is continuing to work on the interface between Habitat Work Schedule and PRISM. The lead entity contracts are in place. Duffy also noted the judge's actions on the Columbia Basin Biological Opinion. On August 15, NOAA published the 5-year status listings; none have changed.

Monitoring: Megan Duffy noted that the board had copies of a letter from Bill Wilkerson to the Governor about Monitoring. This letter already has triggered inquiries from legislative staff. She noted that with the Forum's sunset, they lack a body through which to vet monitoring programs. She asked the board to give them direction to set up a technical body to review proposals. The group would reflect the membership of the Forum. Director Cottingham reminded the board that they need to use the funds to support the Framework and support it statewide. The board agreed with that approach.

Grant Management: Brian Abbott told the board that 174 applications were submitted for the 2011 grant round, discussed the regional review meetings, and addressed the the PCSRF metrics project described in the memo. He noted that Elizabeth Butler will soon rejoin the RCO as a grant manager in the salmon section. Abbott updated the board on the Teanaway project that was a concern in December 2010, noting that the sponsor has not yet provided the alternatives analysis, but is expected to do so by September 30.

Member Troutt asked if there is an informal policy requiring sponsors to re-vegetate areas where invasive species are removed. Abbott responded that there is no policy, but there is an expectation that sponsors will show how they will achieve the goals; he will look into why that is being interpreted as informal policy.

Director Cottingham also noted staff efforts to do audits on two projects, and referenced the letters in the materials. She noted that she hopes this audit will yield some recommendations for process improvement. Member Troutt asked about the costs of such audits, and what circumstances would trigger a review; he suggested caution in initiating them.

General Public Comment

There was no general public comment.

Partner Reports

Council of Regions Report: Jeff Breckel declined to present, citing the memo in the notebook.

Lead Entity Advisory Group Report: Cheryl Baumann presented the LEAG report and thanked the RCO for their help in the grant round.

Regional Fisheries Enhancement Groups (RFEGs): Rebecca Wassell presented the RFEG report, which was included in the notebook. Josh Brown remarked that the presentations were very helpful.

Puget Sound Reports: Jeanette Dorner noted that there are two reports in the board materials that pointed attention at some areas that need to be addressed. The NOAA report noted that the efforts to protect habitat are not as successful as restoring habitat. The treaty Indian tribes responded to that report and issued a white paper that called for more action to protect habitat. The Salmon Recovery Council organized a meeting to discuss the reports and how the region would respond. A number of representatives were there, and there was a good discussion. The Partnership is working to continue the work from the meeting and identify what work needs to be done.

State Agency Partners

Sara Laborde, Department of Fish and Wildlife, discussed that the alternative gear project is in the water in the Lower Columbia. They had 35 applications to participate; they are very excited. They also have started a 3-year mortality study. They also had a very successful tour with congressional staff, Director Cottingham, and agency staff.

Melissa Gildersleeve, Ecology, noted that Ecology also is looking at the budget; in addition to the 5% and 10% cuts, they will be doing a 15% cut exercise. They are managing NEP grants for nutrients and pathogens.

Board Decisions

The board took action on four topics, as follows.

Smolt Monitoring Contract Extension

Megan Duffy introduced Eric Neatherlin and Mara Zimmerman from the Washington Department of Fish and Wildlife (WDFW). She noted that the board has funded smolt monitoring since 2001, and that their effort is focused on key populations from the Monitoring Framework.

Mara Zimmerman reviewed the Monitoring Framework and described the role of fish in /fish out monitoring. She noted how the data has informed status and recovery planning; information is distributed online. In 2012, they will focus on 87 populations. The work is funded by state, federal, local, and tribal contributions. She noted that the funding supports monitoring for populations that have no other funding source. She also addressed online tools to share information. Eric Neatherlin discussed how they had improved their transparency, reporting, and data collection.

Member Rockefeller asked questions about sample size they rely on for their conclusions. Mara noted that there were 8 years of data about freshwater survival on the Hamma Hamma, and 3 years of information on freshwater survival in the Duckabush River. They count several thousand fish, and extrapolate the total population based on that sample.

Member noted that he was skeptical about the program at first, and now believes it is very valuable. He wants more monitoring and reporting downstream to support the upstream monitoring.

Member asked if the RCO could do anything about the timing problems between funding and the contract end dates. Director Cottingham noted that she and Megan were working on that effort, as well as an approach to periodically reassess how the funds are distributed.

David Troutt moved to approve \$208,000 for WDFW fish-in/fish-out monitoring from October 2011 through September 2013.

Seconded by: Josh Brown

Motion: APPROVED

Leque Island Estuary Restoration (RCO #04-1651), Request for Project Changes: Type, Scope, and Cost

Grant Manager Kay Caromile and Section Manager Brian Abbott presented the request, as described in the staff memo, including project location, benefits, purpose, and design. Caromile noted that the amendment is intended to address concerns raised by the Camano Water Systems Association (CWSA) and Juniper Beach Water District regarding saltwater intrusion into the Camano Island water supply. The Environmental Protection Agency (EPA) has determined that additional information is needed on the direction of groundwater flow between Leque and Camano Island; Kay explained the EPA's proposed monitoring/modeling plan. If the study determines that the project will not harm the aquifer, the sponsor will proceed with the project. If not, then WDFW will review its management goals for the property. Kay then explained the proposed amendments to change the project type, time, and cost, noting that staff recommends approval of the requests.

Member Troutt asked why the subcommittee referred it to the board. Member Barber responded that it was a concern about the cost and the scope of the changes, and uncertainty about whether or not the study would give them a better idea of how to proceed. Chair Hover noted that he is concerned about projects that rise to the top but then "fall apart."

Member Troutt then asked if the board approved the changes, was there a risk that the project still could not move forward; that is, would people still disagree. Abbott noted that it would give the sponsors confidence that they have done due diligence. Caromile noted that this study would be on-the-ground monitoring, versus analyses that relied on existing data. Member Barber asked if there was any evidence of what had happened with the north side breaches. Russell Link from WDFW said that they planned to do a well at the north so that they could answer that question.

Member Brown asked what the process would be after the EPA study. Director Cottingham responded that the information would be used to secure the local permits.

Member LaBorde noted that there have been multiple levels of review on this project; she believes that the study is doing what EPA is asking. Chair Hover noted that EPA is the federal agency responsible for the groundwater. He stated that question is whether the EPA supports this monitoring plan, and whether it would lead to a conclusion that would allow the project to move forward. This study is to fill the gaps in current understanding from studies already done in this project.

Member Gildersleeve noted that it's a risk management decision; that ultimately, the project will be fought, and that the board will need to decide if the project is good enough to move forward. Member Troutt noted that there is an issue of tribal fisheries and culture.

Member Barber noted it's a good project, but he is concerned about coming back in two years and not having sufficient data at this time.

Public Comment

Pat Stevenson, Stillaguamish Tribe, remarked that the project was their top project. They are working with farmers to resolve issues related to fish. He shared a matrix showing how they are balancing restoration for fish with restoration for agriculture. Member Rockefeller asked when the issue of

groundwater came up. Stevenson responded that he was unaware of the groundwater issue until about a year and a half ago.

Jason Griffith, Stillaguamish Tribe, noted that he spent four years sampling in the area and spoke about the importance of the project for salmon recovery. The site is important for a tribal fishery for Chinook. They saw that the habitat is at full capacity for Chinook. He encouraged the board not to end the project at this time.

Ralph Ferguson, CWSA, noted that they are concerned about saltwater intrusion and that they do not believe that Leque Island was an estuary before 1930s. He presented the water system's statutory obligation to protect the water supply and offered a map of Leque Island showing its proximity to the sole source aquifer. He referred to the letter from Curtis Johnson regarding the Fir Island projects, and the response from Director Cottingham offering an audit. Mr. Ferguson stated that CWSA is demanding an audit in their area as well. They do not believe that the EPA work will resolve their concerns, and would like the work to be done based on the alternative study they proposed; the cost ranges from \$250,000 to over \$1 million and will take at least 5 years. CWSA believes it is the only way to show whether there is flow between Leque and Camano Islands. He does not believe that the EPA supports the monitoring effort.

He also referred to the 2002 English Boom project, which removed dikes on Leque Island, and stated that WDFW knew about concerns about water quality issues at that time. They are concerned about and taking action regarding a number of dike breaches that they believe can contaminate their groundwater. They believe that the contamination at Fir Island, shown through anecdotal evidence, could be evidence that the same will happen on Leque Island; he believes it is related to physics, not geology.

In response to a question from Member Troutt, he confirmed that they would support the project if it could be proven that there would be no contamination.

Russell Link, WDFW, stated that the groundwater issue on Fir Island is anecdotal. He stated that the monitoring plan is consistent with the EPA letter.

Dale Tyler, Juniper Beach, suggested that the board look at its RCWs for salmon recovery that refer to the cost benefit analysis. He does not believe that there is a cost benefit that makes this project worthy.

David Troutt moved to approve the proposed changes to project type, scope, and cost for project #04-1651 as presented on August 31, 2011.

Seconded by: Josh Brown

Member Barber proposed a condition that the funds would be contingent on getting EPA's approval of the monitoring plan. The amendment died for lack of a second.

Motion: APPROVED by a vote of 4-1, with Harry Barber opposing

Follow-up on Bear River Estuary Project (#10-1652)

Megan Duffy and Lloyd Moody gave an update on the staff work regarding the project and the audit of the lead entity process, as described in the staff memo.

Duffy noted that at this time, the board needs to give staff direction about how to allocate the funds that were being held in abeyance. She noted that the region had provided some of the original grant amount (\$110,500) and reviewed the options listed in the memo. She then noted that the US Fish and Wildlife Service had selected its preferred option, which includes this project, albeit in a slightly modified form.

Pacific County Commissioners requested that the alternate project, Ellsworth Creek Restoration, be funded at \$89,989, and that the remainder of the funds be turned over to the region. Director Cottingham recommended that only the \$110,500 that the region contributed be returned to it for allocation to alternate projects on the list. The rest would be reallocated as returned funds. The alternate project was reviewed in the 2011 grant round with the new citizen panel in place, so the issues that existed before no longer apply.

David Troutt moved to use the funds held in abeyance as follows: award \$89,989 to the Ellsworth Creek Restoration project, return \$110,500 to the region for allocation to alternate projects on the 2010 list, and reallocate the remainder as returned funds to the board.

**Seconded by: Phil Rockefeller
Motion was APPROVED**

Board Briefings

Certainty of Landowner Commitments on Restoration Projects

Brian Abbott presented the information as described in the staff memo and stated that the risk of projects not moving ahead is minimal. Abbot then gave three examples of failed projects. Reasons included the landowner rejecting the design, change of ownership, and potential liability.

He also noted that many sponsors are using a type of design implementation project that is working well. Often, these are tied to assessments that have already taken place. This project works with individual landowners to proceed with 30 percent design.

In response to a question from Member Barber, he noted that the 10-year commitment has not been a barrier. There is an expectation that the commitment transfers between landowners if the property is sold.

Chair Hover asked if they could show landowners similar projects around the state so that they have a good idea of what would happen on their property. He also wants to be sure that projects are put forward without overly optimistic assumptions about landowner willingness; he does not like the project funds getting moved from one location to another. He wants to ensure that every dollar spent benefits salmon recovery.

Member Rockefeller expressed concern about private landowners benefitting from the restoration and then walking away. He also asked if the landowner agreement was a binding contract, or just a statement of expectations. Director Cottingham noted the tools that the RCO uses to bind landowners and protect the investments. Brian noted that a project such as fish screening is a benefit to the property, but that the benefit remains with the fish as well.

Overview of the Family Forest Fish Passage Program

Dave Caudill presented an overview of the Family Forest Fish Passage Program as discussed in the staff memo. He listed the applicable statutes as well as program eligibility, cost sharing requirements, the process for prioritization, and the roles of sponsors and engineers. He concluded with the program budget and some successful projects. In response to a question, he noted that Conservation Districts sponsor most of the projects.

Member Rockefeller noted that he was the prime sponsor of the legislation, and that the “worst first” provision was to ensure that they got the best value for the funds. He asked if there are projects in the Columbia Basin, and if staff could provide the list to him to help satisfy the requirements of the judge’s remand. Director Cottingham suggested that they could sort the list by region. Abbott committed to sorting the list and following up with Member Rockefeller regarding barriers and off-channel habitat; he noted there’s also inventory work to be done because it’s an ongoing issue. Member Rockefeller suggested that updating the list could give the board a way to seek BPA funding.

Member LaBorde noted that they have a new fish passage manager, and that WDFW would like to work with RCO staff – and possibly also the regions and lead entities – to produce a project list and proposal for BPA. Director Cottingham noted that issue can be addressed at the upcoming state-tribal meeting. Member Rockefeller noted that they need to demonstrate benefit.

Public Comment

Alex Conley, Yakima Basin Fish and Wildlife Recovery Board, noted that many of the culverts are on federal land in his region.

Jennifer Goodridge, Chelan County Lead Entity, said they had the same problem.

Overview of the Board Tour

Alex Conley presented an overview of the region, the salmon runs in the region, habitat funding, and the projects that the board would be touring. He noted that most of their other habitat funding sources are used to match board funds. He showed a map of fish passage barriers, and put the projects on the tour in context. He noted the challenges of varying water levels in the region, but also showed data to show that populations are recovering.

Meeting recessed at 5:45 p.m. until the next day for the tour.

SALMON RECOVERY FUNDING BOARD SUMMARY MINUTES

Date: September 1, 2011

Place: Project Tour

Salmon Recovery Funding Board Members Present:

Bud Hover, Chair	Okanogan County	Melissa Gildersleeve	Department of Ecology
David Troutt	DuPont	Sara LaBorde	Department of Fish and Wildlife
Harry Barber	Washougal		
Josh Brown	Kitsap County		
Phil Rockefeller	NWPC		

The board participated in a tour of funded projects from 8:30 a.m. until noon.

Meeting adjourned at noon.

Approved by:

Bud Hover, Chair

Date