

SALMON RECOVERY FUNDING BOARD

MINUTES - REGULAR MEETING

April 21, 2000

Port of Seattle Commission Chambers
Seattle, Washington

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

William Ruckelshaus, Chair	Seattle
Larry Cassidy	Vancouver
Brenda McMurray	Yakima
Jim Peters	Olympia
Steve Meyer	Executive Director, Conservation Commission
Gerry O'Keefe	Designee, Department of Ecology
Dan Wrye	Designee, Department of Fish and Wildlife (morning session)
Jeff Koenings	Director, Department of Fish and Wildlife (afternoon session)
Craig Partridge	Designee, Department of Natural Resources
Jerry Alb	Designee, Department of Transportation

A tape of the meeting's proceedings is retained by IAC as the formal record of the meeting.

Call to Order:

Paige Miller, Seattle Port Commissioner, welcomed the Salmon Recovery Funding Board to the Port of Seattle.

Chair Ruckelshaus opened the meeting at approximately 8:45 a.m.

TOPIC #1 – APPROVAL OF MINUTES FROM MARCH 16 & 17, 2000, MEETING IN WENATCHEE, WASHINGTON:

Craig Partridge asked for an adjustment to one part of the minutes, concerning the Board's March discussion of current legislation and policy on funding projects that may have a legal responsibility by the landowner. Craig recalled the Board deciding to use the legislative response to the issue of funding projects that may have a legal responsibility by the landowner. Staff will listen to the tape of the hearing and revise the March 16 & 17 minutes as appropriate bringing the revised minutes before the Board for final approval at the May meeting. Larry Cassidy made the **motion** for approval of the remaining minutes of the March 16 & 17, 2000 meeting. Brenda McMurray **seconded** the motion and the Board **Approved**.

Revised March minutes will be presented to the Board at the May 2000 Board meeting for approval of the revised portion.

TOPIC #2 – APPROVAL OF REVISED 2000 MEETING SCHEDULE:

Larry Cassidy suggested a tour of Condit Dam at the May meeting in White Salmon.

Larry Cassidy made the **motion** for approval of Resolution Number 2000-03, Revised 2000 SRFB Meeting Schedule. Brenda McMurray **seconded** the motion and the Board **approved**.

TOPIC #3 – MANAGEMENT & STATUS REPORTS:

Director's Report: Director Johnson gave an overview of the staff's activities. She also reviewed the outline for the next few months' work. (There was no written report.)

Financial Report: Debra Wilhelmi gave an update of the financial status, contract status, and budget preview that will be discussed at the May and June meetings with decisions to be made at the July meeting. Reviewed the current status of funding – there is \$7.6 million uncommitted in State funds and \$13.7 million in Federal funds. (See notebook for written report).

Jim Kramer asked how the Joint Natural Resources Cabinet (JNRC) budget discussion works with the Salmon Budget? Laura explained how we still aren't sure how this will all work together since the Joint Cabinet is just beginning its budget discussions.

Jim Cahill, Office of Financial Management (OFM) commented on the process OFM will use in working with the JNRC. OFM will begin budget talks with the JNRC starting the first of May and will be glad to work with the SRFB to make this process smoother. This is the first year that OFM plans to link the budget more closely with the salmon strategy. JNRC final budget decisions will not be until Fall, May is the initial discussion only.

Steve Meyer suggested having a detailed discussion at the next meeting (May) concerning the Balanced Scorecard (BSC) information to see where the Board fits into the BSC exercise.

Brenda McMurray would like to see the JNRC share information with the SRFB on their budget discussions.

Advance payments – IAC has not generally given advances in the past, however, with the new salmon money there have been several requests for advances. Staff is working on a policy on how to grant advances and will bring this to the Board for approval at a later meeting.

Larry Cassidy suggested working with a lending institute that gives loans for development projects and see how they schedule loans.

Project Manager Update: Eric Johnson reviewed the status of SRFB projects. There are 84 projects from the Early 2000 grant cycle that still need to get into project agreement status. (See notebook for written report).

Chairman Ruckelshaus encouraged staff to think of the lead entities as partners and treat them as such. Need to work with them in a clear way to keep the lead entities involved with us – they are more than our clients.

Legislative Update: Jim Fox noted the first special session of the legislature concluded without resolution and the second special session would begin on Monday, April 24th. There are currently two budgets being worked on by the legislature.

TOPIC #4 – GSRO REPORT:

There was a written report from the GSRO this month. (See notebook for written report). Director Johnson mentioned that the main focus of the GSRO is the Balanced Scorecard and the 4(d) rule.

TOPIC #5 – EARLY 2000 GRANT CYCLE LESSONS LEARNED:

The Board discussed the lessons learned in the Early 2000 grant cycle. The review process included a full day workshop on April 7th with Lead Entity coordinators, citizens, agency officials and technical experts. Many lessons were learned during the process and are described in the summary of the Workshop. Five main lessons were discussed at the April Board meeting:

- The Board and staff received high marks for the open public process used by the Board and for its efforts to listen to the public.
- There are many people involved (between 2,000 – 4,000) with this grant process and it will continue to grow. With this number of people involved there is a great need for communication and without it a high potential for misinterpretation exists. The Board and staff need to increase communication with all parties involved.
- The Board needs to demonstrate their trust in the Lead Entities.
- There is need for continued education on what the Board is trying to accomplish. Many of the programs the Board has funded in the last few months are not well known among the watershed groups.
- The Board needs to set guidelines and stick with them throughout the grant cycle.

A final report on “lessons learned” will be developed by the Steering Committee and posted on the SRFB Web page in the near future.

TOPIC #6 – CULVERTS AND OTHER LEGALLY OBLIGATED ACTIVITIES:

Laura Johnson gave a report on projects with “legal obligation”. There is a vast array of potential legal obligations for landowners in regard to facilities such as culverts on their lands. Some obligations are clear, some are much more indirect. There are numerous sites which are not fish-passage friendly or which may be “illegal” in some respect, and there is a high degree of non-compliance and/or lack of enforcement for many of the requirements. The Board will need to determine its approach to such facilities using new guidance from the 2000 legislature. (See notebook for written report.) (See **Topic #8 – Issue #7** for more detailed discussion on this topic.)

TOPIC #7 – LEAD ENTITY STRATEGIC ASSISTANCE:

The Department of Fish and Wildlife (WDFW) explained a work plan for the next several months outlining how they intend to help Lead Entities become more effective. WDFW intends to create an advisory standing committee consisting of representatives from several Lead Entities, WDFW, SRFB, and GSRO representation, and other agency representatives as appropriate. WDFW’s advisory group will assist Lead Entities and SRFB by providing coordination, information sharing, and problem solving within the context of Lead Entity responsibilities. Following discussion, the Board agreed that WDFW’s presentation materials will be included in the SRFB’s May public comment period.

WDFW also informed the Board that NMFS, the Tribes, GSRO, and WDFW are working to develop a science review team proposal that provides scientific support to the SRFB and Lead Entities.

TOPIC #8 – 1ST DRAFT LATE 2000 GRANT CYCLE – DISCUSSION PAPER:

Staff asked the Board to review eleven proposed policy recommendations. The eleven areas for Board review are:

- Schedule for Late 2000 Grant Cycle
- Funds Available

- Who is Eligible
- Matching Share
- What Type of Project is Eligible
- Standard Requirements
- Ineligible Projects
- Standard Project Threshold Questions
- Individual Project Evaluation Questions
- Review Panel Evaluation Criteria and Process
- Retroactive Costs & other Administrative Issues

The Board will release its proposed Late 2000 Grant Cycle Policies and Fish and Wildlife's proposed work plan for public comment during the month of May. Citizens may comment through written response or provide public testimony at the May 24th Board meeting in White Salmon. The Board will make decisions on timing, criteria, and guidelines for the Late 2000 grant cycle at its May and June meetings.

There are 11 policy issues at today's meeting that need to be clarified before sending the document out for public comment in May. (See notebook for written report.)

Issue #1 – Schedule for Late 2000 Grant Cycle

Jim Fox reviewed the policy and schedule for the Late 2000 Grant cycle. Some of the concerns raised by Board members:

- The amount of time that was needed by the lead entities and project applicants to get their information together.
- A technical review team may also need time to get answers to questions regarding individual projects, depending on how the review process is handled this cycle. If a team reviews individual projects, this would eliminate the Board's need to do this. This would also give applicants an opportunity to revise their grant applications.
- July through Sept is a very busy time for sponsors doing projects and may not be good for filling out forms.
- Timeline very short for staff.
- Technical assistance will be key this summer – do state agencies feel this is a timeline that will allow them to get technical assistance out to help the lead entities in preparing projects?
- Permitting, writing grant proposals, and project work windows are all different and it will be hard to find the perfect schedule for this grant cycle.

One question for public comment is to find out if the lead entities will be requesting funding for projects on the Early 2000 list, or they will be creating new lists.

Issue #2 - Funds Available

Staff recommends using the remainder of the state and federal funds for allocation (\$21 million) in the Late 2000 grant cycle.

No discussion – Board concurred with staff recommendation, proceed to public comment.

Issue #3 – Who is Eligible

Staff recommends maintaining the same list of eligible applicants as was used in the Early 2000 cycle, except to not allow projects to be accepted from non-affiliated areas, only from lead entity

areas.

Discussion:

Question was raised about the eligibility of Federal agencies to receive grants.

Staff: Legislation did pass allowing transfer of land to Federal groups although staff recommends not changing the Federal agencies to be eligible for grant applications. Also, projects can be located on Federal land, but not sponsored by them.

Board concurred with staff recommendation; proceed to public comment.

Issue #4 – Matching Share – Eric Johnson

Early 2000 required a 15% match and staff recommends the Board require grant applicants to provide a portion of the project value known as “match”, the minimum-matching share being 15%.

Discussion:

- Question was raised about the need for a different level of minimum match depending on the type of project.
- What is the minimum match and how does the Board value larger matches or different types of project matches?
- Can match be from other sources such as another grant?

Staff: Usually cannot match Federal money with Federal money but it depends on what restrictions the Feds put on the money.

- If the Board does not want to use the matching amount as an evaluation criteria then staff may not show the matching fund information to the Board during the decision making period.

Issue #5 – What Project Type of Project is Eligible - Eric Johnson

Project types 1-7 are the same as the Early 2000 funding cycle (acquisition, in-stream passage, in-stream diversions, in-stream habitat, riparian habitat, upland habitat, and combination). New suggestions are: Project type 8 is outreach, 9 is assessments and studies and 10 is monitoring.

Discussion:

- Should assessments and studies be provided by WDFW?
- Is this monitoring of a project or a stand-alone monitoring of the overall process?

Staff: Monitoring could be either – question should go to public comment.

Laura Johnson presented the new legislation concerning legally obligated projects. The Board will need to answer 3 tests for project funding 1) Legal obligation; 2) Clear benefit to salmon recovery; 3) Harm to salmon if delayed.

Staff presented several options: A) don't fund projects with existing legal obligations; B) fund projects that have the highest benefit for fish, where the blockage was not caused by negligence of the landowner; C) require a contribution from the property owner; or D) provide a loan for the project.

Board members discussed pros and cons for each of the four options. After much discussion the Board agreed to send all four options out for comment. The Board also requested to include notes on: defining sense of urgency, and, reference to the Statewide Salmon Recovery Strategy.

Issue #6 – Standard Requirements

Staff recommended same requirements as Early 2000

No comments.

Issue # 7 – Ineligible Projects

Same as Early 2000 list

Discussion:

Federal appropriation allows 1% in administrative fees – staff are not recommending this for two reasons: 1) one percent provides little value to the project sponsor, and 2) one percent does not reflect the complexity, time, or impact a project has on an agency.

Board concurred with staff recommendation. Also, asked to highlight for public comment the question of leasing.

Issue #8 – Standard Project Threshold Questions

Board answered this question in issue #6

Issue #9 – Individual Project evaluation questions

Board comment: Send out for comments as is.

Issue #10 – Review Panel Evaluation Criteria and Process

Mike Kuttel from the Department of Fish and Wildlife (WDFW) presented WDFW’s proposal for assistance to Lead Entities. Currently there are 21 Lead Entities with 3 or 4 more to be created soon. WDFW proposes to create an advisory standing committee that would include representation from WDFW, LE, SRFB staff, SRFB members, SRFB agencies, and additional agencies. This group would help develop and organize workshops that assist lead entities.

Board discussion included questions on the estimated number of people who would be involved in the advisory committee, cost involved in doing this, coordination with other state agencies, and timeline for this proposal.

The Board needs to know what lead entities need in technical assistance and assessment work. Find a way to start permanent science review team and get this working with the lead entities as soon as possible to help the lead entities. Board members want to hear the lead entities’ public comment before giving Board support to this strategy – the final Board decision will be in June.

Decision: Will send WDFW’s plan for assistance to lead entities out for public comment – not as something the Board is doing but to request information for WDFW. The Board also needs a proposal for an overall science review plan and would like this proposal at the May meeting for review. If the Board has changes or recommendations, the Board will send their request for change out for public comment in May with final decision in June.

Issue #11 – Retroactive Costs

Send out for comment as is.

TOPIC #9 – POLICY GUIDANCE – GRANTS MANAGEMENT:

Director Johnson requested the Board’s guidance on her authority to approve several different

