SALMON RECOVERY FUNDING BOARD

MINUTES - REGULAR MEETING

July 2, 2003	Cedar River Watershed Education Center North Bend, Washington

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

William Ruckelshaus, Chair	Seattle
Steve Tharinger	Clallam County
Brenda McMurray	Yakima
Jim Peters	Olympia
Dick Wallace	Designee, Department of Ecology
Tim Smith	Designee, Department of Fish and Wildlife
Craig Partridge	Designee, Department of Natural Resources
Ed Manary	Designee, Conservation Commission
Shari Schaftlein	Designee, Department of Transportation

CALL TO ORDER:
Chair Bill Ruckelshaus opened the meeting at 9:05 a.m.

Margaret Pageler, City of Seattle Council member, welcomed the Board. Discussed City of Seattle's watershed protection and salmon recovery activities and the model they are using.

Jane Lamensdorf-Bucher and Kristi Silver presented a PowerPoint overview of WRIA 8 projects.

REVIEW AND APPROVAL OF JUNE 2003 MEETING MINUTES
Steve Tharinger **moved** to approve the June 2003 meeting minutes. Jim Peters **seconded** the motion. The June 2003 minutes were **approved** as presented.

MANAGEMENT AND STATUS REPORTS
Director's Report
Director Laura Johnson presented this agenda item.

- Happy to report that Jim Fox is back after surgery.
- In the last three months staff has prepared for four meetings.
- Need to remove agenda item 3 (Project Change - Board Policy on Returned Funds) from today's agenda.
- Washington State Legislature passed the budget. Director Johnson distributed an overview of the Priorities of Government budget.
- This legislative session, IAC received administrative control of the ALEA grants program - $5 million per biennium with 20 active grants. This program's policies and procedures will need to be coordinated with the Department of Natural Resources (DNR) and the Salmon Recovery Funding Board (SRFB).

- SRFB will also need to coordinate with WDFW and DNR on the Family Forest Fish Blockages Program, which the Legislature included in the SRFB budget.
- Proviso on acquisition restrictions to the SRFB budget with $23.2 million to be directed toward restoration projects.
- Staff working on a number of issues, including how to effectively assist project sponsors in making more timely progress on projects. There is also a need to keep legislators better informed of the steps a project must go through before completion.

The Chair agreed with Director Johnson's comment on the need to communicate with the Legislature on the time it takes to complete projects. The Board doesn't want to start spending money just to spend it, but to fund the best projects possible. Some of these projects take longer than four years to complete.

Steve Tharinger asked whether the legislation provided a definition of restoration. Director Johnson reported that the Legislature did not define restoration, but IAC/SRFB policy manuals do have a definition of restoration.

Financial Report
Debra Wilhelmi provided the Board with an overview of financial status. There is currently $13,375,000 in uncommitted funds. (See notebook for details.)

- The Natural Resources Information Portal has been released for public use.
- Noted that there are times when projects have been completed but the sponsor hasn't submitted the final billing to us, which makes it look like the money hasn't been spent.

Project Status Report and 4th Round Update
Marc Duboiski provided the project management report. (See notebook for details.)
- In the future there will be another column added to the project status report for restoration projects that are complete but are in monitoring status. Working with Debra Wilhelmi and Bruce Crawford for a new definition in PRISM to show this new status.
- This summer, project managers expect many pending projects to be implemented.

Marc provided a PowerPoint presentation of three completed projects.
- 00-1722C – Skiyou Slough Habitat Restoration – Skagit Conservation District
- 00-1244A – Youngs Slough Conservation Easement – Skagit Land Trust
- 00-1716N - Middle Skagit Inventory and Assessment – Skagit Land Trust

Legislative Results Report
Jim Fox provided the Board with the legislative report.

2SHB1095 Family Forest Fish Blockages – passed. This bill will provide assistance to small forest landowners with the forest road maintenance and abandonment plan elements of the forest practices rules.

HB1336 Watershed Planning – passed with all reference to salmon deleted. The bill does strongly recommend planning units consult with other entities to eliminate duplication.

HB1418 Tidegates – passed. This bill addresses statewide planning of tidegates and intertidal areas critical to salmon.

Three bills that did not pass would have restricted state agency land acquisition. Also, the monitoring bill did not pass; however, there is sufficient direction and funding provided in the budget for implementation.

Governor's Salmon Recovery Office Report
Steve Meyer provided the Board with the GSRO report. The GSRO is working with the regional boards and will have a funding recommendation for the Board at the September meeting.

Chair Ruckelshaus asked if the GSRO has any plans to discuss the process with individual legislators. Steve replied there are no definite plans at this time.

The Chair encouraged Board members to pay close attention to the very important question of, "What is the appropriate level of support for each of the regional organizations?"

Steve also reported that the Independent Science Review Panel (ISRP) will be reviewing the sub-basin plans for mitigation requirements under the Federal Power Act. Would like the scientists to provide the tools needed for local organizations to succeed with watershed planning.

REGIONAL AND LOCAL ORGANIZATION SUPPORT

Steve Meyer reviewed the status of the regional organization support. (See GSRO report referenced above for details.)

Debra Wilhelmi provided the Board with an update on lead entity support. (See notebook for details.)

The Legislature allocated $3,250,000 to the lead entity operating budget for the 2003-05 biennium, 50% coming from state funds and 50% from federal funds. IAC staff is working on a contract with WDFW proposing they continue administration of the lead entity program and distribution of funds.

Public Testimony
Roy Huberd, Lead Entity Coordinator representing WRIA 10 and 12, Puyallup-Chambers Clover Creek watershed, asked the Board's help in revising their strategy document for Pierce County.

Doug St. John, chair of Citizen's Committee for Puyallup-White River-Chambers Creek watersheds, discussed community support of salmon recovery efforts in Pierce County. Their process in the 4th round grant cycle was objective and transparent. They need to figure out how to make the process work better.

The Chair asked staff to work with Pierce County.

LEAG REPORT

Jay Watson provided the Board with a LEAG report. Lead entity contracts have expired. Concerned with change in allocation formula. Would like contracts to be issued as soon as possible. Capital dollars can be carried over, so he hopes this will be done with the remaining funds on the lead entity contracts.

Director Johnson reported staff is working with WDFW staff to get the lead entities' contracts in place.

Debra Wilhelmi reported that although the funding level stays the same, two new lead entities have been added.

Tim Smith reminded the Board that a supplemental amount was provided to lead entities last year.

Jay would like the Board to provide supplemental funding again so the lead entities can receive the same amount of funding they have received in the past.

Tim would like the Board to provide the lead entities with as much certainty as possible.

Ed Manary asked about the problems with keeping the funding current. Debra noted that items the lead entities would like to have added such as workshops, training, etc., would come out of project funding.

Tim noted that any changes would probably come through the Issues Task Force (ITF) decisions, not from the administrative process.

PROJECT CHANGE – BOARD POLICY ON RETURNED FUNDS

Director Johnson reported to the Board on this agenda item. She explained to the Board what returned funds are and gave some reasons on how the Board gets returned funds.

Rollie Geppert has been working on this topic but, due to a family emergency, was unable to attend today's meeting or complete the white paper on this agenda item.

Director Johnson noted staff will need to coordinate the policy with both the IAC and SRFB. Another item that needs to be worked on is the permitting issue. May need to have an independent third party look at this issue and report back to both Boards.

Staff will come back to the Board with a recommendation at a future meeting.

4TH ROUND CONDITIONAL PROJECT LIST

At the May SRFB meeting, nine projects were put on a conditional funding list dependent on budget. (See notebook for details.) Now that the budget has been finalized, staff recommends funding these nine projects.

Brenda McMurray asked about the money set aside at the May SRFB meeting. Director Johnson explained that the funds were set aside until the 2003-2005 capital budget had been adopted. This will take $2.7 million of funding capacity from the 5th round.

Steve Tharinger **moved** to adopt Resolution #2003-08 Fourth Round Conditional Project List. Brenda McMurray **seconded** the motion. Board **approved** Resolution #2003-08 as presented.

Public Testimony
Joan Burlingame, representing Friends of Rock Creek Valley, thanked the SRFB for funding their project.

PROJECT CHANGE SUBCOMMITTEE REPORT

Brenda McMurray provided the Board with a subcommittee report on project changes. Two projects were approved through the subcommittee process.

Brenda outlined the request for Perry Tributary Fish Passage Project (#01-1244), whose funding request is above the subcommittee approval level and needs to be brought before the full Board. The sponsor of this project, South Puget Sound SEG, has requested a cost increase of a maximum $44,450. Dick Wallace and Brenda recommend approving the increase with the condition a $10,000 cash match be secured prior to approval of the increase.

Brenda **moved** the Board approve this increase. Jim Peters **seconded** the motion. The Board **approved**.

PROGRAMMATIC REQUESTS

Director Laura Johnson provided the Board with an overview of this agenda item. (See notebook for details.)

National Fish & Wildlife Foundation

Public Testimony
Dennis Canty, President, Evergreen Funding Consultants, and Krystina Wolniakowski, Regional Director, National Fish and Wildlife Foundation (NFWF), commented to the Board on handouts provided at the June meeting. Dennis presented the history of this small grants program request. Dennis does not have a specific proposal for the Board today, but would like to put this before the Issues Task Force (ITF) to work on for the September meeting.

Steve Tharinger does not believe the ITF will be able to get this done by September 2003, as he believes this issue may take longer to provide a recommendation to the Board.

Director Johnson discussed the small grants issue and how the ITF would look at the policy elements of the issue; IAC/SRFB staff will look at the administrative elements.

Brenda McMurray would like the Board to look at a statewide program, not just a program in the Puget Sound. Is this a pilot that would later branch out to the whole state?

Chair Ruckelshaus agreed and was going to make the same comments. This falls into the block grant area that the lead entities have been requesting, but the Board is responsible for accountability of these funds. This project may help the Board with the accountability end of things.

Dennis responded that from a fiscal perspective, the program has been very accountable and also technically accountable.

There is some time sensitivity for receiving these funds. This issue will be taken to the ITF for recommendation to the Board at a future Board meeting.

Next three projects recommended for funding by staff:

- Intensively Monitored Watersheds and Smolt Monitoring - $900,000 or $600,000
- Limiting Factors Analysis - $161,000
- NW Straits Derelict Gear Removal - $150,000

Intensively Monitored Watersheds and Smolt Monitoring

Bruce Crawford provided the Board a review of the monitoring proposal and smolt monitoring efforts.

Bruce noted the letters from the Independent Science Panel (ISP) and University of Washington and recommends the Board fund option 1: full funding of the Intensively Monitored Watersheds (IMW) Program and the Smolt Monitoring Program.

Brenda asked how we intend to use this level of monitoring to establish not only what restoration projects are doing, or not doing, to benefit salmon, but also to factor in other activities within those watersheds that have an impact on salmon.

In response to Brenda's question, Dr. Bob Bilby emphasized that one of the products that will be generated the first year is detailed study plans for each of the watershed sets. In addition, an overarching structure of how to use the data from those various watersheds will be viewed in total. The EPA statistics group in Corvallis, Oregon, will be involved to specifically address the issue of how to design these experiments so the results are applicable across a broad landscape.

Dick Wallace is a strong supporter of IMWs and feels they offer great collaboration between forests and fish and the Northwest Power and Conservation Commission (NWPCC). Most likely this project will expand rather than get smaller.

Dick also recommended the ITF look at using a point system for improvements in monitoring efforts.

Bruce feels that monitoring is not just a SRFB responsibility, but a statewide responsibility, and needs to have more partners and coordination.

Jim Peters **moved** to adopt option 1. Brenda McMurray **seconded** the motion. The Board **adopted** Option 1 providing $900,000 for Intensively Monitored Watersheds and Smolt Monitoring activities.

Limiting Factors Analysis (LFA) Statewide Roll-up
Bruce Crawford provided the Board with an update on the limiting factors analyses project and discussions with the Conservation Commission and GSRO. Staff recommends funding this request.

Ed Manary noted this project provides a comprehensive look at the data provided in the separate limiting factors and would be a statewide roll-up.

Jim Peters has heard some concern with some of the earlier limiting factors areas and wonders if there would be recommendations in the report noting the need to go back to the area to update or complete the report.

Ed noted that if there is new information since the report was first developed, the areas need to provide it to the Conservation Commission and they will make sure it is included in the report.

Dick Wallace congratulated the Conservation Commission on completing the LFA on time and under budget and feels this would be the logical next step in developing strategic agendas in the future.

Brenda McMurray **moved** to adopt funding of the Limiting Factors Statewide Roll-up Project. Steve Tharinger **seconded** the motion. Board **adopted** the motion, providing $161,000 for funding of the LFA Statewide Roll-up.

NW Straits Derelict Gear Removal Project
Director Laura Johnson provided an overview of this project proposal that involves removal of nets in the northern part of Puget Sound.

Tim Smith updated the Board on WDFW efforts to prevent future derelict gear.

The Board would like to build a means to include preventive measures into the grant proposal.

Tom Cowan, Secretary of the NW Straits Commission, reported they do have a priority list starting with removal of nets which could harm human life, then endangered species of fish, and then boats. This rating is now in place.

Steve Tharinger had the opportunity to ride on a boat that was searching out derelict gear. Very interesting.

Tom noted this effort just started last year and has blossomed. Agrees with Director Johnson about the need to determine the future of this effort.

Steve Tharinger **moved** to adopt funding of the derelict fishing gear removal project with qualifying issues included (preventive program). Brenda **seconded** the motion. Board **adopted** the motion, providing $150,000 in funding for the derelict fishing gear removal project.

Effectiveness Monitoring
Staff recommends the Board include effectiveness monitoring under the ITF issues.

Chair Ruckelshaus suggested the Board look at this issue creatively.

5TH ROUND ISSUES – POLICY DEVELOPMENTS AND UPDATES

Steve Tharinger presented a summary of the first meeting of the Issues Task Force (ITF) and proposed timeline for the Board to consider. Steve explained that when looking at the number of issues the ITF was being asked to review and make recommendations on, the ITF felt it had to deal with the timeline for the 5th Round first in order to manage and prioritize the rest of the issues.

The ITF is recommending that the 5th Round start in January of 2004 with the funding meeting some time in November of 2004. The 6th Round would then follow the same cycle, give or take a month or so. In essence, there would be one major funding round within this biennium.

Steve reported how the ITF discussed the need to link grant rounds with sub-basin planning and then with the regional recovery planning process. This timeline will not only give the ITF a chance to work through the number of issues in a thoughtful way, but it will provide the lead entities time to work on their strategies and backlog of projects.

One other aspect discussed at the ITF meeting was to be sensitive to where the Board is in its process in consideration of the legislative session and state and federal budget proposals. Under this proposed timeline, the lead entities are going to be working with project sponsors to develop project proposals during the legislative session. Also, the Board will be making funding decisions as the 2005-07 state budget is being developed by the Governor's Office in the fall of 2004. This fits well with some of the political and process issues the Board and the ITF are addressing.

The 5th Round timeline is a proposal that the ITF brought forward to the Board for consideration. The ITF is not actually a subcommittee so that the proposal would be a motion. It is a task force that will be making recommendations to the Board. The Board will then determine whether or not they want to act on the recommendations. Although with future issues, the ITF and Board will want more public comment and feedback time. The timeline issue needs to be decided at the July 2 SRFB meeting.

The ITF members represent a good cross-representation of people interested in the salmon recovery process, and several Lead Entity Advisory Group (LEAG) members were present at the Board meeting. At the ITF meeting, agreement on the timeline recommendation was reached by consensus. Jay Watson reported that he did a quick survey of LEAG members during a break in the meeting, and they also showed agreement with the proposed timeline recommendation. Future recommendations by the ITF will be done with outreach and stakeholder involvement.

After discussion, the Board agreed with the ITF recommendation for the 5th Round beginning in January 2004. The Board will couple the announcement of this next cycle with a clear communication as to why the Board and ITF think this is an appropriate timeframe and then

what the Board would like to have the lead entities and others working on in the meantime so this next round will be the best round to date.

Steve Tharinger then wrapped up the discussion with other issues the ITF needed Board directions on:

Outreach: The ITF would like to outreach to various stakeholders on the issues as they move forward, gathering comments and concerns and making adjustments to the recommendation prior to presentation to the Board for consideration and decision. The Board agreed to this process.

Representation: There are many issues to be discussed and recommendations to make. Steve feels the ITF has a good cross-section of representation. He wants to involve as many people as possible in the process, but believes that to be able to work most efficiently, the task force can't be too large. He would like to limit the number of ITF members and make sure stakeholders are able to provide feedback. If there are particular issues stakeholders want the ITF to be aware of, there needs to be a process for them to provide the information to the ITF. Currently, there are a number of groups working on issues the ITF will receive reports from at the end of the month. The Board agreed with the need for a smaller-focused task force and to allow a means for public input of concerns and/or additional issues.

PARTNER AGENCY REPORTS

Director Johnson recognized Ed Manary in his retirement from state service. The Chair presented Ed with a card and chocolate fish as a token of appreciation.

Shari Shaftlein, WSDOT, updated the Board on removal of derelict gear from the bridge on Hood Canal. She shared some pictures of this project.

Tim Smith, WDFW, reported that this is Jay Watson's last meeting as chair of the LEAG. He thanked Jay for his work over the last couple years and expressed appreciation for his dedication. Chair Ruckelshaus echoed the sentiment of Jay's dedication.

Dick Wallace, Ecology, reported that new water quality standards have been adopted and the stormwater guidelines have been approved by the Independent Science Panel (ISP).

The meeting was adjourned at 2:47 p.m.

Some of the Board members and audience were then provided a tour of local projects by WRIA 9 lead entity representatives.

SRFB APPROVAL:

_____ _____

William Ruckelshaus, Chair Date

Future Meetings: September 25 & 26, 2003 – Seattle
October 29 & 30, 2003 - Sequim

RESOLUTION #2003-08
Fourth Round Conditional Project List

WHEREAS, SRFB funded 70 of the 207 projects submitted for consideration at the May 2, 2003 meeting in Wenatchee;

WHEREAS, SRFB placed on a provisional funding list nine of the remaining 137 projects, totaling $2,740,594;

WHEREAS, the SRFB has considered available state and federal funds in the 2003-2005 biennium;

WHEREAS, SRFB has considered the federal 03 funding level;

NOW, THEREFORE BE IT RESOLVED, the Salmon Recovery Funding Board approves for funding the nine provisional projects on the attached list; and

BE IT FURTHER RESOLVED, that the Director be authorized to execute any and all project agreements necessary to facilitate prompt project implementation.

Resolution moved by: _____Steve Tharinger_____

Resolution seconded by: ____Brenda McMurray_____

Adopted --- Defeated ---Deferred

Date: __July 2, 2003____

Action Items:

Next three projects recommended for funding by staff:
Intensively Monitored Watersheds and Smolt Monitoring - $900,000 or $600,000
Jim Peters **moved** to adopt Option 1. Brenda McMurray **seconded**. Board **adopted** Option 1 providing $900,000 for Intensively Monitored Watersheds and Smolt Monitoring activities.

Limiting Factors Analysis $161,000
Brenda McMurray **moved** to adopt funding of the Limiting Factors Statewide Roll-up project. Steve Tharinger **seconded**. Board **adopted** providing $161,000 for funding of the LFA Statewide Roll-up.

NW Straits Derelict Gear removal - $150,000
Steve Tharinger **moved** to adopt funding of the derelict fishing gear removal project with qualifying issues included (preventive program). Brenda **seconded**. Board **adopted** providing $150,000 in funding for the derelict fishing gear removal project.

5th Round Issues Task Force
Timeline: The Board agreed with the ITF recommendation for the 5th Grant Round beginning in January 2004.

Outreach: The Board agreed to having the ITF outreach to various stakeholders on the issues as they move forward, gathering comments and concerns and making adjustments to the recommendation prior to bringing the recommendation to the Board for consideration and decision.

Representation: The Board agreed with the need for a smaller focused task force and to allow a means for public input of concerns and/or additional issues.