SALMON RECOVERY FUNDING BOARD

MINUTES - REGULAR MEETING

April 6-7, 2006 — Maple Hall, La Conner, Washington

Day 1

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

William Ruckelshaus, Chair	Seattle
Steve Tharinger	Clallam County
David Troutt	Dupont (First Meeting)
Joe Ryan	Seattle (First Meeting)
Mark Clark	Director, Conservation Commission
Dick Wallace	Designee, Department of Ecology
Tim Smith	Designee, Department of Fish and Wildlife
Craig Partridge	Designee, Department of Natural Resources

CALL TO ORDER:
Chair William Ruckelshaus called the meeting to order at 9:44 a.m.

Chair Ruckelshaus welcomed new board members Joe Ryan and David Troutt who are replacing Jim Peters and Brenda McMurray. Jim and Brenda have served on the Board since its inception.

Joe Ryan is an attorney who has worked to solve complex, multi-party natural resource problems, primarily in the area of water quality. He is currently the President of the Board of the Washington Environmental Council. Ryan has also served on the Development Committee of the Shared Strategy for Puget Sound Chinook Recovery and as a member of the Policy Committee for Forest and Fish.

David Troutt is the Natural Resources Director for the Nisqually Indian tribe. He also serves as Chair of the Nisqually River Council and President of the Nisqually River Foundation.

PARTNER AGENCY REPORTS:
No partner agency reports.

REVIEW AND APPROVAL OF AGENDA:
The Board accepted the proposed agenda.

REVIEW AND APPROVAL OF JANUARY 2006 MEETING MINUTES:
Joe Ryan **MOVED** to approve January 2006 meeting minutes. David Troutt **SECONDED.** The Board **APPROVED** minutes as presented.

Director Johnson provided the Boards background for the new members.

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

Director Johnson highlighted these items:

- Income tax and Public Disclosure Commission reports for the citizen members are due April 15.
- The Board will have a brief recognition ceremony for Brenda McMurray at tomorrow's meeting.
- Staff is busy thinking about the new grant round. There have been six previous grant rounds and some processes need adjustment.
- The SRFB has had an administrative subcommittee of Brenda McMurray and Mark Clark to review the project change requests for approval. With Brenda leaving the Board, we will need a new administrative subcommittee member.

Chair Ruckelshaus **MOVED** to nominate Joe Ryan as the new citizen member to serve on the administrative subcommittee. David Troutt **SECONDED**. The Board **APPROVED**. New subcommittee consists of Mark Clark and Joe Ryan.

Financial Services Report
Written report only. (See notebook item #2b for details.)

Director Johnson reviewed the budget report noting that staff believes there is a coding problem with the budget. She will need to meet with the Office of Financial Management to fix this problem. To be safe, until this error can be fixed the Board should work with a $19 million amount rather than a $21 million for the remainder of the biennium.

Mark Jarasitis was available to answer any questions.

Chair Ruckelshaus informed new members that this is a report the Board receives in every meeting notebook to inform the Board the status of funds.

Director Johnson noted that Federal 2006 money would be available for use on June 1, 2006.

Mark reported that we are in the process of closing out the first round of federal money (from FY 2000). Neil Aaland and his staff have been working hard to get this money used before the end of the fiscal year, using this money as wisely as possible.

The Chair noted that he is not concerned about returning money before the end of the cycle if there is not a way to wisely spend this money.

Director Johnson noted that the Board has five years to spend federal funds and at times it is difficult to complete some projects within the five-year timeframe. There are only a handful of projects that weren't able to get completed. These were big money projects and we may have to return some of the funds.

Communications Report
Written report only. (See notebook item #2c for details.)

Susan Zemek highlighted the news release process used in this grant round with a thirty percent increase in reporting on grants.

Chair Ruckelshaus asked if Susan made contact with legislatures.

Susan reported that letters were sent to both the legislators and the congressional delegation informing them of projects funded in their area.

Project Management Report
Neil Aaland presented this agenda item. (See notebook item #2d for details.)

Director Johnson reported the firm Tetra-Tech will be with the Board in June. They are seeing results, and the monitoring does work.

Chair Ruckelshaus noted that the federal money earmarks ten percent to go toward monitoring. He reported that the state has so much work to do in monitoring at all levels and we will need to spend the monitoring money in a coordinated way.

Director Johnson clarified that after June there will be an update to show how the monitoring money can be allocated through projects and coordinated approaches.

Mike Ramsey and Rollie Geppert provided a slide show highlighting completed projects:

- 04-1002 Baxter Beaver Creek Passage - Cowlitz-Wahkiakum Cons Dist.
- 04-1650 North Stream, Willapa Bay Refuge - Willapa Bay RFEG.
- 04-1627 Oxbow Creek Construction Phase - Willapa Bay RFEG.
- 01-1429 Stillaguamish Riparian Enhancement Crew - Stillaguamish Indian Tribe.
- 01-1333 June Creek Culvert Replacement - Pierce Co Public Works.
- 02-1561 Edgewater Park Off-Channel Restoration - City of Mount Vernon.

Joe Ryan asked if there was continued stewardship for the Stillaguamish Riparian Enhancement project that removed blackberries.

Mike and Rollie reported that SRFB pays for the first five years of maintenance and the sponsor is obligated to continue stewardship for the next five years.

Governor's Salmon Recovery Office (GSRO) Report
Chris Drivdahl, Governor's Salmon Recovery Office, presented this agenda item.

Chris reported that the new *Statewide Strategy to Recover Salmon* report was released today. This report updates the statewide strategy with regional recovery plans. Chris walked the Board through the Mid-Columbia Salmon Recovery Plan example and reviewed how the report is laid out for each of the regions. This report will be widely mailed and posted on the GSRO web page on Monday.

GSRO provided a letter to the Board on its observations of the Issues Task Force (ITF) and will be available to testify during the ITF discussion.

Lead Entity Advisory Group (LEAG) Report
Doug Osterman presented this agenda item. (See notebook item #2d for details.)

Doug provided an overview of LEAG's work for the year. The memorandum provided in the notebook summarizes how lead entities feel about the last grant cycle, the next grant cycle, and Issues Task Force work. The LEAG meetings have been very well attended and most lead entities have been represented at the meetings. He feels better that he is able to give the Board a good overview of how the lead entities think.

On March 29 lead entities had a meeting in Ellensburg to review and discuss the report and recommendations of the Issues Task Force. Doug brought to the Board's attention some of the groups' issues, to follow the recommendation of the Issues Task Force. The focus of conversation at this meeting was how to do the funding allocation. Lead entities want to make sure the funding is granted to them and not directly to the regional organizations. They suggested the first increment should go to the lead entities but also have an allocation as recommended by the Issues Task Force that is distributed by region.

Doug noted they all want to think regionally but act locally. This makes it hard to decide how to divide the allocations over areas that are set up differently.

Dick Wallace asked about the habitat work schedule and what that is.

Doug reported that it is a list of priority projects and a time schedule for getting through the list of projects.

Council of Regions Report
Jim Kramer, Puget Sound Salmon Forum, provided a report on the Council of Regions comments on the Issues Task Force proposal. He will provide testimony during the task force discussion.

ISSUES TASK FORCE (ITF) AND PROPOSAL FOR NEXT GRANT ROUND:
Steve Tharinger and Neil Aaland presented this agenda item. (See notebook item #3 for details.)

Chair Ruckelshaus thanked Steve for his work on the ITF and noted that the Board does not need to make all decisions at this meeting. He wants everyone who would like, to provide comments. There need to be principles to guide this transitional grant round.

Steve thanked the Chair for his comments and those who worked on the ITF. The ITF planned under the parameter of having a grant cycle that closely matches the last. He believes the task force came up with a good outline. Participants are looking at issues at a statewide basis with the basic change going from a lead entity allocation to an allocation by region. The Boards needs to decide whether to go with the ITF recommendation and how to review the allocation process.

Dick Wallace thanked Steve Tharinger and his facilitation for this process.

Neil Aaland provided an overview of the process and how the ITF developed the recommendations. He presented questions for the Board to answer today, tomorrow, or at the June meeting, and discussed the "ideal system".

The Chair noted it is unlikely that we will ever get to a perfect system but the Board should work toward a clear and simple process so that when groups are working on salmon recovery they are able to work for the fish, not to satisfy a lot of technical requirements.

Tim Smith commented on the SRFB Chair's charge to the ITF and that the regional plans should replace strategies. He doesn't believe the regional plans should replace the strategies but guide them. The lead entities should still have a strategy for funding sources.

The Chair responded that the regional plans incorporate strategies. In the past the Board has asked the Review Panel to look at the fit of the projects to the strategies but will now be fitting the projects to the recovery plan. The plans will be approved by NOAA and should incorporate the strategies. The local strategy should not be different from the regional plan.

Steve Tharinger noted that "replace" might not have been the correct wording but should be "integrate". Lead entities are still integral to the success of the plans.

Dick Wallace feels it should create a feedback loop from both sides with the regions working with the lead entities.

David Troutt thought that the ideal system should integrate all four "Hs". For salmon recovery to be successful, all four "Hs" need to move forward together, where currently the focus is on one "H", the habitat.

The Chair agrees but we are discussing the ideal system for the SRFB to allocate money. The piece aimed at habitat is what the Board has direction on. He suggested that the Regional plan would be the way to integrate all four "Hs".

Neil noted that regional recovery plans would improve SRFB's ability to set the priority and to judge the cost effectiveness of actions.

Chair Ruckelshaus is still not convinced that we have a cost-effective process. He made two points from bullet #4:

1. Regional organizations.
2. Linking local groups with experts.

Mark Clark discussed the need to have measurement and reporting on the progress of the actions in the plans and a better way to communicate them.

Neil noted the recommendations made for funding and allocation. The first recommendation ITF made about the amount available for project funding is to have ninety percent to distribute among eight regional areas and ten percent for SRFB discretion. This is a question he will present to the Board to discuss allocation and to make decisions.

Mark wanted to make sure the Board is clear on what is meant by "available funding" in that this is the amount for grants only, not the amount that is held aside for special projects.

Director Johnson noted that this grant round would probably run around $16 million. Of that ninety percent would run $14.4 million and ten percent would run $1.6 million.

Neil discussed the fish centered weighted factors.

Rollie Geppert and Steve Leider assisted Neil in explaining populations/species.

Steve Leider explained that going with populations is a refinement of the species information used in the past, and populations that were identified in the report that Chris Drivdahl provided.

David noted that there is nervousness using the SaSI reports but there are no other sources of information.

Neil recognized this concern but as noted, ITF could not determine another option at this point.

Steve thanked Neil and Rollie for staffing this effort on this process.

Neil presented these questions for Board discussion:

1. Do you agree with the ideal system/principles articulated by the ITF?

2. Is the split of funding appropriate? (Ninety percent for regional areas and ten percent for SRFB discretion.)
3. It is appropriate to focus on the "fish-centric" factors for the regional allocation?
4. Are these the appropriate factors?
   a. Water Resources Inventory Areas (WRIAs)/Watersheds.
   b. Salmonid miles.
   c. Listed populations.
   d. SaSI stocks.
5. Is the result of weighting and transition adjustment appropriate?
6. Is the role of the SRFB's tech panel appropriate:
   a. For areas with regional recovery plans?
   b. For areas without regional recovery plans?
7. Is the direction to the regional organizations regarding internal allocation processes appropriate?
   a. Does the SRFB need to provide more direction to regions on internal allocation processes?
   b. Should the SRFB ask regional organizations to come back in June and provide details on their proposed processes?
8. Specific lead entity issues.
   a. Should NOPLE be split into two lead entities?
   b. Should Klickitat lead entity be required to participate with the LCFRB and Yakima organizations?
9. What other questions do you want to address?

Do you agree with the ideal system/principles articulated by the ITF?

Joe Ryan commented on the "fish centric" factors. He has trouble understanding these factors and would not want to have them locked in now but would like them to change in future rounds.

The Chair explained that the factors have changed every grant round so it shouldn't be locked in forever.

Mark Clark noted that the question that concerns him is the differences in growth rate, development and land conversions in areas. He asked if the combination of population and development is causing deterioration and if habitat should be a factor that is weighted in terms of where the money is allocated.

Steve Tharinger noted that the ITF did discuss complexity. There wasn't a unified way to weigh this and those issues could be addressed intra-regionally.

Dick Wallace commented that the ITF did discuss other complexities such as water quality and quantity. The discussion was that this would be something that could be used at an individual watershed level. The Board will definitely want to assess the

weighting of the different factors before the next round. One direction for regions would be to consider equity among their lead entities as well as strategic aspects of the plan.

Craig commented about the different risk factors in different areas of the state. He believes the listed populations determine the level of risk. We need to go with measurable criteria where some other risks mentioned are hard to measure.

The Chair discussed how the Board is still accountable for the funds. The Board needs to be confident that the projects being funded are the best projects so the Board can tell congress and legislators that the Board is spending the money wisely and for the fish. The Board needs to hear from the regions and lead entities how to do that.

Mark Clark would caution against having multiple review processes and letting each region decide what technical review they will have for their projects. He would like to see one review system statewide with agreed protocols. He has a hard time having scientists challenge scientists.

The Chair has some concern with how the technical review lists are developed. He doesn't want to see lead entities and regions working at odds with each other but for the two groups to work together to do what is best for the fish. If delegated to the regions, the Board needs to learn to let go. The regions and lead entities need to help the Board let go by having a process that is "fish centric" and does the most good for fish. The Board needs to be sure it is a good and honest process.

Tim Smith expresses his regrets to Steve Tharinger for not participating in the ITF process. He is concerned about the loss of the first increment. The first increment has allowed SRFB to meet the statutory requirement of "equitable". The roles of lead entities are implied throughout but need to be explicit on how that works. In transition, the roles of lead entities and regions need ways to provide incentives to the lead entities to work collaboratively. Providing lists that show the priority across the region rewards them. After seeing *The Statewide Strategy to Recover Salmon*, the Board needs to think about what primary and contributing populations are and how they are being used. He questions if the SaSI is the best.

Council of Regions Testimony
Jim Kramer, Jeff Breckel, Steve Martin, Bud Hoover, and David Bowen provided testimony.

Jim Kramer, Shared Strategy for Puget Sound, noted that the Council of Regions started as a group to create the recovery plans and implement the plans by working together and learning from each other. They are all pleased to be at this point and pleased that the Board is ready to move toward regional allocations. He provided a handout and noted that it is not a consensus but a beginning discussion from the regional boards.

1. Need to continue to have ongoing funding for regions and lead entities/watersheds. Funding to lead entities/watershed groups may need to increase to meet the growing role they hold.
2. The Coast and Northeast regions need to be supported in development of a plan and organizational structure.
3. Should not use ITF option one and two as a long-term approach to the funding allocation.
4. Allocations to regions should take into account the size of the area; number of Evolutionary Significant Units and listed species; the capacity necessary to implement the recovery plans; costs of achieving recovery and the current stage in recovery planning, and implementation.
5. More work needs to be done on the process and criteria for funding decisions within regions.

David Bowen, Chair of the new Yakima Basin Fish and Wildlife Recovery Board.

1. Agrees with ITF process and regional approach.
2. Agrees with establishing a consistent target. (What the criteria are and what the SRFB is looking for.)
3. Agreed with regional approach but it needs some fine-tuning.
4. Is in agreement with the report provided to the Board by the Council of Regions today.

Bud Hover, Upper Columbia.

Commissioner Hoover noted that he likes the plan and that the regions tried to be equitable for the whole state. Upper Columbia wants to get out from under the Endangered Species Act. It has been a struggle in their region and the SRFB needs to be aware of how important it is for the landowner. The Board needs to make sure federal obligations to the tribes and water rights to irrigators are met. Through the development of the regional recovery plan the science has been checked and rechecked so it should not have to go through that process again. Regional Technical Teams are checking the local lead entity projects and should meet the scientific need. Having the projects get checked again by a state-level Review Panel takes the trust away from the grassroots process. With plans, implementation schedule, and priorities in place they will be able to provide the Board with the best projects.

Steve Martin, Snake River.

Steve commented that he had pages of notes but couldn't have said it any better than commissioner Hover and does not have much more to add.

Jeff Breckel, Lower Columbia.

Jeff noted that he has discussed the process with his regional board. He commended Steve Tharinger on his work with the ITF and believes the memo he presented reflects the group consensus. Lead entities are still the key to make this work. He supports the reports with this observation:

- How long would the allocation formula stand; one grants cycle and then reevaluates or let it stand a couple grant cycles? He would suggest that if the Board adopts the regional allocation, to keep it for a while to give some stability.

Jim Kramer summed up the comments made by the Council members and updated the Board with what the Shared Strategy is currently working on. He sees the need to give responsibilities to the regional boards with general criteria but let them decide the process. Let the local process work.

Chair Ruckelshaus believes the Board may want to fashion a different process for each of the regions since each of them is different.

Recessed For Local Tour At 3:00 P.M.

Reconvened at 6:00 p.m.

Lead Entity Testimony:

North East Region
Joe Maroney, Kalispel Indian Tribe; Bret Nine, Pend Oreille Lead Entity, and Sandy Dotts, Fish and Wildlife provided testimony for Northeast region.

Joe Maroney noted that they generally support the regional process. Northeast area is a unique region as they only have bull trout and they are not a region yet. This group will need a lot of assistance and guidance to becoming a region. They aren't sure what will be expected of them.

The Chair noted that they would need to include additional WRIAs within the Evolutionary Significant Units and then develop a regional plan, list of projects, and process for rating and prioritizing.

Steve Tharinger noted that they would be asked to put a regional recovery plan together for the bull trout in the Northeast region. He would ask them what capacity would be needed to administer this new process and would work with the group to figure out how to pull together this regional plan. The group will need to look at budget and staffing for this effort.

Sandy Dotts asked what the Board sees as the GSRO's role in this effort.

Steve noted that Chris Drivdahl has been working with other regional groups and would let them know what has worked for other groups.

Chair Ruckelshaus suggested looking at whether it would be better to be a combined lead entity and regional recovery organization like the lower Columbia and the Snake.

Chris noted that she would be happy to meet with the group and help develop the recovery region set up. This would be different in that US Fish and Wildlife Department covers bull trout, where the other listed species are covered by NOAA Fisheries.

Director Johnson would like the work done with WDFW and GSRO to identify next steps in incorporating the whole regional area into a lead entity or regional board to be completed by June.

Bret Nine asked if they are expected to operate as a region for this grant round.

Chair Ruckelshaus replied, "as much as you can".

Sandy asked whom to address changes to if they have concern with the numbers of miles listed.

Director Johnson stated any concerns should go to Neil Aaland.

Puget Sound Region
Doug Osterman, Jeanette Dorner, and Richard Brocksmith discussed the lead entity feedback on the regional allocations for the Puget Sound region.

Doug noted that the lead entities seem to have consensus that the larger allocation level is okay. The panel believes there still needs to be a state level review panel that looks at projects for engineering and design. He discussed the process and how the regions need to go through a process that ranks and presents only one list.

Chair Ruckelshaus noted that if you have a process that allows lead entities to fully participate and have a process that you agree benefits the fish, then the Board could look at the process and approve it. Then the Board needs to monitor whether the process works for the fish.

Debbie Hyde, Pierce County, came forward as she heard Chair Ruckelshaus going one step farther than Doug was talking about. She tried to clarify that Doug is not sure they will be able to get to that next step in this grant round but is looking to have projects proposed by each lead entity brought to the Board for funding.

Chair Ruckelshaus said that doesn't change anything and that is what regional funding would bring about – one list for the region. The region would make the funding decision and the Board would just approve that list.

Jeanette appreciates the opportunity for participating on the ITF and is glad we took the time to look at these issues. She believes it is important to move to the regional allocation. She would like to discuss the options one and two. There is some concern with the formula and whether that is the best for the fish. One concern is that this allocation across the regions was not guaranteed, she did not want to lose the

emphasis on a strategic approach. There is still a need to make sure projects are consistent with the three key questions to continue to ask:

1. Are projects technically sound?
2. Are lead entity lists consistent with the strategy and regional plan?
3. Do the regions have a defensible approach to allocate funds within their region?

She believes the SRFB should still have the statewide review panel to see if the projects are technically sound. The Shared Strategy Recovery Council is working toward criteria for an allocation process by June.

Steve asked where they see the SRFB review panel so that there is not a redundancy with the local process.

Jeanette would like to have the SRFB technical panel come out in the preliminary steps so that concerns are addressed before the projects are submitted.

The Chair noted that each of the regions may have a different review process but the Board needs to feel comfortable with the process the region is using.

Director Johnson pointed out that many of the items talked about are in memo #3b.

Doug noted that it would be good for the Lead Entity Advisory Group (LEAG) to work on the questions in this memo at the May LEAG meeting in time for presentation at the June SRFB meeting.

Richard wants to make sure we don't duplicate processes and that we work together to have a combined process. He would like certainty in the allocations process on the amount they will get.

Mark Clark suggested pulling a past year's list of projects from the different lead entities and practice how to combine the list. He also suggested the lead entities look at the readiness to complete the projects. A better story is that the projects are funded and on the ground as soon as possible.

The meeting recessed at 7:15 p.m.

SALMON RECOVERY FUNDING BOARD

MINUTES - REGULAR MEETING

April 6-7, 2006 — Maple Hall, La Conner, Washington

Day 2

SALMON RECOVERY FUNDING BOARD MEMBERS PRESENT:

William Ruckelshaus, Chair	Seattle
Steve Tharinger	Clallam County
David Troutt	Dupont
Joe Ryan	Seattle
Mark Clark	Director, Conservation Commission
Dick Wallace	Designee, Department of Ecology
Tim Smith	Designee, Department of Fish and Wildlife

Chair Ruckelshaus reconvened the meeting at 8:25 a.m. and discussed the day's agenda.

Director Johnson noted that agenda item #6 does not need to be heard today but can be discussed with the newly appointed subcommittee of Mark Clark and Joe Ryan.

ISSUES TESK FORCE (ITF) AND PROPOSAL FOR NEXT GRANT ROUND:
Neil Aaland presented this agenda item. (See notebook item #3b for details.)

Neil reviewed the operational schedule and issues memorandum. He discussed the proposed schedule with staff beginning Review Panel solicitation and updating of policy manuals and application materials on Monday, April 10. This will be the schedule if the Board approves the ITF recommendation in full at this meeting. If some key elements are left until the June meeting, some portions of the schedule may need to be delayed until after the meeting.

Options on eligibility of assessments:

- Fund no assessments pending outcome of review.
- Fund only assessments filling data gaps identified in regional plan.
- Fund only feasibility studies that lead to projects.
- Fund assessments.

Review Panel:

- Review Panel available upon request.

- For restoration proposals, sponsor must either invite the Review Panel to a site visit or submit a detailed proposal.
- For all projects Review Panel could provide one evaluation from an early site.
- For areas with regional plans.
- For areas not covered by a regional plan – use the same process as last grant round.

Questionnaire for regions:
This is similar to summaries by lead entities in previous years.

1. Is the timeline acceptable?
2. Is the role of the Review Panel acceptable?
3. How should eligibility of assessments be addressed?
4. Should staff proceed with the workshop for lead entity's and regions in May?

The Chair noted that it is hard to answer some of the questions here until more decisions are made in June.

Craig Partridge believes we are in a transitional year again and the use of the Review Panel has changed. There is a continued need to have a technical capacity to look for projects of concerns (POCs). The Coast and the Northeast areas need review, and then they need process auditing for the regional areas, although they might not be to that point yet. He would like to move away from the review for POCs and more to the process auditing.

Steve Tharinger agrees but doesn't know how to get the right panel together.

Craig noted that the Board already has a multi-faceted Review Panel with both the technical aspect and the review aspect so they may need to tweak the panel a bit more to pull in the process audit aspect.

Steve Tharinger believes the Board needs to make a decision on the Review Panel today so that staff can begin the recruitment of the panel and get them in place. The workshop dated for May, might now be more of a fact-finding mission.

The Board discussed the possible makeup of the Review Panel in the next year and on into the future. Longer term may have two separate teams; a technical project review and then the process audit review.

Director Johnson suggested the set an assignment for the region' to answer the questions presented in the last two days and return the answers to staff in the next couple of weeks. Staff could compile the responses and the answers might be the basis for a workshop in May.

Steve Tharinger is concerned about only having the regions answers without involving the lead entities.

Chair Ruckelshaus would like the regions to work with the lead entities to develop a joint response to the questions.

Doug Osterman, Jim Kramer, Jeff Breckel, David Bowen, and Steve Martin provided their thoughts on the Board's questions.

Jim asked for an extension for the turning in the answers, as the Recovery Council meets on April 21 and the lead entities will be present at that meeting. He agrees that they would like the Technical Review Teams to review their process. He would want project review now that they have two separate processes, one for projects of concern and one review for permitting. If the process could be combined it may speed up completion of projects. He would like to have a couple Board members attend the meeting on April 21st to assist in the discussion.

Jeff Breckel wants the Review Panel to review the projects early in the process when the local technical review is going on. Both Steve Martin and Jeff Breckel have been refining the process of ranking projects across the region for several years and can easily answer the questions. The ITF need to understand the process and then will be able to figure out how to audit the process.

Steve Martin agrees and believes he understands the assignment is to present the process they will use for technical review of the projects and how to audit the process.

Doug believes that Jim Kramer presented how the region is working with the lead entities. He would still like to ensure at least some allocation to each of the lead entities. This would be a take off of the ninety-ten split.

Chair Ruckelshaus would want the regions to come back with their process and show how they will ensure something to each lead entity.

Craig would like the regions' homework assignment to include that response.

Commissioner Bowen noted that Klickitat County is another region that is both a region and a lead entity and agrees with Jeff's summary. He was an auditor for several years and had some thoughts on this process.

Chair Ruckelshaus will ask staff to write down the questions and get the assignment to the regions.

Jim Kramer would like the Board to come to some agreement on the allocation and the direction they are heading with a clear statement.

Tim Smith commented on the question of equitable. The one assurance the first increment provided was predictability for the lead entities and he believes this is an important element of the process that needs to be factored into the process. He discussed how one of the questions that the regions need to address is how they going

to provide equality and predictability to the individual lead entities. He asked if this homework assignment was just for the region or for both the regions and the lead entities.

Chair Ruckelshaus responded that it is for both the regions and lead entities to answer these questions across the region.

Steve Tharinger **MOVED** to approve the ITF recommendations forward with the regions. Give the regions ninety percent and reserve ten percent for board discretion, and allocate to the regions on the basis of the Council of Regions proposal.

Joe Ryan **SECONDED.**

David Troutt asked about Ron Sims' letter noting that reducing the amount from historical amounts would threaten the whole Puget Sound initiative.

Jim Kramer had not seen the letter and was not sure why this would come in as an independent letter after the regional group agreed to the proposal that was brought forward at yesterday's meeting. Ron Sims may be concerned about reducing the amount of funding from one source while trying to ask for additional funding from other sources.

Craig asked about the percentages to regions as the ITF recommendations were thoroughly vetted through the process and is wondering about the regions proposal.

Steve Tharinger wanted to acknowledge the work the regions went through to develop a proposal.

Doug noted that LEAG reached consensus on allocation percentages and supported the ITF percentages. The new proposal has not been reviewed by LEAG and did not discuss a combined Puget Sound and Hood Canal percentages. He is not sure whether the LEAG would agree to the Regional Council proposal.

David Bowen reported that their region came to the same percentages as the Council of Regions through an independent process.

Public Testimony:
John Sims, Quinault Nation Lead Entity, noted that the Council of Regions' proposal reduces the number of projects that could be funded in the coastal area. He is okay with either of the percentage proposals but wants the Board to be transparent with their decisions. He is not articulating Quinault Indian Nation policy on the WRIA 20 proposal but sees three different options for WRIA 20.

Steve Tharinger does not see an option for WRIA 20 being folded into the Quinault Lead Entity.

John reported that he does not have authority to make that proposal but if the Board proposes he could take the recommendation to the Nation.

David McClure, Klickitat Lead Entity, would like to change the phrasing from "requiring" Klickitat to go in with Yakima and Lower Columbia to "encourage" them to look into this proposal.

Dick Wallace saw three options; officially splitting up; informally going to both Yakima and Lower Columbia, and third to stay with status quo as an independent lead entity.

David reported that there is not a regional recovery plan that covers the Klickitat area. He is willing to engage with the two regions but he has not had time to think this through. He may need to tell his sponsors that there is uncertainty in whether the lead entity will have a process this year or not.

Steve is concerned with telling sponsors that there might not be a process. He believes it might be better to say that there would still be a process but it would be different this year.

Tim Smith hears that Dave is willing to have the conversation with Yakima and Lower Columbia and has heard that the regions are willing to discuss options with Yakima. The question is if they can't work things out, what process would the Lead Entity use?

Richard Brocksmith, Hood Canal Coordinating Council (HCCC), noted that Jay Watson would like to make his apology for not being able to attend today's meeting but asked Richard to present his comments. The HCCC just celebrated their Twentieth anniversary and have been around a long time. Today he is presenting their Summer Chum plan to Governor Gregoire. They are still focused on all the species. We are the only lead entities established in state statute. Their request is to recognize the HCCC's authority and provide tools needed.

Steve noted that outside of statutes and legal discussion the proposal before the Board is trying to figure out what is best for the fish.

Richard asked if it was best for the fish to have a larger region that doesn't know the Hood Canal area make decisions on their Evolutionary Significant Units (ESUs).

Dick asked how HCCC proposes covering the other species that the HCCC covers for the Puget Sound area other than Summer Chum. Where does the HCCC stand in the Puget Sound strategy?

Richard explained how the different species are covered in both the Summer Chum plan and in the Shared Strategy.

Chair Ruckelshaus noted that the HCCC area is a vital part of the Puget Sound for the Chinook, and Steelhead if listed.

Joe Ryan asked Richard how much of the historic funding given to HCCC goes to Summer Chum and how much to Chinook?

Richard noted that he believes it has been about fifty-fifty.

Chair Ruckelshaus believes there is a separate discussion on the HCCC. He will ask the Hood Canal and Puget Sound to work out how to make the distinction on Summer Chum and Chinook funding process.

Steve believes the motion before the Board is to amend the motion to decide on the percentage and an individual decision in June with the portion to HCCC.

Chair Ruckelshaus asked David how he felt about splitting the Hood Canal Summer Chum Evolutionary Significant Units out separately.

David believes that the Summer Chum should be separate from the Puget Sound plan and look at Ozette when it gets to that point.

Chair Ruckelshaus wants to make sure the motion covers John Sims' concern with making the decision transparent.

Craig noted that the ITF was very clear that the percentages are transitional where the Council of Regions proposal was not as clear in this regard.

Joe does not believe the Board will get any better information by waiting and that it is painful for the regions to wait for this funding. He is in support of approving the Region proposal for this one-year only.

Steve Tharinger made a **MOTION** to adopt the percentages presented by the Council of Regions. **SECONDED** by Joe Ryan.

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

The Board still needs to make a decision whether the split should be the ninety-ten or some other percentage and make the final decision at the June meeting after getting the homework back from the regions and lead entities.

The Chair questioned how the Board would make decisions on the percent that is held back, if any is held back, and believes it may be more complicated.

Neil noted that the Board has sent a clear signal that they will make some regional split. Chair Ruckelshaus discussed the possibility that in order to satisfy "equity" issue, SRFB could think about some allocation off the top for the lead entities, or require that in the regional allocations.

Steve noted that if the NFWF proposal is approved this might satisfy the equity issue, as the proposal would now cover all the lead entities.

Tim Smith discussed the lead entity responsibilities versus the regional board responsibilities and that is another question to ask in the assignment to the regions and lead entities.

Neil reviewed what he thinks he heard that the Board is okay with the proposed timeline without a May workshop and a Review Panel with both a technical and strategy review.

RECONGNITION OF PAST CITIZEN BOARD MEMBERS BRENDA MCMURRAY:
Brenda McMurray was recognized and asked to come forward. Dick Wallace read resolution #2006-01 recognizing Brenda's work on the Board since it's inception.

Chair Ruckelshaus **MOVED** to approve Resolution #2006-01. Steve Tharinger **SECONDED.** Unanimously **AGREED.**

Chair Ruckelshaus recognized Brenda's excellent work on the Board, and offered his thanks and best wishes.

PROGRAMMATIC REQUEST:
Director Johnson provided an overview of this agenda item. (See notebook item #4 for details.)

National Fish and Wildlife Foundation (NFWF) – Requested to extend the program statewide to include all lead entities. Staff recommends Board approval of this request.

Intensively Monitored Watersheds (IMW) – Provide a way for projects within an IMW process to be funded.

SRFB REVIEW PANEL – Placeholder for when staff recruits Review Panel members. This is a budget proposal that would come to the Board in June.

ASSESSMENT OF ASSESSMENTS –The previous Review Panel recommended the Board assess what the previously funded assessments accomplished. This item may include a moratorium on assessments.

SRFB LEAD ENTITY AND SPONSOR TECHNICAL CONFERENCE – Requested a workshop to include training, sharing of ideas, and celebration of the work that has been done by the lead entities.

WDFW LEAD ENTITY WORKSHOP – Proposal to help train lead entities to better facilitate the public process.

PCSRF – No budget amount has been identified for this agenda item as it is still unknown how much work will need to be done to provide the PCSRF information. Staff will come back in June with budget numbers.

ENHANCED COORDINATION ON NON-REGIONAL AREAS – For those lead entities not included in a recovery plans, this critical work is needed to help with the next grant round but the amount needed is still unknown.

Board Discussion and decisions on each item:
NFWF – Steve Tharinger **MOVED** to approve the request for funds. David Troutt **SECONDED**.

Discussion:
Chair Ruckelshaus would propose that if the Board approve this grant that they make it explicit that this needs to be part of the equitable distribution of funds to the lead entities and that the projects are in sync with the regional plans or lead entity strategy where there is no plan. This has been a very good and successful program and has done good work at the citizen level.

Joe Ryan asked Krystina Wolniakowski and Dennis Canty when the NFWF review is done, is there capacity to review the regional plan.

Krystina reported that yes, in the past they have reviewed at the lead entities' highest priority level. A total of eighty grants have been made through this program.

Dennis noted that for every dollar the SRFB contributes three dollars are matched.

The Board **APPROVED** the request for funds.

IMW –Chair Ruckelshaus would like a more detailed report on this program. He is not sure where the numbers come from and what is being asked.

Bill Ehinger provided the Board with the background on this issue, where the numbers came from, and what is being requested.

Dick Wallace supported funding this effort and see the need for the monitoring efforts to be funded. He hopes that both the Lower Columbia and Hood Canal see this as a critical aspect in their thinking for a statewide benefit getting the projects funded at the regional level. He would ask all the regions to continue to pursue this and if the projects don't come up to the top of the list then come back to the Board to explain why the projects weren't funded.

Joe Ryan wondered why the projects couldn't be in high priority areas so they would come to the top of the list.

Bill Ehinger explained the reasoning behind selection of the monitoring sites, place, size, and historic smolt monitoring.

Public Testimony:
Jeff Breckel, Lower Columbia Fish Recovery Board, agrees this is important work and has broad implications for not only the Lower Columbia region but for the state. He has talked to Bill about possibilities and projects needed. There needs to be close coordination between IMW projects and lead entity/region and if there is a treatment schedule then it needs to be coordinated. Assuming the Board goes with the ninety-ten split, and the ITF recommendations and $16 million is a constant, then by 2010 all of the money given to the Lower Columbia would go toward these IMW projects and that is not acceptable. They feel this is important work to the region and to the whole state but overall these projects would not go to the top of their list.

Chair Ruckelshaus noted that there is time for the Lower Columbia to work with the IMW to get projects on their list.

Richard Brocksmith believes this is ironic that the Board has asked for the lead entities to be strategic and that these projects haven't been strategic so they haven't put them on their lists and now the Board is asking for them to fund these projects that aren't strategic. NOPLE put the projects on their list and were ranked lower for doing this.

Steve Tharinger responded that that was only a small part of the reason for NOPLE's low ranking and that they did get money for projects.

Steve Tharinger supports Chair Ruckelshaus' thinking on this effort and Dick's suggestion to encourage conversation to get the projects on the lists.

David Troutt and Joe Ryan would like more information on the IMW and monitoring efforts done by the Board.

Dick said this goes back to a fundamental question on whether we are getting more fish. The people who are giving money are asking that question and we need to answer them but can't until we answer the questions.

The Board would like additional information and discussion before making a decision this June.

SRFB REVIEW PANEL – This will come back to the Board in June for $200,000 or less. Neil is looking to start recruiting the technical side of the panel so that they are in place for early review.

ASSESSMENT OF ASSESSMENTS – Question to be answered: Did assessments lead to projects, and secondly, was the assessment critical to development of the plan?

Discussion ensued.

Dick Wallace sees the Board sending a signal that only assessments that fill critical data gaps are important.

Neil Aaland hears the Board saying not to fully close the door on assessments but to only fund projects that clearly fill data gaps. He will work on new language that makes the Boards direction clear. He will draft language and bring it back to the Board in June for a final decision.

Looking back there has been a lot of assessments funded. We need to find out what we have gotten from these assessments.

Board members are concerned about the amount of this request and what could be found in an assessment of assessments. May just need to have the lead entities report on what the assessments have accomplished.

Mark Clark suggested having staff look to see where assessments were done and formulate a survey to send to the lead entities to report on what came out of the assessments.

Neil reported that the reason staff has proposed this is due to questions from the Board and the Review Panel. Staff may not be able to complete by June but will work on this issue.

Workshop Request:
The Board asked how the two workshops are different and if they could be combined.

SRFB LEAD ENTITY AND SPONSOR TECHNICAL CONFERENCE – Staff has received request from sponsors to provide more assistance with the technical process in developing projects.

WDFW LEAD ENTITY WORKSHOP – This is more in response to some of the issues in the last year or so with public process and to give the lead entities some tools in their toolbox to help provide better public process.

The two proposals are very different and the Washington Department of Fish & Wildlife Lead Entity workshop needs to be done earlier in the process.

Steve Tharinger **MOVED** to approve both requests. Joe Ryan **SECONDED**. The Board **APPROVED** both requests.

PCSRF and ENHANCED COORDINATION ON NON-REGIONAL AREAS
Director Johnson reported that the other two proposals have not been developed thoroughly and will need to come back to the Board in June for decision. The only other question is if there are other programmatic type requests.

Tim Smith reported that WDFW has put forth a budget proposal to help the Coast and the Northeast so they may be taken care of through a budget proposal.

WDFW has received money for an estuary program and was directed to identify other fund sources for match of this money and may come back to the Board for funds.

Director Johnson asked if this would come through as projects.

Tim responded that it might be but wanted to make sure.

Partner Agency Reports
Mark Clark reported that Carol Smith has reviewed the Conservation Reserve Enhancement Program (CREP) projects and would be willing to come before the Board to present the findings at a future meeting.

Chair Ruckelshaus asked Mark if the state is making progress in Agriculture funding.

Mark explained.

Public Comment:
No additional public comment.

ADJOURNED
Meeting adjourned at 12:47 p.m.

SRFB APPROVAL:

William Ruckelshaus, Chair

6/8/06
Date

Future Meetings: June 8 & 9, 2006 Marcus Whitman Hotel, Walla Walla
September 14 &15, 2006 Natural Resources Building, Olympia