



WASHINGTON COAST SUSTAINABLE SALMON PARTNERSHIP

SUMMARY OF REGIONAL MEETING

August 19, 2009

Port of Grays Harbor, Aberdeen, WA

Scheduled: 10 am – 2 pm

Actual duration: 10 am – 4 pm

In attendance:

Mark Swartout, Chair, WCSSP
Nancy Allison, Executive Director, WCSSP
Miles Batchelder, Program Assistant, WCSSP
Dana Dietz, Administrative Assistant, WCSSP
Bob Burkle, WDFW
Kathy Greer, Surfrider Foundation
Philip Miller, Governor's Salmon Recovery
Office (GSRO)

North Pacific Coast Lead Entity Group

Rich Osborne, Lead Entity Coordinator
Ed Bowen, Citizen At Large
Devona Ensmenger, Wild Salmon Center
Katie Krueger, Quileute Tribe

Quinault Lead Entity Group

John Sims, Lead Entity Coordinator
Dave Bingaman, Quinault Indian Nation

Grays Harbor County Lead Entity Group

Lee Napier, Lead Entity Coordinator
Mark Swartout, Thurston County

Pacific County Lead Entity Group

Mike Johnson, Lead Entity Coordinator
Key McMurry, WBWRCC, Key Environmental
Solutions
Mike Nordin, Pacific Conservation District

ILA Designated Representatives

Katie Krueger, Quileute Tribe
Mark Swartout, Thurston County

UPCOMING MEETINGS:

Wednesday, **September 16** 10 am – 2 pm

Montesano City Hall, Montesano, WA

Wednesday, **October 21** 10 am – 2 pm

This will be a web meeting

BUSINESS MEETING

Agenda

Chair Mark Swartout asked if there were any additions to the Agenda. Ed Bowen wanted to add an Agenda item proposing a subcommittee discussion. It was put after the Director's Report. Bowen also wanted to talk about having the October 21st Regional Meeting in Forks. Swartout asked if there were any objections to the Draft Agenda with these two additions. There were no objections.

Interim Ground Rules

Swartout read the proposed Interim Ground Rules (*attached*), and asked for any comments. After reading them, and some clarifying discussion, Swartout asked if there were any objections to using these as the Interim Ground Rules until an organizational structure has been decided upon and developed by the group. No objections.

Approval of July Meeting Summary

Dana Dietz asked if there were any objections to approval of the July Meeting Summary. There were no objections; the July Meeting Summary was approved.

October Regional Meeting

Note: For various reasons, the visit by Joe Mentor to Forks in October has been cancelled. Our October Regional Meeting will be our first web meeting.

Updates

Director Nancy Allison is working with Lee Napier on the **Interlocal Agreements between the Lead Entities and Grays Harbor County**. In particular, they are still working on the deliverables, so Napier asked that everyone to pay close attention to the deliverables when they receive the next draft; she needs more details.

For transparency sake, Allison relayed the following information. The Wild Salmon Center has a grant from Mitsubishi to work with the tribal governments of North American and Canada to get input from their experts to update and refine the NASSP salmon database. Devona Ensmenger is the lead on this project. Since Dietz is working half-time for WCSSP, **Ensmenger has contracted with Dietz for 15% of her time** for the next two to three months to arrange the required meetings and workshops within the Washington Coast. Bowen emphasized that, until the regional Partnership has a formal discussion about NASSP, that this work under the Mitsubishi Foundation grant needs to be kept very distinct from work done for WCSSP. Allison and Dietz assured him that it would be.

Allison reported that **Sara Crumb of Congressman Dicks' Washington State office and Pete Modaff, Dicks' Washington DC Legislative Specialist dealing with fish**, asked for a meeting with Allison on Thursday, August 27th in Ocean Shores. The purpose of the meeting is to give them more information about the needs and situation of the Coast Region.

Allison also reported that **RCO is arranging a meeting within each Region for an Annual Implementation Check-In**. Phil Miller and Megan Duffy will be meeting with regional staff and the Lead Entity, Watershed Planning and RFEG leads. The aim is to evaluate the past, and look forward, examining problems, solutions, concerns, unmet deliverables and achievements. Meeting with regional staff will be in the morning. In the afternoon meeting there will be a roundtable with Lead Entity Coordinators, Watershed Planning leads, and RFEG leads to discuss efficiencies, cooperation and ideas for efficiency in the future. In order to arrange the logistics of these meetings, Moriah Blake and Megan Duffy of RCO will be making contact with relevant individuals. (Now scheduled for September 21st.)

Allison reported that at the **SRFB meeting last week** they decided on option 2B concerning RMAP: SRFB will make RMAP projects eligible for funding; match requirements will be 35% for fish passage projects and 50% for sediment reduction projects. Bowen said he would send specific language of this decision to Allison, and asked that she distribute it to everyone.

The other decision made was about the Community Salmon Fund: Chairman Steve Tharinger directed the staff to further research the option of using the current regional allocation formula (under which the Coast would get \$113,000) and bring results back to the October meeting.

Possibility of Lake Ozette WCSSP subcommittee

Bowen is asking that the Partnership membership consider forming a subcommittee made up of individuals from NPCLE to work with Allison on the interim co-lead position of WCSSP in the Lake Ozette Steering Committee's work as it moves into implementing the Lake Ozette Recovery Plan. He feels that Allison is shouldering this responsibility alone for WCSSP and that a subcommittee could support her in carrying out a proper role for WCSSP in this Lake Ozette process, making sure that the process is moving forward and that the \$22,000 for facilitation of meetings is used effectively. Phil Miller pointed out that there are two levels of support in the WCSSP contract for Lake Ozette; one is the \$22,000 and the other is an unspecified amount of staff time to work toward success at Lake Ozette. There was quite a bit of discussion about whether this subcommittee was appropriate or necessary. Swartout suggested that the subject be tabled until next month's Regional Meeting, that Bowen and Allison talk about the idea more, and that Allison bring to the next meeting her view on the usefulness of such a subcommittee.

Regional Letter to Commerce Secretary Locke

Miles Batchelder reported that at the July meeting of NPCLE, it asked the Region to send a letter to U.S. Commerce Secretary Gary Locke expressing disappointment and asking for an explanation as to why the NOAA Coastal Resource Recovery Stimulus Funds all went to Puget Sound, and none went to the Coast Region. Bowen elaborated that this was not intended as a letter to point fingers, but instead to point out and ask about the fact that "Coastal" funds were not distributed to the Coast Region in Washington State.

Napier noted that a letter like this, if it is to have a true positive effect, and not just come across as complaining, takes quite a bit of research and staff time to create. Would it be worth the time of staff and members to craft? The group agreed and in fact seemed to think that face-to-face interaction with public officials is more effective than written correspondence. Allison indicated that she would add this item to those she would discuss with Congressman Dicks' staffers on August 27th. Bowen reiterated, however, that he wants this concern to reach the desk of Commerce Secretary Locke, and therefore he would ask Allison to ask Dicks' staffers to contact Locke about the issue. Katie Krueger suggested that the head of NOAA be included in any communication with Locke. In addition, it was suggested that there's nothing stopping NPCLE from writing a letter to Locke.

Sharepoint

Batchelder explained that when our web site was created, part of the idea was to create a fairly large document library which could include such things as the data documents gathered in the Needs

Assessment. Our web designer pointed out that this amount of documentation would slow down our web site, running counter to its outreach purpose. Therefore he suggested an external server subscription called Sharepoint, where large quantities of documents can reside, be accessed by anyone (controlled by WCSSP), be edited, etc. It could be very useful in the Planning process. Batchelder said he would send out further information so that members could consider this possibility. The issue to be decided at a later meeting is whether it is worth the \$165 per month subscription cost.

Interlocal Agreement and recording

There was a review of the signature status of several invited entities who have not signed the WCSSP Interlocal Agreement. It was clarified that there are a few entities with whom we are still in discussion, who may sign the ILA. In addition Bowen reiterated why he had asked for Olympic National Park to be invited to be a signatory, which is that there are four groups of citizens for whom ONP is their representative form of government (citizens at Lake Ozette, at the Upper Hoh, at Oil City, and at Lake Quinault). And, therefore, if ONP is not invited, WCSSP would not be reaching out to represent all citizens. Although he thought that the staff had been directed to approach ONP at a previous meeting, a review of the Meeting Summaries indicated that that was not the case.

Swartout suggested that, since we are still in the Interim phase of creating an organizational structure, we put off recording the ILA because it may need to be altered. Napier was concerned that without recording the ILA, the contract deliverable would not be satisfied. Miller stated that the ILA as it stands now, combined with continued discussion by the group, provides and shows an interim stability of the organization which is what the deliverable is intended to demonstrate.

For the record, Bowen stated that he is fine with the group proceeding with recording the ILA when it sees fit, with or without the Olympic National Park as a signatory, or even as an invitee. He is only asking that the group not lose sight of this issue and that it be discussed somewhere in the process of deciding on an organizational structure.

ORGANIZATIONAL STRUCTURE

Swartout directed everyone's attention to the handout outlining how the other salmon Regions in Washington State are organized, which he reviewed top to bottom. Four are regions containing only one Lead Entity each.

Staff reported that in reviewing the other Regions, the Regions seemed to condense into three basic models we might consider as a starting point to our discussion: a Joint Board, a Non-Profit Corporation, and a "junior" department of a County. Allison explained that the informal title "junior" department of a County was the Lower Columbia Board, which was established by statute and is a distinct legal entity, with an agreement with Cowlitz County to cut checks. Swartout suggested that the title of "junior" department of the County be changed to "Legislatively Created Organizations."

Swartout directed everyone's attention to a chart that outlined the advantages of each of these three models to begin the discussion. Miller clarified that the Snake (1 LEG) is a Joint Board; the Upper Columbia (3 LEGs) and Yakima (1 LEG) are Non-Profit Corporations; and that the Puget Sound (15 LEGs) and Lower Columbia (1 LEG) are Legislatively Created. Hood Canal (1 LEG) actually fits in two categories; it is both a non-profit corporation and legislatively created.

It was articulated by several people that our purpose today was to introduce various options, discuss their advantages, bring up possible risks, and clarify which aspects the group wants the staff to research for the next round of discussion. There was an easel sheet for each option on which to capture group comments, concerns, etc. (Note: Listed under each option below are the items from the comparative chart in **bold** and from the easels in **bold italic**, with relevant discussion outlined under each.)

JOINT BOARD (Example: Snake)

Swartout noted that WCSSP is currently, basically a Joint Board with Grays Harbor County as the fiscal agent. Miller agreed, but noted that it's a Joint Board without bylaws, a governing body structure, or operating procedures to solidify the structure.

Board liability protection: Krueger wanted to clarify that there is "Board liability protection" only because WCSSP is not a legal entity; Swartout suggested changing it to:

No Board exposure to risk.

Least expensive and easiest to create:

A short term strength

Least expensive to administer:

Napier clarified that no matter what the nature of the funding source, the County would expect to be reimbursed for the actual costs of being the fiscal agent. Grays Harbor County, as the fiscal agent for WCSSP, simply charges actual, true administrative costs for administering the SRFB grants. Miller noted that charging actual costs is fine, whereas the use of indirect rates is going to be scrutinized more and more by RCO.

Grants through fiscal agent?

When asked about Grays Harbor County's willingness to administer other, non-SRFB grant funds, Napier said that they'll only answer that question in response to a specific grant proposal, not in general.

Government grants possible through fiscal agent.

Other Grants through non-profit partner:

Rich Osborne related that a Joint Board, if it wants to apply for a private foundation grant, can go to a participating/partnering non-profit organization that IS eligible, and the latter can vet and assign the Joint Board to go after that grant. This gives the Joint Board structure more flexibility than it might seem. Swartout brought up another example, the Nisqually River Council, which is an ILA organization with a Board, but has another, non-profit, corporation with its own Board that provides all the funding and administration. Osborne brought up two other examples: The Seattle Aquarium and the Northwest Straits Commission.

Fiscal agent can be government or non-profit.

Mid- and long-term strength of this option depends on ability to leverage/ maintain partners through whom WCSSP could receive grants, etc.

NON-PROFIT CORPORATION (Examples: Upper Columbia, Yakima, and Hood Canal)

Maximum ability to secure funds via grants

Lower indirect possible

Non-profit corporation is a legal entity that can apply for grants directly. Dietz pointed out that without any formal organization at this time, we are unable to seek funding for capacity.

Maximum ability to secure funds via donations

Can receive donations

Direct lines of accountability

Fiscal accountability

Direct administration of contracts

Direct administration of funding

Eliminate burden to fiscal agent

Reporting requirements

Administrative capacity needs

John Sims and Katie Krueger both pointed out that the running of a non-profit corporation requires a major increase in staff and overhead and has tremendous reporting requirements. Krueger clarified that she wasn't saying we shouldn't consider it; just that we should be aware. However, Miller noted that the non-profit corporations among the Regions only have 2-3 employees each.

Board and staff liability protection with insurance

Liability insurance

Cost of Board liability insurance? Miller noted that this is an eligible expense under a SRFB grant.

Employee benefits: health, FICA

Employee benefits

Cost of employee benefits?

Allison pointed out that the ability to have employee benefits is a positive in terms of staff retention.

Risk of losing focus

Bowen brought up that a risk of getting capacity funding from private foundations is that it could steer WCSSP away from its goals, towards the goals of the private foundation.

LEGISLATIVELY CREATED (Examples: Lower Columbia, Puget Sound, Hood Canal)

Ability to secure grant funding

A legal entity but we'd have to research what kinds of grants could be applied for.

Accountability complicated but clearly articulated

Direct administration of contracts
Fairly direct administration of funding through agreement with County to issue warrants
Less expensive to administer
Reduces burden to fiscal agent

Board and staff liability protection with Washington Government Entities Pool

Employee benefits: health, FICA as Board employees; benefits through the State

Requires local governments' unanimity to create

Miller said that, historically, this form has only been possible when there is 100% unanimity within a Region on this request, that all players agree this is the best solution, that only in that case will it pass successfully through the Legislature.

At the mercy of the Legislature

GENERAL DISCUSSION

Swartout pointed out that the discussion was revealing that these are not discrete choices: for example, WCSSP could be a Joint Board with a Non-Profit. He observed that the example of Lower Columbia presents the option of being an independent organization which contracts with a County, a college or even another non-profit to do some of the administrative work. Miller agreed that there are several ways to get administrative tasks done, including contracting out to a private firm for fiscal services (Upper Columbia and Yakima). The three possibilities we are discussing today are not necessarily mutually exclusive, they could be combined in different ways, or they could be considered as separate options.

Miller thinks it is important to think about timing – that is, short-term, mid-term, and long-term. The short term imperative is having an organization that is solid for the short term. The mid-term imperative is getting a Regional Salmon Plan completed. The long-term imperative is the growth and the vitality of WCSSP, including the diversification of its funding sources so WCSSP is not dependent on only one funding source as it is now.

Sims expressed what he felt was a medium- to long-term need to having independent funding for the capacity of WCSSP, for at least a couple reasons: so that we're not dependent on SRFB funding, should it possibly disappear; and so more state resources would be available for on-the-ground salmon work. On the other hand, Ensmenger said she thought that the new emphasis on capacity funding from private sources is probably a short-lived phenomenon during this down turn in the economy. It will probably only last a couple years. So, we probably need to focus on government for long term capacity funding.

Krueger pointed out that the main reason there is a Region is that SRFB mandates that SRFB funds are distributed regionally. Otherwise, finding commonalities between the NPCLE area and the Pacific County area was difficult. Even common problems need to be solved differently. So, she suspects that if the SRFB didn't exist or offered no funding, the general mandate for a regional organization

wouldn't be there. In other words, there is a long-term need for WCSSP only as long as the SRFB mandates a regional umbrella.

Swartout outlined some of the big picture questions: Which of these options answers all the imperatives: short-term, mid-term, and long-term? How can we best function as an organization to be able to receive funding? What option provides the greatest flexibility over the long haul? What does the group feel might be the best long term organization? Or is it too early to ask this question?

Miller asked, considering the mid-term imperative of creating a Plan, how much work is involved in creating and having this two-fold structure during the mid-term? How much would this be a contribution to the mid-term tasks, and how much would this be a distraction from the mid-term? Miller said he doesn't know the answer to this, but he thinks it is a legitimate question.

Bowen asked how a short-term solution of Joint Board, as we are now, would address the issue of getting benefits for the staff. Osborne said that would have to be worked out with the partner organizations; it's a result of the staff being independent contractors. Bowen asked if anyone saw a way to provide benefits within the current Joint Board operations.

Osborne feels that trying to become a non-profit right now would divert a lot of effort and attention from the Planning process, which is what we really need to be doing short- and mid-term. Swartout suggested that we could continue as we are, with non-profit for administrative support being created simultaneously on the side. Osborne agreed, and said this is what happened with both the Aquarium and the Straits Commission; they existed for years unincorporated, and then when government sources of funds started drying up, they realized they needed to create a "sister" non-profit corporation to raise funds elsewhere. We could continue as we are, and then begin to create a non-profit that would come into existence in a year or two. He reiterated that WCSSP could continue to operate under a County and apply for grants, as long as WCSSP had strong partnerships with non-profit corporate organizations. Allison related that she had thought all along that we would probably finish out this biennium as a Joint Board, and create a new structure in the intervening time.

Swartout asked for clarification from Miller about a non-profit corporation being able to receive SRFB funds. Miller said that the relationship between two "sister" organizations, one being a non-profit corporation, would be examined carefully, but that, yes, there are non-profit corporations that receive SRFB funding.

Miller said he thought he was hearing a lot of agreement, which he summarized as having a primary strategy and a secondary strategy. A short term plan, then augmented over time with another plan. If this agreement is the case, then the tasks in the next few months would be to finalize the Joint Board status that's already been begun.

Swartout summarized the agreement he thought he was hearing: That we work toward a Joint Board approach, keeping Grays Harbor County as a fiscal agent for the short term and mid term. At the same time, we work towards forming a non-profit corporation that would provide administrative support to this group. There seemed to be tentative consensus on this, with acknowledgement that the discussion will continue at future meetings.

Miller thinks there are still some questions about the relationship of a Non-Profit to a Joint Board, such as whether the former dissolves and becomes solely a Non-Profit Corporation, or whether the Non-Profit would be an adjunct.

Krueger is concerned that Napier didn't think she could answer the question of whether Grays Harbor County could continue to be fiscal agent. Krueger thinks the answer to that question is very important to this decision. Napier clarified that what she said was that WCSSP would have to ask Grays Harbor County Board of County Commissioners, not her as a Grays Harbor County employee. Krueger suggested that perhaps that is a question Allison can pose to the Commissioners in the next thirty days to get some feedback at least. Napier said she could take that question back; however, she did say the County is clearly willing to do it for two more years, because the County has signed the contract for that long.

Mike Johnson raised the question of whether anybody thought aiming to be a Legislated Entity was something we might want to consider. Swartout clarified that, given the guidelines the group seems to be agreeing upon, this could still be an option to be considered at future meetings.

Allison asked Miller about the deliverable of a decision on organizational structure by December, and whether decisions made today satisfy that deliverable. Miller said that to truly be a functioning Joint Board, which would satisfy the deliverable, requires clarifying the structure, creating operating rules/bylaws and putting a decision-making procedure/structure into place.

Allison asked whether the group was giving Staff direction to formalize the Joint Board. Swartout said that, given what the group has agreed upon today, he thinks the staff needs to research the specifics of : What is a Joint Board? Its structure, who's on it? The proper process to create its rules and operating procedures, bylaws, ground rules? The completion of that work would satisfy the deliverable, Miller confirmed.

Swartout and Allison asked that if anyone is aware of other organizations that operate as Joint Boards, please inform Allison so we can learn from others. Bowen asked that hopefully the staff can compile this information in advance so that NPCLE folks can brainstorm while driving down. Swartout said he likes diagrams to make things clear—Joint Board, Fiscal Agent, Non-Profit – so we can fill in the relationships there.

Bowen wanted to give kudos to staff person Miles Batchelder for his memo/report on a question that NPCLE had asked him to research. The question was whether in the past SRFB funds had been used for projects that include property within federal jurisdiction or within potential boundary expansions of such federal property.

Adjourn

The meeting was adjourned by Chair Swartout.

Respectfully submitted,
Dana Dietz