

**Alliance for Healthy South Sound Executive Committee Meeting Summary
January 31, 2013 at the Thurston County Courthouse, Building 1, Room 280**

Executive Committee Attendees:

Commissioner Sandra Romero – Thurston County
Commissioner Randy Neatherlin – Mason County
Commissioner Garrido – Kitsap County
Jeff Dickison – Squaxin Island Tribe
Council Member Connie Ladenburg – Pierce County
Executive Pat McCarthy – Pierce County
David Troutt – Nisqually Tribe

Guest Speakers:

Justin Hall, Alliance Council Chair
Alex Smith, Alliance Council Vice-Chair
Tom Eaton, EPA Director, Region 10

INTRODUCTIONS

Around the room introductions and welcome to new members, Randy Neatherlin and Connie Ladenburg. Also welcomed were the new Council Chair, Justin Hall and the new Vice-Chair, Alex Smith, as well as the new South Sound Puget Sound Partnership LIO representative, Stephanie Suter.

Alliance Council Report: Justin Hall and Alex Smith

Justin and Alex shared the results of the Council workshop as follows:

- *The Council determined that identifying projects of regional significance for implementation and developing funding strategies for those projects would be its focus, using the Executive Committee's identified Interim Priorities as a starting place. They will further refine the list with help from the technical committee. They will then focus on implementation of those projects, including development of funding mechanisms.*

Over time, the Council wants to address all of the priorities but, recognizing they can't do everything – they meet six times a year – they will start with a small subset of projects of regional significance.

Several topics that the Council thought were not addressed in the priorities will be further explored through visiting speakers/experts to determine whether there are related projects/policy/science in the South Sound and whether there may be a role for the Alliance. Those topics of interest were:

*Industrialization of the upland forest
Ocean acidification
Air quality – as it relates to impact on water quality*

- *The Council will develop a collection of regional success stories that is both accessible and updateable to help in messaging and advocacy. Gabby Byrne will get the ball rolling, but the Council as a whole will participate in the collection.*
- *In addition to the existing technical subcommittee, a subcommittee was established for development of a communication strategy, looking specifically at messaging and consistency relating to visibility of the LJO and to specific projects and advocacy issues that are taken up by the Alliance. This committee will be led by Council Member, Bob Simmons, WSU Representative and Alliance Eco-net Liaison.*
- *A second subcommittee, led by Vice-Chair, Alex Smith will look at the feasibility of establishing a system of ecosystem service credits in South Sound- assigning dollar values to ecosystem surfaces - in the South Sound. This would not be a system to be used only for mitigation purposes, but also broader applications, such as funneling money towards projects that we know will be of value.*

Jeff Dickison spoke to the Council's interest in the industrialization of upland forest. He advised that the Council consider other watersheds with different ownership patterns. A number of statistics for lowland drainages support the idea that it's the conversion of forest land by small owners that is a bigger issue. While he didn't discourage exploring the identified issue, he recommended that the Council expand its exploration to include other forestry issues in South Sound.

- *An additional task the Council has taken on, headed by Council Member, Lance Winecka, is creating a list of public lands in the South Sound as potential opportunities for projects - particularly for demonstration projects.*

Randy Neatherlin asked for more explanation regarding impacts of industrialized forest land harvest increase. Justin Hall responded, indicating that the primary concern related to working with industrial forest landowners to increase riparian protection, specifically for salmon.

Pat McCarthy requested information about attendance at the Council meeting and representation. Justin indicated that a variety of interests were present and that the meeting was well attended.

Executive Committee Chair and Vice-Chair Elections:

Chair, Sandra Romero indicated that the dual chairs (co-chair) had not worked as well as they had hoped and suggested the Alliance Executive Committee move to a Chair and Vice Chair. This idea was universally supported. Commissioner Romero also indicated that she felt the new Chair will have something good to build on. The birth of the organization was difficult - but that we're well on the way and on a good path.

Executive Pat McCarthy was nominated to be the new Chair of the Alliance. She proposed that she Chair for the first year and that Council Member Connie Ladenburg head up year two.

Commissioner Romero proposed that Executive McCarthy Chair for year one and that the Alliance then re-evaluate.

Jeff Dickison recommended that the Committee not make any changes to the by-laws. He proposed that the Executive Committee accept Executive McCarthy's as chair for the 2 year period, recognizing up-front that the Executive may resign from the role of Chair at the end of year one.

Executive McCarthy was nominated as Chair of the Alliance. Nomination was supported by consensus and Executive McCarthy was elected as Chair.

Commissioner Garrido was nominated and elected as Vice-Chair.

Review of the Alliance Framework and Program

Pierce County Proposal

Dan Wrye recognized that the Council had taken some time to start-up, due in part to some uneven direction, part and parcel with the newness of the organization, and in part as a result of the Partnership's funding only a third of the needs identified. The Council is moving forward now towards identification and implementation of projects.

Pierce County proposed that the staff (Coordinator) follow the position of the Chair to provide staff with a deeper understanding of the different municipalities and a broader understanding and relationship building support from the other jurisdictions.

Commissioner Romero indicated that the Coordinator already works for the entire Executive Committee and that moving the position would be redundant.

Jeff Dickison indicated that he agreed with the rationale, but not with the idea. The staff should move around to the different jurisdictions, but not necessarily related to the Chair. He feels there should be some change to the structure of the position, perhaps rotating on a more frequent basis, not necessarily connected to the Chair role.

Commissioner Romero suggested that the Executive Committee come back to the issue at a later time.

Dan Wrye described the Pierce County proposal for the 2014 workplan. There is a plethora of good work being done and if the funding were there to do it, much more work could be done.

There is a lack of funding to do the good work to achieve a balance of restoration and policy making. The existence of the Alliance Executive Committee is tremendously powerful. If we agree there is a lack of funding - couldn't we channel that energy to bring a direct appropriation for South Sound. The proposal is that we develop a strategy in the short term and a rich technically supported proposal and then advocate for that South Sound funding using the Alliance Executive Committee influence in the 2014 session.

Commissioner Romero spoke to the idea that the state agencies should include a point assignment for grant's endorsed by the LIO in order to show that we're working regionally. If the government

and the grantors recognize that we have that capability then it gives us more credibility. She recommended that be the first Alliance lobbying effort with the Governor's office.

Dan Wrye referenced the Alliance guest speaker, Tom Eaton – and his follow up on recommended changes to the Lead Organization funding structure. Less than 50% of the funding from National Estuary Program makes it to competitive funding – and we then compete against one another for that funding.

David Troutt recommended developing a budget request for 2014 to EPA and our congressional delegation. He expressed frustration with the current Lead Organization (LO) process and that the Local Integrating Organization (LIO)s are being held to the lowest standard when the Alliance is ready to run. He recalled the idea of developing a science based approach with specific science staff. He also suggested that there may be need for more staff capacity.

Dan Wrye suggested that demonstration of decision-making capacity is already well under way with the Executive Committee's resolution of priorities. He also referred to the development of implementation strategy by Tom Kantz and Scott Steltzner of the Council's technical team. This can be part of the direct allocation for the region sales pitch – to convince EPA of our technical capabilities.

Part of the proposal is to identify the strategy, sources and timing of educating throughout the summer, so that in the fall our advocates are prepared.

Executive McCarthy clarified that the Alliance is asking that the EPA/Lead Organizations assign specific points for the LIO's endorsement of grants through the Lead Organizations. This would involve educating the Governor's staff on what the LIO is, who's involved, the priorities, regional success stories, then, because of all of that, we'd like to be a participant in the process of delegating funds. The more we can regionalize the better. As the local Commissioner, Sandra would take the lead in conjunction with the new Alliance Chair. Whoever is going needs to touch base beforehand so that we have a united message.

The ask for designated funding in 2014 is a longer term discussion and strategy.

Commissioner Romero commented that the regional success stories were an important piece. Just the information about shellfish bed re-openings have had an incredible effect on rallying around related issues. It's very empowering when people see that trends can be reversed. So those stories will be an important communication tool.

And we want to build on what the Alliance Council is producing with the priorities refinements.

Pierce County Council Member Ladenburg commented that science based information is equally effective as success stories. She indicated that an important aspect of those stories is non-anecdotal. They should include where we were when we started and how did we focus our strategy for success and then the result is the success. Include the evidence.

Council Vice-Chair Alex Smith commented that we can move beyond funding just from the government and move to money from private business – supplemental money that is being spent on these kinds of projects anyway, but that isn't necessarily directed strategically. What if we got a blessing from EPA to spend that supplemental money on priorities of the Alliance. I think it would involve some steps, but it could benefit the message to the legislature.

Squaxin Island Tribe Proposal

Jeff Dickison spoke to the Squaxin Island response to the request for proposals, indicating that Squaxin Island Tribe remains very concerned about the level of process-focus in the Alliance. He noted that when we talk about success stories, we refer to projects on the ground, that are being implemented, not by the Alliance, but by individual members of the Alliance, independent of the Alliance. They are successes of the South Sound region. The question is what are we doing that is bringing additional value to the game. In Squaxin Island Tribe's view there is no on the ground improvement from process. They remain unconvinced that the Alliance is on a trajectory to change that.

The Squaxin Island Tribe proposal suggests eliminating two of the tasks from the current work plan as they are process driven. They suggest leaving in place the administration of our Alliance groups and the second, to prioritize for funding and to seek a very specific funding strategy. Not getting wrapped up in points for the grant process, but rather specific funding strategies for implementing our highest regional priorities. If that's one, or two or three projects that are prioritized, we should have that discussion. If we're not doing that they were are not greater than the sum of our parts.

Commissioner Romero noted that getting money to the South Sound is the bottom line. She noted that entering more firmly into the grant process would help us to position ourselves to go after the money. She is encouraged by the decision of the Council to further prioritize our regional projects.

Commissioner Neatherlin concurred with Jeff's view. He indicated interest in the Alliance being an entity that could bring out the really beneficial projects that are based on science, to recover salmon.

Executive McCarthy indicated that she is on the Puget Sound Regional Council (Kitsap, Pierce, Snohomish and King) with areas of regional discussion being transportation, growth management and economic development. That Regional Council competes for state and federal dollars and the goal of that collaboration is to come up with process. Without the process established, maybe we say let's just let King County come up with all the answers. But one of the reasons we have process is so that we're not ram-rod-ing over people with a vested interest. It's important to establish the structure and the roles of the structure. She agreed with Sandra that we are on that path. There is a desire to have scientific support and we need someone to pull us together. The idea of having that science person on board is a great one, but we needed that process to approach getting that need filled.

Council Member Ladenburg indicated that there comes a point in the process when we need to have a product. Let's move for the product stage in these next two years.

Commissioner Romero noted that, currently, having a fully functioning diverse Council from all different angles coming together with one voice is a huge product. Now that that is functioning, we're in a position to strike. She also noted that the awareness – of work, through the Champions program, including business recognition – similar to a non-point products. We're going to get to the restoration products.

David Troutt commented that if we're defining process as our conversations – when we get together to discuss ideas, then that's important. This is a long-term process. He thinks at some point we'll get to celebrate those huge successes. Process is connection of a community to a goal and product. Adaptive management requires process – including outreach to our communities and evaluation the process over time. He thinks we're being fairly self-critical. We're not as far along as we'd like to be. But *we* are the alliance – if we're not happy with where we are, we need to step up and re-engage to make it successful. We have to invest our time. We can't point fingers at others, we have to use this as an opportunity to re-engage.

Commissioner Garrido indicated that she appreciated the written feedback given by the two jurisdictions. Goals will come from that feedback and from the Council. Though we've had arduous process, we've had some great successes – the awards for example. If we can begin to respect our process, but also look at specific goals and begin to work through the structure and strategy to accomplish them, then we're going to be there. Let's acknowledge where we've been and move forward. It was a start up, it was a bad economy, we were getting to know how to work together and now we can.

John Bolender, Alliance Council member, commented that to produce products, we will have to have process. Dan touched on something – the strategy ask – rather than taking the individual successes at the watershed level, but what are the big regional goals 1-5, or whatever. There's an opportunity - not to compete for the small dollars, but to ask for a percentage of those funds be designated specifically for those projects of regional significance. We have an opportunity to obtain those bigger dollars based on the strength of the Alliance, advocating at the management conference.

Commissioner Romero noted that one of the early visions for the Alliance was that if people had projects then they would vet them through the Council, as a way to encourage stakeholder involvement. The Alliance has fresh leadership and the structure and organization can shine, for the first time, a spotlight on South Sound.

Randy indicated that process is how you get to the goal. We have to identify the goal – and hope that there's something different that is going to have impact. I'd like to have us be something different. Even if that means that we're the clearing house for the projects.

Commissioner Romero responded, indicating agreement and saying that everyone wants to have a product. We all want to point to a big win. We can move forward towards that now.

Dan Wrye commented that the letter Pierce County sent to EPA when they asked originally for feedback on the LO funding structure suggests that a regional allocation be earmarked for South Puget Sound and that the Alliance be considered as the entity for making that allocation, relevant to South Puget Sound priorities. There has been some interest from Region 10 to make that feasible - if we can demonstrate ability to make those choices. The other part of the pie is the strategic ask for state support.

There was a question regarding clarification of the Lead Organization funding structure. EPA's National Estuary Program (NEP) funds went to PSP originally and they then allocated it. EPA solicited alternative ways to make that allocation in 2010. Pierce County commented at that time (2010) that it should be a regional allocation. What actually happened was that the funds were divided by topic to state agencies. Those agencies have different processes, different timing and

are currently not even making 50% available for regional allocations. Some didn't make any significant amount available. In the letter that's been provided to you, when EPA asked for feedback on that process, we recommended that a specific block of funding be made available for the LIO to designate.

Jeff Dickison requested that the Executive Committee determine its next steps. The Squaxin Island Tribe is asking for amendments to the current work plans, specifically the deletion of Tasks 2 and 4. That would still support the Executive Committee and the Council and refocus our efforts on Task 3. How will we address those specific proposals.

Commissioner Neatherlin asked about the role of the Partnership in relation to the Alliance.

Stephanie Suter indicated that the Alliance and the Partnership were already fairly well aligned with one another. She indicated that her role is to support and provide resources and to help with accountability and implementation.

Commissioner Garrido suggested the Alliance emphasize or de-emphasize tasks, looking at deliverables and whether those are impacted. Some do have task completion dates. Funding is also linked to EPA.

David Troutt recommended having a thoughtful discussion regarding the specifics of the work plan before asking for changes that may effect the grant.

Commissioner Romero recommended that the Alliance move forward with Pierce County's proposal.

Commissioner Garrido recommended that those who made the proposals come together and have this discussion, bringing their recommendations to the Executive Committee.

Commissioner Romero indicated that there is some sequencing that should happen, with the development of the technical prioritization tool, and the Council's recommendation for the regional project short list leading the process.

David Troutt indicated that the conversation about developing a strategy and a framework for funding is separate from developing a list of what we want to fund. We don't have a regional tool to determine what the most important projects. Otherwise we won't be credible. We have the ongoing work of the technical team to be resolved so that we can move that forward.

The Executive Committee recommended that Gabby meet with Pierce County and Squaxin Island Tribe to develop specific recommendations for next steps regarding amendments to this year's workplan and development of the 2014 workplan strategy to be brought to the Executive Committee.

Further, the Executive Committee recommended that using the Council technical team's prioritization tool, the Council should move forward with development of a short list (one to a few projects) to be implemented and that list then should come to the Executive Committee.

Lead Organization Funding Structure Update

Tom Eaton - Director, EPA Region 10

In 2010 we switched to this wholesale (versus retail) approach, as we were overwhelmed by individual grant management. EPA chose 7 organizations, state agencies and NWIFC, to fund 6 year strategies to allocate funds in topic buckets. We did an assessment last fall – and came and spoke to you.

Our report on that review will go out next month.

The initial comments were, a recommendation to completely re-vamp and move away from a top-down state organization and sound wise organization approach to an LIO funding approach similar to the Salmon Recovery Council. That was beyond the scope of what we're taking on, so we won't implement that at this time. We're committed to this current process through its life cycle.

At the end of that, and assuming that we continue to get our congressional appropriations, we should talk about a new approach for the future.

We're really interested in adjusting the current approach rather than starting over. One of the comments was that there are too many inconsistencies between agencies. We agreed with that and are working to find a new more consistent way to get information out about sub-awards. We're asking the Lead Organizations to coordinate better.

We tried to set up approach for local implementation. We agree that it's critical. We have revamped the shared decision making – through the management council and ask that you use that process to get feedback in as you're able. The in-depth report from EPA will be out sometime in February.

David Troutt asked when we have that conversation about creating something different – and who do we talk to?

Tom Eaton responded that the connection between the PSP, the LOs and local LIOs is lacking. A standardized consistency from the LOs and an understanding of what the LIOs are providing would help.

David Troutt answered that the LIOs are all different. It's problematic to judge all the LIOs on a par with one another at this stage. It doesn't have to be across the board. We don't want to have to wait – for the other LIOs. We've shown the ability already.

Dan Wrye shared that it was the intent of the letter that was sent (Pierce County to EPA) – to identify the institutional framework and the technical resources available and committed in the South Sound. The frustration is that not only did the South Sound get short-shrifted in its operational funds, but is now being held back on its strategic direction because we're being considered in that homogenous way.

The Executive Committee recommended that the Council Chair and Vice Chair's report be a regular feature of the Executive Committee meetings.

The next meeting of the Alliance Executive Committee is in Kitsap County (exact location TBA) from 1-3pm on March 27th.

Adjourn.