

Puget Sound Leadership Council
Meeting Summary
Tukwila, Washington
September 16, 2010

Members Present:

- Martha Kongsgaard
 - Diana Gale
 - Dan O'Neal
 - Bill Wilkerson
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It is intended that this summary be used along with notebook materials provided for the meeting. The Puget Sound Partnership retains an audio recording of this meeting as part of the formal record.

Action Items:

- Budget approval
- Legislative strategy approval
- Recognition of Hood Canal and South Puget Sound Local Integrating Organizations
- Affirmation of 2011-13 PSAR funding process and budget request

Meeting Summary:

- Open
- Agency update
- Administrative/Board Operations
 - Science Panel appointment process review
- Budget/Funding
 - Partnership's state budget submittal
- Cross Partnership Oil Spill Work Group
- Marine Spatial Planning
- Puget Sound Science Update
- Puget Sound Institute
- Performance Management
- Legislation
 - 2011 Legislative Strategy
- Local Implementation
 - Hood Canal and South Puget Sound
- 2011-13 PSAR Funding

CALL TO ORDER

The new Leadership Council Chair, Martha Kongsgaard, called the meeting to order at 9:09 a.m. She provided opening remarks and then showed two short Cedar River watershed videos that were created and developed by students. It was revealed that Diana Gale was one of the founders of the Cedar River Watershed group.

Chair Kongsgaard described the four-part, KUOW report about the Partnership. She expressed her concern that in moving forward, we need to be seen as essential, trustworthy, and stable regardless of changes and who is the Leadership Council Chair, Agency Director, or Governor. The report was about our past; we are now in a new phase. In making decisions, we need to a plan, not only for the next two years, but for the next seven generations.

She expressed what a joy it was working with Bill Ruckelshaus and commented we will all miss him and his stories. She is honored to be the new Chair.

The agenda for the day was reviewed and approved.

AGENCY UPDATE

Agency Roles and Priorities - discussion

David Dicks also mentioned the KUOW report and our need to move past this. He provided an update on what has happened with Puget Sound Partnership since the last meeting:

- Staff moved into new the new Center for Urban Waters building September 8, and he is already observing better communication and coordination. It is an outstanding building and reflects positive growth for Tacoma
- Post audit review – many of the issues in the audit were from 2007 and early 2008. They have been taken care of. An action plan to work through the Governor's concerns has been developed. Finally, a third audit was completed by an auditing group from the Department of Social and Health Services (DSHS), and this audit was very complementary to our efforts
- David thanked John Becker for leading the process to develop the 20 dashboard indicators for adoption at the July Leadership Council meeting
- The Monitoring Program's launch committee has held two meetings
- Ken Currens is now on staff as Science Program Director
- EPA has released a RFP that would designate four Lead Organizations. This structure will be used for the next 6 years, with \$12 million available the first year. David explained that the state agencies are working together to have one agency apply for each of the four RFPs; however, because these are open competitive grants, other groups can apply. Lead Organization designees will then distribute the grant money. As the coordinating entity, the Partnership will be involved

although the exact role is uncertain. He noted that Local Integrating Organizations will receive pass-through funding from the Partnership and possibly through the Lead Organization process

- This will be a very difficult legislative session and budget year
- The Management Team had a retreat where they reviewed the role of the Partnership and discussed what it would take to implement the Action Agenda.

David will provide more about this at the November meeting. Two goals are:

- To develop a robust Performance Management and Monitoring system
- To continue building, expanding, and cultivating vital local partnerships (designate partners)

Council members expressed concern about the progress of designating partners. David reported that we are talking with the Governor's office and the Legislature about the process and how to be more supportive of the local groups, possible with a recognition program. We might need to adjust the statute.

Council members also voiced concern about how long this is taking and the confusion about what this program actually should be. They suggested the possibility of two different programs--one celebrating good work and the other a technical process to use in the distribution of funds. Some members suggested a phased approach, starting with the recognition program while working with the Legislature to make changes to the technical program. The Council believes we are missing an opportunity and we need a strategy by the next meeting to move forward. A subcommittee consisting of Diana Gale, Bill Wilkerson, and Martha Kongsgaard was created to work with staff to bring a proposal to the November meeting.

Diana Gale stated the need to communicate progress; the Partnership needs to be able to show how we are essential. She believes staff has done a lot, but they haven't packaged it in a way the Leadership Council can talk about. David noted he has been talking to staff and there will be a fix in the next sixty days. Chair Kongsgaard would like to have something beyond elevator talk. She would like the Council to have a casual, open-to-the-public, facilitated meeting to discuss this communication piece.

Diana noted that we don't have enough money to do everything, so we need to get people engaged in our efforts. We are organizing efforts and that is good, but it isn't enough unless the public is engaged.

FY '10 Communications

Dave Ward and Kristen Cooley provided an overview of the agency communication strategy.

Kristen illustrated that ECONet is successful in empowering local groups with micro-grants. As an example, she showed the "Voices of the Strait" video that was developed by the Straits ECONet group.

Kristen listed the EPA grants provided to ECONet groups and Dave described how the measure of success is determined by brand recognition, best management practices, and amount of information being shared. In an ideal world we would create a video, such as was shown, for each of the ECONet areas.

Kristen reported that each of the grant contracts also requires reporting the number of contacts made.

Dave explained the ultimate goal is more than distributing a lot of material; it is raising the level of interest and understanding. He reported that we are one year into the Puget Sound Starts Here (PSSH) campaign, and we are still working to get the Foundation up and running.

BUDGET/FUNDING

Partnership State Budget Submittal

At the July meeting Jim Cahill had planned to also bring the Cost Estimate Report to this meeting for approval, but he unable to complete the report in time. Consequently, at this meeting he will review the agency budget proposal for Leadership Council approval. He will work with Chair Kongsgaard and others to finalize the Cost Estimate Report in October. (See meeting materials for details.)

Chair Kongsgaard voiced concern that the Cost Estimate Report was due to the Governor and Legislature on September 1. She asked Jim how soon he would be able to complete this document. Jim noted that we should have a draft in mid-October and the final by the end of October.

Jim reported that the 2011-13 budget outlook looks grim. The latest reports forecast the state budget down \$1.4 billion. Across-the-board cuts will be released later today. If the Partnership needs to take a 10% reduction it would be \$286K, which would need to come from the communication budget. We are not asking for any additional state funds, and the Governor has requested we look at long-term funding solutions for Puget Sound recovery. He noted the Partnership applied for the Action Agenda management grant through EPA, which provides funding for that work.

Partnership staff is proposing submittal of the following three decisions packages to OFM for consideration by the Governor (See meeting materials for details.):

1. Authority to spend additional Federal Puget Sound Grant funds for Action Agenda management (\$1.5 million general fund federal)
2. Clean Water Act of 2011 – amount to be determined
3. Ten percent general fund state reduction option (\$585,000 general fund state)

Diana asked about funding for the Oil Spill program. Gerry O'Keefe explained that Oil Spill program funding was a one-time appropriation for writing the report. The Partnership might want to propose a continuing role, but that would need to come through the Legislature and Governor. David Dicks noted the need for the Council to discuss that proposal during legislative strategy discussions.

Dan O'Neal asked about the role of the Council in developing the budget proposal. He doesn't have enough information to make any changes but heard Jim say that we would cut the communication budget; that is one of the major items the Chair suggested to check with the public.

Gerry and Jim explained the process and how, if we get it, the EPA grant will include a communication element. Then we would not have to cut staff and would continue communication efforts. The Partnership has many statutory-mandated requirements, and it is a balancing act when making cuts, especially with across-the-board cuts. We need to look at overall funding at both state and federal levels. The Council discussed the need to have cross-partnership on finance to help with the budget proposal and look at options for a permanent funding source.

David Dicks agreed that having a cross-partnership group would be a good idea, but staff will need to request an additional extension from the Governor's office. Once approval is granted, a cross partnership workgroup meeting and then a conference-call meeting of the Leadership Council will be scheduled to approve moving the budget forward.

Jim asked if the Leadership Council would be willing to approve the decision package as a placeholder at this meeting, and then he can continue to move forward and make revisions after the cross-partnership meeting.

Public Comment on Budget Proposal

Terry Williams, Tulalip Tribe, provided comments for the tribes because Billy Frank was unable to attend this meeting. He conveyed the problems with the current law of "no net loss" for shorelines. He has met with Will Stelle and Dennis McLerran and with Snohomish County Commissioners to discuss the need for a "net gain" approach to return to historic numbers. He reported that the Fish and Wildlife Service (USFWS) has provided a grant to look at a monitoring system for a "net gain" approach.

He talked about how the high and low flows of the rivers are off schedule with the fish cycle and the water is becoming acidic. A pilot project is being developed to reduce acidity in marine waters, but we don't have goals to target. It is more important to figure out what you want to accomplish and then find the funding to move forward. He suggested the Council have that discussion in December. He also suggested a program for purchasing air and water credits as a way to off-set funding issues.

Concerning the Oil Spill Program, the Northwest Indian Fisheries Commission (NWIFC) and Columbia River Inter-Tribal Fisheries (CRITF) acknowledge differing issues in the ocean than in Puget Sound. He suggests adding a second NWIFC position on the Oil Spill Committee to address ocean issues.

Terry reported that Commission staff and tribal members would like to discuss how the budget proposal is structured. They suggest a flush tax to help pay for process and a local government carbon tax to earn credit for air and water quality. This needs to be a continuing dialogue.

Terry noted that Earth Economics is now under contract with NWIFC. Martha Kongsgaard added that they had made a presentation to ECB and it was quite interesting.

Fred Felleman, Friends of the Earth, noted that in the Clean Water Act portion of the budget, the proposed grant funds only address the stormwater issue. He would like to add a placeholder to address other issues such as oil spills.

Gerry reminded everyone that this is only a placeholder budget showing what we need to have funding for; it is too soon to consider details.

Bill Wilkerson **MOVED** approval of the 3-page, green sheet budget provided in the materials with the understanding this is a placeholder and there will be more details to come. Dan O'Neal **SECONDED**. Council **APPROVED**.

MARINE SPATIAL PLANNING

Bob Nichols and Chris Townsend gave an overview of the Marine Spatial Planning (MSP) program. (See meeting materials for details.)

Bob explained that he has been working on Puget Sound issues, and part of these issues concerns MSP. He explained how MSP or CMSP (coastal) are tools to help plan in marine areas so as not to interfere with fishing. It is being used in a few other states such as Massachusetts, and now Oregon is picking up on it.

The Pacific Northwest needs to integrate MSP with the West Coast Governor's Agreement to cover interior waters like Puget Sound and San Francisco Bay, the three states of Washington, Oregon, and California, and show ties from British Columbia and down to Baha. Doing so could bring this effort to the federal level for possible selection for federal funding. He explained how Senator Ranker, who has been a leader in this effort, would like to develop a preparation plan if we receive the money. In Bob's opinion, this project is very unusual since we have universal support to do this. He noted that Jennifer Hennessy from Ecology has been working on this through a series

of meetings, and a draft plan is now out for public comment with a final report due to the legislature in mid-December.

Bob added that Washington is fortunate to already have the coordinating groups for the Lower Columbia estuary and Puget Sound in place. However, we still have need for an organizing, center group along the coast.

Chris Townsend explained that staff is discussing including MSP in the Action Agenda update, and they are also contemplating augmenting the Integrated Ecosystem Assessment (IEA) to include MSP. He explained that MSP is a management tool used to evaluate ecosystem planning. We are starting to proactively look for funding sources from private and national levels. He noted The Nature Conservancy is using this tool, which is a good way to partner with them.

Bob explained how this proposal will move us away from silo-based management and illustrate that we are not only leaders in Washington but are part of the larger ecosystem. This is opportunistic and we need to show the ties to the larger group. We are positioned well and will be ready to move forward if the funding becomes available.

David announced that Bob is retiring and thanked him for providing this information and all the work he has done over the years.

CROSS PARTNERSHIP OIL SPILL WORK GROUP

Todd Hass provided an overview of the Oil Spill Task Force and its plans for moving forward. (See meeting materials for details.)

He reported that the interim draft report is planned to come to the Leadership Council in November for its approval prior to providing it to the Legislature in December. The final recommendations will be completed by the end of June 2011. He noted that Tom Leschine has agreed to chair the work group.

Martha Kongsgaard asked about the tension between the interim report and other interests that might be brought forward in this legislative session. Todd is somewhat concerned about this, but he hopes the workgroup will look at previously identified, legislative suggestions and include those in the interim report.

Terry Williams suggested adding another tribal representative to the workgroup, and Todd will consider that option. Terry Wright noted that he has received responses showing interest in that idea and there will be tribal representatives at the meeting.

GENERAL PUBLIC COMMENT PERIOD

Fred Felleman, WAVE Consulting, reported that the USGS just released a report on land use changes, and found that Washington has the most changes of the whole nation.

Concerning the Oil Spill Workgroup, we don't have time to get everything done by the next legislative session and we have a budget problem, so we need to do more with fewer dollars. He would focus on how to fund a spills program during this legislative session, and then, if we still have a spills program after the legislative session, look at other issues.

Jerry Joyce, Seattle Audubon's Marine Advisor, was a member of OSAC for four years. He suggested adding two representatives to the current Oil Spill Work Group: one from tourism and one from marine recreation. The number one spiller in the waters is recreational boats. He also suggested broadening discussions from only Puget Sound to include statewide concerns.

PUGET SOUND SCIENCE UPDATE

Ken Currens and Joel Baker provided this report. (See notebook handout for details.)

A live, wiki version of the first two chapters of the Puget Sound Science Update (PSSU) will be on the Web next week. It will be tested for a week and made available to public after that. Two additional chapters have been reviewed and are currently being finalized. They also will be posted soon.

Joel noted how doing the wiki is a very innovative and exciting way of presenting this kind of document. Using this process, we will be able to get the science out in a much quicker time, although details about how to review the work and get permissions for use of other people's work are still being worked out.

The Science Panel is very engaged and eager to use this work in the Action Agenda update.

Ken provided an overview of the implications for policy makers since some of the Council members weren't aware of this document.

Ken recognized Mary Ruckelshaus' work and reported that she is going to Stanford on a new project. Mary has been the Partnership's chief scientist for the last three years and has achieved much for the agency.

Martha Kongsgaard asked about filling Mary's position. David reported that he is talking to a couple people about taking on this role.

PUGET SOUND INSTITUTE

Puget Sound Institute Director, Joel Baker, expressed his thoughts about having the *Puget Sound Science Update* in an online, interactive, wiki format. He believes this is an innovative way to show our work. He also noted that there have only been a few cases where this format has been successful, but he believes this is the way to do it. Like all new things, it might have challenges but we will improve and learn along the way.

Joel then provided an overview of the Puget Sound Institute (PSI) and the work planned. (See meeting materials for details.)

Joel reported that the PSI would have three primary roles: conduct, compile and disseminate research. The research will include study panels to examine and synthesize existing research around specific questions and identify critical science gaps. This should help the Science Panel with the science policy interface work they are doing.

He talked about the Puget Sound scholars program and how this will be used. Joel also discussed the encyclopedia of Puget Sound, which will be how the research is disseminated. It will be a web-based wiki one can access to learn everything you want to know about Puget Sound. He explained that scientists would volunteer to submit their findings; this will take a lot of staff work and there will be full-time, editing manager in place to work on this.

Joel talked about the close relationship he envisions for the Partnership and PSI with advice being provided by an advisory board, co-chaired by Martha Kongsgaard, Leadership Council Chair, and Lisa Graumlich, the Dean of the College of the Environment. The Science Panel will be the technical advisory panel for the Institute. Other connections will be made between the PSI and the Science Panel.

Martha Kongsgaard believes the Institute will be a tremendous asset to the Partnership. She then informed the Leadership Council that Joel will step down from the Science Panel due to the conflict as Executive Director of PSI. She thanked Joel for the work he has done and his vision to share and ground it in the Partnership.

Joel noted the funding for the Institute has been secured for the first three years, and he is working on a business plan for garnering additional, future funding.

David Dicks complimented Joel on this work and all the work he has done for and with the Partnership.

PERFORMANCE MANAGEMENT

John Becker reviewed the target-setting progress and the materials provided in the meeting packet. (See notebook materials for details.)

Martha Neuman provided an update on the short-term target setting and said the goal is to have three to five targets set by February 2011. The plan is to start with setting a small number of targets. She noted that target setting is ultimately a policy decision but it needs scientific review. All proposed targets will go through both the Science Panel and Ecosystem Coordination Board (ECB). Target setting can help define a healthy ecosystem.

In addition to the Science Panel and ECB work on the targets, Martha wants to have a cross-partnership target-setting workgroup. She is finalizing the work plan and roles for the various groups in establishing this first set of targets.

Bill Wilkerson thinks the work done on indicators is wonderful, but he believes the hardest work will be setting the targets. Since target setting is a policy decision, the Partnership will need to have a very solid political strategy to explain what the selected targets will tell us about the Sound. He likes the idea of a public focus group – testing what this means to individuals in the general public will be very useful. He congratulated staff for moving on this.

John Becker responded that his hope is, as we work on the long-term process, we will build the political strategy and identify ways to improve the process.

Gerry O’Keefe asked the Council to provide feedback to staff about their needs in order to feel comfortable setting the targets. He listed the needs for economic and political analyses, scientific review, integrity (provide adequate time for scientific review and comment in the timeline), and political support. He noted engagement of the ECB will be critical to the target-setting process. Martha Kongsgaard concluded that Gerry laid out exactly what is needed.

LOCAL IMPLEMENTATION

Joe Ryan introduced panel members David Troutt and Sandra Romero (South Puget Sound) and Phil Johnson and Scott Brewer (Hood Canal). Each then provided an overview of their Local Integrating Organization proposal and some background about how they are where they are. (See meeting materials for details.)

David Troutt explained that moving to LIOs has been a ten-year progress, and now the Action Agenda and the right people are in place. These groups are looking at both environmental and socio-economic issues. He believes the keys to success of the LIOs across Puget Sound will be:

1. Executive committee support
2. Commitment to action by groups and elected officials
3. A staff person dedicated to supporting the efforts

He requested support for block grants to the LIOs.

Bill Wilkerson **MOVED** to approve both the Hood Canal and South Puget Sound LIO.

Martha Kongsgaard provided, and Bill accepted, a friendly **AMENDMENT** to change from “approve” to “recognize”.

Dan O’Neal **SECONDED** the amended motion and provided thoughts on the work of the Hood Canal. He is very enthusiastic about continuing this effort with a new focus.

Scott Brewer noted there definitely is a commitment in the Hood Canal area, and they have three things going for them: elected officials listening to the public, larger table with lots of people involved, and working on a strategy to get those who are not at the table there. He recognized the work by Partnership staff John Meyer and Duane Fagergren. He noted the current challenge is capacity and resources for accomplishing what they know what needs to be done.

David Dicks congratulated both groups, stating that if people don’t want to take risks or do things, it won’t happen. He complimented both groups on their commitment to working with the Partnership. He added that part of the idea behind the LIOs was to distribute funds to local groups who know what needs to be done.

The Leadership Council **APPROVED** recognition of the Hood Canal and South Puget Sound Local Integrating Organizations.

PSAR GRANT PROCESS

Joe Ryan reviewed the Puget Sound Acquisition and Restoration (PSAR) funding process and pointed out the list of projects proposed for funding. Joe noted these projects cover all parts of Puget Sound and have gone through a thorough review process. (See meeting materials for details.)

Bill Wilkerson **MOVED** to approve the PSAR process and proposed project list. Dan O’Neal **SECONDED**.

Diana asked how the final projects will be decided once the final budget numbers are in. Joe explained once the PSAR funding is decided, that local groups will refine their lists to the funding amount, and the Salmon Recovery Funding Board (SRFB) will make the final decisions next fall.

The group discussed monitoring needs, associated costs, and the need to integrate salmon projects into our performance management system. We need to be able to tell the story about what has been accomplished. Monitoring is key to building a sustainable process that shows what is being done to garner public support and to pick the most important projects for funding. It will take time to put the performance management system together, but once in place it will be very useful.

Public Comment on PSAR Process

David Troutt, Nisqually Tribe, noted the PSAR projects are moving salmon efforts forward and are within the salmon recovery plans. They are being monitored to see if projects are done and if the ecosystem and the fish are responding as expected.

Dave Peeler, People for Puget Sound, talked about the way Ecology included monitoring work into their grants. He suggested it might be good to include a monitoring process in the PSAR grants at some point.

The Leadership Council **APPROVED** the PSAR process and proposed list of projects.

LEGISLATION

David Dicks provided a brief update on the Puget Sound Partnership's legislative agenda. He noted that most of the legislative proposals are from other agencies. He reported that the ECB proposal for shorelines will come back to Council in November. He explained that staff is waiting to hear from the Governor, that she would like us to move forward on legislation, and that the Council might need to have a conference call before the next, scheduled meeting to move items forward.

Bill Wilkerson noted that this will not be a policy session, but 95% budget-focused. We can't spend a lot of time working on policy issues, thus wasting staff time and effort.

David noted that the Partnership would support proposals coming forward from other agencies.

As it is more independent than the agency, the Council would like to see staff's proposal for legislative work. As a board, they can start setting agendas for future sessions. David said staff will provide the Council with a memo explaining the legislative-desired outcomes and might have some proposals to bring to the Leadership Council in November.

Dan O'Neal stated that committees frequently want to hear what agencies have done with the funds they received in the past.

David reported that the Puget Sound recovery act is still moving through the Congressional process. He is optimistic that it will pass, thus providing a permanent funding source for Puget Sound.

ADMINISTRATIVE/BOARD OPERATIONS

Science Panel Appointment Process – review

Tammy Owings provided an overview of the upcoming Science Panel appointments and reported there would be an additional vacancy to be filled due to Joel stepping down. She then reviewed the decision process approved by the Council last year.

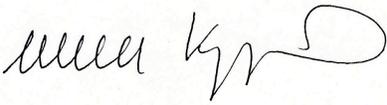
The Council reaffirmed the process.

The Council asked about the process for filling Bill Ruckelshaus' vacant position. Tammy noted this is done through the Governor's office.

The Council would like a retreat/work shop in December. This would be open to the public.

3:31 p.m. ADJOURN

Leadership Council Approval



Martha Kongsgaard, Chair

April 28, 2011
Date

Next Meeting: November 19, 2010
Center for Urban Waters
Tacoma, Washington