

CHEHALIS BASIN PARTNERSHIP
Chehalis Tribe “Lucky Eagle” Casino
Rochester, Washington
September 26, 2008
9:30 a.m.
Meeting Summary

MEMBERS, ALTERNATES & GUESTS PRESENT

Bonnie Canaday, Chair, City of Centralia	Patrick Wiltzius, City of Chehalis (Alternate)
Lee Napier, Grays Harbor County	Mark White, Confederated Tribes of the
Bob Beerbower, Grays Harbor County	Chehalis Reservation (Alternate)
Mark Swartout, Thurston County (Alternate)	Bob Macleod, Thurston County
Kahle Jennings, City of Centralia (Alternate)	Lyle Hojem, Citizen, Lewis County
Chris Hempleman, Department of Ecology (DOE)	Ann Wick, Department of Agriculture
Chanele Holbrook-Shaw, Citizen, Thurston County	Pete Holm, Chehalis River Council
Bob Burkle, Washington Department of Fish & Wildlife (WDFW)	April Boe, The Nature Conservancy
Janel Spaulding, Grays Harbor College	David Rountry, DOE
Don Loft, The Evergreen State College (TESC)	Tom McDowell, US Fish & Wildlife Service
David Holocher, TESC	Cindy Burton, Columbia-Pacific Resource
Dr. Joel Green, Grays Harbor College	Conservation & Economic Development
Bill Schulte, Lewis County Farm Bureau	District Council
Jerry Louthain, HDR Engineering Inc.	Cheri Lindgren, Puget Sound Meeting Services
	Jim Hill, Citizen, Lewis County (Alternate)

GENERAL PARTNERSHIP BUSINESS

Welcome, Introductions and Roundtable Comments

Chair Bonnie Canaday called the September 26, 2008 meeting of the Chehalis Basin Partnership (CBP) to order at 9:33 a.m. Everyone present provided self-introductions.

Discuss and Adopt Draft Meeting Summary for August 22, 2008

The August 22, 2008 minutes were accepted as presented.

Changes to the Agenda

Two items were added to the agenda:

- Discussion and decision concerning a cost increase for the Budd Creek culvert project
- Discussion on Washington Coast Sustainable Salmon Partnership representation request

SPECIAL PROJECTS AND PRESENTATIONS

Watershed Festival Update and Last Minute Details

Ms. Napier reported the Watershed Festival is scheduled for Saturday, September 27, 2008 from 10:00 a.m. to 4:00 p.m. at the Morrison Riverfront Park and Rotary Log Pavilion in Aberdeen.

Ms. Spaulding reported on two watershed activities occurring later in the day:

- A tour of the City of Centralia’s stormwater retrofit project.
- A video on how to improve water quality will be shown at the Westport Winery later in the evening

Ms. Spaulding described vendors, activities, and other attractions including Irish music and tall ship sailing during the festival. The Confederated Tribes of the Chehalis Reservation Fisheries Committee is hosting a salmon bake beginning at noon on Saturday.

Ms. Napier noted that the Westport Winery is a new business in the area. The organization is working to establish itself as a gathering place for the community. The winery offers an outreach opportunity to share information on the Partnership. Westport Winery wants to start a lecture series in January.

Budd Creek Culvert Project Cost Increase

Ms. Napier reported the Budd Creek culvert is a Salmon Recovery Funding Board (SRFB) project approved and funded two years ago. The culvert is located in Grays Harbor County and sponsored by the Chehalis Basin Fisheries Task Force. The initial cost was \$189,000. The SRFB requires a 15% match; however, Grays Harbor County typically provides a 20-25% match. There is a significant cost overrun of \$97,000. Grays Harbor County is willing to absorb part of the cost overrun. The SRFB allows project sponsors to request a 10% increase for cost overruns. Grays Harbor County will request a 10% cost increase, which must be approved by the CBP.

Discussion ensued on the factors contributing to the cost overrun, such as increased fuel costs to transport materials to the site. The original estimate was established in 2005 as well.

Ms. Napier said there is no cost to the Partnership. The request is to allow the state to appropriate more money for the project.

There were no objections from members concerning Grays Harbor County's request to seek a 10% increase from the SRFB for the Budd Creek Culvert project.

Request for Representation – Washington Coast Sustainable Salmon Partnership

Ms. Napier reported Nancy Allison, Executive Director, Washington Coast Sustainable Salmon Partnership (WCSSP), is requesting representation from counties, cities, ports, and tribes on the WCSSP. The process will be initiated by contacting entities and informing them of the opportunity to be part of a regional organization. Participating jurisdictions will be required to execute interlocal agreements. Currently, board representation is open to all counties, tribes, ports, and cities. She encouraged members to contact their respective jurisdictions regarding representation on the new board.

Ms. Napier noted the north Olympic region, which includes two counties, four tribes, and a city, is strongly represented on its regional board.

Discussion ensued on the similarities of the regional organization and the Puget Sound Partnership. Ms. Napier explained both are organized as regions. However, a goal is distinguishing the coast region from Puget Sound. Attention is needed on the coast to prevent endangered listings. She described recovery areas in the state.

Mr. Burkle added that the WCSSP was formed by the four lead entities within Water Resource Inventory Areas (WRIA) 20, 21, 22, 23, and 24 to compete with similar regional groups. The region is interested in sustainable salmon rather than additional listings.

In response to a question from Mr. Rountry regarding SRFB funding, Ms. Napier described the state regional allocation process.

Ms. Napier advised that Ms. Allison will send a letter to chairs, mayors, executive directors, and tribal leaders seeking their participation on the WASSP.

Discussion of the CBP's Role Regarding Comments on Government Policies

Ms. Napier reviewed the Water Quality Committee's (WQC) response letter to Grays Harbor County's Critical Areas Ordinance (CAO). The communication was presented to the Partnership in June. The CBP determined it was not appropriate to send comments. Members indicated they are more comfortable acting in the capacity as an outreach tool, such as hosting forums to provide additional information rather than taking positions on other jurisdiction's policies/regulations. The Steering Technical Committee (STC) and WQC discussed CBP's role in responding to other jurisdictions on governmental policies/regulations during public comment periods. She asked for feedback on the Partnership's role for providing comments.

Mr. Swartout said the WQC's comment letter represents the first time a CBP subcommittee expressed interest in responding to a local regulation. The STC discussed the issue and is seeking direction on whether to develop a policy on behalf of the Partnership for reviewing and commenting on local regulatory programs. If the Partnership directs the STC to develop a policy, the policy would limit responses to issues associated with the Watershed Plan.

In response to a question from Dr. Green on whether CBP members should not write letters of opinions on new regulations, Mr. Swartout replied that the concern is that the communication is on Partnership letterhead signed by the Chair, who represents member jurisdictions. The CBP has previously addressed specific state issues. It might be appropriate for the CBP to respond in writing to local governments concerning a regulatory update during an open public comment period.

Mr. Wiltzius said the Partnership could add value and utilize its technical expertise during a review of local regulations.

Feedback from members included:

- A missing element is early discussions. It's problematic for the Partnership to attempt to respond to an issue with a 14-day comment period.
- Who will track policy changes appropriate for review and comment by the CBP?
- Review and response concerning Grays Harbor County's CAO was in response to a WQC member's request to review the proposed ordinance.
- The policy should be fair and consistent. Review and comment should not be based on the interest of one individual.
- The policy could state the Partnership will respond to an official request for a technical review by an agency rather than a request from concerned citizen.
- Members have a responsibility to keep the Partnership and public informed of issues within the basin. If a member asks the CBP to review a proposed regulation, that's important too.
- One issue pertains to regulations for review, such as comprehensive plan amendments, CAOs, or flood plans). The CBP meets monthly. The law often requires a 14-day public comment period. The issue is whether entities should provide the Partnership with a list of policies and/or regulations scheduled for consideration on an annual or biannual basis.
- Encourage members, who represent counties and cities, to include the CBP as a stakeholder when considering regulatory changes.

- One question is whether local governments consider the Watershed Plan when adopting local regulations.
- Typically, planning commissions review land use regulations and provide councils and commissions with a recommendation. Those processes include public outreach and public hearings. Entities have more than one opportunity to present issues to the Partnership.

Mr. Jennings asked whether it's appropriate for the Partnership to limit reviews to determine whether the proposal is or isn't consistent with the Watershed Plan. He suggested developing a master calendar listing annual comprehensive plan and/or development code docket information review dates.

Ms. Wick suggested a local perspective would be helpful to state agencies.

Dr. Green and Mr. Holm supported the suggestion to create a central calendar or registry to track regulatory issues.

Mr. Swartout said Thurston County posts its annual comprehensive plan and development code docket timeline on the county's website.

Ms. Napier described Grays Harbor County's noticing requirements.

Mr. Swartout said the STC will use the feedback to develop a policy for the Partnership's consideration.

Several members agreed that any evaluation of governmental policies should be limited to a technical review involving consistencies with the Watershed Plan.

Mr. Swartout added that the STC agreed the tone of a comment letter should be positive and helpful in nature.

Ms. Napier referred to the connection between land use and watershed planning and reported Lewis County is working on a South Lewis County Subarea Plan. A Lewis County representative is scheduled to brief the STC on strategy to develop the subarea plan at its November meeting.

Ms. Napier said she will send an e-mail to local jurisdictions for dates on their respective comprehensive plan and/or development code docket processes.

Presentation – Introduction to Ecosystem Values

Ms. Napier introduced David Batker, Executive Director, Earth Economics.

Mr. Swartout added that there is an exciting new concept involving the assignment of economic value to natural capital.

Mr. Batker reported Earth Economics is a small, nonprofit focused on ecosystem services benefiting humans. The agency focuses on the benefits of watershed basins. He described the distinction between built and natural capital. A good quality of life includes built, social, human, and natural capital. All four are required to create a healthy economy, healthy environment, and healthy people. Every economy is set in a landscape and within a watershed. Watersheds create economic boundaries and natural economic frames.

Mr. Batker referred to Hurricane Katrina and how Earth Economics is evaluating the economic value of wetlands buffering the impacts of hurricanes. For every 2.5 miles of wetlands, one foot is lost to the storm surge. There were 30 additional miles of coastline in the 1930s than in 2005 when Katrina hit. Louisiana has lost 2.1 million acres of wetlands. The wetlands were not valued and are not protected. Restoring the wetlands is critical to creating a viable economy in that area of Louisiana. The US Army Corps of Engineers (Corps) realized extending the coastline will save tens of billions of dollars on levee construction. Benefits of watersheds include flood protection, salmon restoration, and water quality.

Mr. Batker described events confirming climate change is real. His agency worked on the flood management plan for King County. Cedar River levees are receiving 50% more water in peak flows than when built 40 years ago. It's important to include natural capital, which provides a great deal of flood protection. Natural capital self-maintains while built capital fails at some point.

Services provided by watersheds are separated into categories of goods and services including water, timber, fish, food, raw materials, genetic, medicinal, and ornamental resources, flood and storm protection, soil retention, and habitat value for salmon. Baseline ecosystem services consist of gas, climate, disturbance (flood control), water regulation and supply, soil formation, nutrient regulation, waste treatment, pollination, and biological control. Aesthetic, recreation, cultural/artistic, spiritual/historic, and science/education comprise information service values.

Main ecosystem services benefiting from salmon restoration include water regulation, refugium and nursery functions, recreation, water supply, aesthetic value, and disturbance prevention. Goals include ecological sustainability, rights, fairness, and equity; economic progress; and good governance.

A table illustrating the dollar value of the Green River Watershed based on ecosystem categories was shared with members. The total ecosystem benefit values range from approximately a low of \$1.7 billion to a high of \$6.3 billion. Mr. Batker reviewed net asset values based on 3.5%, 2.3%, and 0% discount rates. Natural assets do not necessarily depreciate.

Mr. Batker reported on a National Science Foundation (NSF) grant, a protected areas project in Madagascar, and a multi-scale integrated model of ecosystem services. The goal is to map ecosystem services and those benefiting from those services and develop funding mechanisms. The same strategy could be used for salmon restoration, which leads to flood protection.

Mr. Batker reviewed an ecosystem project in Costa Rica. An objective is determining how to target more funding into rural watersheds where ecosystem services are provisioned. These services benefit the larger urban areas. Between 1996 and 2007, Costa Rica increased forest cover from 21% to 42%. The country implemented a tax on water to improve quality and quantity.

The Partnership is a steward of an important economic asset in salmon restoration. The asset justifies the budget and action to restore that natural capital.

Discussion ensued on including an analysis of natural capital assets as part of the budgeting process and showing the value on a balance sheet in a meaningful way and establishing apt measures.

Mr. Hill commented that often the public doesn't place value on assets that are not assessed taxes. Mr. Batker replied that there are incentives in place for cities and counties to gain economically from development. However, the cumulative impacts of development are not analyzed. Mr. Hill referred to SEPA reviews and noted economic loss is not examined in the same manner as environmental impacts.

Mr. Burkle commented that in 2001, sport fisherman spent an average of \$869 on fuel, groceries, and hotel rooms to catch a spring Chinook on the Columbia River.

Discussion ensued on educating the public on ecosystem service benefits offered by the Chehalis basin and developing a different set of incentives to retain natural capital, such as timber in particular.

Mr. Batker reported the Corps is not using its typical rate of return strategy to justify the project in Louisiana. The Corps is looking at using multi-criteria decision-making approach of public safety, economic assets, rate of return analysis, and coastal restoration. The rate of return strategy is outdated and doesn't account for a myriad of issues. Natural and other assets are not included in rate of return calculations.

Mr. White added that entities within the Chehalis basin and the Corps in Washington State should arrive at the same conclusion reached in Louisiana.

Mr. Batker said the decision for flood control is an important one and is vital to the economic development of Grays Harbor and Lewis counties.

Mr. Macleod commented that the issue is how to balance local jurisdiction and state interests. Mr. Batker said the CBP is an excellent example of a governance structure that brings all stakeholders together. Earth Economics is interested in establishing a relationship with the CBP.

Mr. Swartout commented that the Chehalis River Basin Flood Control Authority might be interested in a similar presentation.

Chair Canaday said the presentation was educational.

Mr. Batker was asked to provide copies of Earth Economics' brochure to distribute at the Watershed Festival. Mr. Batker provided the agency's website address, www.eartheconomics.org.

Other Business

Mr. McDowell reported on Brian Peck's departure from US Fish & Wildlife Service (USFWWS). Mr. McDowell reported he will attend meetings on behalf of USFWS until the position is filled.

Ms. Napier acknowledged Mr. Peck's involvement in CBP and subcommittee activities. She emphasized that Mr. Peck was valued as a technical reviewer of projects and offered a federal perspective. He also participated in the Chehalis Fisheries Restoration Program.

Mr. Swartout added that Mr. Peck participated on a personal, professional, and agency level.

Ms. Napier acknowledged US Fish & Wildlife Service employee Taylor Pittman. Ms. Pittman has been a tremendous asset for outreach activities.

Dr. Green, Natural Resource Instructor, Grays Harbor College, introduced himself. He reviewed his background and education. He said he looks forward to working with the Partnership on watershed management issues.

NEXT MEETING

The next CBP meeting is scheduled for October 24, 2008.

ADJOURNMENT

With there being no further business, Chair Canaday adjourned the meeting at 11:50 a.m.

Cheri Lindgren, Recording Secretary
Puget Sound Meeting Services