

**CHEHALIS BASIN PARTNERSHIP
Chehalis Tribe “Lucky Eagle” Casino
Rochester, Washington
April 22, 2011
9:30 a.m.
Meeting Summary**

MEMBERS, ALTERNATES & GUESTS PRESENT

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| Bonnie Canaday, Chair, City of Centralia | Chuck Caldwell, Port of Grays Harbor |
| Glen Connelly, Confederated Tribes of the Chehalis Reservation | Chuck Turley, Department of Natural Resources (DNR) |
| Lee Napier, Grays Harbor County | Karen Valenzuela, Thurston County |
| Kahle Jennings, City of Centralia | Terry Willis, Grays Harbor County |
| Miranda Plumb, US Fish & Wildlife Service (USFWS) | Terry Harris, City of Chehalis |
| Julie Balmelli-Powe, Lewis County Farm Bureau | Christine Hempleman, Department of Ecology (DOE) |
| Janel Spaulding, Chehalis Basin Partnership | Bill Schulte, Lewis County |
| Jim Hill, Citizen, Lewis County | Chris Stearns, Thurston Public Utilities District |
| Lyle Hojem, Citizen, Lewis County | LaJane Schopper, Mason County |
| Mark Swartout, Thurston County | Tom Gow, Puget Sound Meeting Services |
| Dave Vasilauskas, City of Chehalis | Don Loft, The Evergreen State College |
| Paul McMillan, City of Hoquiam | |
| Gary Waltenburg, Citizen, Grays Harbor County | Aaron Litnak, The Evergreen State College |
| Heta Fairbanks, City of Chehalis | John Penberth, Citizen, Pe El |
| Glenn Carter, Lewis County | John Lucas, L.C.F.B. |
| Richard Geiger, Mason Conservation District | Ron Figlar-Barnes, Skokomish Tribe |

SUMMARY OF ACTION ITEMS:

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| Approval of Meeting Summary | Approved the minutes of March 25, 2011 with an amendment. |
| CBP Organizational Structure Discussion | The STC will continue refining the matrix on the different capabilities of the three organizational types |

GENERAL PARTNERSHIP BUSINESS

Welcome, Introductions, and Roundtable Comments

Bonnie Canaday called the April 22, 2011, meeting of the Chehalis Basin Partnership (CBP) to order at 9:41 a.m. A quorum was attained. Everyone present provided self-introductions.

Discuss March 25, 2011 Meeting Summary

A change was requested to the minutes of March 25, 2011 on page 6 revising the last sentence in the second paragraph to state, “Chuck Turley added that he is involved in a private group and has been advised by the group’s attorney that it will take 18 to 24 months to obtain approval for 501(c) 3 status from the federal government.”

Terry Harris suggested that in the future, comments should be attributed to the speaker rather summarized in a bulleted list.

The minutes were approved as amended by consensus.

Janel Spaulding advised members that J Roach is recovering at home from a recent illness and injury.

SPECIAL PROJECTS AND PRESENTATIONS

CBP Organizational Structure Discussion

Ms. Spaulding distributed a spreadsheet of different attributes associated with three different types of organizations. Last month, members asked several questions, which were discussed and reviewed by the Steering Technical Committee (STC). The three organization types include:

- Current Organization – Chehalis Basin Partnership
- Watershed Management Partnership
- 501(c)3 Non-Profit

Mark Swartout commented that it was difficult assigning a “yes” or “no” answer to some of the questions for each of the organizations because it depends on how some funding organizations, such as foundations are established in terms of what types of organizations could qualify for funding. There is also a distinction between receiving a grant and receiving a donation. Generally, foundations do not typically donate to governmental entities.

Jim Hill arrived at the meeting.

Terry Harris asked whether that includes private/public partnerships. Mr. Swartout said most governments have received donations of land for parks and other reasons. It was difficult for the STC to address and relate the questions to each organizational type. In some cases, it’s not a “yes” or “no” answer. Often the answer depends on the rules of the foundation. The STC spent some time on the table and was able to use the web to search different foundations, only to find that many foundations have different rules of operation.

Julie Balmelli-Powe and Bill Schulte arrived at the meeting.

Karen Valenzuela referred to the organization lobbying the legislation and indicated she doesn’t believe it’s accurate that a 501(c) 3 cannot lobby. A 501(c) 3 can lobby, but it’s limited in how much resources it can expend in lobbying efforts. Additionally, those groups can engage in advocacy activities.

Mr. Swartout said the STC discussed the definition of lobbying and whether it means using a registered lobbyist. It might not be possible for a 501(c) 3 to use a registered lobbyist, but a member of the organization could visit the Legislature to promote a position or cause.

Chris Stearns said the state association for PUDs has been dealing with the issue for some time. Basically, there is a discriminating line in terms of lobbying by a staff member versus lobbying by an elected official. Elected officials have no restraints in appearing before the Legislature. However, a staff member from a government entity who is representing that entity has to file as a lobbyist if they appear before the Legislature more than five times.

Mr. Swartout indicated the STC will continue refining the table.

Lyle Hojem, Lee Napier, and Terry Willis arrived at the meeting.

Mr. Schulte asked whether the discussion is about whether the Partnership should form another organization. Chair Canaday advised that the discussion is centering on what activities each organization can and cannot do. Mr. Swartout pointed out that at the last meeting, there was quite a bit of discussion, and many unanswered questions. The table was presented to help address some of those unanswered questions. STC members met and tried to answer the questions by using the Internet in researching rules of several foundations. The table does not represent a complete document because there are still some unknowns associated with each organization type.

Mr. Schulte asked whether the intent is to change the structure of the organization. Ms. Spaulding replied that it wasn't the intent at the last meeting. The intent is considering a supplemental organization that could help the Partnership obtain funding. Mr. Schulte said his concern is a supplemental group that takes authority and control away from the Partnership. That has always been his fear. Last Wednesday, that splinter group formed called the Chehalis Watershed Cooperative. Members of the cooperative indicated they formed the group in response to the Flood Authority. That's incorrect. The group did it for other reasons because it wasn't named the Lower Chehalis Flood Authority; it was named the Chehalis Watershed Cooperative. The group indicates it will not take work away from the Partnership, but that the Partnership can still perform the work while the Chehalis Watershed Cooperative will make the decisions. The group indicated it's not interested in controlling the Partnership. However, under the rules of the RCW for formation of the cooperative, the cooperative is responsible for the Watershed Management Plan and for Salmon Recovery Funding Board projects. He advised members to obtain a copy of the cooperative agreement as well as having each jurisdiction's attorney read the agreement. The cooperative has already contacted the Legislature to seek the funding for the General Investigation (GI) Study. Mr. Schulte said he would not support any attempt to create another splinter group.

Kahle Jennings said he would like pursue some research into the question of lobbying by 501(c) 3 organizations.

Mr. Schulte suggested tabling further discussion until the Partnership determines the intent of the Chehalis Watershed Cooperative and why those members formed another group to duplicate the Partnership's work without first discussing the issue with the Partnership.

Chair Canaday referred to the Flood Authority meeting held the previous day and the issues that could potentially affect the Partnership's meeting. She said she doesn't want to revisit the previous day's discussion, which consumed many hours. She recommended moving forward and working on what the Partnership is focused to accomplish. The Partnership is a viable group as of today and until informed differently, the Partnership should continue moving forward as a viable group.

Mr. Schulte suggested members should read the agreement. The cooperative has been formed and certified. The only approval the cooperative needs from the Governor is for the funding. The cooperative overlaps with the purpose of the Chehalis Basin Partnership.

Chair Canaday asked members for feedback on the next steps.

John Penberth shared that as a charter member of the Partnership, the mission and purpose of the organization was to address water quality, water quantity, fish, and fish habitat. As time passed, the Partnership accomplished many activities through salmon enhancement projects, ecosystem restoration, and many more activities. Several years ago, the Flood Authority was formed as a separate group. Approximately 12 years ago, flooding was addressed through the Partnership with all entities working cooperatively on it with a project approved by Congress for \$220 million. However, what ultimately

occurred is what happened yesterday with the group fracturing, splintering, and breaking up. As a result, the \$220 million disappeared. Through that cooperative effort, \$12 million was spent. The Flood Authority has spent \$6 million and nothing has been accomplished. Another \$1.3 million will become available soon.

Mr. Penberth said he shared at yesterday's meeting, that the error that was made was the creation of the Chehalis Basin Flood Authority. The effort should have been coordinated through the Partnership with all entities and citizens working together. Now, with continued funding at risk, the Partnership is seeking a way to raise funds. Based on what is occurring in the Chehalis basin, Mr. Penberth said if he were a legislator, he wouldn't support any effort because the process is so fractured. The effort needs unity and that effort needs respect by everyone. What occurred yesterday at the Flood Authority was that essentially the "bushwhackers got bushwhacked." When Lewis County had its own special group pursuing other special projects, the other members believed it wasn't right, which led to them forming the cooperative. That outcome is what occurs when not everyone is represented at the table. The Partnership was originally formed by mayors, citizens, and elected officials. Citizens were not involved with the Flood Authority. The exclusion of citizens led to the fracture of the process. Mr. Penberth said he would lobby the Legislature for the Partnership to coordinate basin efforts because everyone is represented within the basin including citizens.

Chair Canaday expressed appreciation to members for attending and continuing to work cooperatively. She said she believes the Partnership needs to continue its work.

Terry Harris said when the Flood Authority was first developed the discussion by the Partnership was whether it should assume that responsibility as well. It took several meetings for the members to agree that the Flood Authority should be a different group but with interties. However, based on the current situation, he said he would like to see the Flood Authority become a separate entity with no intertie with the Partnership because the underlying themes of each organization have become problematic for both groups. The Partnership's main focus of water quality, water quantity, fish, and fish habitat has become lost with people engaging in various activities behind the scenes as well as the perception that games are being played even if that may not be occurring. However, perception is often perceived as reality and it has created problems for everyone.

Ms. Valenzuela agreed with Chair Canaday and suggested moving forward with refining the matrix to assist members in moving forward with the question of "if" and if so, "what kind of organization?" The effort is on a good path and the Partnership should continue moving forward. She disagreed with Mr. Schulte because as one of the signatories to the cooperative, the intent of the organization was not to replace or do anything other than working cooperatively with the Chehalis Basin Partnership.

Mr. Stearns commented that the availability of funds is becoming limited. The Partnership should be proactive in reorganizing itself so that it's in a better position to access different pools of funds.

Chris Hempleman commented that the Partnership has been one of the successful and leading watershed planning units in the state. There may be an element of uncertainty now that needs to be resolved, but it would be a loss if the Partnership dissolved.

Mr. Jennings said he doesn't believe the RCW forming the Partnership included a sunset clause. The Partnership can continue to exist as a coordinating body. It's important to differentiate that role and what members are considering in terms of other funding mechanisms. There are two separate issues that shouldn't become one issue. Just because the issue of forming a 501(c) 3 or a watershed planning entity

hasn't been resolved, it doesn't mean that the Partnership would dissolve. It just means that the funding resources from the Department of Ecology for watershed planning may be somewhat limited.

Ms. Hempleman advised that the department's watershed program budget includes a proposed extension of limited funding for four more years for watershed planning. However, the status of the budget is unknown at this point.

Glen Connolly referred to the Tribe's recent donation of \$15,000 to the Partnership and reiterated the Tribe's commitment to the Partnership. The Partnership is a valuable entity and many issues are discussed that eventually result in solutions. It's been a valuable collaborative effort. He would like the Partnership to continue moving forward, and if another organization were developed, it would be for the funding arm with both organizations working closely together.

Mr. Penberth commented that the answer for funding is unity and that funding should be funneled through Partnership where all interests are represented. If the basin can convey unity to the Legislature, it's likely funding can be obtained to continue operating.

Mr. Harris said the strength of the Partnership is through the efforts of its members, citizens, and stream teams and it's where the efforts should be focused. The Tribe contributed \$15,000 that will help continue operations for another three to six months after funding ends. The program is too important to end. He plans to request funding from the City of Chehalis City Council for the Partnership. It may be time for all members to consider contributing some funds to maintain operations and continue implementing elements of the Watershed Management Plan.

Chair Canaday commented on the formation of Centralia's Stream Team and the efforts of Ms. Spaulding and Kim Ashmore in establishing the stream team. Mr. Ashmore provided a presentation to the Partnership on the cleanup of China Creek and the tons of garbage removed from the creek.

Ms. Spaulding reported on the Grays Harbor Clean Team efforts. The team was established in October 2009. The team meets monthly and has one monthly event. The most recent project is the McDonald Creek in Elma. Jared Figlar-Barnes, a freshman at Elma High School and a member of the stream team, developed a project to restore McDonald Creek. He's developed a list of over 43 projects and contacted all landowners along the creek. The team is preparing a grant proposal. One grant of \$15,000 was received from DOE to repair a culvert and some instream work. The team is also applying to the Salmon Recovery Funding Board to repair a culvert to improve fish passage. In Grays Harbor, the team also works on harbor and beach cleanups.

Chair Canady said unless members convey otherwise, she wants to continue moving forward with the work of the Partnership.

Gary Waltenburg commented that although the future is unknown, the organization is important and should continue moving forward.

Julie Balmelli-Powe said money and control seem to create greed and discontent. She supports moving forward with the existing organization as everyone is at the table and is willing to share their ideas without feeling they are being manipulated. She urged moving forward.

Mr. Schulte asked for a point of clarification in terms of moving forward and whether it includes creating another splinter group. Chair Canaday acknowledged that members wish to move forward. Mr. Schulte said he is opposed to creating any more splinter groups but supports moving forward as the Partnership.

Presentation on Skokomish Estuary Restoration Project

Ms. Spaulding introduced Rich Geiger, Mason Conservation District, and Ron Figlar-Barnes, Skokomish Tribe. Last January, she accompanied the Grays Harbor Stream Team on a tour by the Skokomish Tribe of its estuary restoration project. The project involved removal of dikes on Nalley Island returning the land to a natural estuary system.

Mr. Figlar-Barnes shared that Alex Gouley, the Habitat Manager for the Skokomish Tribe had planned to provide a presentation; however, there was a conflict with the Tribal Council meeting. Rich Geiger, an engineer with the Mason Conservation District has assisted in restoration efforts in the Skokomish watershed and will provide an overview of all restoration efforts in the Skokomish watershed.

Mr. Figlar-Barnes presentation began with an aerial photo of the Skokomish Indian Reservation, South and North Forks of the Skokomish River, and the Cushman Dam. Through time, the upper watershed has been continually logged creating tremendous amounts of sediment.

Mr. Stearns added that at one time, the South Fork was considered for a dam site. The dam was never constructed, but logging continued within the riparian zone to the extent of creating a lake, which didn't occur. However, that action led to sedimentation in the river.

Mr. Figlar-Barnes added that there many factors within the upper watershed, which is one of the variables associated with flooding events. As the river flows from the canyon, it encounters many dikes created for farming. A large portion of the Skokomish estuary was converted from a pristine estuary to Nalley Farm in the late 1930s. At the time, the area was a productive estuary with miles of branching tidal channels. Dikes and ditches were constructed to prevent tidal and river flows across the surface of the island and permanently drained the area. Additionally, Highway 101 cuts across the valley and dams up the Skokomish floodplain. State Route 106 also cuts across the valley along with other roads preventing flows out of the system. When the roads were constructed there was little planning in terms of impacts to the watershed.

The first of a series of projects was completed approximately 10 years. Water backed up in the area of the reservation caused in part by failing culverts, dikes, and roads. The Tribe worked with various groups to remove dikes around the 214-acre Nalley Island to restore fish habitat. The Tribe also replaced a culvert with a bridge many years ago, which also helped to reduce flooding. In 2004, the Tribe working with the Washington State Department of Transportation (WSDOT) replaced another culvert with a bridge, which decreased flooding in the area of the reservation. The Tribe was able to secure funding for abandoning River Road allowing the restoration of flows through the creation of a creek. Ultimately, the Tribe was able to continue working with WSDOT to construct a bridge over Highway 101 because of continual flooding across the highway. A mitigation plan included removal of another bridge and lowering a road, which prompted many other projects followed by the removal of the Nalley Island dikes. Subsequent flooding of the reservation has been reduced.

Mr. Figlar-Barnes played a video on the River Road restoration project completed in September 2009.

Mr. Figlar-Barnes played a video of a project in conjunction with the WSDOT to remove a bridge and lower a road to open up 350 feet of floodplain.

Ms. Hempleman asked whether the projects were identified through the General Investigation Study. Mr. Figlar-Barnes said the GI Study is underway and it's unknown when the study is scheduled for completion. Although, the Tribe supports the GI Study process, many of the projects were identified by many individuals and groups. One group, the Skokomish Watershed Action Team, is a group of volunteers that has been involved and has identified many of the projects.

Mr. Figlar-Barnes displayed photos of several project areas as well as the Nalley farm area.

Mr. Figlar-Barnes described how Mr. Gouley and Mr. Geiger used historic maps from the 1800s to determine the location of channeling within the estuary. The goals and the objectives of the project were reducing flooding and sedimentation and restoring tidal prism, habitat, and improving water quality. He displayed a 1980 photo of the Nalley farm in operation. The dikes completely cut off channeling to enable farming. The project area was 108 acres. The entire island is approximately 300 acres. Phase 1 was completed in 2007, when dikes west of the island were removed to restore 108 acres of tidelands. Phase 2 was recently completed. Another element of the project's success is an effective monitoring program. The team is developing a monitoring proposal. The Nisqually has a very effective monitoring process, and many of the ideas have been borrowed from Nisqually.

Mr. Figlar-Barnes described how quickly flows were restored after removal of the dikes. Marine vegetation is returning to the estuary as well. The work included removing nearly 3 miles of dikes, filling the ditches, and removing tide gates and culverts. The island restoration is the second phase of the tribe's effort to restore the Skokomish River estuary.

Mr. Geiger reported he began working on the watershed in the early 1990s during his employment with Mason County Public Works. At that time, the department considered installing sediment traps because residents were complaining of the frequency and severity of flooding events even though flows were remaining consistent. The residents complained that the river was filling with gravel. At that time, the plan was to dig a trap and collect gravel. The Department of Fish and Wildlife asked the department to dump the gravel on tide flats to improve shellfish conditions. At the time, Mr. Geiger said he believed the action was questionable and it frankly concerned him for more than a decade. After consulting with others, they learned that the river had been manipulated to the point where it no longer moved gravel naturally. Additionally, what was unknown was how gravel moves through an estuary and how it's impacted when dikes, roads, and other impediments prevent transport. River power and flows control gravel movement. What was discovered was the tidal prism. A tidal prism is the volume of water in an estuary between mean high tide and mean low tide or the volume of water leaving an estuary at ebb tide. When the dikes were installed in the 1930s, tidal prism was cut off. Gravel was ultimately dropping out between the dikes while the silt continued to travel. That action conveyed the importance for removing the dikes and restoring the channels and the tidal power to keep the channels deep and in balance. In 2007, the area experienced the same storm that the Chehalis basin experienced. Flood damage occurred that had never been experienced. Earlier this year, during heavy rains, flooding didn't occur because water was able to disperse.

Mr. Geiger referred to the restoration of the GI process and how leadership and citizens were concerned because everyone believed that the projects needed to move forward. Through efforts by many people, the Skokomish Watershed Action Team was formed because the focus was on "action." There were also

many arguments. Representatives from the Wilderness Society and others organizations began questioning the group on what actions they could agree on. At that point, the County Commissioners announced moving forward with the GI Study while acknowledging that other good restoration actions would move forward.

Mr. Geiger referred to the Partnership's difficulty in determining its future course and indicated the Action Team is not formed as an organization other than having a letterhead and meeting as a group. When the group finds a project it wants to pursue, the membership looks internally and assigns a member who may be representing a non-profit, a tribe, or other entity, as the lead to secure the funding. The remaining members submit letters of support for the project. To date, that process has worked very well.

The GI Study is providing some information not previously understood pertaining to high groundwater and that the valley is located on the eastern edge of the Pacific tectonic plate. Neah Bay is rising while the Skokomish Valley is sinking by approximately one centimeter a year. There are concerns about sea level rise. The study also provided insight on the need for more soil in the valley. One way of delivering silt is through the allowance of low level flooding throughout the valley. Mr. Figlar-Barnes added that as a result of the River Road project involving removal of the road and reconnection of the wetland, when the area floods silt is deposited within the old road bed.

Mr. Geiger referred to the upper valley and the dike system. The riverbed inside the dike area is higher than the adjacent floodplain. Sediment moves dependent on the slope and the depth of the area. When sediment moves through the system, it hits the dikes and hits the artificially deep area between the dikes. When floodwaters recede, that action occurs quickly and the gravel stops while sediment and silt that is needed in the estuary is trapped under the gravel. Removing the dikes reduces the depth of water and silt is able to transport within the floodplain. Heavier material doesn't have sufficient depth so it is not moving and is dropping out. As that occurs, the upper part of the river is rising and becoming steeper and the lower part of the river is transporting gravel. That action steepens the river, which is what the floodplain needs to survive.

When the farmers improved their land, they plowed through the channels, which created the loss of fish. When flooding occurs, fish are deposited in the same area and when the floodwaters recede, fish are stranded in the fields. He described the benefits of creating a channel through the floodplain. He explained the importance of tree cover and how the delivery of water is lessened as well as slowed allowing time for soil to absorb water.

Mr. Geiger described how the problem of dissolved oxygen in Hood Canal is improved through the efforts of restoring the estuary where vegetation can filter nutrient laden waters. The estuary essentially scrubs the water prior to delivery to Hood Canal. Because of an increase in gravel beds, shellfish are thriving. Shellfish can filter up to 45 gallons of water daily. There are many actions that can be employed to improve the environment, restore salmon, support farmers, maintain the landscape, and reduce occurrences of flooding.

Mr. Geiger acknowledged that there likely are issues the Partnership will continue to disagree on. He urged the Partnership however, to move forward on the issues of agreement based on its understanding of the Chehalis basin watershed.

Mr. Stearns commented on Tacoma Power diverting some flows from the Cushman Dam to generate power. He asked how water from the North Fork is able to input into the valley. Mr. Geiger replied that

as part of the relicensing agreement the Tribe and Tacoma Power are working through those issues. He added that efforts are continuing on sediment transport, which is critical to the survival of salmon species.

Agenda Items for May 20, 2011 Meeting and Future Meetings.

Mr. Schulte reported the alternate member for Lewis County is Glenn Carter.

Ms. Spaulding noted the May meeting will be held a week earlier because of the Memorial Day holiday.

Chair Canaday indicated she would be unable to attend the May meeting.

Ms. Spaulding invited members to participate in a future tour of the Nalley estuary project site.

Mr. Harris offered to chair the May meeting if Mark White is unable to attend.

ADJOURNMENT

With there being no further business, Chair Canaday adjourned the meeting at 11:49 a.m.

Prepared by Valerie L. Gow, Recording Secretary/President
Puget Sound Meeting Services