

**CHEHALIS BASIN PARTNERSHIP  
STEERING TECHNICAL COMMITTEE  
Washington State Department of Fish and Wildlife  
600 Capitol Way  
Olympia, WA  
April 7, 2011  
9:30 AM**

**Meeting Summary**

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**MEMBERS, ALTERNATES, AND GUESTS PRESENT**

Mark Swartout, Thurston County  
Janel Spaulding, CBP/Grays Harbor College  
Jim Hill, Citizen, Lewis County

Chris Hempleman, Department of Ecology (DOE)  
Tom Gow, Puget Sound Meeting Services  
Glen Connelly, Confederated Tribes of the  
Chehalis Reservation

**Welcome & Introductions**

Mark Swartout called the meeting to order at 10:02 a.m.

**CBP Supplemental Organization Discussion**

***Outcome from CBP Meeting***

Ms. Spaulding reported CBP members posed several questions and did not render a decision on whether to form a watershed management partnership (WMP). Members asked about the value of forming a WMP and were concerned the existing structure is sufficient because the CBP accepted a donation from the Confederated Tribes of the Chehalis Reservation. There were questions on why there's a need to form a WMP if the CBP is able to accept donations. Ms. Spaulding distributed a table of questions for the three organizational structures of the CBP, WMP, and a non-profit.

Jim Hill asked whether there has been any contact with the WMP in eastern Washington about its plan to form a 501(c) 3 non-profit because of the belief that forming a WMP enables access to private funds. Ms. Spaulding advised that no decision has been made by that watershed planning unit. Often a WMP is viewed as a quasi-governmental agency and many private foundations do not donate to government entities.

Chris Hempleman said other questions pertained to the implication of the WMP as a legal entity and the reasons the CBP was pursuing any option. She questioned the advantage of becoming a legal entity. Mr. Swartout said the CBP is not a legal entity because of the requirement for a fiscal agent to sign contracts and manage funds. Legal entities are responsible for signing contracts. Under the WMP, a treasurer of the county must be the treasurer, which is essentially a special purpose government. It's up to the organization as to how much oversight the treasurer will perform and how much the organization will assume. The organization could pay the bills and provide a summary of the transactions to the treasurer as one option. A WMP is not considered a government entity and can receive foundation donations.

Members shared information about the CBP discussion and some of the questions raised by members. Ms. Hempleman said it was a very thorough discussion and a good exchange of ideas. Mr. Swartout said the issue mainly pertained to funding. Ms. Hempleman said if funding were allocated by the state, it would be less and require a 50% match. If Water Smart Washington funding is successful, the Partnership will likely need additional funds.

Discussion followed on the match and how it's tracked. Lee Napier tracked volunteer hours at \$15 an hour. Ms. Hempleman said at some point, members will begin withdrawing if projects are not implemented. It's important to have some type of structure.

Mr. Connelly said the original discussion focused on forming a 501(c) 3, which can accept private funds but not government funds. However, several members expressed concerns that a non-profit could divert the focus and veer off in an entirely different direction. He questioned those concerns especially since the new organization's members would likely be current members of the Partnership. Ms. Hempleman said that it's likely those concerns held by some people will never be resolved. Mr. Connelly and Mr. Hill added that they personally don't understand the concern.

***Review Chart of Current Organization vs. Non-profit vs. Watershed Management Partnership***

Mr. Connelly suggested adding a question on the pros and cons of a legal entity to the chart of questions.

Ms. Spaulding addressed questions from members on how the Water Resource Inventory Area (WRIA) 59 Watershed Management Partnership (WMP) is currently funded. The WMP has six members and several of the members donated funds. The mission of the WMP is to provide the ongoing general oversight of the water resource management activities. The Board has met several times. If the Partnership formed a WMP, a separate meeting likely wouldn't be necessary as the CBP's monthly meeting could include a budget and organizational update from the WMP. Mr. Connelly mentioned the Nisqually foundation and how it successfully works with its planning unit.

Mr. Connelly suggested including several other questions on the chart pertaining to whether a WMP can lobby for and solicit government entities for funds. Members discussed different aspects of the WMP, how accounting functions are handled, and that non-governmental agencies cannot become a member of a WMP. It is likely an accountant or a certified public accountant would be necessary or those function could be performed by a member government organization.

Ms. Spaulding distributed copies of questions and answers she provided during the March CBP meeting. The information explains how the planning unit and the WMP work together. Members discussed and refined the draft CBP Organizational Discussion Chart. Mr. Swartout commented that Grays Harbor County could remain the fiscal agent of the WMP as well as assuming the duties of the treasurer. The County could also sign contracts or that responsibility could be assumed by the Partnership. Mr. Hill mentioned audit responsibilities as well. Ms. Hempleman suggested applying many of the unanswered questions to the basin-wide General Investigation Study to ascertain how a new entity might operate. Another unknown is whether the WMP requires a fiscal agent.

Members reviewed the RCW online for WMPs. Several foundation websites were visited, such as the Bullitt Foundation to review grant application eligibility requirements. Several of the organizations required the requesting organization to either be a 501(c) 3 or identify themselves as a valid and organized operating municipal corporation, public agency, or Native American Tribe.

Members discussed and refined the questions and answers of the discussion chart and agreed to the following draft for presentation to the Partnership:

	<b>Current Organization (CBP)</b>	<b>Watershed Management Partnership</b>	<b>501(c)(3) Non-Profit</b>
Can non-governmental entities be members?	YES	NO (but the current org provides the oversight of activities)	YES

Can governmental entities be members?	YES	YES	NO (but a member could also be associated with a government)
Is this organization a legal entity?	NO	YES	YES
Can this organization sign a contract? (grants, etc)	NO (fiscal agent required to sign contract)	YES	YES
Can a private foundation donate to this organization?	NO (most foundations don't generally donate to government entities)	YES (but dependent on foundation rules)	YES
Can this organization accept a donation from a citizen?	YES	YES	YES
Can donation be a tax write-off?	?	?	YES
Does this organization qualify for non-governmental funding, such as from private foundations?	YES (but dependent on foundation rules)	YES (but dependent on foundation rules)	YES
Can this organization lobby the legislature?	YES (individual members can)	YES (individual members can)	NO
Can this organization apply for governmental funding?	YES	YES	YES (individual members can, if they are a government)
What is the forming mechanism of this organization?	Inter-Local Cooperation Act 39.34	Inter-Local Cooperation Act 39.34.200	Secretary of State and IRS
Does this organization require a city or county treasurer?	NO	YES	NO
Does this organization require an accountant?	NO	MAYBE (Depends on the structure of the organization)	YES
Does this organization require a fiscal agent?	YES	YES (Depends on the structure of the organization)	YES (Depends on the structure of the organization)

Ms. Spaulding advised that she will send an electronic copy of the chart prior to Partnership meeting.

**Watershed Management Plan/Detailed Implementation Plan Discussion-Recommendation from CBP Meeting**

Ms. Spaulding reported during the March CBP meeting discussion, Terry Harris commented on the need for the Partnership to determine what projects it wants to pursue for applying for grants. The question raised a concern as the Partnership has an adopted Detailed Implementation Plan (DIP), several projects scheduled, and has been applying for grants through DOE. It appears the information on current and future projects is not being effectively communicated to the Partnership. She questioned whether the DIP should be revisited by the CBP.

Ms. Hempleman asked whether the top five projects have been identified. Ms. Spaulding confirmed projects have been identified. Mr. Swartout said the top project includes the USGS groundwater modeling. Ms. Hempleman suggested developing a general scope of work for several projects to position the CBP more effectively when responding to grant opportunities.

Ms. Spaulding referred to DIP Strategy 2.4, which specifies the development of a watershed management work plan that will develop prioritized project lists that tie specific water quality, quantity and habitat projects to funding opportunities. Mr. Connelly said there are 18 categories within the DIP that were ranked low, medium, and high creating a list of top projects. However, there isn't much detail. That exercise was a semi-detailed plan

that needs further work. Ms. Hempleman said identifying a few specific projects with a range of costs that are preliminarily scoped could help in obtaining funding.

Mr. Hill suggested developing a list of completed and future projects to use as a tracking mechanism.

Mr. Connelly said the original intent was the “plan to fund” system that included much detail. However, the format couldn’t accommodate the necessary detail for subsections for additional projects and subprojects. The consultant was asked to revamp the format to accommodate subsections to ensure linkage was maintained, but that never occurred as funding and priorities began changing.

Ms. Hempleman suggested the option of developing some information during a half day workshop later in the summer or fall.

Mr. Hill commented that the Partnership’s focus has been on flooding and funding and projects haven’t been a high priority. Mr. Swartout pointed out that the Partnership is working on the storage project as well as working on the groundwater modeling. He suggested providing a status report during the monthly meeting.

Mr. Hill advocated for developing a list of projects as the list would help to achieve project goals and help in successfully securing project funds.

#### **Water Banking – Continued Discussion**

Ms. Spaulding referred to the Washington Water Trust (WWT) presentation at the last CBP meeting. Bruce Treichler suggested inviting Lara Fowler to provide an overview on water rights/law 101. Ms. Fowler has volunteered to provide a presentation. Erik Borgen with WWT has inquired about having the CBP better define the role of WWT within the Chehalis basin.

Mr. Swartout shared information on the work WWT completed for the Nisqually River Foundation on water banking.

Ms. Hempleman commented that at the end of the CBP discussion, she was unsure if members made the connection with the concept of water banking. Ms. Spaulding said the discussion sparked some interest by several members who were interested in pursuing the topic in more detail. Mr. Hill said it raised the level of knowledge and interest. He suggested inviting Nadine Romero to present the Scatter Creek modeling exercise.

Ms. Spaulding asked about extending an invitation to Mr. Borgen and Peggy Clifford to attend a future STC meeting prior to the CBP presentation by Ms. Fowler.

*Mark Swartout left the meeting.*

#### **April CBP Agenda, May STC Agenda**

Members reviewed the April 22 CBP proposed agenda:

- Presentation on Skokomish Estuary Restoration Project by Mason Conservation District
- Noah Pess, NOAH Fisheries, presentation on the importance of floodplains
- Continued discussion on supplemental organization
- Chanele Holbrook-Shaw presentation on Heernett Foundation

The May STC meeting agenda includes:

- Discussion on project list
- Continued discussion on supplemental organization
- Lara Fowler/Erik Borgen – Water rights/law and water banking

The May CBP tentative agenda includes:

- Student presentation on water quality testing
- Presentation by Nadine Romero on Scatter Creek Model in conjunction with USGS Groundwater modeling project
- Lara Fowler on Washington State Water Law/Water Rights

**Adjournment**

With there being no further business, Mr. Connelly adjourned the meeting at 11:55 a.m.

Prepared by Valerie Gow, Recording Secretary/President  
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