

Skagit Watershed Council
Meeting of the Board of Directors – Final Notes
August 7, 2014, SWC Office, Mount Vernon, WA

(* indicates action item; indicates decision)

Attendance: Chair Ken Dahlstedt, Loren Everest, Steve Hinton, Brenda Cunningham, Margaret Fleek, Bob Everitt and Richard Brocksmith. Dave Pflug and Carolyn Kelly were absent.

The meeting was called to order at 9:05 am, with quorum. Steve requested adding a lead entity program status update to the agenda and Richard asked for time to briefly summarize one more topic. With those additions, the agenda was approved.

The Board reviewed draft June 5, 2014 meeting notes. It was noted that Bob Everitt's name was misspelled and Loren was left off of the attendance role. Bob moved to approve the meeting notes as amended and Brenda seconded, with unanimous approval.

The Board reviewed the May and June financial reports. Richard noted several points of interest:

- The June financial report completes the fiscal year. Total expenses exceeded total income by \$9,219. Recent improvements were not sufficient to overcome lost income in summer 2013 associated with staffing turnover.
- The budget to actual showed we stayed within budget for all accounts with the exception of bookkeeping & accounting, which was due to increased time spent by the bookkeeper at Richard's request to update several accounting processes since his arrival.
- The new indirect rate approved by RCO appears to be simplifying accounting processes and recuperating expenses, though each month there is variation.

Bob moved to approve the May and June financial reports and Margaret seconded, with unanimous agreement of the Board.

Richard provided a brief update and handout on the status of the Puget Sound Nearshore Ecosystem Restoration Program, a U.S. Corps of Engineers and WDFW General Investigation of the nearshore of Puget Sound. After a lengthy hiatus, they are wrapping up a draft feasibility report/tentatively selected plan that recommends 11 projects in Puget Sound. 5 of those 11 projects are very similar to those proposed in the Skagit Chinook Salmon Recovery Plan, with 4 in the estuary and 1 more in Skagit Bay and Island County. Completing the report will require a

series of reviews, including a NEPA public comment period that will be occurring in September/October 2014. There is some concern about this because while 2 are on public lands and have some conflicting uses and concerns, the remaining 3 are on private lands mostly, and likely haven't been well vetted with landowners. PSNERP has not placed communications with private landowners as a priority, but someone should.

Richard relayed the status of the hiring process for the Watershed Coordinator. We had received about 6 applications for well qualified individuals. We interviewed 5 of them. Two were not the right fit for the job; 1 took another job; 1 turned down an offer from us; leaving 1 remaining, very well qualified candidate. The sixth qualified applicant did not return requests for an interview. That 1 remaining candidate is an employee of a member state agency and really values their current job and benefits, but is very interested in working with the Watershed Council in this new role under an Inter-Personnel Agreement (IPA). The Board wanted to understand the implications of hiring through an IPA versus as an employee, and discussed this at length. The Board generally agreed this could be a bridge until something more permanent was in place, and if approached that way initially, there was fairly unanimous comfort with an IPA. However, **Richard needs to work with the subcommittee on funding implications as well as ensure that any IPA would be limited to 2 years.**

Committee reports were provided in written format, with draft notes from the July Technical Work Group meeting as well as maps and lists of completed acquisitions from the Protection Subcommittee.

The Board reviewed the Fir Island Farms Estuary Restoration construction proposal. After discussion, Steve moved to condition the project that a maintenance and operation agreement should be in place with the Dike District assuming responsibility after an agreed upon period of time before on-the-ground construction funds can be released. Brenda seconded the motion and there was consensus among the members of the Board on the motion. Steve moved that we authorize the project with the condition above and the TWG proposed condition of a 90% review opportunity. Margaret seconded the motion and there was consensus among the Board members on the motion. Bob Everitt abstained from decision-making given conflict of interest.

Richard summarized the process to date to get us to the current set of draft Articles of Incorporation and Bylaws, and potential next steps to complete adoption by the Council of Members, thanking the Bylaws Review Committee for their assistance. Richard presented all significant proposed changes by section. One concern had been presented by email earlier about the lack of clear reference to our existing "2 meeting rule" for decision-making where there is a lack of consensus. Richard noted that the intent of all reviewers to date was always to maintain this requirement, so he asked Jay Watson (principal, Environmental Policy Matters, who was on the phone with us) to give us options for clarifying that policy in the Bylaws. After

discussion, the Board agreed on language that would enable any Board member (but not Council members or committee members) to invoke the 2 meeting rule, as well as a provision for a minority report. Steve moved to forward Articles and Bylaws as amended above to the Council of Members for their consideration in September. Loren seconded and there was consensus among the members on the motion.

Richard reviewed the January decision by the Board to approve a budget and work plan for the rest of the biennium through June 2015, and that it seemed prudent to provide the Board with an opportunity to review income and expenditure changes as well as predicted changes. The Board appreciated the update and thought the updates were likely good. There was some discomfort approving an updated budget without the Treasurer in the room or her having time to conduct a thorough review. Richard also noted that the implications of the hiring process were still uncertain and waiting another month would hopefully bring some clarity to that issue. **The Board tabled the budget and work plan until the next meeting and asked Richard to talk to the treasurer and hiring subcommittee in more detail in the interim.**

The Board heard and talked further about an update to the Watershed Council's 2010 Strategic Approach. Generally the Board agreed to conduct periodic updates of this document. Richard was currently querying the TWG about the draft list of concepts compiled to date, including both recent ideas and topics that were left unaddressed during the last update in 2010. After further discussion, the Board agreed to support an effort to develop a strategic approach for steelhead and bull trout habitat recovery through voluntary habitat projects, as well as conduct some "housekeeping" for the current, Chinook salmon-centered strategic approach. **Richard was asked to work with the TWG to determine if they were the right group for the steelhead process or if a subcommittee was more efficient.** Richard noted the likely timeline would be to conduct the Chinook housekeeping in the next few months before beginning updates to the 3 year work plan around the beginning of 2015, and concurrently starting steelhead but running that through the end of 2015 in time for the 2016 grant process.

The Farms, Fish and Flood Initiative discussion from the June meeting was requested to be brought forward again this month when more Directors were present. The Board agreed that it makes sense to continue to engage in technical aspects of the 3FI program, including the hydrodynamic model (HDM) proposal. There was some discussion about the risks and opportunities of engaging or not. The Board agreed to send a letter of support for the HDM project as a next step. **Richard will draft a letter of HDM project support from the Board, provide them a review opportunity, and then sign the letter for them.**

The agenda was amended to include a discussion and update of this year's lead entity process. Richard provided an update on status of committees, project list, and recent project changes and issues. The Lead Entity Citizen Committee will meet again to discuss the "deferred" project

titled Martin Slough Fish Passage and potentially Illabot Creek Acquisition and Restoration. The early action PSAR project list has already been submitted and the remaining projects will be submitted to SRFB on August 15 for typical SRFB funding in December. Richard shared a spreadsheet he was using to track the complicated accounting for different fund sources and project costs, noting that there was also an additional \$112K in remaining 2011-2013 PSAR funds that had been returned from Dugualla Heights which had some flexibility and would help us be more likely to get the entire list of projects funded this year.

Ken and Steve excused themselves for the Nomination of candidates for Board of Directors given they are the 2 proposed for nomination. Bob took the chair role to facilitate the conversation in Ken's absence. The remaining directors discussed the slate of candidates proposed by the nomination committee. Loren moved to accept the slate as proposed and forward on to the Council of Members on September 10. Margaret seconded and the vote passed with 1 Director abstaining.

The Board meeting was adjourned just before noon.