





## **ATTACHMENT A: SCOPE CHANGES FOR ACQUISITION PROJECTS**

### **Background**

This policy issue concerns acquisition projects funded by the Salmon Recovery Funding Board (SRFB) and the Recreation and Conservation Funding Board (RCFB).

The issue stems from situations in which sponsors request a scope change to allow them to purchase a different property than the one originally proposed in the application and incorporated into the agreement with the RCO. Such changes can result in a project that is significantly different than it was at the time of evaluation and ranking. Both the boards (SRFB and RCFB) and RCO staff need a clear and consistent policy for what is appropriate and who makes the decisions related to acquisition scope changes.

### **Update**

Staff convened a workgroup of stakeholders on September 23, 2009 to help develop policy that would:

- clearly define a “major” scope change to help sponsors, evaluators, staff and others know whether it is the director of RCO or the funding board that will approve or deny an acquisition scope change;
- establish a process for sponsors to request scope changes for acquisition projects;
- establish a process for determining whether an amended acquisition project meets the intent of the original project; and
- establish geographic limits to changing the scope of acquisition projects and define the term “contiguous.”

The stakeholder group recommended a proposed scope change policy for acquisition projects that staff distributed for public review. Key elements are as follows.

### Definition of “Major” Scope Change and Geographic Limits

The group recommended that a scope change be considered “major” if the newly targeted property does not meet all of the following criteria:

- Be eligible in the same grant program and category as the originally targeted property; and
- Have similar and at least equivalent conservation, farmland preservation, habitat protection, recreation, and/or salmon recovery values as the originally targeted property; and
- Be contiguous to the originally targeted property or be within the recreational service area, geographic envelope, or stream reach area, estuary or nearshore area identified in the original grant agreement.

### Process for Requesting and Approving Scope Changes for Acquisition Projects

The group recommended that sponsors provide additional information to RCO when they request a scope change for acquisition projects. The sponsor should explain:

- why they are requesting to change the scope of the project,

- how they considered alternatives,
- how the newly targeted property meets each evaluation criterion,
- how the sponsor will meet obligations under the agreement, and
- whether local governments have been informed of the proposed acquisition.

The group recommends maintaining the existing policy that requires major scope changes to be approved by the funding board or a board subcommittee. The group also recommended that the RCO Director could, at her discretion, submit requests for major scope changes for SRFB projects to the lead entity for input on whether the amended project meets the intent of the grant agreement. The lead entity would be asked to consider whether the replacement property has similar and at least equivalent conservation, habitat protection, recreation, and/or salmon recovery values as the originally targeted property.

The stakeholders plan to meet again in 2009 to develop criteria for the RCFB and SRFB subcommittee to use to decide whether to approve or deny a major scope change. The group will also discuss RCO reach area and multi-site acquisition policies.

### **Timeline**

Staff invited the public to comment on a proposal based on the stakeholder recommendations. Staff will submit a recommendation to the board for consideration in December. If a revised policy is approved by the RCFB and SRFB, the policy would be included in RCO policy manual 7 (Funded Projects), which applies to all funding programs.

## **ATTACHMENT B: PUGET SOUND PARTNERSHIP ACTION AGENDA ALIGNMENT**

### **Background**

To comply with legislation, the Recreation and Conservation Office (RCO) is required to align the Salmon Recovery Funding Board (SRFB), the Washington Wildlife and Recreation Program (WWRP), and the Aquatic Lands Enhancement Account (ALEA) grant programs with the Puget Sound Partnership's Action Agenda priorities. There are three components to this alignment:

1. Revise program eligibility requirements to exclude projects designed to address the restoration of Puget Sound that are in conflict with the Action Agenda
2. Revise program criteria to reflect whether eligible projects are referenced in the Action Agenda
3. Revise program scoring systems to give funding preference to designated Puget Sound partners

Staff worked with the Puget Sound Partnership and RCO grant managers to develop an initial stakeholder review paper. Staff then convened a stakeholder workgroup to gather input on options and proposed policy recommendations.

### **Update**

#### Make Projects Designed to Address the Restoration of Puget Sound that are in Conflict with the Action Agenda Ineligible

The Puget Sound Partnership provided RCO staff with language that helps define what it means to be in conflict with the Action Agenda. The Partnership definition addresses projects that result in water quality degradation in the Puget Sound or result in loss of ecosystem processes, structure, or functions and in which impacts are not fully mitigated using appropriate state approved protocols.

Stakeholders agreed that this definition should be included in a letter of self-certification for SRFB applicants to complete and submit to RCO (via PRISM) with each application. The self-certification letters could then be reviewed by the Partnership for comment. The self-certification process would apply only to projects within the Puget Sound.

#### Revise program criteria to reflect whether projects are referenced in the Action Agenda

RCO staff, the Partnership, and stakeholders reviewed a range of options for identifying project references. Stakeholders agreed that SRFB applicants with projects that are within the SRFB Puget Sound Region should use the existing criterion in the Regional Area Project Matrix in Manual 18 and work with their local lead entity to provide a reference to the project in the Action Agenda.

#### Revise program-scoring systems to give funding preference to designated Puget Sound partners

The Puget Sound Partnership has not yet determined a method for designating Puget Sound partners. The Regional Area Project Matrix already includes a criterion regarding whether a project

is sponsored by a Puget Sound partner. The criterion is for consideration only by lead entities within the Puget Sound region. Lead entities are not yet required to address this section of the matrix. RCO staff needs to know how the Partnership will designate partners before it can recommend activating the existing criterion. The Partnership is conducting stakeholder outreach to determine the designation criteria and process. There is no definite timeline for the completion of the work, but the Partnership is optimistic about finalizing it this year.

### **Timeline**

Statute requires that the first component, dealing with program eligibility, be completed by January 1, 2010. Staff will present the policy recommendation for board consideration in December. Approved recommendations will be included in Manual 18 revisions.

The other components may be ready for board consideration in December, depending on the public comment and ongoing work with the Partnership.



<b>Administrative</b>	Small edits to manual text, small changes in process or timing that do not greatly affect local or state review processes.
<b>Narrow Policy</b>	Smaller policy issues that can easily be changed and not greatly affect established processes.
<b>Broad Policy</b>	Big policy issues that may cut across several programs within RCO. These greatly affect process and timing, and would need extensive input from stakeholders. Broad policy changes are beyond the scope of the Manual 18 update for 2010
<b>Process</b>	<p>These changes would change process or timing at the local and state level and are beyond the scope of the Manual 18 update for 2010.</p> <p>In August, the board directed staff to examine potential process changes in 2010 for the 2011 grant round.</p>

Staff has prepared a preliminary list, sorted by category, to illustrate some of the changes being considered. Staff will provide a briefing at the October board meeting and will make a “mark-up” version available when the changes are submitted for public comment.

<b>Manual 18 Section</b>	<b>Proposed Change</b>
<b>Category: Administration</b>	
Application Schedule	Update schedule to reflect 2010 calendar – no major time frame changes
Section 2	Define private landowner. A private landowner could be a for-profit business, but such businesses are not eligible for board funding. Staff will draft language.
Section 2	There is some confusion about the definition of a “local partner.” Staff will draft language.
Section 4	Clarify when a project partnership form is required and when it is optional.
Manual organization	Move section 4, Project Proposal, to Section 6
Section 6 – SRFB Evaluation Process	Develop a standard “response to comment” form (e.g., the Lower Columbia form) or a similar format that could be used by applicants and lead entities.
Section 7: Post-Grant Award Issues	Successful Applicant Workshop: staff is reviewing ways to be more efficient and save on travel costs while providing the same or greater level of information.
Section 7: Post-Grant Award Issues	Make the purchase of large woody debris before the start of the contract eligible for subsequent reimbursement. Staff will write policy to take advantage of available materials.
Section 7: Post-Grant Award Issues	Explore the eligibility of attorney fees for reviewing acquisition documents or landowner agreements and provide a recommendation.

<b>Manual 18 Section</b>	<b>Proposed Change</b>
Section 7: Post-Grant Award Issues	Liability insurance for restoration projects is not currently an eligible expense for reimbursement. However, for non-capital projects, liability insurance is an eligible reimbursable expense. Staff will explore the issue and provide a recommendation on how to reconcile the policies.
Section 7: Post-Grant Award Issues	Staff will draft additional language on the purchase of equipment for salmon restoration projects (e.g., sprayers for knotweed). Currently, equipment is not an eligible expense for restoration projects.
Section 7: Post-Grant Award Issues	Add the list of ineligible expenses that was taken out of the last Manual 8 – Reimbursement Manual update.
Section 7: Post-Grant Award Issues	Clarify the policy on advance payments and how sponsors need to document activities. Some changes to policy may be required.
Section 7: Post-Grant Award Issues	Develop clarifying language to address when construction supervision, permitting, and surveying costs can be used for the construction category billing.
Appendix B	Appendix B does not include non-capital items and elements, which was an oversight in last manual update.
Appendix L	Clarify the lead entity contract deliverables so that the submission requirements are consistent between Manual 18 and the lead entity contract deliverables. Staff will explore this issue. May not be a Manual 18 issue.
Appendix N, PSAR	In coordination with the Puget Sound Partnership, add language to describe the process for returned PSAR project funds.
Application Questions PRISM	Add a question in the application materials for projects previously proposed but not funded. (Review Panel Recommendation)
PRISM	Add PCSRF metrics. Most of this will be updated in PRISM, but there may be additional items included in the evaluation proposal.
Section 2	Acquisition Projects – add guidance on selecting the appropriate acquisition tool (i.e. fee simple or conservation easement)
<b>Category: Narrow Policy</b>	
Section 1	Continue strengthening the link between the habitat work schedule and the SRFB review process.
Section 2 – Eligible Applicants and Projects	Develop new language for non-capital acquisition projects that allows pre-acquisition costs (appraisal) to be eligible.
Section 2 - Acquisition	Require lead entities to submit a description of their overarching lead entity acquisition strategy with their application materials. Materials also should include a corresponding area map that shows the project in context and how it implements the strategy or plan.
Section 2: Ineligible Project Elements	Update the manual language to reflect the board policy change approved in August.

<b>Manual 18 Section</b>	<b>Proposed Change</b>
Section 6 – SRFB Evaluation Process	Clarify RITT (Regional Implementation Technical Team or equivalent) and SRFB Review Panel roles in the project review process. Specifically, note that RITT provides a fit to recovery strategy review of suite of actions and the Review Panel provides a project-specific technical feasibility review,
Section 7: Post-Grant Award Issues	For design-only projects (with final design scope), require a 30% design review by the SRFB Review Panel before completing final design.
Appendix M	Activate existing criteria regarding whether a project is referenced in the Puget Sound Action Agenda (Puget Sound Area Only)
Appendix M	Add a footnote to existing criteria concerning whether the sponsor is a designated Puget Sound Partner
New Appendix	WRIA 1-19 (Puget Sound) Letter from sponsor certifies that the project is not in conflict with the action agenda
<b>Category: Broad Policy</b>	
Section 2 - Acquisition	Develop policy to provide the appropriate split between upland and riparian areas, and the criteria that should be used to evaluate acquisitions (e.g. fish benefit, cost, area)
<b>Category: Process</b>	
Grant Round Timing	Staff will explore the timing issues starting in early 2010 for the 2011 grant round.