

EPA NEP Funding: Watershed Protection & Restoration

Context

In October 2010, the Environmental Protection Agency (EPA) solicited a Request for Proposals (RFP) to implement priority work consistent with the 2020 Action Agenda for the protection and restoration of Puget Sound. The RFP solicited proposals from applicants that would serve as a Lead Organization (LO) for one of four areas of emphasis. The period of effort for the RFP was for six-years. Washington State agencies were selected as LOs, to coordinate six-year efforts to develop and implement strategies in the four areas of emphasis:

- Marine and nearshore protection and restoration (LO - Department of Fish & Wildlife and DNR);
- Watershed protection and restoration (LOs - Departments of Ecology and Commerce);
- Toxics and nutrients prevention, reduction and control (LO - Department of Ecology); and
- Pathogen prevention, reduction, and control (LOs - Departments of Health and Ecology).

For the first year of the LO strategies, EPA allocated \$12 million divided equally among the LOs along with a State match of \$12 million. The total funds over the six-year period could be up to \$192 million plus the required State match. The level of funding after the first year is in part dependent on demonstration by the selected LOs to EPA and Congress that funds can be expeditiously and appropriately expended with significant measureable results. A dollar-for-dollar nonfederal match is a condition of each grant, but match by local entities for sub-awards is not expected at this time. Full text of proposals for each area of emphasis can be found on the Puget Sound Partnership website: http://www.psp.wa.gov/EPA_funding_FY10.php. The LO work is being coordinated with EPA and PSP and will be an important part of the Action Agenda update process.

In addition, both the Puget Sound Partnership (PSP) and the Northwest Indian Fisheries Commission (NWIFC) have cooperative agreements with EPA. PSP funding is focused on regional engagement and Action Agenda management. NWIC funding is to provide sub-awards to 19 Federally-recognized Indian Tribes located within the greater Puget Sound Basin, and any authorized consortium of these eligible Tribes to implement high priority projects identified in the PSP's Action Agenda, or other existing recovery plans or which will contribute directly to the restoration and protection of Puget Sound.

Overall Strategy

Our strategy is based on using sound science and on working in partnership with local governments, tribal governments and other regional entities to implement practical solutions that advance priorities A and B from the Action Agenda: *Protect intact ecosystem processes, structures and functions*; and *Restore ecosystem processes, structures, and functions*. Commerce and Ecology propose to implement programs across four activity areas: Watershed Characterization, Land Use and Working Lands, Strategies to Manage Stormwater and Strategies for Protection and Restoration.

A watershed framework, developed from ongoing characterization efforts, will provide the data and information necessary to select and prioritize projects in the four activity areas and provide planning goals and management policies at a landscape scale. A **watershed technical team** will assist in the interpretation and application of watershed data and information. Project selection will also be based

on the need to improve knowledge about land use patterns and practices that effectively protect and restore the Puget Sound ecosystem.

Goal for Land Use and Working Lands. Reduce the conversion of undeveloped land, high value forest and agricultural lands by directing new growth to existing urban areas. This will require an economic and land use analysis to identify innovative market mechanisms that permanently protect these lands and encourage development in urban centers. Projects will be selected based on the ability of the sub-award sponsor to effectively implement watershed based land use plans, using characterization information and innovative market mechanisms and incentives.

Goal for Managing Stormwater. Implement a comprehensive, integrated watershed approach to managing stormwater to reduce stormwater-related impacts. Projects will be selected in priority sub-basins, that use finer scale hydrologic modeling and characterization information to establish targets that meet water quality standards by limiting impervious area and preserving vegetation. This information will also help advance low impact development techniques, identify projects for priority stormwater facility retrofits, and support effective stormwater source control programs.

Goal for Protection and Restoration. Implement a comprehensive, integrated habitat protection and restoration strategy that advances ecosystem recovery and increases ecosystem resiliency to changing climate conditions. This will include projects that: support species recovery and direct restoration strategies in priority locations to repair key habitat, processes, structures, and functions; restore and protect flood plains; improve instream flow management; prevent and rapidly respond to the introduction of invasive species; improve mitigation efforts including in-lieu fee, wetland banking and water banking programs.

Proposed Budget

The proposed budget broken down by area of investment is summarized below.

Area of Investment	Year 1 Funds
Watershed Technical Team Assistance	312,150
Working Lands - Economic & Land Use Data Analysis & Integration	120,000
Working Lands Project Subawards	646,716
Stormwater & Protection/Restoration Project Subawards	1,103,850
10% Set aside for cross-cutting projects	300,000
Commerce Project Management	86,569
DOE Project Management	240,715
Adaptive Management - target setting	190,000
Total	3,000,000

Status

EPA accepted our proposals and, in the month of December, the LOs worked to convert the proposal narratives into a two year detailed work plan that EPA could incorporate into Cooperative Agreements. These revised applications were submitted to EPA on January 4, 2011. If accepted by EPA, award funds are expected to be available beginning in February 2011.

Work plans included in the Lead Organizations' (LO) applications outline tasks and deliverables for decisions about initial investments. LOs (along with PSP, EPA and NWIFC) have been meeting pretty much on a weekly basis since December to work on details on an overarching coordinated implementation strategy (such as development of a single portal application website, and how to incorporate input from stakeholders in the process).

Next Steps

The current plan is to refine decision-making criteria and the application process in the next few months, with a Request for Proposals (RFP) expected to go out in May. The watershed technical team will also be established and provide input to strategic investments priorities and criteria for selecting projects.

Contracts for successful applicants to the RFP process are expected to be executed in July. The timing and amount of second year funds from EPA are still being debated in Congress, so the process needs to be flexible enough to respond to federal actions whenever they occur. We expect to advertise for a coordinator for this grant this week, and select and hire this position as soon as practical.

A separate process coordinated by the PSP to establish Ecosystem Targets and refine the Action Agenda will be going on in parallel with this grant application process. Stakeholders may be asked for input into both processes since they are related. Both processes will feed into the LO objective of developing a detailed six-year strategy by the end of July.