Funding & Partnerships
Staff Report: Lead Organization Work Plan Development
February 17, 2011 Leadership Council Meeting

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Proposed Action

Provide input to U.S. Environmental Protection Agency and agency staff about:

- proposed processes for interactions with Lead Organizations' efforts to develop and implement ecosystem protection and restoration strategies.
- priorities for initial rounds of investment

Background

The Puget Sound Partnership and the Northwest Indian Fisheries Commission (NWIFC) as "lead organizations" to coordinate activities related to the recovery of the Puget Sound ecosystem. Partnership funding is focused on Action Agenda management and regional engagement. The purpose of the NWIFC funding is to provide sub-awards to 19 federally recognized Indian Tribes located within the Puget Sound basin, and any authorized consortium of these eligible Tribes to implement high priority projects identified in the Puget Sound Action Agenda, or other existing recovery plans or which will contribute directly to the restoration and protection of Puget Sound.

More recently, EPA has designated agencies as lead organizations to coordinate six-year efforts to develop and implement strategies for:

- Marine and nearshore protection and restoration (Departments of Fish & Wildlife and Natural Resources)
- Watershed protection and restoration (Departments of Ecology and Commerce)
- Toxics and nutrients prevention, reduction and control (Department of Ecology)
- Pathogen prevention, reduction, and control (Departments of Health and Ecology)

The work plans these agencies included in their applications to EPA anticipated that first-year funding for these topics would be available beginning in February 2011.

Synopses of the lead organizations' roles and proposed work are provided in attachments.

A final attachment presents a proposal for lead organizations to gather strategic advice from various parts of the Puget Sound NEP management conference (i.e., the various entities that contribute to and advise on ecosystem recovery). The ECB discussed this proposal at their February 3 meeting. The Science Panel discussed this proposal on February 7. Discussion of this item by the Leadership Council in February is an opportunity to shape the engagement activities before specific processes and milestones for lead organization coordination with the management conference are finalized in April 2011.

Action Agenda Consistency

Designating lead organizations and articulating how they interact with the various elements of the Puget Sound management conference advances strategic priorities D.1 and D.3 of the Action Agenda:

- Conduct planning, implementation and decision-making in an integrated way and from an ecosystem perspective
- Build and sustain long-term capacity of partners to effectively and efficiently implement the Action Agenda

Stakeholder Input

Lead organizations have begun coordinating among themselves and with EPA and the Partnership. The proposed interaction process has been discussed with the state caucus and reviewed by NWIFC. Lead organizations, the Partnership, and EPA will continue to gather stakeholder input about these processes in advance of the April meetings of the Ecosystem Coordination Board and Leadership Council.

The February 3 ECB discussion included a suggestion that the strategic advisory committees be developed as subcommittees of the ECB to emphasize the role of the ECB in providing the forum for multi-stakeholder engagement.

The February 7 Science Panel discussion emphasized the need for improved communication among the various parties to help ensure that strategic science needs as identified in the biennial science work plan can be addressed through investments by the lead organizations.

Attachments:

1. Managing implementation of the Action Agenda lead organization -- Partnership
2. Education, outreach, and stewardship program lead organization – Partnership
3. Tribal implementation lead organization – NWIFC
4. Marine and nearshore protection and restoration (Departments of Fish & Wildlife and Natural Resources)
5. Watershed protection and restoration (Departments of Ecology and Commerce)
6. Toxics and nutrients prevention, reduction and control (Department of Ecology)
7. Pathogen prevention, reduction, and control (Departments of Health and Ecology)
8. Proposed approach for Puget Sound management conference interaction with lead organizations' efforts to develop and implement protection and restoration strategies

Managing the Implementation of the Puget Sound Action Agenda

Purpose: This award provides management support to implement the 2020 Action Agenda for Puget Sound. It builds on and advances work started in previous EPA awards; and supports tasks mandated in state law. It funds the following tasks:

Task 1: Performance Management System. This task expands and further implements a performance management system to a) track progress towards environmental recovery targets; b) hold implementers accountable for results; c) evaluate the effectiveness of programs and actions; d) align strategies and programs with environmental recovery targets; e) adapt and refine management approaches based on new science and monitoring information; f) update the Action Agenda to reflect recovery targets and strategies to achieve them; g) coordinate closely with EPA's Puget Sound Office on this agreement; and h) make credible reports on a regular basis to policy makers, resources managers and the citizens of the state.

Task 2: Ecosystem Monitoring Program. This task builds the infrastructure to implement a cooperative program to monitor and assess the status and trends of key environmental indictors; evaluates the effectiveness of major management programs and strategies; and provides data that supports evidence-based decision making. Cooperators include federal, state and local government agencies.

Task 3: Strategic Science Program. This task implements a science-based recovery and adaptive management program for the region to improve our understanding of the ecosystem; advance a discussion between policy makers and scientists to improve management programs, and disseminate science information to policy makers, resource managers and the public.

Task 4: Regional Coordination. This task supports efforts within the five Puget Sound action areas to improve coordination between local areas and sound-wide initiatives; to identify threats and pressures and strategies to address them; to align local area strategies with Sound-wide environmental objectives; and to prioritize local area work to accomplish these objectives. The Partnership works directly with local communities in each geographic area to integrate local efforts to advance the Action Agenda.

Task 5: Ecosystem Restoration In Puget Sound. The 2020 Action Agenda identifies the restoration of ecosystem processes, structures and functions as a priority strategy for the recovery of Puget Sound. The Puget Sound Acquisition and Restoration (PSAR) program, managed by the state Recreation and Conservation Office, is a key program to implement this strategy. PSAR provides grants to local governments, salmon recovery organizations and others to complete habitat restoration projects in Puget Sound. This activity is a significant match to the overall EPA funding. Funding is provided through the biennial state Capital Projects Budget.

Budget Summary

	Fed Fiscal Year 2011		**Fed Fiscal Year 2013**	
	Federal	**Non-Federal**	**Federal**	**Non-Federal**
Task 1: Performance Management System	$1,037,410	$116,205	$957,924	$116,205
Task 2: Ecosystem Monitoring Program.	$711,390	$0	$675,878	$0
Task 3: Strategic Science Program.	$501,199	$0	$616,199	$0
Task 4: Regional Coordination.	$750,000	$0	$750,000	$0
Task 5: Ecosystem Restoration	$0	$2,883,795	$0	$2,883,795
k. TOTALS	$2,999,999	$3,000,000	$3,000,001	$3,000,000

Project Period: July 1, 2011 to June 30, 2016

Puget Sound Education, Outreach and Stewardship Program

Purpose: This award advances and sustains coordinated efforts to increase public awareness and encourage individual stewardship through communication, outreach and education. It implements elements of the education and outreach strategy in the Puget Sound Action Agenda.

Task 1: Program Management and Evaluation (EPA two year funding: $565,000)
Support the development and implementation of the overall work plan, create supporting structures such as a coalition advisory committee, seek additional funding sources, provide grant and sub-grant administration, and manage a robust evaluation program.

Task 2: Awareness and Education (EPA two year funding: $2,548,000)
Advance public awareness and understanding of the issues facing Puget Sound, individual and cumulative impacts on the Sound's resources, and the public's ability to contribute to a sustained recovery effort. This task also lays the foundation for the broad-based behavior changes described in Task 3.

- **Sub-Task 1 Centralized Public Awareness Campaign**
  Expand the work of *Puget Sound Starts Here (PSSH)*, a co-branded regional media campaign created by STORM and the Partnership, with funding from Department of Ecology. The campaign is currently being implemented throughout the twelve-county Puget Sound region, and disseminated and localized via the Partnership's 300+ member ECO Net structure. Puget Sound counties, cities and organizations are now working collaboratively to deliver relevant, vetted, and coordinated stormwater messages to the region's 4.3 million residents.

- **Sub-Task 2 Incorporate messages into existing frameworks**
  Localize the *PSSH* campaign through municipal stormwater programs and ECO-Net programs to enhance the effectiveness of the *PSSH* campaign.

- **Sub-Task 3 Support and expand local volunteer stewardship and education programs. Enhance participation, engagement and outcomes from these efforts.**
  Build on existing programs, their respective audiences, and their potential to effectively reach and engage much larger audiences in Puget Sound recovery. ECO Net serves as the primary coordination and support structure to leverage the work of over 300 organizations around Puget Sound.

- **Sub-Task 4 Incorporate Puget Sound issues and science into K-12 curricula**
  Lead a consortium of educators and natural resource scientists to strengthen K-12 environmental programs and improve students and educators' long-term understanding of Puget Sound issues and solutions.

Task 3: Stewardship / Behavior Change (EPA two year funding: $2,087,000)
Cultivate broad-scale practices and behaviors among Puget Sound residents that benefit Puget Sound. Change public behaviors and citizen actions that contribute to non-point pollution and shoreline degradation by developing a science-based, prioritized suite of actions and behaviors, ensuring effective strategies to disseminate and motivate these behaviors, and expanding proven programs to expand reach to target audiences and issues. Actions here include both Best Management Practices (BMPs) and citizen engagement in local and regional government processes and decision-making.

- **Sub-Task 1 Science-Based Priorities: Action Agenda, behaviors, audiences, strategies**
  Assess and prioritize audiences, behaviors, and desired practices associated with each Action Agenda task. Reconcile the desired practices against the best available science.

- **Sub-Task 2 Consumer Research; Program Analysis**

Conduct audience research at the Puget Sound regional and sub-regional scales as needed to fill data gaps and provide a uniform foundation for behavior change programs. Develop a diffusion strategy for priority practices or clusters of practices, to include: audience geography, decision architecture, social capital, barrier and motivators, incentives, method, and foundation behind the strategy.

- **Sub-Task 3 Landowner Stewardship Programs**
  Identify existing, proven social marketing initiatives that target stormwater and shoreline priorities with potential for regional application (e.g. Natural Yard Care, Shore Stewards, streamside landowner programs, pet waste management, septic operation and maintenance, Pollution Identification and Correction, soft shore armoring). Develop strategic plans to advance and expand proven initiatives at a regional scale.

- **Sub-Task 4 Support Behavior Change Programs; Increase Effectiveness**
  Work with WSU Extension Beach Watchers to expand environmental awareness and stewardship opportunities for public. Develop and implement a Citizen Action Training program, based on the model program previously funded by the Puget Sound Water Quality Authority. Enhance public involvement efforts related to local and regional planning processes, particularly those related to shorelines (Critical Areas Ordinances, Shoreline Master Programs) and stormwater. Conduct a bi-annual Puget Sound Summit - a gathering of partners, key stakeholders, government agencies, tribes, residents and others in a multi-track conference environment.

Project Period: July 1, 2011 to June 30, 3016

EPA NWIFC Pass-through award funding update to ECB

Provide sub-awards 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

January 25, 2011

INTRODUCTION

> *"Tribal Implementation Projects-*
> *This RFP is proposed to solicit a lead organization to distribute through subawards and manage funding specifically for Tribal implementation projects consistent with the Action Agenda. This funding would be separate from the funding previously set aside for grants to build Tribal capacity to engage in implementation of the Puget Sound Action Agenda. Subawards under this competition would not require competition. Eligibility for this RFP and its subawards will be limited to federally-recognized Puget Sound Tribes and consortia of those Tribes.*
> *The first year funding available is $3M. Future incremental funding is contingent on Congressional appropriations and the performance of the Lead Organization."*

The approved Cooperative Agreement with EPA is effective January 1, 2011. The purpose of the NWIFC funding is to provide sub-awards to 19 federally-recognized Indian Tribes located within the Puget Sound basin, and two tribal consortia (approximately $136,300 each), 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.

EPA funding is $3 million for the first year and up to $18 million over six years. The level of funding after the first year is in part dependent on demonstration by the selected Lead Organization or LO) to EPA and Congress that funds can be expeditiously and appropriately expended with significant measureable results.

RECENT EVENTS

NWIFC has finalized and distributed the "Request For Workplans" to eligible recipients and expects to begin receiving proposals as early as February 1, 2011. All proposals must be received by March 15, 2011.

NWIFC has been meeting with other LOs to work on details on an overarching coordinated implementation strategy.

NEXT STEPS

NWIFC will coordinate with EPA and PSP staff to review tribal proposed workplans as they arrive.

EPA National Estuary Program Funding: Marine and Nearshore Protection and Restoration

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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 (LOs - Departments of Fish & Wildlife and Natural Resources);
- 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

The marine and nearshore technical approach is based upon an adaptive management framework, using the Open Standards method and other adaptive management principles to set goals, plan and implement, monitor and assess, and change as necessary. To accomplish nearshore and marine protection and restoration using this approach, we will support five areas of investment: 1) Adaptive management, 2) Effective regulation and stewardship, 3) Strategic capital investment, 4) Programs to address additional high priority threats, and 5) Cross-cutting issues. We will fund innovative and ambitious actions that are consistent with the prioritized approaches and produce measurable outcomes tied to 2020 marine and nearshore ecosystem and pressure reduction targets.

Adaptive Management. Invest in a strategic adaptive management system that fosters a common understanding of the role of adaptive management, evaluates progress toward ecosystem recovery by 2020, and that informs necessary changes to our strategies. Actively participate in setting ecosystem and pressure reduction targets, revising strategies and actions in the Action Agenda to achieve these targets, and supporting monitoring that is critical to tracking the Dashboard Indicators and key threat reduction indicators.

Effective Regulation and Stewardship. Reduce pressures from human development in the nearshore by implementing actions that improve the protections provided by marine and nearshore regulations and stewardship mechanisms. Implement actions that improve the protection provided by SMP updates and implementation, advance model compliance and enforcement techniques, and add new marine aquatic reserves or protected areas in Puget Sound.

Strategic Capital Investment. Further reduce pressures from human development in the nearshore by implementing capital restoration and protection projects consistent with the PSNERP process-based analysis and other supporting information such as salmon recovery plans, Aquatic Landscape Prioritization, and Watershed Characterization.

Programs to Address Additional High Priority Threats: Invasive Species. Preventing invasive species from establishing and spreading is the most cost effective and least environmentally damaging method of protecting the Puget Sound and local economies from the impacts of invasive species. Fund projects that prevent or eliminate pathways of invasive species movement and spread.

Programs to Address Additional High Priority Threats: Oil Spills. Oil spills have the potential to overwhelm gains we make in the recovery of Puget Sound. Prevention is the most cost effective and least environmentally damaging method of protecting the Puget Sound and local communities and economies from the impacts of oil spills. Fund projects that prevent spills through compliance with, and enforcement of existing standards and regulations. Improve the state's "spill drill" program to ensure timely and effective response to spills that do occur.

Cross-Cutting Issues. There are threats and barriers to Puget Sound recovery that cross jurisdictional boundaries, disciplines, and parts of the ecosystem. As a result, lead organizations will pool resources to fund innovative strategies and actions in watersheds or jurisdictions that resolve barriers to implementation, propose solutions, and achieve synergistic results across the LO ecosystem areas of emphasis.

Proposed Budget

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

Area of Investment	Year 1 Funds
Adaptive Management	$270,000
Effective Regulation and Stewardship	$1,213,000
Strategic Capital Investment	$674,000
Threat Reduction: Invasives	$135,000
Threat Reduction: Oil Spill	$135,000
Set-Aside for Crosscutting Issues	$270,000
Sub-Total for Sub-Awards	**$2,697,000**
Administrative Costs	$303,000
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 LOs' applications outline tasks and deliverables for decisions about initial investments. LOs (along with PSP, EPA and NWIFC) have been meeting on a weekly basis since December to work on details of 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. 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. DFW and DNR each expect to hire a project manager for the cooperative agreement as soon as practical, hopefully within the month of February.

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.

February 2, 2011

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.

February 2, 2011

EPA NEP Funding: Toxics and Nutrients Prevention, Reduction, and Control

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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. EPA selected Washington State agencies 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 - Departments of Fish & Wildlife and Natural Resources);
- 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's are coordinating work with the EPA and the 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. NWIFC 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

The goal of the toxics and nutrients strategy is to improve both human and environmental health in the Puget Sound ecosystem by preventing, reducing and controlling toxics and nutrients from entering Puget Sound fresh and marine waters. Thousands of toxic chemicals are in use today. They are in the air, water, soil, animals, fish, and our bodies. Some toxic chemicals impair development, some affect reproduction, some disrupt body chemistry, and some cause cancer. Nutrients occur naturally in the marine and fresh waters of the Puget Sound ecosystem, but human contributions of excess nutrients can lead to lower levels of dissolved oxygen as algae blooms and other organic matter decompose.

As Lead Organization, Ecology will work with various partners at the federal, tribal, state, and local levels and non-governmental organizations, academia, and business to develop and implement projects in line with a strategic framework. To address toxics in the Puget Sound ecosystem we must reduce toxic

chemicals in products and prevent toxic chemicals in stormwater. The nutrients approach focuses on determining the extent that human sources of nutrients are affecting the Puget Sound ecosystem and how much reduction is necessary to meet water quality standards. Next, actions must be taken to reduce the loading of nutrients in a prioritized fashion. This strategic framework includes a multi-pronged approach to reduce toxics and nutrients from entering and impacting the Puget Sound ecosystem.

Scientific investigation of toxics and nutrients. One of the guiding principles of the Puget Sound Action Agenda is "to use scientific input in designing, implementing, and evaluating strategies." Continued scientific work to better understand the sources, transport and fate of toxics and nutrients in the Puget Sound ecosystem will inform activities implemented under this framework.

Prevent substances from being used in the first place. In its Strategic Plan, the EPA identifies "preventing pollution before it is generated" as a key element of national environment policy. Prevention elements under this strategic framework seek ways to eliminate or dramatically reduce the use and generation of toxic substances in the first place as a key approach to preventing toxic "pollution from being introduced into the Puget Sound ecosystem" (Priority C.1 from the Action Agenda). Washington's bans on phosphorus in detergent and copper in brake pads are examples of reducing nutrients and toxics through preventative approaches.

Limit or manage the amount of toxics and nutrients released into the environment. Both the Puget Sound Action Agenda and the EPA's Strategic Plan call out actions to promote healthier communities and prevent releases of harmful substances. For example, Priority C.1 from the Action Agenda lists source control tactics such as education, pollution prevention, innovative technologies and technical assistance.

Clean up substances that have polluted air, land, or water. While prevention is the priority of the strategic framework for toxics, Ecology and its partners recognize the importance of removing substances from the environment to stop further exposures. The Action Agenda calls for prioritization of cleanup and remediation projects to reduce toxic loading into Puget Sound.

Measure program performance and use adaptive management to continuously improve programs. The Puget Sound Action Agenda Priority E calls for the creation of an accountability management system. Ecology and its partners will work together on developing indicators, targets and measurement systems to track progress towards desired ecosystem outcomes.

Proposed Budget

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

Areas of Investment	Funding for Round 1
Scientific Investigation	$0
Prevention Activities	$929,000
Management and Control Activities	$1,482,000
Cleanup Activities	$0
Effectiveness Monitoring, Performance Management, and Adaptive Management	$48,000
10% Set-aside for cross-cutting projects.	$300,000
Sub-Total for Sub-Awards	**$2,759,000**
Administrative Costs	$241,000

TOTAL	$3,000,000

Status

EPA notified Ecology in late January that we received the award. We are in the process of working with EPA to develop a detailed two-year work plan for the areas of investment outlined in our toxics and nutrients strategy.

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 frequently to discuss 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

Ecology anticipates two types of subawards under the cooperative agreement with EPA. The first type is noncompetitive direct awards to an entity outside or within Ecology. The second type is a competitive subaward. Ecology is currently working with other LOs to define an application process and decision-making criteria for the competitive subawards. Requests for Proposal (RFPs) are expected to go out in May 2011.

Contracts for successful applicants to the RFP process are expected to be executed in July. The timing and amount of second round 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.

A related process coordinated by the Puget Sound Partnership to establish Ecosystem Targets and refine the Action Agenda will be going on in parallel with this grant 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. This six-year strategy will be an important component of the updated 2011 Action Agenda.

EPA NEP Funding: Pathogens Prevention, Reduction and Control

Context

In October 2010 Washington State agencies submitted proposals to EPA to coordinate six-year efforts to develop and implement strategies for:

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

EPA funds for the four areas of emphasis total $12 million for the first year and up to $192 million over six years. The level of funding after the first year is in part dependent on demonstration by the selected state agencies (Lead Organizations or 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 this grant, but match by local entities for subawards are 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

Overall Strategy

The Pathogens strategy focuses on preventing and reducing pathogen pollution from humans (sewage) and from animal wastes associated with human activities (e.g., farm animal waste, pet waste, and surface runoff from developed lands). Primary sources of pathogen pollution include wastewater treatment plants, on-site sewage systems, combined sewer overflows, farm animals and agricultural practices (e.g., manure spreading), boat and passenger ship discharges, and urban stormwater and other surface runoff.

The strategic framework includes the following basic sequencing of actions to address Pathogens Prevention, Reduction, and Control:

- Characterize the sources, pathways, loadings, and effects of pathogens;
- Prescribe solutions to reduce or eliminate the impacts;
- Take action to implement identified solutions; and
- Monitor the effectiveness of solutions to determine the course of future actions.

For pathogens, the initial focus areas are: implementing local on-site sewage management plans, establishing sustainable local nonpoint pollution identification and correction (PIC) programs in all Puget Sound counties, and reducing pathogen loading by improving manure management. In the first year, DOH would give priority to projects that support progress in one or more of these areas. Initial work to develop a 'No Discharge Zone' petition to EPA and scoping of upgrades to DOH IT applications to support this grant will also be done in the first year. In the second year, first year efforts will be expanded and adapted as needed, with additional activities aimed at reducing pathogen risks from municipal and industrial discharges to shellfish harvest areas and swimming beaches.

Proposed Budget

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

Area of Investment	Funding Years 1 & 2
Set-aside for cross-cutting issues	$1,200,000
Prevent and reduce pathogen loadings from on-site sewage systems	$3,250,000
Preventing/reducing loadings from municipal/ industrial wastewater treatment plants	$300,000
Implementing watershed-based clean-up and management approaches (inc. nonpoint pollution identification and control and BEACH program activities)	$3,530,530
Preventing/reducing loadings from agricultural areas and livestock facilities	$1,050,000
Preventing/reducing loadings from commercial and/or recreational vessels	$530,000
Improve implementation, monitoring, and accountability systems	$514,475
Sub-Total for Sub-Awards	$10,875,005
Administrative Costs	$1,124,995
TOTAL	$12,000,000

Status

EPA has accepted Health's proposal and application and we are in the process of negotiating a cooperative agreement. Part of this process involves developing detailed two-year work plans for the areas of investment outlined in our pathogens strategy. Once the work plans are approved by EPA, funding will be available, as early as February 2011.

The Puget Sound Partnership (PSP) and the Northwest Indian Fisheries Commission (NWIFC) also have cooperative agreements with EPA. PSP and NWIFC funding is also focused on implementation of Action Agenda activities. The NWIC funding is directed specifically to tribal entities.

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 frequently discuss 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

DOH anticipates two types of subawards under the cooperative agreement with EPA. The first type is noncompetitive direct awards to an entity outside or within DOH. The second type is a competitive subaward. DOH is currently working to define an application process and decision-making criteria for the competitive subawards. Requests for Proposal (RFPs) are expected to go out in May 2011.

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.

A related process coordinated by the Puget Sound Partnership 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. This six-year strategy will be an important component of the updated 2011 Action Agenda.

DISCUSSION DRAFT

To: Entities engaged in Puget Sound NEP Management Conference

Fr: Puget Sound Lead Organizations (i.e., PSP, NWIFC, DOH, DFW, DNR, Commerce and Ecology)

Dt: January 25, 2011

Re: **Proposed Approach for Puget Sound NEP Management Conference Interaction with Lead Organizations' Efforts to Develop and Implement Protection and Restoration Strategies**

Context

On January 4, 2011, Washington State agencies submitted applications to EPA to coordinate six-year efforts to develop and implement strategies for:

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

These applications are anticipated to result in awards for six-year strategies, with awarded funds to be available beginning in February 2011. In addition, both the Puget Sound Partnership (PSP) and the Northwest Indian Fisheries Commission have cooperative agreements with EPA. PSP funding is focused on regional engagement and Action Agenda management. The purpose of the NWIFC funding is to provide sub-awards to 19 federally-recognized Indian Tribes located within the 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.

Work plans included in the four January 4 Lead Organizations' (LO) applications outline broad programs of work and decisions about initial investments. One common element of the LOs' applications is a coordinated effort with the PSP and EPA to gather strategic advice from various parts of the Puget Sound National Estuary Program (NEP) management conference.

EPA funds for the four areas of emphasis total $12 million for the first year, and up to $192 million over six years. The level of funding in subsequent years is in part dependent on demonstration by the LOs to EPA and Congress that funds can be expeditiously and appropriately expended with significant measureable results. 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

This document proposes a method to:

- Engage with implementing partners and other stakeholders throughout the Puget Sound basin;
- Review and align investments in scientific investigations with advice from the Partnership's Science Panel; and
- Obtain Leadership Council endorsement of six-year strategies and periodic investments to implement the strategies.

Key Objectives

- Ensure six-year strategies and investments are consistent with the highest priorities of the Action Agenda.
- Establish meaningful and timely input and guidance to the six-year strategies, including funding priorities.
- Ensure ongoing coordination among LOs, EPA, PSP, and the broader management conference.
- Design an engagement process to receive meaningful input from a broad range of stakeholders and governments, using existing structures and forums to the maximum extent possible.

Regional Engagement

There are various options to engage governments and stakeholders throughout the Puget Sound region. Following is a three-pronged approach involving:

- Ecosystem Coordination Board;
- Advisory committees/workgroups; and,
- Local input.

Ecosystem Coordination Board & Management Conference

Opportunities for LOs, EPA, and PSP to engage the management conference through the ECB and the implementing partners and stakeholders represented on the ECB include requests to:

- Obtain advice on the development and implementation of six-year strategies.
- Vet proposed investments, including the process and decision-making criteria for subawards, designed to implement strategies prior to their presentation to the Leadership Council.
- Play a central role in integrating and implementing the public awareness and engagement efforts.
- Evaluate progress in achieving outcomes as they align with Action Agenda benchmarks/indicators and across the four topics.

Topic-Specific Advisory Committees/Cross-Partnership Workgroups

In their January 4 applications to EPA, four LOs committed to "gather strategic advice from various parts of the management conference." In addition to ECB consultation as outlined above, topic-specific advisory committees (workgroups) will be used to provide initial and ongoing guidance to the six-year strategies. Potential functions include the following:

- Identify priority strategies and actions that best advance the six-year strategy;
- Consult on direct sub awards;
- Consult on the process and decision-making criteria for competitive sub awards; and,
- Participate in adaptive management analysis and recommendations.

We propose to form two new advisory committees (i.e., combining Pathogens with Toxics/Nutrients and Watersheds with Marine/Nearshore). Implementing entities and stakeholders (or their caucuses as represented on the ECB) would be invited to participate on these committees based on their interests, expertise and capacity to engage. We propose that these committees be formed as cross-Partnership work groups, convened by LO staff, to engage representatives of the Leadership Council, ECB, and Science Panel.

Local Input
An important dynamic in the six-year strategies is effective engagement at a local scale, including Local Integrating Organizations (LIOs). Significant work through the LIOs and PSP's Ecosystem Recovery Coordinators is needed to foster alignment among the six-year strategies and local initiatives. Where LIOs are operational and represent broad-based environmental interests, those entities could facilitate such input; where that is not true, public meetings or workshops could be arranged at appropriate times. Potential functions for local input include:

- Provide a "local filter" for basin-wide priorities identified in the six-year strategy (i.e., are some basin-wide priorities more important than others within a single Action Area?);
- Provide a coordination point for stakeholders and potential project proponents; and,
- Play a central role in integrating and implementing the public awareness and engagement efforts.

Review and Alignment of Science Investments

PSP efforts to recover Puget Sound are supported by a Science Panel, which provides scientific advice, ensures scientific review of materials and programs, and facilitates science community engagement in adaptive management of Puget Sound recovery. PSP can facilitate interactions between LOs and the Science Panel in areas such as the following:

- Discussion of decision-critical uncertainties that the Science Panel might address in elements of biennial science work plans.
- Science Panel review of scientific work proposed to be funded by LOs. The Panel is to review proposed work for consistency with the biennial science work plan.
- Scientific review of products (e.g., reports of scientific investigations, documentation of strategies and adaptive management).

Leadership Council Decision on Action Agenda Consistency

LOs will work with EPA, PSP and regional interests and governments to ensure alignment of each six-year strategy with the Action Agenda. One way to affirm consistency with the Action Agenda is to have the Leadership Council affirm that LO funding priorities, as reflected in initial and subsequent rounds of strategic investments, advance the Action Agenda. There is precedent for this approach (i.e., the Leadership Council affirmation of ESRP processes).

Focus Questions for Ecosystem Coordination Board

- *What do you think of the proposed regional engagement process? If not this process, what would you recommend?*
- *If you support the general process, are there refinements to the suggested roles and processes? For example, should new advisory committees be formed or should existing groups be used to advise the six-year strategies? Should advisory committees be convened to address combinations of topics (as proposed) or individual topics?*
- *What do you think of the Leadership Council role of ensuring alignment of six-year strategies with the Action Agenda?*