

November 24, 2014

Angela Bonifaci, Puget Sound Team Lead
EPA Region 10
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Re: Comments on EPA's Straw Funding Models for EPA Puget Sound Geographic Program
Appropriation in FY16 and Beyond

Dear Ms. Bonifaci:

Thank you for recently convening Puget Sound tribal and local jurisdictions, as represented through Local Integrating Organizations, to discuss potential changes to the way that National Estuary Program funding is distributed in the Puget Sound Basin. At the meeting on September 26, 2014 in Edmonds you and your team were candid and clear about EPA's needs and interests for any funding approach and we believe the conversation advanced this important issue significantly. We also appreciate the Agency's flexibility in working with us on numbers of attendees at the meeting, and your willingness to provide the potential funding approaches for consideration ahead of time.

In response to the opportunity to comment on the potential funding approaches presented at the September 26th meeting, this letter conveys a recommended method for the distribution of National Estuary Program funding through a partnership of EPA, Washington State, and Local Integrating Organizations. Actively engaging all levels of federal, state and local entities in these decisions is the only way to achieve support and local implementation of actions needed to recover Puget Sound.

Our proposal suggests that EPA develop and implement a National Estuary Program funding approach for Puget Sound which share similarities to the Salmon Recovery Funding approach for watersheds. That process is well understood, effective and has a broad based support because it allocates a portion of available funds to entities that have science-based strategies which have been validated by federal and state resource agencies aimed at strategically improving ecosystems using local resources and involving local citizens, while using an open, competition for projects targeting local watershed priorities. We have looked carefully at EPA's needs to make funding decisions that result in protection of the entire estuary consistent with the Comprehensive Conservation and Management Plan (the Puget Sound Action Agenda), provide for competition, oversight, reporting, and protect the Agency's

responsibility to reserve inherently governmental activities to itself, and our intention is to be in harmony with them.

The attached documents describe our desired attributes for any NEP funding approach and present a flow chart of our approach for comparison to the approaches outlined by EPA on September 26th.

Our organizations have over a decade of direct experience with the SRF Board process from both the grantor (SRF Board members) and the grant recipient (local watersheds) perspectives. We stand ready to meet with EPA to get into the “weeds” of how this will work and we are confident a fair, transparent and effective method can be fully implemented in FY16.

We look forward to your response to this proposal and to continuing to work with you on Puget Sound recovery. We thank you for your consideration of our ideas and we look forward to working with you to deliver NEP funding to the highest priority actions and to protect and restore this special place that we all call home.

Respectfully,

Attachments

National Estuary Program: Funding through Partnerships

Desired Attributes of the Nation Estuary Program Funding Methodology

**Desired Attributes of a revamped National Estuary Program Funding Program
for non-tribal allocations
Puget Sound Local Integrating Organizations (LIOs)**

Administration

- A single state agency that is ineligible to compete for grant funding should be responsible for administering the grants. For example, the Recreation and Conservation Office.

Cost of applying

- All grant solicitations should be done concurrently on an annual basis with significant lead time.

Efficiency and Transparency

- A single set of proposal evaluation criteria, including demonstrated fiduciary and technical capabilities, should be used. Those criteria should be published in advance, and their associated weightings should be as well.
- A comprehensive list of all projects and how they were rank ordered, funded and unfunded, should be published. (Similar to Dept. of Ecology's Centennial Clean Water/319/SRF funding decisions).

Linkages to Action Agenda

- Funding should be directed to Action Agenda implementation, as verified by the Puget Sound Partnership.

Proportionality of Funds

- The majority of NEP funds should be targeted to implementation of on-the-ground protection and restoration projects identified by LIOs as priorities in the Action Agenda.
- Guidance, manuals, modeling, and research projects should be minimized.
- Some portion of NEP funds should be targeted to regionally-significant projects.
- Some portions of NEP funds should be available for monitoring and research.

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Action Area Allocations

- Some NEP funds should be distributed to LIOs through Action Area allocations, using a SRF Board-like or PSRC-like process.
- LIOs should administer the Action Areas allocations and decide which local and regionally-significant projects within Action Areas are funded through the allocations.
- The Partnership should convene a collaborative process to develop the criteria for determining the amount of Action Area Allocations.
- At a minimum the criteria could consider:
 - the geographic size of the Action Area;
 - population; the administrative, technical, and fiduciary abilities of the Action Areas coordination group (e.g., the LIO); and
 - the proportionate or potential contribution to Puget Sound recovery goals in the Action Area.

Discussion Draft for LIOs