

State of Washington
Joint Legislative Audit & Review Committee (JLARC)



**Preparing for JLARC's 2011 and 2016
Performance Audits of the Puget Sound
Partnership: Briefing Report**

Report 09-6

June 17, 2009

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formats for persons with disabilities.*

Joint Legislative Audit and Review Committee

1300 Quince St SE

PO Box 40910

Olympia, WA 98504

(360) 786-5171

(360) 786-5180 Fax

www.jlarc.leg.wa.gov

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STATE OF WASHINGTON
JOINT LEGISLATIVE AUDIT AND
REVIEW COMMITTEE

STUDY TEAM
John Woolley

PROJECT SUPERVISOR
Keenan Konopaski

LEGISLATIVE AUDITOR
Ruta Fanning

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available on the JLARC website at:

www.jlarc.leg.wa.gov

or contact

Joint Legislative Audit & Review
Committee
1300 Quince St SE
Olympia, WA 98504-0910
(360) 786-5171
(360) 786-5180 FAX

The Partnership and Its Responsibilities

The Legislature created the Puget Sound Partnership in 2007 to lead the effort to restore and protect Puget Sound. While the Partnership's assignment is complex and consists of a wide range of responsibilities, most of it can be described as consisting of three major and interrelated tasks:

1. Developing, prioritizing, and revisiting solutions to restore Puget Sound by 2020;
2. Overseeing the implementation of those solutions; and
3. Tracking and monitoring results.

The Partnership, however, is not the primary implementer; state agencies and numerous other organizations are. The Legislature recognized this by charging organizations with the responsibility of ensuring that their activities do not conflict with the Partnership's solutions. In some instances the Legislature took a second step and directed state agencies to give preference to those projects implementing the Partnership's solutions when allocating funds through various grant and loan programs.

The Legislature directed JLARC to review the Partnership's performance in 2011 and 2016. JLARC will review the three major tasks of the Partnership and the actions of the implementing state agencies. This briefing paper provides background information on the Partnership and its responsibilities, briefly describes the experiences of other states as they grapple with similar large scale restoration projects, and addresses the Partnership's transition from developing an Action Agenda to providing oversight and monitoring of the Action Agenda's implementation. The briefing paper finishes with the Partnership's detailed responses to questions JLARC asked about the transition to oversight and accountability.

Agency Structure and Overall Purpose

In 2007, the Legislature passed Engrossed Substitute Senate Bill 5372 creating a new state agency: the Puget Sound Partnership. Based in part on what had been a gubernatorial advisory body of the same name, the Partnership also continues the work of the Puget Sound Action Team and serves as the regional salmon recovery organization.

The Legislature created the new agency to oversee the restoration of the environmental health of Puget Sound. ESSB 5372 is a 70-section bill which includes explicit definitions of the structure and many of the processes to be used by this new agency. The structure includes a seven-member Leadership Council appointed by the Governor, a 27-member Ecosystem Coordination Board convened by the Leadership Council to assist the Leadership Council, a nine-member Science Panel appointed by the Leadership Council to provide independent scientific advice, and an executive director and staff.

Developing an Initial Action Agenda

The Legislature directed the Partnership to develop a science-based Action Agenda by December 2008 with clear and measurable goals to prioritize the actions needed for the recovery of Puget Sound by 2020. ESSB 5372 established six goals and eight objectives for the Action Agenda to achieve.

Goals for the Action Agenda:

- A healthy human population supported by a healthy Puget Sound that is not threatened by changes in the ecosystem.
- A quality of human life that is sustained by a functioning Puget Sound ecosystem.
- Healthy and sustaining populations of native species in Puget Sound, including a robust food web.
- A healthy Puget Sound where freshwater, estuary, near shore, marine, and upland habitats are protected, restored, and sustained.
- An ecosystem that is supported by ground water levels as well as river and stream flow levels sufficient to sustain people, fish, and wildlife, and the natural functions of the environment.
- Fresh and marine waters and sediments of a sufficient quality so that the waters in the region are safe for drinking, swimming, shellfish harvest and consumption, and other human uses and enjoyment, and are not harmful to the native marine mammals, fish, birds, and shellfish of the region.

Objectives for the Action Agenda:

- Protect existing habitat and prevent further losses.
- Restore habitat functions and values.
- Significantly reduce toxics entering Puget Sound fresh and marine waters.
- Significantly reduce nutrients and pathogens entering Puget Sound fresh and marine waters.
- Improve water quality and habitat by managing storm water runoff.
- Provide water for people, fish and wildlife, and the environment.
- Protect ecosystem biodiversity and recover imperiled species.
- Build and sustain the capacity for action.

ESSB 5372 also specified a number of elements that the Action Agenda was to incorporate, ranging from describing the problems affecting the Sound—using supporting scientific data—to recovery plans for orcas.

The Partnership completed the first Action Agenda in December 2008. At the heart of the report are action steps and 154 near-term actions. While development of the initial Action Agenda is a major focus of ESSB 5372, the Legislature was clear that it was only the beginning. The Legislature charged the Partnership with overseeing the implementation of the Action Agenda, tracking and monitoring results, and then revising the Action Agenda and its implementation strategies accordingly.

Implementation of the Action Agenda and Partnership Oversight

ESSB 5372 directs the Partnership to ensure that funds appropriated for Action Agenda implementation achieve the intended results, holding the Partnership accountable for achieving the Action Agenda. However, recognizing that various state agencies and other organizations would actually be expending the funds, ESSB 5372 directs agencies to work with the Partnership to develop criteria that prohibit funding projects and activities that are in conflict with the Action Agenda. Agencies with specified grant and loan programs are to give funding priority to Puget Sound Partners, which are entities that will be recognized by the Partnership as having consistently achieved outstanding progress in implementing the Action Agenda.

The Partnership also has an active role in the budget process. This ranges from the Partnership identifying and recommending the level of funding required for implementing the Action Agenda, to reviewing state programs that fund activities contributing to the Action Agenda, to identifying and creating corrective action plans where it finds substantial non-compliance with the Action Agenda.

Tracking and Monitoring Results

The Legislature charged the Partnership with guiding the implementation of an ongoing Puget Sound assessment and monitoring program and establishing reporting processes that will track funds expended to implement the Action Agenda to ensure that these funds are achieving the intended results of the Action Agenda. The legislation specifically directs the Science Panel to develop a strategic science program that may include a monitoring program with quantifiable performance measures.

ESSB 5372 also includes three independent reviews or audits to assist in the monitoring of results.

- By December 2010, the Washington Academy of Sciences (subject to available funding) is to conduct an assessment of basin-wide restoration projects to determine the extent to which implementation of the Action Agenda is making progress toward the Action Agenda's goals, and if indicators and benchmarks accurately measure progress toward meeting the goals.
- The legislation directs JLARC to conduct two performance audits (December 2011 and December 2016) which are to address: a determination of the extent funds expended to implement the Action Agenda have contributed to meeting the scientific benchmarks and goals of the Action Agenda; the efficiency and effectiveness of the Partnership's oversight of Action Agenda implementation; and any needed improvements in the Partnership's performance and structure.

Closing the Loop: Revising the Action Agenda

The Legislature directed the Partnership to revise the Action Agenda as needed, with implementation strategies revised every two years using a process informed by tracking actions and monitoring results (formally called *adaptive management*).

An important vehicle in this revision process is the *State of the Sound Report*, due in November of each odd-numbered year, beginning in 2009. As directed in statute, the report is to contain a number of elements, including:

- An assessment of implementation progress
- Identification of any inconsistent actions by entities
- Comments by the Science Panel on implementation progress
- Recommendations on how future expenditures by all entities can better match the priorities of the Action Agenda

Timeline for Major Tasks

The three major task areas include:

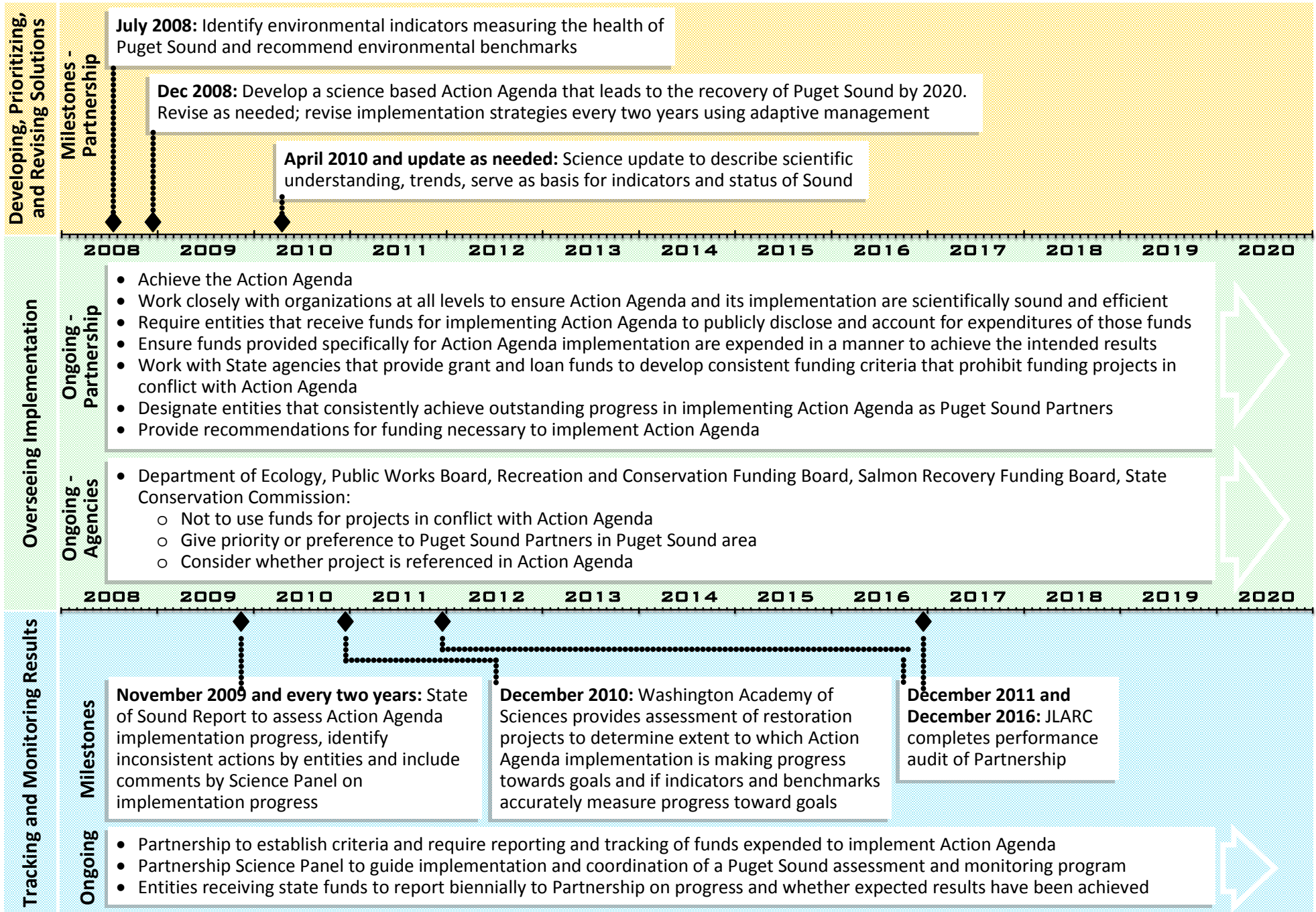
- 1) Developing, prioritizing, and revisiting solutions;
- 2) Overseeing implementation; and
- 3) Tracking and monitoring results.

These task areas each have a number of tasks and milestones attached to them in ESSB 5372. The timeline, Exhibit 1 on the following page, illustrates many of the key tasks and milestones laid out in ESSB 5372, including those to be accomplished now that the initial Action Agenda has been published. This includes tasks for the Partnership and for agencies and entities making grants or implementing actions.

Exhibit 1 illustrates that while some of these tasks have specific dates attached to them (milestones), many are ongoing tasks, especially the oversight tasks.

The Partnership and Its Responsibilities

Exhibit 1: Select Key Milestones and Tasks for the Partnership and State Agencies Included in ESSB 5732



Source: JLARC analysis of ESSB 5732.

Experiences of Other States

In charging the Partnership with leading the effort to restore Puget Sound by 2020, Washington joined a number of other states and entities in broad ecosystem management efforts. A key lesson learned from these efforts is the critical need to maintain rigorous monitoring and evaluation of results, and to clearly communicate these results so that strategies can be adapted to what works.

Two such large efforts include the restoration of the Florida Everglades and the restoration of the Chesapeake Bay. With an implementation track record, these two efforts have been extensively evaluated, with National Academy of Sciences reviews of Everglades restoration and Government Accountability Office reviews of the Chesapeake Bay Program.

The Comprehensive Everglades Restoration Program report was issued in 1999. When reviewing Florida Everglades restoration progress, the National Academy of Sciences highlighted a challenge in the use of adaptive management:

“One of the most challenging aspects of large ecosystem restoration is that decisions need to be made despite some uncertainty in the supporting science and engineering knowledge base, and as a result, plans may need to be adapted over time as knowledge is gained. For those well versed in adaptive management, this idea may seem obvious...Planners recognize that they cannot anticipate all possible outcomes, but it remains to be seen how willing restoration decision makers will be to significantly alter project designs and/or operations once the projects come on line.”¹

The multi-state Chesapeake Bay Program was originally created in 1983, with a more recent comprehensive strategy adopted in 2000. When reviewing Chesapeake Bay restoration, the Government Accountability Office stated that better strategies were needed to assess, report, and manage restoration progress:

“...reports do not effectively communicate the bay’s current conditions because they focus on the status of individual species or pollutants instead of providing information on a core set of ecosystem characteristics. Moreover, the credibility of these reports has been negatively impacted because the program comingled various kinds of data...As a result, the public cannot easily determine whether the health of the bay is improving or not.”²

The Legislature addressed these issues in ESSB 5372 when it specified that the Partnership is to use an adaptive management approach and the emphasis ESSB 5372 places on implementation oversight and monitoring. While creating the initial implementation strategy (the Action Agenda) is detailed in ESSB 5372 as a key step, it is only the first step in an ongoing evaluation and feedback process to learn from what does and does not work in a complex, ecosystem wide restoration project.

¹ National Research Council of the National Academies of Science. 2008. Progress Toward Restoring the Everglades: The Second Biennial Review, 2008. Pre-publication copy. The National Academies Press, Washington, D.C. Page 106.

² Government Accountability Office. 2005. Chesapeake Bay Program: Improved Strategies Are Needed to Better Assess, Report, and Manage Restoration Progress. Page 1 of Highlights.

The Optimist's View versus the Pessimist's View of What to Expect with Ecosystem Based Management Efforts

A recent analysis of large, ecosystem based projects reviewed efforts at restoring or protecting large areas of land or water in various parts of the United States. Using a series of seven case studies, the analysis includes two views of what happens as plans are developed and implementation proceeds: the optimist's prediction of the benefits of such efforts, and the pessimist's fear of what is likely to happen. These case studies and the two views provide useful insights as efforts at restoring Puget Sound proceed.

Optimist's Prediction

- The plan is consistent with the recommendations of scientists.
- Stakeholders perceive the plan as fair and legitimate.
- Managers modify practices based on information garnered from monitoring.
- Practices reflect the current scientific understanding of the ecosystem.
- Planners use more holistic, less parochial language over time; plan addresses main causes of ecosystem decline.
- Stakeholders perceive other participants as trustworthy and perceive common interests.
- Managers and stakeholders adopt more environmentally protective practices than what is legally required.
- Scientists synthesize monitoring data and communicate results to managers.
- Implementation proceeds without legislative, administrative, or judicial challenge.
- Representatives of agencies and jurisdictions meet regularly and establish common environmental objectives.

Pessimist's Prediction

- Planners reject proposals that impose costs on development interests.
- Planners reject precautionary measures out of concern for short-term economic considerations.
- Managers resist adjusting practices in the face of information suggesting more protective measures are needed.
- Development interests resist efforts to make management practices more environmentally protective.
- Extreme views or alternatives are suppressed or not considered.
- Stakeholders disagree on plan specifics during implementation.
- Planners disregard ambitious but potentially contentious solutions.
- Reluctant managers and stakeholders do not implement plan's provisions.
- Efforts to implement the plan are challenged in legislatures, agencies, and the courts.
- Representatives of agencies act independently of each other, do not regularly meet, consult, produce joint reports, or undertake joint projects.

Source: 2008. Judith A. Layzer. *Natural Experiments: Eco-system Based Management and the Environment*. MIT Press. Cambridge, Mass. Pages 24-29.

Transitioning to Oversight, Tracking, and Monitoring

As specified in ESSB 5372, the job of creating the first Action Agenda required considerable work in defining the problem, developing and prioritizing strategies and needed actions, constructing measurable outcomes, and building consensus around solutions.

Now the job shifts to one of oversight and monitoring. Gaining knowledge of what works, and what does not work, and adapting strategies to those lessons is at the core of adaptive management. To better understand the Partnership's current activities geared toward accomplishing the many tasks and milestones that come after the initial Action Agenda is published, JLARC asked the Partnership to answer a number of questions related to the oversight and tracking and monitoring processes the Partnership is to have in place. JLARC's questions and the Partnership's answers are in the next section of this briefing report. Below is a summary of some of the issues addressed in the questions. Appendix 1 includes the Partnership's complete correspondence and backup materials.

Aligning Budgets with the Action Agenda

In addressing fiscal accountability, the Legislature's intent is clear:

“The Legislature intends that fiscal incentives and disincentives be used as accountability measures designed to achieve consistency with the action agenda by: (a) ensuring that projects and activities in conflict with the action agenda are not funded; (b) aligning environmental investments with strategic priorities of the action agenda; and (c) Using state grant and loan programs to encourage consistency with the action agenda.”³

The Partnership is charged with identifying and recommending the level of funding required for implementing the Action Agenda and reviewing state programs that fund activities contributing to the Action Agenda. These tasks require aligning biennial and supplemental budgets with the Action Agenda until the Partnership's goals are met in 2020.

The process of developing the 2009-11 Biennial budgets began before the Partnership completed the initial Action Agenda. This raises two specific issues:

- 1) What is the Partnership doing to ensure that the final legislatively approved budget is aligned with the Action Agenda; and
- 2) What are the Partnership's activities to align budgets with the grant and loan cycles of agencies such as the Department of Ecology?

For example, according to the Partnership, the single largest item in the 2009-11 Biennial budgets for funding Partnership action steps is \$107 million distributed through the Water Pollution Control Revolving Fund Program. Administered by the Department of Ecology, applications for this funding were due by the end of October 2008 (in anticipation that the funding would be included in the 2009-11 Biennial Budget), but the Action Agenda was not available until December 2008. What are the Partnership and the Department of Ecology doing to make certain grant and loan funding decisions align with the Action Agenda?

³ Revised Code of Washington (RCW) 90.71.340 (1). Those parts of ESSB 5372 dealing directly with the Partnership are codified in RCW Chapter 90.71; the bill also amended various other agency-specific statutes.

With supplemental budget development beginning in the summer of 2009, what are the two organizations doing to make certain the processes align for the 2010 Supplemental?

JLARC also asked the Partnership to specifically address its activities related to Federal stimulus funding, establishing Puget Sound Partners, and establishing procedures for dealing with non-compliance with the Action Agenda.

Moving the Partnership's Structure to an Organization with Oversight and Monitoring Responsibilities

JLARC asked the Partnership whether the organizational structure it put in place for the development of the initial Action Agenda is the same structure it needs to oversee and monitor the Action Agenda's implementation.

Implementing Priority E: Building Accountability Mechanisms

The Action Agenda includes five strategic priorities. Priority E states: "Build an implementation, monitoring, and accountability management system." (Appendix 2 lists the five priorities.) The Action Agenda also includes a number of actions in priorities A through D which are either being implemented with ongoing funding or are to be implemented when new funding is secured. The Partnership identified \$515 million that was included in the 2009-2011 Biennial budgets for implementing the Action Agenda, including an estimated \$187 million in "ongoing" operating funds. In other words, Action Agenda items are currently being funded.

Since the accountability mechanisms have not yet been developed, how is the Partnership holding agencies accountable for the 2009-11 estimated expenditures of \$515 million? JLARC asked the Partnership to address this.

JLARC also asked how actions will remain grounded in science.

JLARC Questions of the Puget Sound Partnership and the Partnership's Answers

Recognizing that the Partnership is in the midst of developing and implementing accountability mechanisms, the Partnership's answers to our questions will help serve as performance benchmarks for JLARC's 2011 and 2016 performance audits. The Partnership is on record for stating the "what" and the "when" of accountability mechanism implementation.

JLARC Question #1

The Action Agenda was not available for reference during much of the development of the 2009-2011 Biennial Budget. What specific activities is the Partnership undertaking to align the final legislatively passed budgets with Action Agenda priorities? For each of the agencies, programs or funding sources listed below (separate detail for each), please:

- Identify how agencies will adjust their existing processes, such as grant cycles, to recognize Action Agenda priorities.
- Specify the positions in the Partnership that will be working with the programs to provide the oversight and the position(s) in the agency(s) that will be responsible for working with the Partnership.

- Provide specific milestones and dates.
- Please provide an updated, final version of the spreadsheet that details the amounts contained in the budgets for Action Agenda implementation and the specific near term actions that are being funded.

State agencies, programs or funding sources identified in RCW 90.71.370:

- Water Quality Account
- Water Pollution Control Revolving Fund
- Public Works Assistance Account
- Aquatic Lands Enhancement Account
- State Toxics Control Account and Local Toxics Control Account and Clean-up Program
- Acquisition of Habitat Conservation and Outdoor Recreation Land
- Salmon Recovery Funding Board
- Community Economic Revitalization Board

Partnership Response

There are two requirements related to state grant and loan programs established in statute. RCW 90.71.340 (4) requires the Partnership to work with state agencies that provide specific grant and loan programs that impact the health of Puget Sound to develop consistent funding criteria that prohibits funding projects and activities that conflict with the Action Agenda.

RCW 90.71.370(3) requires the Partnership, with the assistance and active collaboration of the agencies administering these programs, to review specific state grant and loan programs including a) evaluating the procedures and criteria in each program for determining which projects and activities to fund, and their relationship to the goals and priorities of the Action Agenda; b) assessing methods for ensuring that the goals and priorities for the Action Agenda are given priority when funding decisions are made regarding water quality and habitat related projects in Puget Sound; c) extent that agencies have modified their funding criteria to make projects, programs and activities that are inconsistent with the Action Agenda ineligible for funding. An initial review is to be completed by November 1, 2009 with a final review in November 1, 2010.

In addition, ESSB 5372 (Laws of 2007) which established the Partnership, also amended the statutes for specific grant and loan programs, requiring them to give consideration to project applicants that are designated as Puget Sound partners, whether the project is referenced in the Action Agenda, and prohibits funding after January 1, 2010 any projects designed to address the restoration of Puget Sound that are in conflict with the Action Agenda.

To meet these statutory requirements the Partnership has convened a funding review workgroup of state agencies to collaboratively develop an efficient, effective and consistent process. Partnering agencies include the Recreation and Conservation Office (RCO), the Department of Ecology (DOE), the Washington Conservation Commission, the Department of Health and the Department of Community Trade and Economic Development (CTED). The first meeting was held on May 13th, 2009 with the next meeting scheduled for June 1st, 2009. Jim Cahill, Director of Accountability and Budget and Linda Lyshall, Regional Liaison are the PSP staff assigned to this effort.

Partnership Response (continued)

To date, we have discussed the legislative requirements and options to modify each of the grant and loan programs to ensure alignment with the Action Agenda, and to give preference to Puget Sound partners. Below is the information you requested related to specific grant and loan programs.

Water Quality Account* and Water Pollution Control Revolving Fund

- Changes would need to be made by August 1, 2009 to meet FY 2011 funding cycle.
- Department of Ecology is analyzing how it will adjust their existing processes to meet these statutory requirements. DOE may have enough flexibility within existing program state statutes, rules, policies and guidelines and the federal Clean Water Act to revise rating and ranking criteria.
- If rule making were needed, it would take about nine months to complete.
- DOE Contact: Steve Carley, Water Quality Financial Section
- (ESSB 5073 (Laws of 2009) modified RCW 90.71.370 to eliminate the Water Quality Account and now refers to Water Pollution Control Facilities Financing)

Public Works Assistance Account

- Public Works Board is planning to revise its program in 2010 for the next funding cycle in the 2011-2013 Biennium.
- CTED contact: Cheryl Smith, Director's Office

Aquatic Lands Enhancement Account (ALEA), and Acquisition of Habitat Conservation and Outdoor Recreation Land

- Changes would occur through changes in grant policies by the Recreation and Conservation and Funding Board (RCFB).
- Approval of policy changes is needed by March 2010 in order to make the 2011-13 Biennium capital budget timeline.
- Preview/timeline agenda item planned at the July 2009 RCFB meeting.
- Update should occur in September and approval in November 2009 or January 2010.
- This timeline is intended to meet the 2011-2013 Washington Wildlife and Recreation Program (WWRP) and ALEA grant cycles.
- RCO contact: Dominga Soliz, Policy and Planning Specialist

State Toxics Control Account and Local Toxics Control Account and Clean-up Program

- Review will be discussed by the Department of Ecology in June 2009.
- Changes will be implemented by rule.
- The Remedial Action Grant (RAG) Rule (Chapter 173-322) is scheduled to commence rule making in the summer of 2009. It will be of limited scope, focused on implementing the recent statutory changes to the program by the passage of HB 1761 (2007 Session).

Partnership Response (continued)

- Additional direction will be provided through guidelines updated every biennium.
- DOE Contact: Jim Pendowski, Toxics Cleanup Program Manager

Salmon Recovery Funding Board

- Changes would occur through changes in grant policies by the Salmon Recovery Funding Board.
- There will be a preview at the August 2009 meeting, an update in October 2009, and approval in December 2009.
- This will go into effect for the 2011 SRFB grant cycle. This timeline will not meet the 2010 SRFB grant cycle. Lead entities submit ranked projects on September 1st, 2009.
- RCO contact: Dominga Soliz, Policy and Planning Specialist

Community Economic Revitalization Board

- Board action and statute change would be needed to meet these requirements.
- Funding decisions are made six times each year.
- The Board will likely not make any changes until statute changes are made, which means this would not go into effect until the 2011 fiscal year.
- The requirement is currently not listed in their statute, RCW 43.160.
- The Board might discuss the review requirement at their July 2009 meeting.
- CTED contact: Cheryl Smith, Director's Office

Conservation Commission Grant Programs (Required but information not requested by JLARC)

- Revisions to conservation district work plans to align with the Action Agenda is already completed.
- The Conservation Commission Board, at the July 2009 meeting, will consider partner designation criteria. Any additional changes would occur through grant policy revisions by the Conservation Commission Board and would take effect for the 2011 fiscal year.
- Conservation Commission contact: Ron Schultz, Director of Policy & Inter Governmental Relations

Please see attached draft spreadsheet for additional information on all reviewed funds and programs. This spreadsheet that shows the amounts appropriated to state agencies related to implementation of the Action Agenda and tied to specific actions in the Action Agenda.

This list is currently being reviewed by state agencies to confirm the amounts and the specific actions. Due to the significant across the board or unspecified budget reductions included in the 2009-11 Operating Budget obtaining final numbers for tracking actions may take several months. The Partnership is committed to finalizing the budget amounts no later than November 1, 2009 and will include this as part of the State of the Sound update required by RCW 90.71. 370(3).

JLARC Question #2

The Partnership must now synchronize Action Agenda implementation oversight activities with the development of the 2010 Supplemental Budgets. For each of the agencies, programs or funding sources identified above (separate detail for each), please:

- Identify how agencies will adjust their existing processes, such as grant cycles, to recognize Action Agenda priorities.
- Specify the position(s) in the Partnership that will be working with the programs to provide the oversight and the position(s) in the agency that will be responsible for working with the Partnership.

Partnership Response

Under RCW 90.71.320 the Partnership's responsibilities regarding budget development is focused upon development of the biennial budget requests. Under this statute, state agencies responsible for implementing elements of the Action Agenda are to provide to the Partnership (by June 1st of each even-numbered year) their estimates of the actions and the budget resources needed for the forthcoming biennium to implement their portion of the Action Agenda. The Partnership is then to work with state agencies to achieve consistency with the Action Agenda related budget requests for submittal to the Governor for the biennial budget request.

Although not required by statute, the Partnership will work with state agencies as they develop supplemental budget requests to the Governor to ensure that they align with implementation of the Action Agenda. On May 15th, 2009 the Partnership sent a letter to agencies that are part of the Puget Sound state caucus requesting information on their schedule for development of legislation and supplemental budget requests (see attached letter). Options for coordinating these requests will be discussed at the June 8, 2009 state caucus meeting.

In terms of the state grant and loan programs described in Question 1, the Partnership will work diligently to complete its work required for agencies to modify these programs, but it is unlikely that the state agencies will be able to modify their grant and loan programs in time to significantly influence projects selected in the second year of the 2009-11 Biennium. Many of the programs referenced in question 1 make biennial budget requests and do not request additional funding in the budget process in the Supplemental budget process. Programs with annual grant rounds include:

- Water Pollution Control Revolving Fund
- Water Pollution Control Facilities Financing
- Public Works Assistance Account
- Salmon Recovery Funding Board Grants

JLARC Question #3

The Leadership Council recently approved a list of projects for NOAA economic recovery funding. Please describe:

- The scoring process used to determine which projects should be included on the list and which should not.

- How determinations were made of how the projects contributed to meeting scientific goals and priorities.
- Who or what group created the recommendation to the Leadership Council for final funding decisions.
- How the funding will be identified in any state budgets or information submitted to the Legislature. Will it be tracked in any state financial systems? If not, how will it be tracked?
- Any other stimulus funding the Partnership is involved with and the process being used to prioritize that funding.

Partnership Response

On March 6, 2009 the National Oceanic and Atmospheric Administration (NOAA) published an announcement of federal funding opportunity (FFO) NOAA-NMFS-HCPO-2009-2001709) for the NOAA Coastal and Marine Habitat Restoration economic recovery funding. At the request of the Governor, the Recreation and Conservation Office (RCO) was asked to coordinate a review of NOAA grant proposals to identify proposals that met and exceeded the NOAA grant requirement for consideration for Governor endorsement.

As part of this effort, the Partnership was asked to review Puget Sound project proposals. The Partnership conducted an initial review of habitat restoration projects totaling over \$150 million of proposals likely to be submitted to NOAA. From this larger list, the Leadership Council, at its March 31, 2009 meeting approved a list of Puget Sound priority projects, totaling approximately \$50 million. This list was submitted to RCO, representing the Puget Sound component of the total list of Washington state projects. The RCO submitted a statewide list of projects for endorsement by the Governor. The Governor endorsed a statewide list of projects on April 6, 2009.

- **The scoring process used to determine which projects should be included on the list and which should not.**

The Partnership did not use a points based scoring process to review projects to be included on the list for Governor's endorsement. It would be more accurate to describe the process used by the Partnership as a screening process. The goal of this process was to identify projects that best met the evaluation criteria established in the NOAA FFO and that advance near-term Action Agenda priorities. The Partnership and RCO chose not to produce a prioritized rank list of proposals because the 30-day time frame to complete this work did not allow the development of a defensible process. In addition, this ranking would not play a significant role in the final evaluation of all project requests by NOAA. NOAA's FFO criteria for proposed projects to be competitive included, among other things, readiness, jobs created, ecological benefits, and consistency with NOAA species recovery planning efforts.

In completing this review, projects were first screened based upon the NOAA criteria of readiness to proceed. Evaluation of project readiness was done using the category of "permitting status" as a proxy for readiness. Project permitting status broke into five categories of readiness: 1) permits in-hand; 2) some permits in-hand, some permits submitted awaiting approval; 3) all permits submitted awaiting approval; and 4) some permits submitted awaiting approval, some permits planned to be

Partnership Response (continued)

submitted; and, 5) no permits submitted. Projects that fell into the first and second category of readiness were then evaluated based upon their ecological benefits and ability to meet Action Agenda priorities. (See next question for additional information)

The Puget Sound Partnership encouraged all sponsors with projects they felt met the NOAA criteria to apply to NOAA for funding regardless of whether they were advanced by the Leadership Council for consideration to the Governor for endorsement.

- **How determinations were made of how the projects contributed to meeting scientific goals and priorities.**

In addition to NOAA's FFO criteria regarding projects' scientific merit and consistency with the NOAA-approved Puget Sound Salmon Recovery Plan, the Action Agenda, Table 4-1 (pages 88-92), provides specific guidance on assessing ecological benefits of restoration actions. Most Puget Sound habitat restoration projects fell within Priority B, Restoration (page 90). Table 4-1 includes ranked priorities for near-term restoration actions. These priorities are:

1. Restoration projects from salmon recovery three-year work plans and the Estuary and Salmon Restoration Program.
2. The Puget Sound Nearshore Partnership General Investigation.
3. Restoration at the mouths of major river systems.
4. Coordinated incentive and technical assistance programs for landowners.
5. Derelict gear removal.
6. Bellingham Bay.
7. Port Angeles Harbor.
8. Floodplain and river process restoration.
9. Remove blockages of ecosystem processes; provide access to habitat.
10. Duwamish Bay.

The highest ranking near-term priority action under the Action Agenda's restoration priority is implementation of watersheds' salmon recovery three-year work plans, which are updated annually and identify the actions necessary to advance the Puget Sound Salmon Recovery Plan at the local and regional level over the next three years. Actions in three-year work plans go through a rigorous local and regional technical and policy review process to assess whether projects are science-based, fit with the local recovery plan strategies and priorities, and will deliver desired results.

As a result of this process, projects included in a watershed three-year work plan are assumed to meet the scientific goals and objectives for salmon recovery. Other federal or state resource management/restoration plans were also considered, as project proposals identified them, to gauge ecological benefit. Greater consideration was given to projects that also meet the other Action Agenda priorities.

Partnership Response (continued)

- **Who or what group created the recommendation to the Leadership Council for final funding decisions?**

The recommendations to the Leadership Council was developed by the Partnership's salmon and watershed recovery staff, through a consultative process with the Partnership Management Team as well as the Partnership's Ecosystem Coordination Board, the Puget Sound Salmon Recovery Council, Puget Sound Watershed Leads, and other interested parties.

Partnership staff completed the initial review and identification of projects for consideration for the Governor's endorsement based upon the projects ability to meet the NOAA FFO criteria and Action Agenda near-term priority actions. A draft list of proposed Puget Sound projects, along with the full list of reviewed projects, was posted on the Partnership's website and circulated to the Partnership's Ecosystem Coordination Board, the Puget Sound Salmon Recovery Council, Puget Sound Watershed Leads, and other interested parties. Despite the very short timeline for preparing applications for funding, the Partnership wanted to engage the public in the process to identify projects for the Governor's endorsement, and made the list available for public comment from March 20 to March 24. Comments focused on whether the projects on the list strongly advance the Action Agenda and, to the extent information was available, on whether projects on the list meet the criteria of NOAA's FFO. As part of the public comment for this effort, the Partnership conducted a teleconference on Monday March 23, 2009. During this call, Partnership staff described the Partnership's process and answered questions about the process.

The Puget Sound Salmon Recovery Council reviewed the process for identifying priority projects that advance the Action Agenda and implement the Puget Sound Salmon Recovery Plan at its regularly scheduled meeting on Thursday, March 26, 2009. The Recovery Council affirmed the process and supported projects on the list that advance the Puget Sound Salmon Recovery Plan, acknowledging there are many other important projects that should be considered which benefit salmon recovery and Puget Sound recovery.

Based on the public comment, Recovery Council advice, and staff compilation, a final project list was submitted to the Partnership Leadership Council. The Leadership Council affirmed the process for developing the list at its March 31, 2009 meeting and recommended projects on the list move forward to the Governor for consideration of endorsement. These project proposals also received a Partnership letter of endorsement.

- **How the funding will be identified in any state budgets or information submitted to the Legislature. Will it be tracked in any state financial systems? If not, how will it be tracked?**

The NOAA Coastal and Marine Habitat Restoration Project Grant funding is not being administered by any state agency. Grants are awarded directly and administered by NOAA.

Funding will not be identified in any state budgets, except for grants awarded to state agencies. State agencies that are also project sponsors will be responsible for tracking and reporting on funding received from NOAA for those specific projects.

Partnership Response (continued)

Grant recipients receiving federal stimulus funding under the American Recovery Reinvestment Act of 2009 are required to report to the granting agency quarterly on its expenditure of these funds (Section 1512). This information will then be made available on the granting agencies recovery website. The Office of the Governor also intends to collect information on the expenditure of federal stimulus funding provided to the state. The Partnership can then use both of these sources to track expenditures. The Partnership will work with granting agencies and the Governor's Office to collect the detailed grant information.

- **Any other stimulus funding the Partnership is involved with and the process being used to prioritize that funding.**

The only other stimulus funding that the Partnership was involved with was the additional \$70 million in stimulus funding provided by the Environmental Protection Agency (EPA) for the Washington State Clean Water Revolving Fund administered by the Washington State Department of Ecology (DOE). DOE closed applications for this source of stimulus funding on March 13, 2009. The Partnership reviewed the Puget Sound pollution prevention projects proposed to Ecology, and on April 9, 2009 submitted a letter recommending that DOE fund 22 Puget Sound projects (See attached letter). These projects were reviewed by PSP staff and recommended because they advanced Action Agenda near-term priorities (Table 4.2, pages 93-126) or were explicitly identified in the Action Area profiles (pages 145-187).

The Partnership anticipates working with federal agencies to track expenditures and outcomes from federal stimulus funding for projects in Puget Sound. Other projects currently identified as contributing to Puget Sound recovery include:

Elwha Dam Removal (\$54 million) National Park Service

Nisqually Estuary Restoration (\$3.6 million) US Fish and Wildlife Service

Diesel Emission Reductions (\$792,000) Washington Department of Ecology

Washington State Clean Water Revolving Fund (\$27 million) Washington Department of Ecology

Habitat Restoration Projects (TBD) NOAA

JLARC Question #4

Agencies administering grant programs are to include in their prioritization process whether applicants are Puget Sound Partners. How is the Partnership determining who is a Puget Sound Partner? Please provide milestones and dates for the process of identifying Partners.

Partnership Response

RCW 90.71.340(3) requires the Partnership to develop a process and criteria by which entities that consistently achieve outstanding progress in implementing the Action Agenda are designated as Puget Sound Partners. State agencies are required to work with the Partnership to revise their grant and loan program criteria to create a preference for entities designated as Puget Sound Partners.

Partnership Response (continued)

The Partnership is currently working with other agencies and organizations to determine who is a Puget Sound partner. It is envisioned that the specific criteria will be developed based upon the type of entity that is receiving a state grant or loan.

At its February 2009 meeting the Leadership Council identified designating Partners as a priority work item for the Partnership. An initial outline of the issue was discussed at the April 23 2009 meeting of the Ecosystem Coordinating Board. The Partnership has created a workgroup to help in the development of criteria for designating Partners. The group presently includes representation from state agencies and counties. The group is being expanded to include representation from special purpose districts, cities and federal agencies. This group had its first meeting on May 11, 2009 and future meetings are planned. The Partnership and the workgroup is developing a series of options for designating Partners. These options will then be shared and evaluated by a broader group of stakeholders as well as the ECB at their July or September 2009 meeting. Final approval by the Leadership Council is expected to occur at their July or September 2009 meeting.

JLARC Question #5

The Partnership's current staffing structure appears heavily weighted toward producing the first Action Agenda. Now that the shift is toward oversight and tracking of results, what do you envision as a structure for this shift in duties?

- Please address specifics of any proposed structure, including FTEs, expertise required of staff, organizational units, etc.
- Please list specific milestones and dates. In the Action Agenda supplement distributed in March, you indicated to the EPA that the structural changes would be complete by November 2009 (approximately one year after Action Agenda publication). Is this still the anticipated date?

Partnership Response

The Partnership is currently evaluating its organizational structure based on the following:

1. Statutory obligations, including performance management;
2. Agency operations, core functions;
3. Action Agenda priorities, and agency roles identified in the Action Agenda necessary to successfully implement; and
4. Available financial resources.

As you are aware, the agency has a complex, far-reaching and challenging purpose. Since the completion of the Action Agenda, agency staff have been analyzing what it will really take to effectively accomplish this important work. The Management Team, in conjunction with the Leadership Council and staff, is in the process of defining, prioritizing and clarifying roles of the agency, against the available resources. As noted above, this analysis is taking into account statutory obligations, basic agency functions, specific PSP work under the Action Agenda, and the range of agency-level functions necessary to effectively and successfully achieve the priorities of the Action Agenda amongst its many implementers. In addition to standard agency functions, PSP's roles

Partnership Response (continued)

currently identified include Action Agenda planning and revision, coordination of Action Agenda implementation, performance management, science and monitoring, communications, Leadership Council, Ecosystem Coordinating Board and Science Panel administration, outreach/engagement, local support/integration, and technical assistance.

The analysis is in-progress and has identified organizational work groups indicated below. These proposed groups, along with priority functions, specific positions, required expertise, and available resources will be clarified over the next few months. Please note that the structure outlined below is based on identified need – not available funds – and is likely to be modified between now and November 2009. Also note that the outline represents functions, not necessarily positions. The Partnership received \$1.089 million less from the Legislature for the 2009-11 Biennium than proposed by in the Governor's budget. Although the Partnership is also looking to National Estuary Program funding as a means of offsetting these cuts, these reductions will impact the staffing structure of the Partnership.

Tentative work groups and functions:

Executive Management

Agency Support

- Administration
- Human Resources
- Public Affairs
- Council/Board Support
- Agency Communications, Web and Graphics

Action Agenda Implementation

Financial and Performance Management

- Financial Management
 - Accounts Payable
 - Fiscal/Contracts
 - Grant Administrator
- Performance & Data Management
 - Performance Management
 - Information Management
 - Data Management
 - Information Technology

Planning & Policy

- Action Agenda Management
- Planning & Policy, Emerging Issues

Science & Monitoring

- Science Liaison
- Regional Monitoring Program

Partnership Response (continued)

Biennial Science Work Plan - Agency Priorities

Technical/Applied Implementation Specialists

Stormwater
Nutrients/Pathogens/Nearshore
Aquatic Invasive Species
Land Use/Regulatory

Local Implementation & Salmon Recovery

Local Implementation/Integration
Salmon Recovery

Public Awareness and Engagement

Regional Outreach
Outreach Network Coordination & Support

These structural changes will be discussed at the Leadership Council meeting in July 2009. It is anticipated that the revised structure be defined by July 2009 and the hiring completed by the previously identified date of November 2009.

JLARC Question #6

Statute (RCW 90.71.350) details a process for the Partnership to use to identify and resolve issues of noncompliance with the Action Agenda. Please describe:

- The steps the Partnership is putting into place to establish and maintain this compliance monitoring process.
- The resources (staff and any other resources) the Partnership will be utilizing to manage the compliance monitoring process.
- Key dates and milestones for establishing the compliance monitoring process.

Partnership Response

RCW 90.71.350 requires the Partnership to develop a process to identify and resolve noncompliance issues by entities implementing the Action Agenda. There is no specific date specified to implement these requirements. The Partnership has not initiated work on this task. Determining noncompliance is linked in many ways with the process to designate Puget Sound Partners. Work done to determine criteria for designating Partners will help tremendously in determining whether an entity is in compliance with the Action Agenda. The Partnership anticipates developing this process in the second year of the 2009-11 Biennium.

JLARC Question #7

Please provide a detailed list of the tasks (and the dates—beginning and ending—attached to those tasks) needed to implement the accountability mechanism described in Action Agenda Priority E: Building Accountability Mechanisms.

Partnership Response

The Puget Sound Partnership was created to address the lack of coordination and the fragmentation of efforts to restore and to protect the Puget Sound ecosystem. The extensive initiative led by Puget Sound Partnership staff last year to build the first iteration of the Action Agenda took a significant step in the direction of providing leadership, coordination and focus for the region's efforts. The Puget Sound Partnership recognizes the critical importance of the next step, as called out in Section E.1 of the Action Agenda, of implementing the Action Agenda and organizing information and reporting relationships in order to track progress and the effectiveness of the Action Agenda.

The agency work-plan between now and November 1, 2009 will be oriented towards:

- Clarifying the strategic framework of the Action Agenda,
- Identifying measures of the status of the ecosystem and of the effectiveness of the strategies recommended in the Action Agenda
- Working with implementing entities to assess how well their budgets and activities are lined up with the Action Agenda.

This work will build upon the existing work done in 2008 around development of indicators, threats and drivers analysis and scientific topic forum papers.

In order to organize our work between now and November, the Puget Sound Partnership has adopted a structured process and methodology called the "Open Standards for the Practice of Conservation." This methodology was developed by a consortium of leading NGOs active in the field of conservation that struggled to track projects and report progress to their donors. The Open Standards framework is applicable to the Action Agenda and can guide the implementation of projects, plans and monitoring in a cohesive way. The Open Standards, available at www.conservationmeasures.org, recommend a five-step process in implementing projects, similar to the adaptive management system envisioned in the Action Agenda. The Partnership will adapt these steps in the coming months to develop the accountability mechanisms described in E.1 and necessary to provide the information that will be produced in the November 1, 2009 State of the Sound report to the Governor and the Legislature. It will also use a software system known as Miradi to document and develop the accountability mechanisms.

The Puget Sound Partnership will drive its work-plan on three separate tracks, up until the late summer of 2009 when the various elements will be integrated. This will represent the first generation of our accountability system.

Track One: Apply the Open Standards to the Action Agenda

The first track will apply the Open Standards to the Action Agenda and develop a reporting set of indicators, a set of near term benchmarks for intermediate outcomes of Action Agenda progress and a set of results chains that show the science and policy judgments behind the Action Agenda's

Partnership Response (continued)

priorities and recommended actions. This track represents the reporting framework for the Action Agenda as a whole and is the basis on which its strategies and effectiveness can be tracked and adaptively managed. The Partnership has retained the services of the nonprofit Foundations of Success (www.fosonline.org), to train and guide Partnership staff in completing this work. A series of workgroups made up of PSP staff, science and policy experts, and selected stakeholders will complete this work. The results of this work will then be reviewed with the Ecosystem Coordinating Board and the Leadership Council. Current tasks and milestones for this track include:

1. Open Standards Workshop: Introduction, training and initial framework, use of supporting Miradi software. Lead by Foundations of Success.
May 12-14, 2009
2. Work groups refine choice of Key Ecological Attributes (KEAs) and data sets to measure the statuses of the KEAs. Produce first generation reporting set of indicators for November 1 report. (Narrowing the indicators from the Action Agenda, work of O'Neil, et al 2008)
May 18-June 5.
3. Work groups refine and rank the importance of threats to the status of the Puget Sound Ecosystem. Rank the level of certainty/science supporting each ranking to inform later choices of research priorities. Document the level of certainty/science in Miradi, the supporting software. (Integrating the threats/drivers work for the Action Agenda, Ruckelshaus, et al, 2008)
May 18-June 5 2009
4. Organize pairs of threats and KEAs and assign analysis to expert work groups. Work groups will develop logic models, also called results chains in the Open Standards, to show the links between a recommended action or strategy in the Action Agenda and the intended outcome. This work will support selection of performance measures or intermediate outcomes, of Action Agenda progress.
June 5-June 19.
5. Vet the products of the work groups with other work groups. Prepare products to present in a facilitated workshop with Foundation of Success.
June 19-June 29.
6. Present work for review and revision with facilitators from Foundations of Success, Open Standards and Miradi software experts.
June 29-July 1.
7. Revise Workshop Products into an integrated strategic framework for the Action Agenda.
8. Vet the strategic framework with the Leadership Council, ECB and Science Panel. Brief the boards throughout the development process and present for final approval in July.
May 27-July 31.

Partnership Response (continued)

9. Confirm work plans and staffing assignments to develop measures of ecosystem status and effectiveness (indicators and intermediate outcomes/performance measures) to deliver data and reports for the November 1 performance report.

July 6-July 17.

10. Provide strategic framework to the lead on implementation of the data strategy.

July 31.

Track Two: Implementing the Puget Sound Partnership's data strategy

The second track will be implementing a data management strategy for the Partnership. Beginning in the fall of 2008 the Partnership has been developing a data strategy to support the performance management, scientific, and public outreach efforts. This strategy must be designed to accept different kinds of data coming from many different sources, including financial data from AFARS, monitoring and other environmental data from many around the region, project data from all our implementers including salmon projects and performance data. Current tasks for this track include:

1. Develop requirements for the online collaboration system, PartnerNet to support the accountability, salmon plan implementation and education/outreach functions of the Action Agenda.
2. Develop requirements for the Action Integration Management System (AIMS), PSP's first generation accountability tracking system.
3. Seek stakeholder input on data requirements (GMAP measures team, budget/finance staff from state agencies and a representative group of implementing entities.
4. Acquire DIS approval of requirements.
5. Issue Procurement by July 2009 for PartnerNet. Issue a separate procurement, if necessary, for AIMS.
6. Select a vendor to build the system.
7. System development.
8. Integrate existing action tracking records from PSP's SharePoint site and other Excel spreadsheets.
9. Develop schedule and technical support to invite implementers, not funded through state funds or the salmon plan, to report actions that contribute to the action Agenda.
10. Launch PartnerNet and AIMS for reporting by February 15, 2010.

Track Three: Identify the "universe of actions" or the scope of actions and funding that will be tracked under the Action Agenda.

The third track will involve identifying resources and funds dedicated to the Action Agenda that will feed into the accountability system. This will involve capturing information about the implementing entity, the inputs of time, effort and money dedicated to an action, the location of the work and its expected outputs. Once the data system is built, as a place to store the information

Partnership Response (continued)

from the other two tracks of work on goals and actions, the Puget Sound Partnership will do the analytical work to integrate the information into a consolidated picture of the Action Agenda. This will allow the agency to track spending, performance and intermediate outcomes related to implementing specific action in the Action Agenda. PSP understands that strength in this area will facilitate tracking individual actions and making more informed recommendations for action, monitoring, science and funding decisions going forward. Current tasks and milestones for this track include:

1. Request state agencies to confirm their commitments, identified by PSP, to implement Near Term Actions in the Action Agenda. Agencies will identify where they have funding and where they do not so that PSP can identify what each agency will be doing over the course of the 2009-11 biennium to advance the Action Agenda.
2. May 15-June 5.
3. PSP will confirm the levels of funding available for each near term action, the implementing entity, the lead staff person and their contact information.
4. PSP will assign staff to each near term action.
5. PSP will negotiate the scope of work and reporting requirements for near term actions with the implementing entities. Basic reporting will require geographic location, expenditures, milestones and outputs. PSP will propose that implementing entities report every six months on progress.
6. PSP will work with OFM and state agencies to design a process to capture data through AFRS, the OFM accounting system.
7. PSP will negotiate with implementing entities under the salmon plans to report through existing systems and work to standardize data collection to make coordination possible.
8. Implementing entities will report performance data for the July 2009-January 1 2010 reporting period by March 2010.

These three track of work will come together in the initial performance report, due on November 1, 2009, will primarily be prospective for the first biennium for the Action Agenda. The report will show the strategic framework as developed from existing work and applying the Open Standards to the Action Agenda. The report will present the current status of the ecosystem and report on the indicators identified in the strategic framework. The report will also present the intermediate outcome measures that will track the progress on the management actions and strategies in the Action Agenda and will show the funds directed toward each intermediate outcome. Progress on those measures will be reported for the first time in 2010 to account for work done in the first six months of the biennium.

JLARC Question #8

What is the Partnership doing to hold entities accountable for implementation of near-term actions prior to the accountability mechanisms being in place?

- Please address specifically how the linkage between science-based outcomes as required in statute is tracked and maintained in the absence of an accountability system. Use as

an example a specific near-term action: A.3.6—“*Establish local water masters in each watershed to increase water code compliance and enforcement. Provide funding for water masters to be a local contact to water users, provide a local compliance presence, protect the resource, reduce water use, and protect senior water rights, including instream flows.*” The example should begin with the science driving the near-term action, show all relevant intermediate steps, and conclude with discussion of how expenditure tracking will take place.

- Please also provide an illustration of milestones in the tracking of this near-term action.

Partnership Response

The Partnership has a limited ability to hold entities accountable prior to accountability mechanisms being established. The goal of the 2009 State of the Sound report as discussed in the answer to the previous question is to establish a baseline for tracking actions, funding, and performance. Between now and November the Partnership will work with state agencies to build this baseline and ensure that it is accurate. The Partnership will work with state agencies on reporting on progress in the spring of 2010 to account for work on the first six months of the biennium.

The Action Agenda issued a road map of near term actions for implementing entities on December 1, 2008. Those near term actions emerged from the development of the Action Agenda as valuable in helping advance one or more of the six ecosystem goals articulated in PSP's enabling statute. An analysis of the example action, establish local water masters, in light of the work done to build the Action Agenda can provide the key elements of accountability: the rationale for the action, the responsible party, the geographic targeting of the action and funding provided to implement. This example will show that accountability for commitments made under the Action Agenda needs to begin with a conversation about expectations for the action, resources allocated and a reconciliation of an implementers' expectations with those of the Puget Sound Partnership.

The following information relates to the Puget Sound Partnership's assessment of the near term action, its basis in science and policy and the dependencies that will influence its effectiveness in improving the status of water quantity in the Puget Sound Basin. The action was recommended during the topic forum process for water quantity as an effective strategy to address threats to in-stream flows:

Near term action: A.3.6, Water Masters in all watersheds

Activity type: regulation/compliance/enforcement

Primary goal benefitted: Water for People, Fish and Wildlife

Indicator: Stream Flows to Puget Sound Marine/Nearshore Habitat

Data Source: USGS <http://water.usgs.gov/waterwatch/?m=mv01d&r=wa&w=map>

Threat addressed: water withdrawals and diversions

(See Threats/Drivers Summary)

Geographic scope: 19 Puget Sound WRIAs

Dependencies:

Partnership Response (continued)

Near term action A.3.1,

In-stream flow rules need to be set in any WRIA before a water master could enforce compliance.

Near term action A.3.2: Existing in-stream flow rules were established before the science quantified flows necessary for fish or the impacts of climate change. (See Water Quantity Topic Forum Paper)

Adequate funding: No new funding was provided for Water Masters in the 2009 legislative session.

Political sensitivity: High

The Department of Ecology provided the following information about their plans to implement the near term action in the 2009-11 biennium. Given the lack of new funding and other priorities/dependencies related to preserving water quantity, the scope of the water masters program is limited in Puget Sound WRIAs.

Lead Implementing entity: Ecology, Water Resources Program

Responsible staff person: Ken Slattery, program manager

Contact e-mail: kshw461@ecy.wa.gov

Contact phone: 360-407-6602

FTEs: 1.5 FTEs

Ecology Budget Activity: A035, Promote compliance with Water Laws

Budgeted amount: \$865,000 (source: PSP) \$577,856 (source: Ecology)
(operating budget)

Action Agenda target: 16 of 16 WRIAs critical for salmon have a water master

Ecology commitment: 1.5 of 16 WRIAs have a water master
(Nooksack and Skagit/Stillaguamish Basin)

Performance measure: metering orders in 16 critical WRIAs
(Measure of compliance with existing rule)

Ecology has provided a logic model (attached) that shows their position on how the Water Master role in compliance leads to a protection of water quantity.

Even before a mature accountability system for the Action Agenda is in place, significant discussions clarifying commitments to near term actions can begin. PSP and agencies must agree to the resources allocated to a program or goal and ensure that the implementer prioritizes resources to the areas of greatest need relative to Action Agenda objectives. In this case, for instance, the Ecology logic model leads to a statewide goal for the agency. Once the PSP strategic framework and indicators are operational, the logic model will attach the near term action to the relevant Action Agenda goal. The ranking of threats such as water withdrawals and diversions by Action Area will allow the Partnership to set the priorities for which WRIAs should get Water Masters in the absence

Partnership Response (continued)

of full resources to implement the action. A broader conversation about the ultimate intent to protect water for people, fish and wildlife and the approach ecology will take to advance that goal would clarify which near term actions will be taken first, such as setting in stream flow rules. Lastly, as agency budgets are more closely lined up with the Action Agenda near term actions, we will be better able to track FTEs and budgets for Puget Sound specific actions. Currently, Puget Sound activities are often a portion of a statewide budget and program wide work plan. Orienting agencies and other implementers to manage toward Puget Sound goals will advance over the first biennium of implementing the Action Agenda.

JLARC Question #9

Statute calls out science as the basis for the Action Agenda. Two future milestones related specifically to this scientific underpinning are: 1) A science update by April 2010 to serve as selection of indicators measuring the health of Puget Sound and to serve as the scientific basis for the status and trends of environmental indicators; and, 2) A Washington Academy of Sciences assessment by December 2010 of restoration progress to determine the extent to which implementation of the Action Agenda is making progress toward meeting its goals and whether indicators accurately measure and reflect progress.

- What is the status of the science update? Please include past and future milestones.
- What is the status of the Academy of Sciences assessment? Please include past and future milestones.

Partnership Response

RCW 90.71.290 requires the Partnership's Science Panel to complete a Puget Sound Science Update by April 2010. Please see the attached Puget Sound Science Update Document for outlined process, content and schedule for completing this work. This plan is to be discussed at the May 27, 2009 Leadership Council Meeting.

As of May 2009, the Partnership has not definitively determined if the Washington State Academy of Sciences will complete the assessment of basin-wide restoration progress by December 1, 2010. RCW 90.71.380 specifies that the Academy shall conduct the assessment subject to available funding. Funds for this assessment were not appropriated in the state operating budget for the 2009-2011 Biennium. The Partnership will contact the Academy and establish the costs of such an analysis and determine if there is funding available in the Partnerships' budget to complete this work.

The Partnership's Science Panel and staff have met with the president of the Washington State Academy of Sciences and discussed the assessment and the Partnership's selection of environmental indicators. As of Spring 2009, discussions are ongoing and may lead to the engagement of the Academy, or Academy leaders or members, in an assessment of the environmental indicators adopted by the Partnership.

APPENDIX 1 – DETAIL OF MATERIALS SUBMITTED BY PARTNERSHIP TO ANSWER JLARC QUESTIONS

1A. Partnership's Cover Letter

1B. Partnership's Answers to JLARC Questions

1C. Partnership Information on Coordination of 2010 Budget

1D. Partnership Information on State Grant and Loan Program Review

1E. Partnership Information on 2009-11 Budget Funding

1A. Cover Letter



STATE OF WASHINGTON

May 22, 2009

Ms. Ruta Fanning
Legislative Auditor
Joint Legislative Audit and Review Committee
P.O. Box 40910
Olympia, WA 98504-0910

Dear Ms. Fanning:

Per your request in the April 1, 2009 letter, attached you will find the Puget Sound Partnership's response to your questions regarding Action Agenda implementation, tracking and monitoring results. As you will see from the attachment, the Partnership is in various stages of implementing its statutory requirements. We will continue to work through the 2009-11 Biennium to meet and refine this important work.

If you have any questions please contact myself or Lynda Ransley our Deputy Director.

We look forward to our presentation to the Joint Legislative Audit and Review Committee on June 17th.

Sincerely,

David D. Dicks
Executive Director

Attachment

CC John Wooley, Research Analyst, JLARC

1B. Question Answers

Puget Sound Partnership

June 24, 2009

Response to JLARC April 1, 2009 Questions

ACTION AGENDA IMPLEMENTATION ISSUES

The JLARC questionnaire summarizes the responsibilities of the Partnership under three areas:

- Developing, prioritizing, and revisiting solutions.
- Overseeing implementation.
- Tracking and monitoring results.

The Partnership recognizes that the importance of, developing and revising the Action Agenda, overseeing its implementation and tracking results through a performance management system is at the center of the agency's responsibilities. However, it is important to understand that these are not the only responsibilities of the Partnership. Other responsibilities can be defined, including:

- **Salmon Recovery Coordination:** RCW 77.85.090(3) specifies that the Leadership Council shall serve as the regional salmon recovery organization for all Puget Sound Salmon species except for Hood Canal summer chum. This work involves assisting local salmon recovery organizations to develop and fund three year workplans of salmon recovery projects, assist in project implementation where needed, and coordinating local salmon recovery science and monitoring work. Implementation of three year workplans is identified as a high priority in the Action Agenda (Priority B.1 (1)). The goal of the Action Agenda is to integrate these salmon recovery activities with the implementation of the broader ecosystem recover goals.
- **Science:** RCW 90.71.290 specifies that the Partnership's Science Panel shall develop a Strategic Science Program and a Biennial Science work plan to direct science and monitoring activities related to Puget Sound recovery. It also requires the completion of a Puget Sound Science update by April 2010. In addition to completing this work, the Biennial Science work plan identifies specific actions that the Partnership is required to implement. Implementation of science actions is included in the Action Agenda (Priority E.3).
- **Public Education and Volunteers:** RCW 90.71.230(1)(g) provides the Leadership Council with the power and duty to promote extensive public awareness, education and participation in Puget Sound protection and recovery. RCW 90.71.300 (2)(h) also establishes an objective for the Action Agenda to build and sustain the capacity for action. This responsibility has been also been specified by the Legislature through a budget proviso in the 2009-11 Operating Budget, which provides \$1.75 million solely to support public education, and volunteer programs, the majority of which is to be provided as grants. Communicating, messaging and educating the public, state and federal agencies, local governments, and tribes is critical to build support for overall Action Agenda implementation and influencing and affecting the pacing of all other performance management decisions. Public Education, Outreach and Volunteer actions are included in the Action Agenda (Priority E.4).

OVERSEEING IMPLEMENTATION

1. Aligning legislatively passed budgets with Action Agenda priorities

There are two requirements related to state grant and loan programs established in statute. RCW 90.71.340 (4) requires the Partnership to work with state agencies that provide specific grant and loan programs that impact the health of Puget Sound to develop consistent funding criteria that prohibits funding projects and activities that conflict with the Action Agenda.

RCW 90.71.370(3) requires the Partnership, with the assistance and active collaboration of the agencies administering these programs, to review specific state grant and loan programs including a) evaluating the procedures and criteria in each program for determining which projects and activities to fund, and their relationship to the goals and priorities of the Action Agenda; b) assessing methods for ensuring that the goals and priorities for the Action Agenda are given priority when funding decisions are made regarding water quality and habitat related projects in Puget Sound; c) extent that agencies have modified their funding criteria to make projects, programs and activities that are inconsistent with the Action Agenda ineligible for funding. An initial review is to be completed by November 1, 2009 with a final review in November 1, 2010.

In addition, ESSB 5372 (Laws of 2007) which established the Partnership, also amended the statutes for specific grant and loan programs, requiring them to give consideration to project applicants that are designated as Puget Sound partners, whether the project is referenced in the Action Agenda, and prohibits funding after January 1, 2010 any projects designed to address the restoration of Puget Sound that are in conflict with the Action Agenda.

To meet these statutory requirements the Partnership has convened a funding review workgroup of state agencies to collaboratively develop an efficient, effective and consistent process. Partnering agencies include the Recreation and Conservation Office (RCO), the Department of Ecology (DOE), the Washington Conservation Commission, the Department of Health and the Department of Community Trade and Economic Development (CTED). The first meeting was held on May 13th, 2009 with the next meeting scheduled for June 1st, 2009. Jim Cahill, Director of Accountability and Budget and Linda Lyshall, Regional Liaison are the PSP staff assigned to this effort.

To date, we have discussed the legislative requirements and options to modify each of the grant and loan programs to ensure alignment with the Action Agenda, and to give preference to Puget Sound partners. Below is the information you requested related to specific grant and loan programs.

Water Quality Account* and Water Pollution Control Revolving Fund

- . Changes would need to be made by August 1, 2009 to meet FY 2011 funding cycle.
- . Department of Ecology is analyzing how it will adjust their existing processes to meet these statutory requirements. DOE may have enough flexibility within existing program state statutes, rules, policies and guidelines and the federal Clean Water Act to revise rating and ranking criteria.
- . If rule making were needed, it would take about nine months to complete.
- . DOE Contact: Steve Carley, Water Quality Financial Section

* (ESSB 5073 (Laws of 2009) modified RCW 90.71.370 to eliminate the Water Quality Account and now refers to Water Pollution Control Facilities Financing)

Public Works Assistance Account

- . Public Works Board is planning to revise its program in 2010 for the next funding cycle in the 2011-2013 Biennium.
- . CTED contact: Cheryl Smith, Director’s Office

Aquatic Lands Enhancement Account (ALEA), and Acquisition of Habitat Conservation and Outdoor Recreation Land

- . Changes would occur through changes in grant policies by the Recreation and Conservation and Funding Board (RCFB).
- . Approval of policy changes is needed by March 2010 in order to make the 2011-13 Biennium capital budget timeline.
- . Preview/timeline agenda item planned at the July 2009 RCFB meeting.
- . Update should occur in September and approval in November 2009 or January 2010.
- . This timeline is intended to meet the 2011-2013 Washington Wildlife and Recreation Program (WWRP) and ALEA grant cycles.
- . RCO contact: Dominga Soliz, Policy and Planning Specialist

State Toxics Control Account and Local Toxics Control Account and Clean-up Program

- . Review will be discussed by the Department of Ecology in June 2009.
- . Changes will be implemented by rule.
- . The Remedial Action Grant (RAG) Rule (Chapter 173-322) is scheduled to commence rule making in the summer of 2009. It will be of limited scope, focused on implementing the recent statutory changes to the program by the passage of HB 1761 (2007 Session).
- . Additional direction will be provided through guidelines updated every biennium.
- . DOE Contact: Jim Pendowski, Toxics Cleanup Program Manager

Salmon Recovery Funding Board

- . Changes would occur through changes in grant policies by the Salmon Recovery Funding Board.
- . There will be a preview at the August 2009 meeting, an update in October 2009, and approval in December 2009.
- . This will go into effect for the 2011 SRFB grant cycle. This timeline will not meet the 2010 SRFB grant cycle. Lead entities submit ranked projects on September 1st, 2009.
- . RCO contact: Dominga Soliz, Policy and Planning Specialist

Community Economic Revitalization Board

- . Board action and statute change would be needed to meet these requirements.
- . Funding decisions are made six times each year.
- . The Board will likely not make any changes until statute changes are made, which means this would not go into effect until the 2011 fiscal year.
- . The requirement is currently not listed in their statute, RCW 43.160.
- . The Board might discuss the review requirement at their July 2009 meeting.
- . CTED contact: Cheryl Smith, Director’s Office

Conservation Commission Grant Programs (Required but information not requested by JLARC)

- . Revisions to conservation district work plans to align with the Action Agenda is already completed.

- The Conservation Commission Board, at the July 2009 meeting, will consider partner designation criteria. Any additional changes would occur through grant policy revisions by the Conservation Commission Board and would take effect for the 2011 fiscal year.
- Conservation Commission contact: Ron Schultz, Director of Policy & Inter Governmental Relations

Please see attached draft spreadsheet for additional information on all reviewed funds and programs. This spreadsheet that shows the amounts appropriated to state agencies related to implementation of the Action Agenda and tied to specific actions in the Action Agenda.

This list is currently being reviewed by state agencies to confirm the amounts and the specific actions. Due to the significant across the board or unspecified budget reductions included in the 2009-11 Operating Budget obtaining final numbers for tracking actions may take several months. The Partnership is committed to finalizing the budget amounts no later than November 1, 2009 and will include this as part of the State of the Sound update required by RCW 90.71. 370(3).

2. Action Agenda Synchronization with 2010 Supplemental Budgets

Under RCW 90.71.320 the Partnership’s responsibilities regarding budget development is focused upon development of the biennial budget requests. Under this statute, state agencies responsible for implementing elements of the Action Agenda are to provide to the Partnership (by June 1st of each even-numbered year) their estimates of the actions and the budget resources needed for the forthcoming biennium to implement their portion of the Action Agenda. The Partnership is then to work with state agencies to achieve consistency with the Action Agenda related budget requests for submittal to the Governor for the biennial budget request.

Although not required by statute, the Partnership will work with state agencies as they develop supplemental budget requests to the Governor to ensure that they align with implementation of the Action Agenda. On May 15th, 2009 the Partnership sent a letter to agencies that are part of the Puget Sound state caucus requesting information on their schedule for development of legislation and supplemental budget requests (see attached letter). Options for coordinating these requests will be discussed at the June 8, 2009 state caucus meeting.

In terms of the state grant and loan programs described in Question 1, the Partnership will work diligently to complete its work required for agencies to modify these programs, but it is unlikely that the state agencies will be able to modify their grant and loan programs in time to significantly influence projects selected in the second year of the 2009-11 Biennium. Many of the programs referenced in question 1 make biennial budget requests and do not request additional funding in the budget process in the Supplemental budget process. Programs with annual grant rounds include:

- Water Pollution Control Revolving Fund
- Water Pollution Control Facilities Financing
- Public Works Assistance Account
- Salmon Recovery Funding Board Grants

3. NOAA Economic Recovery Funding

On March 6, 2009 the National Oceanic and Atmospheric Administration (NOAA) published an announcement of federal funding opportunity (FFO) NOAA-NMFS-HCPO-2009-2001709) for the NOAA Coastal and Marine Habitat Restoration economic recovery funding. At the request of the Governor, the Recreation and Conservation Office (RCO) was asked to coordinate a review of NOAA grant proposals to identify proposals that met and exceeded the NOAA grant requirement for consideration for Governor endorsement.

As part of this effort, the Partnership was asked to review Puget Sound project proposals. The Partnership conducted an initial review of habitat restoration projects totaling over \$150 million of proposals likely to be submitted to NOAA. From this larger list, the Leadership Council, at its March 31, 2009 meeting approved a list of Puget Sound priority projects, totaling approximately \$50 million. This list was submitted to RCO, representing the Puget Sound component of the total list of Washington state projects. The RCO submitted a statewide list of projects for endorsement by the Governor. The Governor endorsed a statewide list of projects on April 6, 2009.

- The scoring process used to determine which projects should be included on the list and which should not.

The Partnership did not use a points based scoring process to review projects to be included on the list for Governor’s endorsement. It would be more accurate to describe the process used by the Partnership as a screening process. The goal of this process was to identify projects that best met the evaluation criteria established in the NOAA FFO and that advance near-term Action Agenda priorities. The Partnership and RCO chose not to produce a prioritized rank list of proposals because the 30-day time frame to complete this work did not allow the development of a defensible process. In addition, this ranking would not play a significant role in the final evaluation of all project requests by NOAA. NOAA’s FFO criteria for proposed projects to be competitive included, among other things, readiness, jobs created, ecological benefits, and consistency with NOAA species recovery planning efforts.

In completing this review, projects were first screened based upon the NOAA criteria of readiness to proceed. Evaluation of project readiness was done using the category of “permitting status” as a proxy for readiness. Project permitting status broke into five categories of readiness: 1) permits in-hand; 2) some permits in-hand, some permits submitted awaiting approval; 3) all permits submitted awaiting approval; and 4) some permits submitted awaiting approval, some permits planned to be submitted; and, 5) no permits submitted. Projects that fell into the first and second category of readiness were then evaluated based upon their ecological benefits and ability to meet Action Agenda priorities. (See next question for additional information)

The Puget Sound Partnership encouraged all sponsors with projects they felt met the NOAA criteria to apply to NOAA for funding regardless of whether they were advanced by the Leadership Council for consideration to the Governor for endorsement.

- How determinations were made of how the projects contributed to meeting scientific goals and priorities.

In addition to NOAA’s FFO criteria regarding projects’ scientific merit and consistency with the NOAA-approved Puget Sound Salmon Recovery Plan, the Action Agenda, Table 4-1 (pages 88-92), provides specific guidance on assessing ecological benefits of restoration actions. Most Puget

Sound habitat restoration projects fell within Priority B, Restoration (page 90). Table 4-1 includes ranked priorities for near-term restoration actions. These priorities are:

1. Restoration projects from salmon recovery three-year work plans and the Estuary and Salmon Restoration Program.
2. The Puget Sound Nearshore Partnership General Investigation.
3. Restoration at the mouths of major river systems.
4. Coordinated incentive and technical assistance programs for landowners.
5. Derelict gear removal.
6. Bellingham Bay.
7. Port Angeles Harbor.
8. Floodplain and river process restoration.
9. Remove blockages of ecosystem processes; provide access to habitat.
10. Duwamish Bay.

The highest ranking near-term priority action under the Action Agenda’s restoration priority is implementation of watersheds’ salmon recovery three-year work plans, which are updated annually and identify the actions necessary to advance the Puget Sound Salmon Recovery Plan at the local and regional level over the next three years. Actions in three-year work plans go through a rigorous local and regional technical and policy review process to assess whether projects are science-based, fit with the local recovery plan strategies and priorities, and will deliver desired results.

As a result of this process, projects included in a watershed three-year work plan are assumed to meet the scientific goals and objectives for salmon recovery. Other federal or state resource management/restoration plans were also considered, as project proposals identified them, to gauge ecological benefit. Greater consideration was given to projects that also meet the other Action Agenda priorities.

- Who or what group created the recommendation to the Leadership Council for final funding decisions?

The recommendations to the Leadership Council was developed by the Partnership’s salmon and watershed recovery staff, through a consultative process with the Partnership Management Team as well as the Partnership’s Ecosystem Coordination Board, the Puget Sound Salmon Recovery Council, Puget Sound Watershed Leads, and other interested parties.

Partnership staff completed the initial review and identification of projects for consideration for the Governor’s endorsement based upon the projects ability to meet the NOAA FFO criteria and Action Agenda near-term priority actions. A draft list of proposed Puget Sound projects, along with the full list of reviewed projects, was posted on the Partnership’s website and circulated to the Partnership’s Ecosystem Coordination Board, the Puget Sound Salmon Recovery Council, Puget Sound Watershed Leads, and other interested parties. Despite the very short timeline for preparing applications for funding, the Partnership wanted to engage the public in the process to identify projects for the Governor’s endorsement, and made the list available for public comment from March 20 to March 24. Comments focused on whether the projects on the list strongly advance the Action Agenda and, to the extent information was available, on whether projects on the list meet the criteria of NOAA’s FFO. As part of the public comment for this effort, the

Partnership conducted a teleconference on Monday March 23, 2009. During this call, Partnership staff described the Partnership’s process and answered questions about the process.

The Puget Sound Salmon Recovery Council reviewed the process for identifying priority projects that advance the Action Agenda and implement the Puget Sound Salmon Recovery Plan at its regularly scheduled meeting on Thursday, March 26, 2009. The Recovery Council affirmed the process and supported projects on the list that advance the Puget Sound Salmon Recovery Plan, acknowledging there are many other important projects that should be considered which benefit salmon recovery and Puget Sound recovery.

Based on the public comment, Recovery Council advice, and staff compilation, a final project list was submitted to the Partnership Leadership Council. The Leadership Council affirmed the process for developing the list at its March 31, 2009 meeting and recommended projects on the list move forward to the Governor for consideration of endorsement. These project proposals also received a Partnership letter of endorsement.

- How the funding will be identified in any state budgets or information submitted to the Legislature. Will it be tracked in any state financial systems? If not, how will it be tracked?

The NOAA Coastal and Marine Habitat Restoration Project Grant funding is not being administered by any state agency. Grants are awarded directly and administered by NOAA. Funding will not be identified in any state budgets, except for grants awarded to state agencies. State agencies that are also project sponsors will be responsible for tracking and reporting on funding received from NOAA for those specific projects.

Grant recipients receiving federal stimulus funding under the American Recovery Reinvestment Act of 2009 are required to report to the granting agency quarterly on its expenditure of these funds (Section 1512). This information will then be made available on the granting agencies recovery website. The Office of the Governor also intends to collect information on the expenditure of federal stimulus funding provided to the state. The Partnership can then use both of these sources to track expenditures. The Partnership will work with granting agencies and the Governor’s Office to collect the detailed grant information.

- Any other stimulus funding the Partnership is involved with and the process being used to prioritize that funding.

The only other stimulus funding that the Partnership was involved with was the additional \$70 million in stimulus funding provided by the Environmental Protection Agency (EPA) for the Washington State Clean Water Revolving Fund administered by the Washington State Department of Ecology (DOE). DOE closed applications for this source of stimulus funding on March 13, 2009. The Partnership reviewed the Puget Sound pollution prevention projects proposed to Ecology, and on April 9, 2009 submitted a letter recommending that DOE fund 22 Puget Sound projects (See attached letter). These projects were reviewed by PSP staff and recommended because they advanced Action Agenda near-term priorities (Table 4.2, pages 93-126) or were explicitly identified in the Action Area profiles (pages 145-187).

The Partnership anticipates working with federal agencies to track expenditures and outcomes from federal stimulus funding for projects in Puget Sound. Other projects currently identified as contributing to Puget Sound recovery include:

Elwha Dam Removal (\$54 million) National Park Service

Nisqually Estuary Restoration (\$3.6 million) US Fish and Wildlife Service

Diesel Emission Reductions (\$792,000) Washington Department of Ecology

Washington State Clean Water Revolving Fund (\$27 million) Washington Department of Ecology

Habitat Restoration Projects (TBD) NOAA

4. How is the Partnership determining who is a Puget Sound Partner? Please provide milestones and dates for the process of identifying Partners.

RCW 90.71.340(3) requires the Partnership to develop a process and criteria by which entities that consistently achieve outstanding progress in implementing the Action Agenda are designated as Puget Sound Partners. State agencies are required to work with the Partnership to revise their grant and loan program criteria to create a preference for entities designated as Puget Sound Partners.

The Partnership is currently working with other agencies and organizations to determine who is a Puget Sound partner. It is envisioned that the specific criteria will be developed based upon the type of entity that is receiving a state grant or loan.

At its February 2009 meeting the Leadership Council identified designating Partners as a priority work item for the Partnership. An initial outline of the issue was discussed at the April 23 2009 meeting of the Ecosystem Coordinating Board. The Partnership has created a workgroup to help in the development of criteria for designating Partners. The group presently includes representation from state agencies and counties. The group is being expanded to include representation from special purpose districts, cities and federal agencies. This group had its first meeting on May 11, 2009 and future meetings are planned. The Partnership and the workgroup is developing a series of options for designating Partners. These options will then be shared and evaluated by a broader group of stakeholders as well as the ECB at their July or September 2009 meeting. Final approval by the Leadership Council is expected to occur at their July or September 2009 meeting.

5. Partnership Staffing Structure

The Partnership is currently evaluating its organizational structure based on the following:

1. Statutory obligations, including performance management;
2. Agency operations, core functions;
3. Action Agenda priorities, and agency roles identified in the Action Agenda necessary to successfully implement; and
4. Available financial resources.

As you are aware, the agency has a complex, far-reaching and challenging purpose. Since the completion of the Action Agenda, agency staff have been analyzing what it will really take to effectively accomplish this important work. The Management Team, in conjunction with the Leadership Council and staff, is in the process of defining, prioritizing and clarifying roles of the agency, against the available resources. As noted above, this analysis is taking into account statutory obligations, basic agency functions, specific PSP work under the Action Agenda, and the range of agency-level functions necessary to effectively and successfully achieve the priorities of the Action Agenda amongst its many implementers. In addition to standard agency functions,

PSP’s roles currently identified include Action Agenda planning and revision, coordination of Action Agenda implementation, performance management, science and monitoring, communications, Leadership Council, Ecosystem Coordinating Board and Science Panel administration, outreach/engagement, local support/integration, and technical assistance.

The analysis is in-progress and has identified organizational work groups indicated below. These proposed groups, along with priority functions, specific positions, required expertise, and available resources will be clarified over the next few months. Please note that the structure outlined below is based on identified need – not available funds – and is likely to be modified between now and November 2009. Also note that the outline represents functions, not necessarily positions. The Partnership received \$1.089 million less from the Legislature for the 2009-11 Biennium than proposed by in the Governor’s budget. Although the Partnership is also looking to National Estuary Program funding as a means of offsetting these cuts, these reductions will impact the staffing structure of the Partnership.

Tentative work groups and functions:

Executive Management

Agency Support

Administration

Human Resources

Public Affairs

Council/Board Support

Agency Communications, Web and Graphics

Action Agenda Implementation

Financial and Performance Management

Financial Management

Accounts Payable

Fiscal/Contracts

Grant Administrator

Performance & Data Management

Performance Management

Information Management

Data Management

Information Technology

Planning & Policy

Action Agenda Management

Planning & Policy, Emerging Issues

Science & Monitoring

Science Liaison

Regional Monitoring Program

Biennial Science Work Plan - Agency Priorities

Technical/Applied Implementation Specialists

Stormwater

Nutrients/Pathogens/Nearshore

Aquatic Invasive Species

Land Use/Regulatory

Local Implementation & Salmon Recovery

Local Implementation/Integration

Salmon Recovery

Public Awareness and Engagement

Regional Outreach

Outreach Network Coordination & Support

These structural changes will be discussed at the Leadership Council meeting in July 2009. It is anticipated that the revised structure be defined by July 2009 and the hiring completed by the previously identified date of November 2009.

6. Resolving Noncompliance Issues

RCW 90.71.350 requires the Partnership to develop a process to identify and resolve noncompliance issues by entities implementing the Action Agenda. There is no specific date specified to implement these requirements. The Partnership has not initiated work on this task. Determining noncompliance is linked in many ways with the process to designate Puget Sound Partners. Work done to determine criteria for designating Partners will help tremendously in determining whether an entity is in compliance with the Action Agenda. The Partnership anticipates developing this process in the second year of the 2009-11 Biennium.

TRACKING AND MONITORING RESULTS

1. Detailed list of task and dates to implement the accountability mechanism

The Puget Sound Partnership was created to address the lack of coordination and the fragmentation of efforts to restore and to protect the Puget Sound ecosystem. The extensive initiative led by Puget Sound Partnership staff last year to build the first iteration of the Action Agenda took a significant step in the direction of providing leadership, coordination and focus for the region's efforts. The Puget Sound Partnership recognizes the critical importance of the next step, as called out in Section E.1 of the Action Agenda, of implementing the Action Agenda and organizing information and reporting relationships in order to track progress and the effectiveness of the Action Agenda.

The agency work-plan between now and November 1, 2009 will be oriented towards:

- Clarifying the strategic framework of the Action Agenda,
- Identifying measures of the status of the ecosystem and of the effectiveness of the strategies recommended in the Action Agenda
- Working with implementing entities to assess how well their budgets and activities are lined up with the Action Agenda.

This work will build upon the existing work done in 2008 around development of indicators, threats and drivers analysis and scientific topic forum papers.

In order to organize our work between now and November, the Puget Sound Partnership has adopted a structured process and methodology called the “Open Standards for the Practice of Conservation.” This methodology was developed by a consortium of leading NGOs active in the field of conservation that struggled to track projects and report progress to their donors. The Open Standards framework is applicable to the Action Agenda and can guide the implementation of projects, plans and monitoring in a cohesive way. The Open Standards, available at www.conservationmeasures.org, recommend a five-step process in implementing projects, similar to the adaptive management system envisioned in the Action Agenda. The Partnership will adapt these steps in the coming months to develop the accountability mechanisms described in E.1 and necessary to provide the information that will be produced in the November 1, 2009 State of the Sound report to the Governor and the Legislature. It will also use a software system known as Miradi to document and develop the accountability mechanisms.

The Puget Sound Partnership will drive its work-plan on three separate tracks, up until the late summer of 2009 when the various elements will be integrated. This will represent the first generation of our accountability system.

Track One: Apply the Open Standards to the Action Agenda

The first track will apply the Open Standards to the Action Agenda and develop a reporting set of indicators, a set of near term benchmarks for intermediate outcomes of Action Agenda progress and a set of results chains that show the science and policy judgments behind the Action Agenda’s priorities and recommended actions. This track represents the reporting framework for the Action Agenda as a whole and is the basis on which its strategies and effectiveness can be tracked and adaptively managed. The Partnership has retained the services of the nonprofit Foundations of Success (www.fosonline.org), to train and guide Partnership staff in completing this work. A series of workgroups made up of PSP staff, science and policy experts, and selected stakeholders will complete this work. The results of this work will then be reviewed with the Ecosystem Coordinating Board and the Leadership Council. Current tasks and milestones for this track include:

1. Open Standards Workshop: Introduction, training and initial framework, use of supporting Miradi software. Lead by Foundations of Success.
May 12-14, 2009
2. Work groups refine choice of Key Ecological Attributes (KEAs) and data sets to measure the statues of the KEAs. Produce first generation reporting set of indicators for November 1 report. (Narrowing the indicators from the Action Agenda, work of O’Neil, et al 2008)

May 18-June 5.

3. Work groups refine and rank the importance of threats to the status of the Puget Sound Ecosystem. Rank the level of certainty/science supporting each ranking to inform later choices of research priorities. Document the level of certainty/science in Miradi, the supporting software. (Integrating the threats/drivers work for the Action Agenda, Ruckelshaus, et al, 2008)

May 18-June 5 2009

4. Organize pairs of threats and KEAs and assign analysis to expert work groups. Work groups will develop logic models, also called results chains in the Open Standards, to show the links between a recommended action or strategy in the Action Agenda and the intended outcome. This work will support selection of performance measures or intermediate outcomes, of Action Agenda progress.

June 5-June 19.

5. Vet the products of the work groups with other work groups. Prepare products to present in a facilitated workshop with Foundation of Success.

June 19-June 29.

6. Present work for review and revision with facilitators from Foundations of Success, Open Standards and Miradi software experts.

June 29-July 1.

7. Revise Workshop Products into an integrated strategic framework for the Action Agenda.

8. Vet the strategic framework with the Leadership Council, ECB and Science Panel. Brief the boards throughout the development process and present for final approval in July.

July 1-July 31.

9. Confirm work plans and staffing assignments to develop measures of ecosystem status and effectiveness (indicators and intermediate outcomes/performance measures) to deliver data and reports for the November 1 performance report.

July 6-July 17.

10. Provide strategic framework to the lead on implementation of the data strategy.

July 31.

Track Two: Implementing the Puget Sound Partnership's data strategy

The second track will be implementing a data management strategy for the Partnership.

Beginning in the fall of 2008 the Partnership has been developing a data strategy to support the performance management, scientific, and public outreach efforts. This strategy must be designed to accept different kinds of data coming from many different sources, including financial data from AFARS, monitoring and other environmental data from many around the region, project data from all our implementers including salmon projects and performance data. Current tasks for this track include:

1. Develop requirements for the online collaboration system, PartnerNet to support the accountability, salmon plan implementation and education/outreach functions of the Action Agenda.

2. Develop requirements for the Action Integration Management System (AIMS), PSP's first generation accountability tracking system.
3. Seek stakeholder input on data requirements (GMAP measures team, budget/finance staff from state agencies and a representative group of implementing entities.
4. Acquire DIS approval of requirements.
5. Issue Procurement by July 2009 for PartnerNet. Issue a separate procurement, if necessary, for AIMS.
6. Select a vendor to build the system.
7. System development.
8. Integrate existing action tracking records from PSP's SharePoint site and other Excel spreadsheets.
9. Develop schedule and technical support to invite implementers, not funded through state funds or the salmon plan, to report actions that contribute to the action Agenda.
10. Launch PartnerNet and AIMS for reporting by February 15, 2010.

Track Three: Identify the "universe of actions" or the scope of actions and funding that will be tracked under the Action Agenda.

The third track will involve identifying resources and funds dedicated to the Action Agenda that will feed into the accountability system. This will involve capturing information about the implementing entity, the inputs of time, effort and money dedicated to an action, the location of the work and its expected outputs. Once the data system is built, as a place to store the information from the other two tracks of work on goals and actions, the Puget Sound Partnership will do the analytical work to integrate the information into a consolidated picture of the Action Agenda. This will allow the agency to track spending, performance and intermediate outcomes related to implementing specific action in the Action Agenda. PSP understands that strength in this area will facilitate tracking individual actions and making more informed recommendations for action, monitoring, science and funding decisions going forward. Current tasks and milestones for this track include:

1. Request state agencies to confirm their commitments, identified by PSP, to implement Near Term Actions in the Action Agenda. Agencies will identify where they have funding and where they do not so that PSP can identify what each agency will be doing over the course of the 2009-11 biennium to advance the Action Agenda.
May 15-June 5.
2. PSP will confirm the levels of funding available for each near term action, the implementing entity, the lead staff person and their contact information.
3. PSP will assign staff to each near term action.
4. PSP will negotiate the scope of work and reporting requirements for near term actions with the implementing entities. Basic reporting will require geographic location, expenditures, milestones and outputs. PSP will propose that implementing entities report every six months on progress.
5. PSP will work with OFM and state agencies to design a process to capture data through AFRS, the OFM accounting system.
6. PSP will negotiate with implementing entities under the salmon plans to report through existing systems and work to standardize data collection to make coordination possible.

7. Implementing entities will report performance data for the July 2009-January 1 2010 reporting period by March 2010.

These three track of work will come together in the initial performance report, due on November 1, 2009, will primarily be prospective for the first biennium for the Action Agenda. The report will show the strategic framework as developed from existing work and applying the Open Standards to the Action Agenda. The report will present the current status of the ecosystem and report on the indicators identified in the strategic framework. The report will also present the intermediate outcome measures that will track the progress on the management actions and strategies in the Action Agenda and will show the funds directed toward each intermediate outcome. Progress on those measures will be reported for the first time in 2010 to account for work done in the first six months of the biennium

2. Holding entities accountable for implementation of near-term actions prior to accountability mechanisms being in place. Linkages between science based outcomes and actions

The Partnership has a limited ability to hold entities accountable prior to accountability mechanisms being established. The goal of the 2009 State of the Sound report as discussed in the answer to the previous question is to establish a baseline for tracking actions, funding, and performance. Between now and November the Partnership will work with state agencies to build this baseline and ensure that it is accurate. The Partnership will work with state agencies on reporting on progress in the spring of 2010 to account for work on the first six months of the biennium.

The Action Agenda issued a road map of near term actions for implementing entities on December 1, 2008. Those near term actions emerged from the development of the Action Agenda as valuable in helping advance one or more of the six ecosystem goals articulated in PSP's enabling statute. An analysis of the example action, establish local water masters, in light of the work done to build the Action Agenda can provide the key elements of accountability: the rationale for the action, the responsible party, the geographic targeting of the action and funding provided to implement. This example will show that accountability for commitments made under the Action Agenda needs to begin with a conversation about expectations for the action, resources allocated and a reconciliation of an implementers' expectations with those of the Puget Sound Partnership.

The following information relates to the Puget Sound Partnership's assessment of the near term action, its basis in science and policy and the dependencies that will influence its effectiveness in improving the status of water quantity in the Puget Sound Basin. The action was recommended during the topic forum process for water quantity as an effective strategy to address threats to in-stream flows:

Near term action: A.3.6, Water Masters in all watersheds

Activity type: regulation/compliance/enforcement

Primary goal benefitted: Water for People, Fish and Wildlife

Indicator: Stream Flows to Puget Sound Marine/Nearshore Habitat

Data Source: USGS <http://water.usgs.gov/waterwatch/?m=mv01d&r=wa&w=map>

Threat addressed: water withdrawals and diversions

(See Threats/Drivers Summary)

Geographic scope: 19 Puget Sound WRIAs

Dependencies:

Near term action A.3.1,

In-stream flow rules need to be set in any WRIA before a water master could enforce compliance.

Near term action A.3.2: Existing in-stream flow rules were established before the science quantified flows necessary for fish or the impacts of climate change. (See Water Quantity Topic Forum Paper)

Adequate funding: No new funding was provided for Water Masters in the 2009 legislative session.

Political sensitivity: High

The Department of Ecology provided the following information about their plans to implement the near term action in the 2009-11 biennium. Given the lack of new funding and other priorities/dependencies related to preserving water quantity, the scope of the water masters program is limited in Puget Sound WRIAs.

Lead Implementing entity: Ecology, Water Resources Program

Responsible staff person: Ken Slattery, program manager

Contact e-mail: kshw461@ecy.wa.gov

Contact phone: 360-407-6602

FTEs: 1.5 FTEs

Ecology Budget Activity: A035, Promote compliance with Water Laws

Budgeted amount: \$865,000 (source: PSP) \$577,856 (source: Ecology)
(operating budget)

Action Agenda target: 16 of 16 WRIAs critical for salmon have a water master

Ecology commitment: 1.5 of 16 WRIAs have a water master
(Nooksack and Skagit/Stillaguamish Basin)

Performance measure: metering orders in 16 critical WRIAs
(Measure of compliance with existing rule)

Ecology has provided a logic model (attached) that shows their position on how the Water Master role in compliance leads to a protection of water quantity.

Even before a mature accountability system for the Action Agenda is in place, significant discussions clarifying commitments to near term actions can begin. PSP and agencies must agree to the resources allocated to a program or goal and ensure that the implementer prioritizes resources to the areas of greatest need relative to Action Agenda objectives. In this case, for instance, the Ecology logic model leads to a statewide goal for the agency. Once the PSP strategic framework and indicators are operational, the logic model will attach the near term action to the

relevant Action Agenda goal. The ranking of threats such as water withdrawals and diversions by Action Area will allow the Partnership to set the priorities for which WRIAs should get Water Masters in the absence of full resources to implement the action. A broader conversation about the ultimate intent to protect water for people, fish and wildlife and the approach ecology will take to advance that goal would clarify which near term actions will be taken first, such as setting in stream flow rules. Lastly, as agency budgets are more closely lined up with the Action Agenda near term actions, we will be better able to track FTEs and budgets for Puget Sound specific actions. Currently, Puget Sound activities are often a portion of a statewide budget and program wide work plan. Orienting agencies and other implementers to manage toward Puget Sound goals will advance over the first biennium of implementing the Action Agenda.

3. Status of Science Update and Review by the Academy of Sciences

RCW 90.71.290 requires the Partnership’s Science Panel to complete a Puget Sound Science Update by April 2010. Please see the attached Puget Sound Science Update Document for outlined process, content and schedule for completing this work. This plan is to be discussed at the May 27, 2009 Leadership Council Meeting.

As of May 2009, the Partnership has not definitively determined if the Washington State Academy of Sciences will complete the assessment of basin-wide restoration progress by December 1, 2010. RCW 90.71.380 specifies that the Academy shall conduct the assessment subject to available funding. Funds for this assessment were not appropriated in the state operating budget for the 2009-2011 Biennium. The Partnership will contact the Academy and establish the costs of such an analysis and determine if there is funding available in the Partnerships’ budget to complete this work.

The Partnership’s Science Panel and staff have met with the president of the Washington State Academy of Sciences and discussed the assessment and the Partnership’s selection of environmental indicators. As of Spring 2009, discussions are ongoing and may lead to the engagement of the Academy, or Academy leaders or members, in an assessment of the environmental indicators adopted by the Partnership.

1C. Coordination of 2010 Budget

PugetSoundPartnership

our sound, our community, our chance

Memo

To: Puget Sound State Caucus members

Date: May 15, 2009

From: Michael Grayum, Director of Public Affairs

Purpose

I am writing to follow-up on the action item from the recent Puget Sound State Caucus meeting regarding the coordination of legislative budget and policy requests for the 2010 session.

We have a tremendous opportunity this interim to establish a “Puget Sound legislative agenda.” By working together and developing a process, we can focus on a few key priorities focused on Puget Sound that provide natural resources agencies with concrete targets to work toward as we develop our budget and policy proposals.

Background

There was general consensus that natural resource state agencies should work together to develop, strategize, prioritize and advance policy and budget requests with a nexus to Puget Sound in a way that is consistent with the priorities of the Action Agenda.

Process

The following process was recommended and agreed upon by the members of the Puget Sound State Caucus:

- The Puget Sound Partnership would send a list of questions to the members of the Puget Sound State Caucus that would help gather information about legislative proposals agencies are already considering, decision making and stakeholder outreach process, timeframes etc., by May 18 (see attached).
- Responses due to the Puget Sound Partnership May 29.
- The Puget Sound Partnership would compile the information and propose some recommended options for members of the Puget Sound State Caucus to evaluate and develop a coordinated process for developing, prioritizing and advancing legislative and budget requests for 2010—a “Puget Sound legislative agenda.” Information will be ready for discussion at the next Puget Sound State Caucus meeting on June 8.

Puget Sound Partnership

Questions

1. What legislative policy and/or budget initiatives are your agency considering in preparation for the 2010 legislative session that have a nexus to Puget Sound and the Action Agenda?
2. Who are the stakeholders (agencies, organizations, tribes, associations etc.) that could be involved or impacted by the policy or budget initiatives your agency is considering?
3. What are the internal timelines and processes for your agency to make decisions about legislative policy and budget priorities to comply with the timelines of OFM and the Governor's Office?

Please email me your responses to these questions in the next two weeks. We would like to have them by **May 29th** so we have time to compile them with the responses of other agencies and develop a collective timeline and process for your consideration. My email is Michael.Grayum@psp.wa.gov

Thank you in advance.

1D. State Grant and Loan Program Review

Puget Sound Partnership State Grant and Loan Program Review							
Application deadline	Eligible expenditures	Eligible applicants	Revenue source	Program's goals/objectives	RCW	Board/Council	Contact
May 11, 2009 but construction funding cycle was cancelled due to lack of funding	Local government public works projects to improve roads, bridges, sanitary sewer, storm sewer, domestic water and solid waste/recycling infrastructure systems.	Cities, counties and special purpose districts, except ports and school districts.	Loan repayments and interest; Taxes: Real estate excise tax; water utility tax; sewer collection tax; solid waste collection tax	To provide financial and technical assistance to Washington communities for critical public health, safety and environmental infrastructure.	RCW 43.155	Public Works Board	Leslie Hanford 360-725-3161
Every two months, next one is June 1, 2009	Public facilities	Port districts, counties, cities, towns, special purpose districts, and any other municipal corporations or quasi-municipal corporations	Loan repayments and interest; state bonds	To direct financial resources toward the fostering of economic development through the stimulation of investment and job opportunities and the retention of sustainable existing employment for the general welfare of the inhabitants of the state	RCW 43.160	Community Economic Revitalization Board	Matt Ojennus 360-725-4047
May 1, 2010.	Aquatic lands enhancement projects	State, local, tribal governments.	Sale/lease of state aquatic lands	To support the purchase, improvement, or protection of aquatic lands for public purposes, and for providing and improving access to such lands.	RCW 79.105.150	Recreation and Conservation Funding Board	Dominga Soliz, 360-725-3937
December 1, 2009 based on 2009-11 Capital Budget Proviso	Water pollution control activities/projects: wastewater,	Local, tribal, and special purpose districts.	Tobacco tax	Protect and restore Washington's waters: eliminate severe public health hazard or emergency, restore and protect water bodies, achieve regulatory compliance.	RCW 70.146	Financial Advisory Council	Steve Carley 360-407-6572

Appendix 1 –Detail of Materials Submitted by Partnership to Answer JLARC Questions

Puget Sound Partnership State Grant and Loan Program Review							
Application deadline	Eligible expenditures	Eligible applicants	Revenue source	Program's goals/objectives	RCW	Board/Council	Contact
December 1, 2009 based on 2009-11 Capital Budget Proviso for Centennial & Program Consistency	Primarily public entity capital projects: wastewater, stormwater, irrigation/agriculture	Local and tribal government and special purpose districts.	Federal capitalization grant from EPA, loan principal and interest, state match from water quality account	Protect and restore Washington's waters: eliminate severe public health hazard or emergency, restore and protect water bodies, achieve regulatory compliance.	RCW 90.50A	Financial Advisory Council	Steve Carley 360-407-6572
No deadline, quarterly review	Hazardous waste management		Hazardous substance (Petroleum) tax and fees		RCW 70.105D		Jim Pendowski 360-407-7177 or Dawne Gardiska 360-407-7233
December 1, 2009 based 2009-11 Capital Budget Proviso for Centennial & Program Consistency	Implementation of BMPs, on public and private property, public information, watershed planning, stormwater activities, WQ monitoring, groundwater protection.	All, except private industry	Block grant from EPA	Protect and restore Washington's waters: eliminate severe public health hazard or emergency, restore and protect water bodies, achieve regulatory compliance	WAC 173-95A	Financial Advisory Council	Steve Carley
May 1, 2010.	Acquisition, development, restoration of parks, critical habitat; natural areas; urban wildlife habitat.	state, local, and tribal government, special purpose districts, non-profits, political subdivisions. Port districts.	state bonds	To assist with the rapid acquisition of the most significant lands for wildlife conservation and outdoor recreation purposes before they are converted to other uses, and to develop existing public recreation land and facilities to meet the needs of present and future generations.	RCW 79A.15	RCFB	Dominga Soliz, 360.725.3937

Appendix 1 –Detail of Materials Submitted by Partnership to Answer JLARC Questions

Puget Sound Partnership State Grant and Loan Program Review							
Application deadline	Eligible expenditures	Eligible applicants	Revenue source	Program's goals/objectives	RCW	Board/Council	Contact
Pre-applications due to lead entities March-June. Final applications due to RCO September 1, 2009	Salmon recovery projects	local governments, non-profits, private landowners, conservation districts, state agencies, regional fisheries enhancement groups, and special purpose districts.	state bonds, federal PCSRF funds	To fund efforts toward a coordinated framework for responding to the salmon crisis.	RCW 77.85.110-150	SRFB	Dominga Soliz, 360.725.3937
Next application deadline might be the first Monday in November, 2010. Might move to early 2011.	Public participation achieved through outreach and education regarding 1) contaminated site cleanups in the state and 2) various waste management projects (including projects like keeping toxics out of the PS)	WA State not-for-profit organizations, groups of three or more unrelated individuals	1% of the Model Toxics Control Act (MTCA) Account	Increase public participation in the cleanup of contaminated (superfund) sites and waste reduction/management through educational outreach.	RCW 70.105D WAC 173-321		Blake Nelson 360-407-6044 or Jason Alberich 360-407-6061
Budget is approved in July	Livestock best management practices, water runoff, education and behavior changes, etc.	Conservation Districts	State general fund		RCW 89.08		Ron Schulz or Debbie Becker 360-407-6211
Postponed to Fall 2009 to integrate stimulus funding	Drinking water system projects that address a current violation or will prevent a future violation of health-based drinking water standards	Group A Community Water Systems.	Federal capitalization grant from EPA, loan principal and interest, state match from Public Works Assistance Account.	Public health protection and compliance with health-based drinking water standards.	RCW 70.119A.170	Public Works Board (partner with DOH)	Kristin Bettridge 360-236-3166

Appendix 1 –Detail of Materials Submitted by Partnership to Answer JLARC Questions

1E. 2009-11 Budget Funding

Funding for State Agencies to Implement the Puget Sound Action Agenda 2009-11 – Dollars in thousands

Priority Rank in Action Agenda	Agenda Action Reference	Item Title	Agency	Budget	Fund	Governor	Total funding allocated statewide	Governor Operating	Governor Capital	Governor Transpo	Conference Total	Conference Operating	Conference Capital	Conference Transpo
						Puget Sound Investment		Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	
Recreation and Conservation Office														
1	B.1.1	Puget Sound Acquisition and Restoration	RCO	C	Bonds	33,000	33,000		33,000		33,000		33,000	
4	B.1.1	SRFB Grant Program Grants	RCO	C	Bonds	3,200	10,000		3,200		3,200		3,200	
4	B.1.1	SRFB Grant Program Grants	RCO	C	GF-F	16,000	50,000		16,000		19,200		19,200	
5	B.1.1	Puget Sound Estuary and Salmon Restoration Program	RCO	C	Bonds	7,000	7,000		7,000		7,000		7,000	
10	A.2.1	Washington Wildlife and Recreation Program Grants	RCO	C	Bonds	20,000	50,000		20,000		28,000		28,000	
14	B.1.1	Aquatic Lands Enhancement Account Grant Program	RCO	C	Bonds	4,522	5,025		4,522		5,025		5,025	
20	C.2.7	Family Forest Fish Passage Program	RCO	C	Bonds	-					2,000		2,000	
CFL	A.5.3	Invasive Species Council	RCO	O	GF-S	200		200			200	200		
CFL	E.3.1.2	Forum on Monitoring Salmon Recovery and Watershed Health	RCO	O	GF-S	591		591			591	591		
		Recreation and Conservation Office Total				84,513	155,025	791	83,722	-	98,216	791	97,425	
Department of Ecology														
2	D.4.6	Habitat Mitigation Program for Puget Sound	ECY	C	Bonds	5,000	5,000		5,000		4,400		4,400	
3	A.2.5	Protect PS Shorelines	ECY	O	LTCA	3,000	3,000	3,000			3,000	3,000	0	
3	A.2.5	Protect PS Shorelines	ECY	O	STCA	558	558	558			558	558	0	
7	C.2.6	Stormwater Retrofit and LID Impl. Grant	ECY	C	Bonds	5,000	5,000		5,000		4,609		4,609	
9	C.1.3	Standby Emergency Response Tug	ECY	O	LTCA	3,600	3,600	3,600			3,600	3,600		
11	A.3.4	Watershed Plan Impl. & Flow Achievement	ECY	C	Bonds	2,790	8,000		2,790		2,100		2,100	
12	C.1.2	Coordinated Prevention Grants	ECY	C	Bonds	9,272	25,060		9,272		3,600		3,600	
15	C.3.2	Centennial Clean Water Program	ECY	C	Bonds	11,250	15,000		11,250		18,000		18,000	
15	C.3.2	Centennial Clean Water Program	ECY	C	Bonds	12,000	20,000		12,000		-			
16	C.3.2	Water Pollution Control Revolving Fund Program	ECY	C	WPCRF	66,000	110,000		66,000		107,220		107,220	
21	C.5.1	Remedial Action Grants	ECY	C	Bonds	28,275	37,700		28,275		28,275		28,275	
25	C.5.1	Accelerate Toxic TSD Cleanups	ECY	O	STCA	811	811	811			811	811	0	
31	C.5.1	Toxics Private/Local Expenditure Authority	ECY	O	GF-P/L	3,000	3,000	3,000			3,000	3,000	0	
32	C.5.1	Toxic Cleanup Pre-Payment Agreement	ECY	O	STCA	1,456	1,456	1,456			1,456	1,456	0	
34	E.3.1	Padilla Bay Reserve Boat Garage	ECY	C	GF-F	265	265		265		265		265	
	C.1.6	Diesel Emission Reduction	ECY	C	GF-F	-					792		792	

Appendix 1 –Detail of Materials Submitted by Partnership to Answer JLARC Questions

Funding for State Agencies to Implement the Puget Sound Action Agenda 2009-11 – Dollars in thousands

Priority Rank in Action Agenda	Agenda Action Reference	Item Title	Agency	Budget	Fund	Governor		Governor Operating	Governor Capital	Governor Transpo	Conference Total	Conference Operating	Conference Capital	Conference Transpo
						Puget Sound Investment	Total funding allocated statewide	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	
CFL	C.5.1	Swift Creek Natural Asbestos Clean-up	ECY	C	SBCA	-	1,000				1,000		1,000	
CFL	C.5.1	Skykomish Cleanup and Restoration	ECY	C	SBCA/CS A	-	4,350				4,350		4,350	
CFL	E.3.2	Transfer Monitoring Consortium	ECY	O	WQA/WQ PA	-	-	0	0		(800)	(800)	0	
CFL	A.2.2	Protect and Manage Shorelines in Partnership with Local Governments (A036) (Operating)	ECY	O	GF-S, GF-F	8,510		8,510			8,510	8,510		
CFL	A.3.1.1	Assess, Set, and Enhance Instream Flows (A003) (Operating)	ECY	O	GF-S	344		344			344	344		
CFL	A.3.1.1	Assess, Set, and Enhance Instream Flows (A003) (Operating)	ECY	O	GF-P/L	12		12			12	12		
CFL	A.3.1.3	Provide Technical and Financial Assistance for Local Watershed Planning and Implementation (A039) (Operating)	ECY	O	GF-S, GF-F	16,549		16,549			16,549	16,549		
CFL	A.3.2.4	Promote Compliance with Water Laws (A035) (Operating)	ECY	O	GF-S	865		865			865	865		
CFL	A.3.3	Support Water Use Efficiency (A061) (Operating)	ECY	O		164		164			164	164		
CFL	C.1.1.4	Reduce Persistent Bioaccumulative Toxins (PBTs) in the Environment (A050) (Operating)	ECY	O	STCA	659		659			659	659		
CFL	C.1.2.1	Prevent Oil Spills from Vessels and Oil Handling Facilities (A033) (Operating)	ECY	O	OSAA	5,388		5,388			5,388	5,388		
CFL	C.1.2	Prevent Unhealthy Air and Violations of Air Quality Standards (A034) (Operating)	ECY	O	GF-S, GF-F	6,978		6,978			6,978	6,978		
CFL	C.1.2	Reduce Risk from Toxic Air Pollutants (A051) (Operating)	ECY	O	GF-S, GF-F	1,907		1,907			1,907	1,907		
CFL	C.1.2.4	Reduce Air Pollution from Industrial and Commercial Sources (A045) (Operating)	ECY	O	GF-S	445		445			445	445		
CFL	C.1.6	Reduce Health and Environmental Threats from Motor Vehicle Emissions (A047) (Operating)	ECY	O	GF-S, GF-F	3,689		3,689			3,689	3,689		
CFL	C.1.6	Reduce Health and Environmental Threats from Smoke (A048) (Operating)	ECY	O	GF-S, WSEA	561		561			561	561		
CFL	C.1.3	Clean Up Polluted Waters (A006) (Operating)	ECY	O	GF-S, GF-F	2,134		2,134			2,134	2,134		

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Funding for State Agencies to Implement the Puget Sound Action Agenda 2009-11 – Dollars in thousands

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						Puget Sound Investment	Total funding allocated statewide	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	
CFL	C.2.2.1	Control Stormwater Pollution (A008) (Operating)	ECY	0	GF-S, WQPA, STCA	4,466		4,466			4,466	4,466		
CFL	C.2.2	Protect Water Quality by Reviewing and Conditioning Construction Projects (A037) (Operating)	ECY	0		2,071		2,071			2,071	2,071		
CFL	C.3.1	Provide Water Quality Financial Assistance (A043) (Operating)	ECY	0		8,270		8,270			8,270	8,270		
CFL	C.5.1	Clean up the Most Contaminated Sites First (Upland and Aquatic) (A005) (Operating)	ECY	0		14,892		14,892			14,892	14,892		
CFL	C.5.1	Fund Local Efforts to Clean Toxic Sites, Manage and Reduce Waste (A013) (Operating)	ECY	0		1,700		1,700			1,700	1,700		
CFL	C.5.1	Services to Site Owners that Volunteer to Clean Up their Contaminated Sites (A057) (Operating)	ECY	0	STCA	2,016		2,016			2,016	2,016		
CFL	C.5.2	Superfund Operation & Maintenance (A005) (Operating)	ECY	0	STCA	2,250		2,250			2,250	2,250		
CFL	D.3.4	Support Local Watershed Management of Water Resources (A059) (Operating)	ECY	0	GF-S	1,115		1,115			1,115	1,115		
CFL	D.5.5.2	Increase Compliance and Act on Environmental Threats from Hazardous Waste (A021) (Operating)	ECY	0	STCA, LTCA	4,031		4,031			4,031	4,031		
CFL	D.4.2.1.	Protect, Restore, and Manage Wetlands (A038) (Operating)	ECY	0	GF-S, GF-F	6,823		6,823			6,823	6,823		
CFL	E.3.1	Monitor the Quality of State Waters and Measure Stream Flows Statewide (A027) (Operating)	ECY	0	GF-S, GF-F	6,023		6,023			6,023	6,023		
CFL	E.3.1	Measure Air Pollution Levels and Emissions (A025) (Operating)	ECY	0	GF-S, GF-F	5,177		5,177			5,177	5,177		
CFL	E.3.1	Provide Water Resources Data and Information (A044) (Operating)	ECY	0	GF-S	578		578			578	578		
CFL	E.4.2	Provide Technical Training, Education, and Research through Padilla Bay Estuarine Reserve (A042) (Operating)	ECY	0	GF-S, GF-F	1,772		1,772			1,772	1,772		
		DOE Total				261,663	243,800	121,811	139,852		295,622	121,011	174,611	0
Puget Sound Partnership														

Appendix 1 –Detail of Materials Submitted by Partnership to Answer JLARC Questions

Funding for State Agencies to Implement the Puget Sound Action Agenda 2009-11 – Dollars in thousands

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						Puget Sound Investment	Total funding allocated statewide	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment
6	E.3.2	Puget Sound/Coastal Monitoring	PSP, ECY	O	GF-F, STCA	475	340	475			475	475		
33	E.3.4	Puget Sound Research	PSP	O	GF-F	500	500	500			500	500		
	E.4.5	Public Education and Volunteer Pgrm	PSP	O	GF-S	2,000	2,000	2,000			1,754	1,754		
		Oil Spill Prevention and Preparedness	PSP	O	STCA	-					150	150		
CFL	A.5.4	Invasive Species Management	PSP	O	ALEA	500	500	500			500	500		
CFL	C.2.3	LID Assistance to Local Governments	PSP	O	STCA	500	500	500			500	500		
CFL		Air Deposition Study	PSP	O	STCA	71	71	71			71	71		
CFL		PSP Operations and Other Programs	PSP	O	GF-S, GF-F, STCA	8,412	9,008	8,412			7,486	7,486		
Puget Sound Partnership Total						12,458	12,919	12,458			11,436	11,436		
Department of Natural Resources														
13	A.4.4	Forest Riparian Easement Program	DNR	C	Bonds	1,700	5,000		1,700		-			
20	C.2.7	Family Forest Fish Passage Program	DNR	C	Bonds	2,400	6,000		2,400		-			
27	A.2.1	Land Acquisition Grants	DNR	C	GF-F	6,000	6,000		6,000		6,000		6,000	
28	A.2.1	Forest Legacy	DNR	C	GF-F	9,000	9,000		9,000		9,000		9,000	
30	C.2.7	Road Maintenance and Abandonment	DNR	C	Bonds	1,000	1,000		1,000		500		500	
35	B.1.4	Aquatic Restoration Projects	DNR	C	ALEA	270	300		270		270		270	
42		Increased Derelict Vessel Removal	DNR	O	DVRA	600	600	600			600	600	0	
CFL	A.4	Forest Practices Act and Rules	DNR	O	GF-S	9,188		9,188			9,188	9,188		
CFL	A.4.4.2	Small Forest Landowner and Stewardship Office	DNR	O	GF-S	1,303		1,303			1,303	1,303		
CFL	A.4.4.1	Shellfish Program	DNR	O	RMCA	3,974		3,974			3,974	3,974		
CFL	C.2.3.1	State Lands Management - Roads	DNR	O	ALEA, RMCA	8,431		8,431			8,431	8,431		
CFL	D.3.3	Puget Sound Partnership - DNR	DNR	O	GF-S	249		249			249	249		
CFL	E.3.1	Puget Sound Assessment and Monitoring Program and Stewardship Science	DNR	O	ALEA, RMCA	2,068		2,068			2,068	2,068		
CFL	E.3.1	State Lands Mgt Ecosystem Services and Data Stewardship	DNR	O	FDA, RMCA	10,717		10,717			10,717	10,717		
CFL	E.3.2	Forest Practices Adaptive Management	DNR	O	Various	3,918		3,918			3,918	3,918		
DNR Total						60,818	27,900	40,448	20,370		56,218	40,448	15,770	
Department of Transportation														
8	C.2.9	DOT Storm Water O&M	DOT	T	MVA	1,500	1,500			1,500	1,500			1,500

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						Puget Sound Investment	Total funding allocated statewide	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment
CFL	C.2.2.1	Stormwater Management	DOT	T		590				590	590			590
CFL	C.5.2	Implement Eagle Harbor Superfund Cleanup-Operation, Maintenance and Monitoring Plan	DOT	T		100				100	100			100
CFL	E.3.2.2	Study underwater pile driving noise attenuation.	DOT	T		100				100	100			100
		DOT Total				2,290	1,500	-	-	2,290	2,290	-	-	2,290
Department of Fish and Wildlife														
18	D.1.6	Soos Creek Hatchery Redevelopment	F&W	C	Bonds	1,800	1,800		1,800		-			
22	D.1.6	Implement Hatchery Reform	F&W	O	ALEA	294	294	294			294	294		
23	D.1.6	Voights Creek Hatchery	F&W	C	Bonds	2,610	2,610		2,610		800		800	
24	D.1.6	Cherry Valley Fish Passage	F&W	C	Bonds	1,269	1,269		1,269		-			
	D.1.6	Beaver Creek Fish Passage	F&W	C	Bonds						-			
29	C.2.7	Fish Passage & Screening	F&W	C	Bonds	1,209	1,209		1,209		-			
	D.1.6	Skookumchuck Hatchery Renovation	F&W	C	Bonds						3,728		3,728	
	SSAA	Electron Dam Fish Passage	F&W	O	GF-S	-	-	-			50	50		
CFL	A.2.1.3	Marine Protected Area Workgroups	F&W	O	GF-S	45		45			45	45		
CFL	A.5.2	Aquatic Nuisance Species and Ballast Water Programs	F&W	O	GF-S, AISA	220		220			220	220		
CFL	B.1	Technical Assistance - Nearshore Restoration	F&W	O	GF-S	110		110			110	110		
CFL	B.1	Expand derelict gear removal outside of Northwest Straits	F&W	O	GF-S	100		100			100	100		
CFL	D.1.3	Requirements for implementing Puget Sound Stellhead Management	F&W	O	GF-S	1,100		1,100			1,100	1,100		
CFL	D.1.4	Selective Fisheries Chinook	F&W	O	GF-S	602		602			602	602		
CFL	D.3.3	Puget Sound Partnership - WDFW	F&W	O	GF-S	226		226			226	226		
CFL	E.3.1	Fish Population Monitoring	F&W	O	GF-S	691		691			691	691		
CFL	E.3.1	Census of borrow-nesting seabirds in Puget Sound	F&W	O	GF-S	150		150			150	150		
CFL	E.3.1	Comprehensive surveys of Marine Rockfish	F&W	O	GF-S	338		338			338	338		
CFL	E.3.1	Fish Contaminant status and trend monitoring	F&W	O	GF-S	704		704			704	704		
CFL	E.3.1	Forage Fish Inventory	F&W	O	GF-S	350		350			350	350		
CFL	E.3.1	Puget Sound Marine Fish Recovery	F&W	O	GF-S	680		680			680	680		
CFL	E.4.2	Puget Sound Science and Education	F&W	O	GF-S	400		400			400	400		

Appendix 1 –Detail of Materials Submitted by Partnership to Answer JLARC Questions

Funding for State Agencies to Implement the Puget Sound Action Agenda 2009-11 – Dollars in thousands

Priority Rank in Action Agenda	Agenda Action Reference	Item Title	Agency	Budget	Fund	Governor		Governor Operating	Governor Capital	Governor Transpo	Conference Total	Conference Operating	Conference Capital	Conference Transpo
						Puget Sound Investment	Total funding allocated statewide	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment
		WDFW Total				12,898	7,182	6,010	6,888		10,588	6,060	4,528	-
Parks and Recreation Commission														
26	C.1.5	Clean Vessel Pump Out Grants	Parks	C	GF-F	3,465	3,465		3,465		3,465		3,465	
36	C.3.1	Twanoh State Park Stormwater Improvement	Parks	C	Bonds	250	250		250		250		250	
37	C.3.1	Dash Point Sanitary Sewer Collection System	Parks	C	Bonds	3,820	3,820		3,820		3,820		3,820	
38	C.3.1	Illahee Waste Water Treatment Upgrade	Parks	C	Bonds	1,850	1,850		1,850		1,850		1,850	
39	C.3.1	Puget Sound Initiative Storm Water and Sewer	Parks	C	Bonds	3,626	3,626		3,626		2,000		2,000	
40	C.3.1	Kitsap Memorial State Park Sewer System	Parks	C	Bonds	177	177		177		177		177	
41	C.3.1	Fort Casey - Water System Compliance	Parks	C	Bonds	279	279		279		279		279	
	A.2.1	Admiralty Inlet Heritage Forest Acquisition	Parks	C	GF-F	1,000	1,000		1,000		1,000		1,000	
	A.2.1	Kiket Island: Acquisition	Parks	C	GF-F	8,000	8,000		8,000		8,000		8,000	
		State Parks Total				22,467	22,467	-	22,467		20,841		20,841	
Conservation Commission														
17	A.4.1	Conservation Reserve Enhancement Program	SCC	C	Bonds	1,432	1,910		1,432		1,000		1,000	
19	C.2.8	Livestock Nutrient Program	SCC	C	Bonds	1,200	4,000		1,200		2,000		2,000	
		Conservation Commission Total				2,632	5,910	-	2,632		3,000	-	3,000	-
Department of Agriculture														
CFL	A.5.4	Noxious Weed Control - Spartina Infestations	WSDA	O	ALEA	700		700			700	700		
CFL	E.3.1	Surface Water Monitoring/Pesticides	WSDA	O	STCA	712		712			712	712		
		Department of Agriculture Total				1,412	-	1,412	-	-	1,412	1,412		
CTED														
CFL	A.2.2.1	Growth Management	CTED	O	GF-S	6,900		6,900			6,900	6,900		
University of Washington														
CFL	E.3	Puget Sound Partnership Science Panel Support	UW	O	GF-S	60		60			60	60		
CFL	C.1.2.1	Small Oil Spill Prevention Education (Sea Grant)	UW	O	OSAA	170		170			170	170		
CFL	E.3.2	Geoduck Research Program (Sea Grant)	UW	O	GRA	750		750			750	750		
CFL	E.4.2	Water Quality Field Agents (Sea Grant)	UW	O	GF-S	330		330			330	330		
		University of Washington Total				1,310		1,310			1,310	1,310		
Washington State University														
CFL	E.4.2.4	Water Quality Education	WSU	O	GF-S	420		420			420	420		

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Priority Rank in Action Agenda	Agenda Action Reference	Item Title	Agency	Budget	Fund	Governor	Total funding allocated statewide	Governor Operating	Governor Capital	Governor Transpo	Conference Total	Conference Operating	Conference Capital	Conference Transpo
						Puget Sound Investment		Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment	Puget Sound Investment
Department of Health														
CFL	C.6.2	Recreational Shellfish and Biotoxin Monitoring Program	DOH	O	GF-P/L	676		676			676	676		
CFL	C.6.2	Shellfish Growing Area Monitoring and Classification	DOH	O	GF-S	1,159		1,159			1,159	1,159		
CFL	C.6.2	Washington Swimming BEACH Program	DOH	O	GF-F	550		550			550	550		
CFL	C.4.1	Wastewater Management, Large Onsite Sewage Systems	DOH	O	GF-S	3,945		3,945			3,945	3,945		
CFL	D.3.3	Puget Sound Planning	DOH	O	GF-S	88		88			88	88		
CFL	E.3.1.2	Puget Sound Assessment and Monitoring	DOH	O	GF-S	468		468			468	468		
		Department of Health Total				6,886	-	6,886	-	-	6,886	6,886	-	-
		Total				476,667	476,703	198,446	275,931	2,290	515,139	196,674	316,175	2,290
										CFL	186,566			

Agency Acronyms

DNR - Department of Natural Resources
 DOT - WA Department of Transportation
 ECY - Department of Ecology
 F&W - WA Department of Fish & Wildlife
 Parks - Parks and Recreation Commission
 PSP - Puget Sound Partnership
 RCO - Recreation and Conservation Office
 SCC - WA State Conservation Commission

Fund Acronyms

ALEA - Aquatic Lands Enhancement Acct
 DVRA - Derelict Vessel Removal Account
 GF-F - General Fund Federal
 GF-P/L - General Fund Private/Local
 LTCA - Local Toxics Control Account
 MVA - Motor Vehicle Account
 WPCRF - Water Pollution Control Revolving Fund
 STCA - State Toxics Control Account

Ranking process:The Action Agenda ranks near term actions by the strategic priorities of: **1) Protect intact ecosystem processes, structures and functions; 2) Restore ecosystem processes, structures and functions; and 3) Reduce the sources of water pollution.**

These priorities were ranked using specific criteria including: 1) How the action addresses a priority threat to the Sound, 2) Extent to which the action addressed multiple strategic priorities, 3) Magnitude of benefits from the action, 4) Extent the actions addresses multiple ecosystem goals, 5) Extent that an action addresses and imminent threat to the ecosystem, 6) Implementation readiness. This ranking was reviewed by the Ecosystem Coordinating Board and approved by the Leadership Council. Partnership staff used the rankings in the action agenda to produced a prioritized list of actions funded in the Governor's budget.

APPENDIX 2 – FIVE STRATEGIC PRIORITIES OF THE ACTION AGENDA

Priority A: Protect the intact ecosystem processes, structures, and functions that sustain Puget Sound. Avoiding problems before they occur is the best and most cost-effective approach to ecosystem health.

Priority B: Restore the ecosystem processes, structures, and functions that sustain Puget Sound. Protecting what we have left is not sufficient, and significant effort at an unprecedented scale is needed to undo past damage.

Priority C: Prevent water pollution at its source. Many of our efforts have focused on cleaning up degraded waters and sediments, but insufficient resources have been devoted to stopping pollutants before they reach our rivers, beaches, and species.

Priority D: Work together as a coordinated system on priority actions. The programs and laws addressing environmental issues were established on a piecemeal basis to address separate problems in an earlier time, and the system does not address Soundwide and local problems on a coordinated basis at an ecosystem scale.

Priority E: Build an implementation, monitoring, and accountability management system. This includes:

- Using a performance management system with adaptive management, coordinated monitoring, accountability for action, and coordinated data management;
- Providing sufficient, stable funding focused on priority actions;
- Implementing a focused scientific program with priorities for research, appropriate measures to improve understanding of the ecosystem and the effectiveness of our actions, and clear pathways for informing decision making; and
- Increasing and sustaining coordinated efforts for communication, outreach, and education.

