

1. Program Background:

The Voluntary Stewardship Program (VSP) is an alternative to regulation under the Growth Management Act for counties to protect critical areas while maintaining agricultural viability. Each county must opt-in to VSP, establish a watershed work group, and create a county-wide watershed plan that sets protection and enhancement goals and benchmarks. Monitoring and adaptive management of the goals and benchmarks and work plan is used by the county work groups to ensure VSP success.

The following are general procedures for VSP supplemental capital funds appropriated by the legislature for the FY 22-23 biennium. These procedures may require change.

2. SSB 5651 Language

\$3,000,000 of the State Building Construction Account-State is added to the Voluntary Stewardship Program (92000016).

3. Program Rules:

- All proposed projects must be entered into the Conservation Commission (SCC) Conservation Practice Data System (CPDS) consistent with these guidelines.
 - The Contract for Cost Share must be printed from the CPDS for all cost-share projects. No changes may be made to SCC's Contract for Cost Share.
 - "Before" and "After" pictures are required for each practice.
 - "Planned" and "Actual" implementation measures are required for each practice.
- All projects must answer a specific set of VSP-related questions in the funding tab in CPDS. See questions below.
- Maximum cost-share per landowner per fiscal year is \$50,000 per 13-25 Category 3 Policy, May 16, 2013. Funding in excess of \$50,000 may be requested and will be considered for funding on a case-by-case basis.
- All best management practices (BMPs) must meet NRCS standards and specifications, alternative practice designs approved by a professional engineer licensed by the State of Washington or an SCC approved practice per 13-05 Cost Share Assistance Policy, March 21, 2013. A "BMP" or practice is defined as an approved practice per current NRCS BMP Field Office Technical Guide (FOTG), or SCC approved practices, or Licensed Engineer approved practices.
- Since the source of these supplemental funds is the capital budget, eligible BMP's must have at least a 10 year design life.
- Cost share awards are allocated based on the information provided and the dollar amount requested in the CPDS. The funding request for cost share should take into account the applicable (district or county) cost share reimbursement rate.
- Based on the cost share award, an additional 25% will be awarded to include the costs of technical assistance, engineering, travel and overhead. This percentage of overhead is only allowed to be billed based on actual hours worked.
- Cultural resource costs are awarded on a case by case basis to cost share funding.

- Conservation districts must meet all of the Accountability requirements under the Conservation Accountability and Performance Program (CAPP) in order to be eligible to receive funds.
- Work must be underway on the awarded project within 120 days of the funding allocation. This could be technical assistance effort or actual construction.
- Any permits needed to complete project must be “in hand” before construction.
- All project and practices must be completed in the funding time frame. The funding is granted on a biennium basis (for example: July 1, 2022 - June 30, 2023) therefore, all projects must be completed by the end of each biennium. All technical assistance costs must be vouchered for in the month following when the expenditures are incurred.
- Ineligible costs:
 - Administrative goods and services (office rent, copy machines, telephones etc....)
 - Education and outreach
 - Equipment, including vehicles
 - Technical assistance not associated with a project is not eligible
 - Projects on publicly-owned lands

4. Cost Share Policy:

- All cost share projects must be in compliance with the SCC policy adopted on March, 21, 2013, Cost Share Assistance Policy #13-05.
- The maximum cost share per land owner per fiscal year is \$50,000. Funding in excess of \$50,000 may be requested and will be considered for funding on a case-by-case basis.
- All practices must meet NRCS standards and specifications, or be designed and approved by a certified engineer.
- All projects must be completed by June 30, 2023.
- All projects must have approval, at an open public meeting, of the county work group prior to submittal. Applications submitted without county work group approval will be rejected.

5. Funding Criteria:

- Required criteria. Projects must:
 1. Be in a VSP watershed, and
 2. Be designed to meet a county VSP work plan goal or benchmark, and
 3. Seek to address salmon habitat resource needs/impacts. Projects that address salmon habitat resource needs/impacts are those projects that provide a demonstrable benefit to salmon habitat by addressing resource needs or impacts. Examples include projects that reduce stream temperature, increase shade, address instream habitat, riparian area exclusion fencing, and/or remove barriers to fish passage, and
- Supplemental criteria. Projects that address any of the following will take precedence:
 - A. Projects within a county-nominated priority watershed.
 - B. Projects clustered together (within the same HUC 12 as your other projects, or another entity’s project) or near other projects or projects previously funded by VSP or another state or federal agency to address salmon habitat resource needs/impacts or similar natural resource concerns. This unique targeted approach of clustering projects allows for more effective and efficient use of capital funding targeting focused geographic areas for measurable resource improvement.
 - C. Projects that are identified pursuant to RCW 77.95.060 (Regional fisheries enhancement group), or by a lead entity, or by another state agency and/or tribe as a priority in the watershed.
 - D. Projects implemented in areas identified on the 303(d) listings for temperature.

- E. Projects with tribal partnership, participation, or funding.
- F. Projects that have ancillary benefits to other critical areas and not causing degradation to other critical areas.

6. Detailed Project Questions in CPDS

All projects must answer a specific set of VSP-related questions in the funding tab in CPDS. Incomplete answers will result in the rejection of the project. Unresponsive answers will result in fewer points being awarded to the project, and may result in the projecting not being funded. CPDS questions project proponents must answer include:

- Required criteria.
 1. Please identify, using the list of functions and values, which salmon habitat resource needs or impacts this project addresses? Projects that address salmon habitat resource needs/impacts are those projects that provide a demonstrable benefit to salmon habitat by addressing resource needs or impacts. Examples include projects that reduce stream temperature, increase shade, address instream habitat, riparian area exclusion fencing, and/or remove barriers to fish passage. Please provide as complete a description of all needs or impacts as possible. Check all functions and values that apply. The functions and values list from the VSP Monitoring Guide include:

Wetlands

Flood Storage

Wetlands may store flood waters during periods of high water runoff, acting as natural tubs that attenuate peak flood and surface water volumes. (WDFW)

Water Quality Improvement

Shoreline & Erosion Control

Natural Products (food/medicines)

Food/Habitat for Fish & Wildlife

Aquifer recharge

Frequently Flooded Areas

Flood Storage

Reduced Erosion/Sedimentation

Groundwater Recharge

Hydrologic Connectivity

Food/Habitat for Fish & Wildlife

Nutrient/Sediment Distribution

Floodwaters transport nutrients that are beneficial riparian communities and aquatic plant life. (WDFW)

Geologically Hazardous Areas

Erosion Prevention

Landslide Prevention

Food/Habitat for Fish & Wildlife

Frequently, geologically hazardous areas are too steep to farm or build - yet some of these areas contain important habitat. (WDFW)

Sediment Input in Streams/Rivers

Feeder bluffs are sources of natural erosion and are important contributors of fine sediment to waterways, improving in-stream habitat for many species. (WDFW)

Critical Aquifer Recharge Areas

Water Quality Improvement
Drinking Water Provisioning
Hyporheic Input for Streams/Rivers

Fish and Wildlife Habitat Conservation Areas

Food/Habitat for Fish & Wildlife
Migration Corridors (seasonal habitat use, population viability)
Vegetative Cover (type, composition, and spatial extent)
Breeding/Nesting Areas & Winter Range
Riparian Specific Functions (shade, temperature regulation, pollutant removal, wood recruitment, and organic matter input)
Shrub-steppe Specific Functions (food, cover, migration, winter range, breed/nesting areas)
Species Specific Functions (e.g., raptors reducing rodent populations on vineyards)
Sustains Native Species/Ecosystems/Biodiversity
Pollination of Wild/Cultivated Plants
Predation of Pest Insects by Native Species/Communities
Societal Food Provisioning (e.g., fisheries)

2. What county VSP work plan goals or benchmarks is the project designed to meet? Please list all. Please explain how the projects is designed to meet each goal or benchmark. Please provide as complete an explanation as possible.

3. I certify that the work group has given its approval, and an open public meeting, for this project, and that the meeting minutes will be retained for proof and provided to the Commission when requested.

▪ Supplemental criteria.

1. Is the project within a county-nominated priority watershed?
2. Describe how the project clustered together (within the same HUC 12 as other projects, or another entity's project) or near other projects or projects previously funded to address salmon habitat resource needs/impacts or similar natural resource concerns?
3. Has the project been identified pursuant to RCW 77.95.060 (*Regional fisheries enhancement group*), or by a lead entity, or by another state agency and/or tribe as a priority in the watershed? Please identify the organization and/or tribe and the written report in which the project is identified. Please include in your answer the internet (URL) link to the report in which the project is listed.
4. Is the project within an area or areas identified on the 303(d) listings for temperature? If yes, which one (Ecology's Project Name) and is the TMDL "In Development" or "Approved"?
5. Does the project have tribal partnership, participation, or funding? If so, please describe in detail.
6. Does the project have ancillary benefits to other critical areas and will not cause degradation to other critical areas? If so, please describe, in detail, the ancillary benefits to other critical areas and include how the project will not cause degradation to other critical areas.

Why does the SCC need to such detailed answers?

Answer: The SCC will need to write a detailed, narrative report for the Legislature and other interested entities on how this funding was spent and what the benefit was to the critical areas and natural resources, with a focus on salmon habitat. The SCC will also need to explain how these funded projects measurably improve critical areas and natural resource needs overall, and partnerships with other entities to make significant measurable improvements to these resource concerns. We must report how the funding impacted the watershed, how salmon habitat was affected, the number of new BMPs installed, and what benefit they brought to addressing county VSP work plan goals and benchmarks.

7. Timeline & Application for Funding

VSP funds are awarded on a monthly basis by the SCC. Projects submitted to the committee by the close of business on the first of the month will be reviewed by the committee by the end of the same month. Funds will be awarded based on complete applications submitted to the committee, after the committee's decision. Applicants must use the form the SCC creates for this purpose to be eligible for funding. Applications will be reviewed by the SCC VSP staff and SCC financial staff for complete information and adherence to program guidelines before funds will be awarded.

Work on funded projects must be initiated within 120 days of funding award. At the end of 120 days if progress has not been demonstrated, the county or district may forfeit the funding allocation. If funds are returned to the SCC or additional funding otherwise becomes available, subsequent application rounds may be conducted.

Projects will be reviewed when the “*ready for funding*” status in CPDS has been selected, and all information is complete in CPDS.

8. County and Conservation District Responsibilities

- All projects must be entered into the CPDS.
- Input the cost share amount needed for the project. It's not necessary to input engineering, travel, or other costs.
- Cost share contracts must be printed from the CPDS.
- For project input instructions, please refer to the CPDS “Quick Reference Guide” at <http://scc.wa.gov/cpds-2/>
- “Before” pictures are required for each practice.
- “Planned” implementation measures are required for each practice.
- Accurate coordinates (longitude/latitude) are required. SCC develops a map for each conservation district and county showing completed and planned projects. This map is used to assist with making funding decisions.
- Each district or county is responsible for keeping project entries in CPDS up-to-date.
- The CPDS will have a VSP tab with unique VSP project questions that will need to be answered regarding the project.
- All projects must have approval, at an open public meeting, of the county work group prior to submittal. Applications submitted without county work group approval will be rejected.

9. State Conservation Commission Responsibilities

Projects will be reviewed and approved by a committee made up of SCC staff. The review committee exists:

- To ensure consistency with funding procedures and funding intent
- To request clarity or additional information on the nature of specific projects

- To provide for case by case consideration of projects that are unique cases
- To provide formal award of funds for projects

The review committee will meet as often as necessary to review projects. Projects submitted to the committee by the close of business on the first of the month will be reviewed by the committee by the end of the same month. It is recognized that from time to time, projects may need further review by the review committee or SCC leadership.

Upon approval of the project by the committee, districts and/or counties will be formally notified of the award.

****NOTE: Periodic reports of Conservation District Supervisors and Associate Supervisors receiving cost share funding will be given to the SCC Commissioners.*

Applications will be reviewed and scored using a point system. Points will be awarded on the answers to the required and supplemental criteria in the CPDS application on the following basis:

0 points: Answer not responsive

5 points: Answer partially responsive

10 points: Answer fully responsive

10. Cultural Resources

Cultural resources review (CR) is required by the Governor's Executive Order 05-05 and 21-02 for all projects using both state operating and capital funding provided by SCC. Please refer to the SCC Cultural Resource Policy located on the SCC website: <http://scc.wa.gov/cultural-resources/>. All projects must have a cultural review before a project can be started. A cultural resources review begins only after the final design is complete to expedite the process. Please plan ahead to ensure enough time is permitted prior to implementation, which could be 45 days or more. CR reviews shall be consistent with [SCC Cultural Resources policy](#) and GEO 21-02. Districts may use their established cultural resources processes and consultants provided it is consistent with [SCC Cultural Resources policy](#) and GEO 21-02.

The Cascadia Conservation District (CCD) has staff archaeologists available to assist with cultural resources for fire recovery projects. If utilizing CCD archaeologists, the county or district must have an inter-local agreement with the Cascadia CD. Terms of service would be arranged between CCD and the county / district.

If your county / district has not yet done so, we also highly recommend that each district adopt an Unanticipated Discovery Plan that will provide guidance should a cultural resource be discovered unexpectedly during project implementation. A template can be found here: [Unanticipated Discovery Plan Template-CD](#).

11. Vouchering Process

Monthly grant vouchers are required. Technical assistance must be vouchered for on a monthly basis whether or not any cost-share practices or construction of a district implemented project were completed in the given month. Once practices are completed, the following fields need to be updated in the CPDS prior to reimbursement:

- "After" pictures are required for each practice.
- "Actual" implementation measures are required for each practice.
- Completion date of practice is required.

Refer to the Grants and Procedures Manual for more detailed information about vouchering <http://scc.wa.gov/grant-and-contract-procedure-manual/>