

Manual 5

Restoration Projects

June 3, 2016



Table of Contents

Section 1: Introduction	1
About this Manual.....	1
About the Recreation and Conservation Office	2
Where to Get Information.....	2
Funding Boards	4
Section 2: Eligible Restoration Projects	7
Eligible Restoration Projects.....	7
Eligible Project Work Types	8
Eligible Costs	8
Ineligible Projects	14
Other Types of Projects.....	16
Section 3: General Policies	20
Policies to Consider When Planning Your Project	20
Other Things You Should Know.....	29
Section 4: Project Construction	34
Construction Policies.....	34
Section 5: Completing a Project	37
Closing a Project	37
Project Area Stewardship and Ongoing Obligations.....	39
Granting of Utility Permits.....	40
Tree Removal.....	40
Allowable Uses Framework	41
Income and Income Use	42
Appendix A: Puget Sound Partnership Action Agenda Self-Certification Form	43

Section 1: Introduction

In this section, you'll learn about:

- ✓ This manual
- ✓ The Recreation and Conservation Office
- ✓ Where to get information
- ✓ The funding boards

About this Manual

This manual provides basic information on restoration projects funded by grants from the Recreation and Conservation Funding Board and the Salmon Recovery Funding Board. Restoration projects generally are those that create, reestablish, or enhance habitat by bringing it back to a healthy, self-sustaining condition. The boards adopted policies in this manual in public meetings.

Use this manual, along with the individual policy manuals for restoration projects in the following programs:

- *Manuals 10a, 10b, and 10f, Washington Wildlife and Recreation Program* at www.rco.wa.gov/doc_pages/manuals_by_number.shtml
- *Manual 15, Land and Water Conservation Fund* www.rco.wa.gov/documents/manuals&forms/Manual_15-LWCF.pdf
- *Manual 18, Salmon Recovery Grants* www.rco.wa.gov/documents/manuals&forms/Manual_18.pdf
- *Manual 21, Aquatic Lands Enhancement Account* www.rco.wa.gov/documents/manuals&forms/Manual_21.pdf

Manual Authority

Authority for the information in this manual is found in several statutes and rules: Revised Codes of Washington 77.85.120, 79A.15.060(1), 79A.15.070(5), 79A.15.120(4),

79A.25.080(1)(b) and 79A.25.240, and Title 286 and 420 Washington Administrative Code. The *Land and Water Conservation Fund Federal Financial Assistance Manual* (U.S. Department of Interior, National Park Service), U.S. Fish and Wildlife Service, and National Oceanic and Atmospheric Administration provide additional guidance for federal grants.

Definitions

For definitions of terms used in this manual, see the project agreement. A sample agreement is on the RCO Web site at www.rco.wa.gov/documents/manuals&forms/SampleProjAgreement.pdf.

About the Recreation and Conservation Office

The Recreation and Conservation Office (RCO) supports the Recreation and Conservation Funding Board and the Salmon Recovery Funding Board. RCO is a state agency that manages multiple grant programs to create outdoor recreation opportunities, protect the best of the state's wildlife habitat and farmland, and help return salmon from near extinction.

Where to Get Information

Contact RCO

Natural Resources Building
1111 Washington Street S.E.
Olympia, WA 98501
E-mail: info@rco.wa.gov

Telephone: (360) 902-3000
FAX: (360) 902-3026
TTY: (360) 902-1996
Web site: www.rco.wa.gov

Mailing Address

PO Box 40917
Olympia, WA 98504-0917

RCO grants managers are available to assist by answering questions concerning the information contained in this manual. Please feel free to call.

Successful Applicant Workshops

Of particular importance to those awarded funding are RCO's Successful Applicant Workshops, conducted soon after grants are announced. At these workshops, participants receive important information on:

- Project sponsor responsibilities – including compliance with the project agreement.
- Amendments to the agreement – including project changes, time extensions, and cost increases.
- Restoration projects – including construction plans, design requirements, bid procedures, donations, specifications, etc.
- Project implementation – including billings, milestones, progress reports, inspections, long term compliance, etc.

Other Information You May Need

Manuals

Visit RCO's Web site to obtain copies of these publications.

- *Manual 3, Acquisition Projects*
www.rco.wa.gov/documents/manuals&forms/Manual_3_acq.pdf
- *Manual 4, Development Projects*
www.rco.wa.gov/documents/manuals&forms/Manual_4.pdf
- *Manual 7, Long-Term Obligations*
www.rco.wa.gov/documents/manuals&forms/Manual_7.pdf
- *Manual 8, Reimbursements*
www.rco.wa.gov/documents/manuals&forms/Manual_8-reimbursement.pdf
- You will also need the policy manual specific to your grant source.

Other Publications

RCO has other publications designed to explain its programs. These include:

- Summary brochures and fact sheets that describes each program's goals and funding.
- Grant program schedules.
- Grant policy manuals
- Technical assistance guides.

- State plans that give broad policy background.

Visit RCO's Web site at www.rco.wa.gov to obtain any of these free publications. All publications can be made available in an alternate format.

Project sponsors are encouraged to review the Washington State Office of Financial Management capital budget instructions. If your grant or sponsor match includes federal funds, you are asked to review the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards found in Title 2 of the Code of Federal Regulation.

Funding Boards

Recreation and Conservation Funding Board

The Recreation and Conservation Funding Board was created in 1964 by a vote of the citizens of Washington. It is a governor-appointed board composed of five citizens and the directors (or designees) of three state agencies – Department of Fish and Wildlife, Department of Natural Resources, and Washington State Parks and Recreation Commission.

Salmon Recovery Funding Board

The Washington State Legislature established the Salmon Recovery Funding Board in 1991 to administer state and federal funding and to assist with a broad range of salmon-related activities. Its primary goal is to aid the recovery of salmonids (salmon, trout, and steelhead) by providing grants.

The Salmon Recovery Funding Board is composed of five voting members, appointed by the governor, and five non-voting, state agency directors.

Not a Hearings Board

The roles of the Recreation and Conservation Funding Board and the Salmon Recovery Funding Board are to award grants and not to act as a hearings board that rules on land use issues. The boards' intent is that all proposals, to the extent possible:

- Are the outcomes of a public process in which all interests have had an opportunity to be heard.
- Have resulted from a community supported decision to submit the application.
- Are ready for implementation.

- Will ensure that maximum benefit is gained from the grant.

The boards' grant allocation meetings must not be the first public meeting in which interested parties have a chance to express views on a project.

Final decisions are made by the boards that govern RCO. Some decisions; however, have been delegated to RCO's director.

Who Makes Decisions?

Board Decisions

The following list summarizes some of the project decisions that may be made only by the Recreation and Conservation Funding Board and the Salmon Recovery Funding Board in a public meeting or by a designated subcommittee. Each is in accord with statutes, rules, and board policies.

- Initial grant approval.
- A project cost increase of more than 10 percent of the project total in the project agreement for Recreation and Conservation Funding Board funded projects. Cost increases are allowed only in certain grant programs.
- A project cost increase of more than 20 percent of the project total in the project agreement for Salmon Recovery Funding Board funded projects. Consult *Manual 18, Salmon Recovery Grants* for more criteria related to cost increases for Salmon Recovery Funding Board funded projects.
- A conversion that changes how the site is used from that described in the project agreement and Deed of Right or assignment of rights. See *Manual 7, Long-Term Obligations* for more criteria and information regarding conversions.
- Changes in policy, for example, establishing new grant limits or eligible expenditures.
- Time extensions beyond 4 years of the initial grant award for Recreation and Conservation Funding Board grants.

Director Decisions

The RCO director or staff designee makes many project decisions. The following list summarizes some of these decisions that relate to restoration projects, each in accord with statutes, rules, and RCO policies:

- Authorize project reimbursements.

- Approve a project cost increase up to 10 percent of the total project cost in the project agreement for Recreation and Conservation Funding Board funded projects. Cost increases are not allowed in all Recreation and Conservation Funding Board grant programs.
- Approve a project cost increase up to 20 percent of the project total in the project agreement for Salmon Recovery Funding Board funded projects. Consult *Manual 18, Salmon Recovery Grants* for more criteria related to cost increases for Salmon Recovery Funding Board funded projects.
- Terminate the project agreement.
- Approve compatible uses of an RCO assisted site.
- Require that grant funds be repaid to RCO if spent in a manner that conflicts with the project agreement or applicable statutes, rules, or policy manuals.
- A project sponsor may request that a decision made by the director be reconsidered. This is done by writing to the chair of the Recreation and Conservation Funding Board or Salmon Recovery Funding Board at least 60 calendar days before a board meeting. Requests will be placed on the meeting agenda with an opportunity for the petitioner to address the board. Any subsequent board decision is final.

Section 2: Eligible Restoration Projects

In this section, you'll learn about:

- ✓ Eligible projects
- ✓ Eligible project work types
- ✓ Eligible costs
- ✓ Ineligible projects
- ✓ Other types of projects

Eligible Restoration Projects

Restoration project brings a site back to its historic function as part of a natural ecosystem or improves the ecological functionality of a site. The result of a restoration project will be habitat that is self-sustaining, which means it does not require continual intervention to function as a natural ecosystem. Restoration can be accomplished as a stand-alone project or as part of a larger project that focuses on acquisition or development.

Restoration projects may do the following:

- Include habitat enhancement¹ or creation.
- Include reintroduction of native vegetation.
- Include altering or removing structures.
- Include wetlands, forests, shrub-steppe, riparian zones, saltwater, freshwater, or other ecosystems or habitats native to Washington State.
- Exclude public use to protect habitat and species.
- Include areas that are managed primarily for resource preservation and protection.

¹Enhancements are defined as activities to improve the ecological functionality of a site.

Eligible Project Work Types

A work type is a short title or phrase for the restoration activity included in the project proposal. This section outlines eligible work types for restoration projects. Because the listing is not all inclusive, applicants must consult the specific grant program manual for additional information.

Although rules vary by grant program, typical eligible restoration work types include the following:

- Upland restoration
- Estuary and shoreline restoration
- In-stream habitat such as bank stabilization, channel reconfiguration, and woody materials placement
- In-stream passage improvements
- In-stream flow enhancements
- Road abandonment
- Replacing barrier culverts
- Habitat enhancement such as plantings native species, invasive plant removal, thinning, and understory burning
- Removal of structures like bunkers, bulkheads, dikes, levees, tide gates, and piling
- Site augmentation to establish restoration elements
- Transplanting and re-vegetation efforts
- Fencing, gates, and signs

Eligible Costs

The costs described here generally are eligible for reimbursement. Because the list is not all-inclusive, consult program manuals for more detailed information. Only costs that are reasonable and directly necessary to complete the scope are eligible for reimbursement or as match. Also, eligible activities must be listed in the project agreement.



Important Note: unless specific pre-agreement costs are allowed (see below), only those costs incurred after executing the project agreement are eligible for reimbursement.

Eligible Administrative Costs

Administrative costs are necessary to prepare a project for restoration, but do not involve direct restoration activities. These activities may occur before and during actual restoration. Note: In RCO's online PRISM system, these activities are categorized as "architectural and engineering (A&E)" costs.

For Recreation and Conservation Funding Board grants, the administrative allowance is limited to no more than 20 percent of the total restoration cost. The director may approve individual project requests for increases up to 35 percent. Increases above 35 percent require approval of the Recreation and Conservation Funding Board.

Administrative charges for Salmon Recovery Funding Board restoration projects are limited to no more than 30 percent of the total construction cost. The director may approve or refer to the Salmon Recovery Funding Board requests for increases.

See "Cost Increases" in Section 3 for information on how to request an increase.

Costs may include the following:

- **Architectural and engineering services** and consultants to prepare documents for obtaining bids and awarding and preparing contracts for construction, including:
 - Preparation of site plans, from schematic to final drawings.
 - Engineering services, including structural, mechanical, electrical, and civil design work.
 - Consultant services, including studies and data collection surveys.
 - Specialty consultant services used in addition to basic architectural and engineering, for example expertise required to meet a special permitting requirement.
- **Bidding.** Services consisting of participation in pre-bid conferences, response to questions from bidders, clarification of bidding documents, attendance at bid openings, documentation and distribution of bidding results, and bid award.
- **Construction supervision** direct costs specific to the execution and construction of the project either through construction contract, organization's own resources,

or volunteer services. Construction supervision is the supervision and inspection services associated with a project under construction. This may include allowable mileage and per diem for related travel. This may include allowable mileage and per diem for related travel. Construction supervision is considered a construction cost for Salmon Recovery Funding Board projects.

- **Environmental site planning** including environmental impact statement costs.
- **Miscellaneous** costs including the following:
 - Bidding materials
 - Blueprints
 - Film processing
 - Maps
 - Photographs
 - Postage and mailings
 - Printing and reproduction
 - Supplies
 - Taxes (if applicable)
- **Project administration** services including the following:
 - Advertising
 - Billing preparation
 - Communication
 - Consultation
 - Contract award
 - Correspondence
 - Meetings
 - Negotiations
 - Progress reports
 - Public hearings
 - Room rental
 - Site visits
 - Taxes (if applicable)
 - Travel directly related to construction
- **Project Closeout.** Services to close out a project once the contractor gives notice that the restoration work is complete. Service may include an inspection to ensure the work complied with the contract, issuance of a list of remaining work required (punch list), final inspections, and issuance of final certificate for payment.
- **Record Documents** (as-builts). Receive and review the contractors' marked-up field records. Supply the record documents to user agency.
- **Surveys** necessary for architectural design, including boundary, wetland delineation, geo-tech, etc.

Eligible Restoration Costs

Restoration costs are for actual construction activities. These activities include costs for labor, materials, and equipment use. They start with site preparation and end with completion of the restoration elements. Restoration costs are eligible for reimbursement only after execution of a project agreement. See "Pre-Agreement Costs" information below for exceptions.

- **Construction** costs directly related to the execution and construction of the project.
- **Construction supervision** may be allowable for some Salmon Recovery Funding Board salmon restoration projects. Complex restoration projects sometimes involve extensive construction supervision typically under the direct guidance of the project designer. Construction supervision is the direct costs of the execution and construction of the project either through construction contract, force-account, or donated professional services. Construction supervision is the supervision, management, and inspection services associated with a project under construction. This may include allowable mileage and per diem for related travel. Construction supervision is considered administrative cost for Recreation and Conservation Funding Board projects.
- **Cultural resources** direct costs and activities necessary to investigate and evaluate a project's undertaking for possible effect on archeological and cultural resources pursuant to Governor's Executive Order 05-05 and Section 106 of the National Historic Preservation Act. Includes survey, consultation, and reporting.
- **Demolition and site preparation** includes costs to remove structures and prepare for restoration.
- **Equipment,**² such as tools or machinery, frequently is required to complete a project. Generally, equipment is eligible for reimbursement only when it is critical and necessary to complete the approved scope of work. In addition, the equipment must cost more than \$250 and less than \$1,000 per item, including all applicable charges such as taxes and shipping. If the equipment exceeds that amount, it is not eligible as part of the restoration project; however, the sponsor may purchase the equipment without grant assistance and charge a use allowance for the equipment used on the project. See Equipment Use Allowance below. For rules about what equipment is eligible for reimbursement, see RCO's *Manual 8, Reimbursements*.

²Equipment means tangible property (other than land, buildings, and related improvements) with a useful life of more than 1 year that is used on a project.

Equipment is subject to RCO's inventory policies. (See "Treatment of Assets" in the standard terms and conditions of the project agreement).

- **Equipment use allowance.** RCO's *Manual 8, Reimbursements* for details.
- **Mobilization and demobilization** costs associated with transportation of contractor's equipment and operating supplies to and from the site.
- **Permanent and temporary project signs**, including the purchase and installation of project signs.
- **Permits**, as a construction cost, include staff time to obtain permits to meet such requirements as the National Environmental Policy and State Environmental Policy Acts.
- **Project mitigation** costs may be included in the scope of a RCO project if the mitigation is required as a result of the RCO grant-funded project (see "Eligible Mitigation Cost" information below).
- **Surveys** onsite staging or construction surveys.

Eligible Pre-Agreement Costs

Pre-agreement costs are project costs incurred the start date of the project agreement. For Recreation and Conservation Funding Board projects, costs may be incurred up to three years before the start date of the project agreement. The following activities are considered eligible, pre-agreement costs and can be performed in advance of an executed project agreement without forfeiting project or reimbursement eligibility. Upon execution of a project agreement, these costs become eligible.

- Administrative costs
- Permit fees
- Engineering and design costs
- If cost-effective (i.e. materials are available at a reduced cost), large woody material, culverts, and bridges and associated transportation costs may be eligible:

Any construction costs (except permits and surveys) incurred before execution of a project agreement are not eligible for reimbursement or use as match. Also, for projects receiving federal funding, pre-agreement costs incurred before the federal agreement's effective date are not eligible unless otherwise stated. See program manuals for additional information.

Eligible Mitigation Costs

Mitigation costs may be eligible if the mitigation is required as a result of the grant-funded project's restoration impacts. Whenever possible, project sponsors are urged to mitigate in a manner that results in, or enhances the fish or wildlife habitat.

The maximum amount eligible for mitigation is 25 percent of the RCO funded project for which mitigation is required.

Such mitigation may do the following:

- Occur on a site separate from the assisted project.
- Involve habitat enhancement with no public recreation or access component.
- Involve the creation, enhancement, renovation, or replacement of wetlands, either on or off site.
- Involve transportation or right-of-way improvements.
- Involve landscape buffers.
- Involve the creation or inclusion of a work of art, if required by adopted policy, local ordinance, or law. The amount is limited to no more than 1 percent of the total construction cost.

Mitigation also may include acquisition of property for mitigation.³ When mitigation is required for development of an RCO funded project, a portion of the RCO grant may be used to buy and develop the mitigation land. The maximum amount of the grant allowed for the mitigation (including purchase of the land and construction costs) is 25 percent of the total construction costs of the RCO funded project and associated administrative and engineering costs in the project agreement.

RCO encourages the purchase and development of mitigation land that serves multiple functions such as providing habitat and recreation. Any mitigation property acquired must be included in the project agreement and included within the legal description of the recorded Deed of Right or Assignment of Rights, whichever is appropriate.

Acquisitions specifically for mitigation purposes related to impacts from other projects are not eligible for funding.

³Manual 3, Acquisition Projects

Ineligible Projects

With few exceptions, restoration activities that do not contribute directly to habitat conservation or salmon recovery are ineligible for RCO grants.

Activities that are ineligible for reimbursement or match include:

- Restoration on property to be acquired with a conditional sales contract, unless the sponsor holds the deed to the property or can demonstrate adequate control and tenure.
- Restoration on property with conflicting deed reversionary clauses, or with clauses that significantly diminish habitat conservation or salmon recovery.
- Restoration to mitigate a non-RCO assisted project, element, or action of the project sponsor. Restoration above and beyond required mitigation may be eligible.

Ineligible Costs

The following costs are ineligible:

- Bonus payments of any kind.
- Capital facilities, flood mitigation work, and public works projects such as sewer treatment facilities, surface and storm water management systems, and water supply systems.
- Ceremonial or entertainment expenses.
- Charges incurred contrary to the policies and practices of the organization involved, or the Recreation and Conservation Funding Board, or the Salmon Recovery Funding Board.
- Charges in excess of the lowest acceptable bid when competitive bidding is required, unless the RCO director authorizes the higher costs, in writing, before the award of a contract.
- Contributed materials if their value cannot be substantiated.
- Costs associated with converting from septic to sewage treatment systems.
- Costs associated with fish harvest and harvest management activities.
- Costs associated with fund raising activities.

- Costs not directly related to implementing the project such as indirect and overhead charges.
- Costs of preparing any grant application.
- Costs of procuring documentation to establish or demonstrate control and tenure for projects funded by the Recreation and Conservation Funding Board. See *Manual 18, Salmon Recovery Grants*, for Salmon Recovery Funding Board projects.
- Damage judgments arising out of acquisition, construction, or equipping of a facility, whether determined by judicial decision, arbitration, or otherwise.
- Deficits and overdraft charges, fines, penalties, interest expenses.
- Donations or contributions made by the participant, such as to a charitable organization or for organizational memberships and professional affiliations.
- Feasibility costs or studies for Recreation and Conservation Funding Board projects.
- Fishing license buy-back.
- Liability insurance premiums are not allowed in grant projects funded by the Recreation and Conservation Funding Board. See *Manual 18, Salmon Recovery Grants*, for Salmon Recovery Funding Board projects.
- Lobbying or legislative activities.
- Losses arising from uncollectible accounts, other claims, and related costs.
- Maintenance and operation activities, except for equipment maintenance as detailed under equipment use allowance in *Manual 8, Reimbursements*.
- Monitoring costs related to long-term effectiveness or long-term compliance.
- Net pens, artificial rearing facilities, remote site incubation systems and supplementation.
- Operation or construction of hydropower facilities or fish hatcheries.
- Projects identified as mitigation as part of a habitat conservation plan approved by the federal government for incidental take of endangered or threatened species.

- Publicity expenses (except legal requirements for public notice related to bids, etc.).
- Retroactive costs incurred before execution of the project agreement. See “Eligible Pre-Agreement Costs” information earlier in this section for exceptions.
- Taxes for which the organization involved would not have been liable to pay.
- Value of discounts not taken.
- Value of personal properties, unless specifically approved in advance by the Recreation and Conservation Funding Board or Salmon Recovery Funding Board.

Applicants must review the applicable program policy manuals at www.rco.wa.gov/doc_pages/manuals_by_number.shtml for additional information about eligible and ineligible project activities and costs. Also review, *Manual 3, Acquisition Projects* and *Manual 4, Development Projects* for other ineligible costs.

Other Types of Projects

Combination Projects

Combination projects involve acquisition and restoration. For Recreation and Conservation Funding Board projects, at least 1 month before the board considers approving funding, applicants must secure the property by one of the following methods:

- Acquisition under the Waiver of Retroactivity policies and procedures (*Manual 3, Acquisition Projects*).
- Have property in escrow pending grant approval. Closing must occur within 90 days after the funding meeting.
- Obtain an option on the property that extends past the Recreation and Conservation Funding Board funding meeting. Execution of the option must occur within 90 days after this meeting.

If the acquisition is for less than fee interest, and if not acquired already via a Waiver of Retroactivity, applicants also must provide draft copies of all leases or easements to RCO for review. Execution of the leases or easements must occur within 90 days after the funding meeting.

For the acquisitions to remain eligible, sponsors must follow all of the requirements and procedures outlined in *Manual 3, Acquisition Projects*.

For Salmon Recovery Funding Board projects, properties must be acquired within 18 months of the board funding approval and must be completed within 3 years of funding approval unless additional time is necessary, can be justified, and is approved by RCO. See *Manual 18, Salmon Recovery Grants* for more details.

Joint and Cooperative (Partnership) Projects

Some projects will have two or more sponsors. A joint project may be where one agency owns the property to be restored by another or two or more agencies team together to provide financial support for a project. RCO encourages such cooperation. In such cases, depending on control and tenure, public use, or other issues, RCO may ask the applicant's co-sponsor to do the following:

- Sign the RCO application and project agreement. All parties must meet eligibility requirements to be co-sponsors on the application and project agreement.

And

- Comply with the Interlocal Cooperative Act⁴ or execute an agreement, policy statement, or resolution. All must certify:
 - Which of the parties is the primary sponsor. The primary sponsor must be the fiscal agent for the project.
 - If the grant program requires planning eligibility, all parties must have RCO planning eligibility.
 - The roles and responsibilities of each party.
 - Maintenance and operation responsibilities of each agency or organization.

A draft of any agreement, policy statement, or resolution prepared must be submitted to RCO by the technical completion deadline. A signed agreement is required before RCO will execute a project agreement.

Phased Projects

RCO recommends that applicants discuss phasing very expensive or complex projects with RCO staff. Phased projects are subject to the following parameters:

⁴Revised Code of Washington 39.34 at <http://apps.leg.wa.gov/RCW/default.aspx?cite=39.34>

- Approval of any single phase is limited to that phase. No approval or endorsement is given or implied toward future phases.
- Each phase must stand on its merits as a viable or complete project and is not dependent on the completion of future phases or work.
- Each phase must be submitted as a separate application.

Progress and sponsor performance on other grants may be considered by the RCO when making decisions on current project proposals.

If two or more projects are ranked as equal through the evaluation process, the Recreation and Conservation Funding Board will give preference to a project that has had a previous phase funded by the board.⁵

Puget Sound Projects

The law⁶ prevents the Recreation and Conservation Funding Board from funding any project in the Aquatic Lands Enhancement Account or in the Washington Wildlife and Recreation Program's Habitat Conservation Account that is in conflict with the Puget Sound Partnership's *Action Agenda*. A project may be in conflict with the *Action Agenda* if it results in water quality degradation in Puget Sound or the loss of ecosystem processes, structure, or functions, and the impacts are not fully mitigated using state-approved protocols.

An applicant for a project in the Puget Sound area, which is defined as the geographic areas within Water Resource Inventory Areas 1 through 19, inclusive, must submit a letter along with the application certifying that the project is not in conflict with the *Action Agenda*. A template for this letter is in Appendix A.

The law⁷ requires the Recreation and Conservation Funding Board to give funding consideration to projects in this program that are referenced in the *Action Agenda*. Applicants for projects in the Puget Sound area must address whether the project is referenced in the *Action Agenda* when providing answers to the evaluation criteria. There are no additional points for this question; however, evaluators may, within the current scoring system, award or withhold points based on the answer to this question. The *Action Agenda* can be found online at www.psp.wa.gov.

⁵Recreation and Conservation Funding Board Resolution 2007-27, Washington Wildlife and Recreation Program only.

⁶Revised Code of Washington 79A.15.040

⁷Revised Code of Washington 79A.15.040

Salmon Recovery Funding Board Projects

Restoration projects funded by the Salmon Recovery Funding Board must contribute to the restoration of natural functions that support salmonid species (see RCO's *Manual 18, Salmon Recovery Grants*).

Section 3: General Policies

In this section, you'll learn about:

- ✓ Policies to consider when planning your project
- ✓ Project approval and authorization to proceed
- ✓ Control of the land
- ✓ Projects on state-owned land
- ✓ Cultural resources
- ✓ Grant time limits and extensions
- ✓ Other things you should know

Policies to Consider When Planning Your Project

Planning restoration projects can be complicated. Below are some of the Recreation and Conservation Funding Board and Salmon Recovery Fund Board policies you should know.

Project Approval and Authorization to Proceed

A project sponsor⁸ may not proceed with an approved project before executing a project agreement with RCO. To do so may render the project or project elements ineligible for reimbursement.

The project agreement will be prepared in accord with the components contained in the sponsor's application as approved by the Recreation and Conservation Funding Board and Salmon Recovery Funding Board, and forwarded for execution. An example of the project agreement on RCO's Web site at www.rco.wa.gov/documents/manuals&forms/SampleProjAgreement.pdf. Project applicants should review carefully the terms and conditions.

⁸An applicant becomes a sponsor on execution of an RCO project agreement, after funding has been approved.

Control of the Land⁹

Control and Tenure

To protect investments made by the Recreation and Conservation Funding Board and Salmon Recovery Funding Board investments, sponsors must have adequate control of project sites to construct, operate, and maintain the project area for the term required by the grant program and project agreement. Control and tenure may be documented in several ways, including by showing fee title land ownership, a lease, use agreement,¹⁰ or easement.

For Salmon Recovery Funding Board projects occurring on land not owned by the sponsor, sponsors satisfy this requirement with the landowner agreement (See *Manual 18, Salmon Recovery Projects*).

Recreation and Conservation Funding Board project sponsors will document control and tenure in one of several ways, including by showing fee title land ownership, a lease, use agreement, easement, or landowner agreement.

As part of a Recreation and Conservation Funding Board application, before executing a project agreement, the applicant must provide RCO with documentation as described below:

- **Applicant Owns Property.** Current title information for project property *owned by the applicant*; this information must include:
 - Legal description.
 - Documentation of deed restrictions and encumbrances.
 - Documentation of current owner.
 - Documentation of easements.
 - Explanation of the immediate or potential impacts of any restriction, encumbrance, or easement.

If the property was acquired with RCO assistance, simply provide the project name and timeframe to RCO and a list of any deed restrictions, encumbrances, or easements that may have been added after acquisition.

⁹RCO Project Agreement's Standard Terms and Conditions, Section 22B, Provisions Applying to Development, Maintenance, Renovation, and Restoration Projects: Control and Tenure

¹⁰In general, RCO allows use agreements between public agencies on public properties. RCO requires a lease or easement for restoration on other lands. Contact your RCO grants manager for more information.

- **Applicant Does Not Own Property.** Copies of applicable leases, easements, or use agreements for the area or property to be restored including state aquatic lands managed by the Washington Department of Natural Resources. Under this option the lease, easement, or use agreement:
 - Must extend for the minimum interest length indicated in the chart below from the date RCO releases the final reimbursement and accepts the project as complete.
 - Must not be revocable at will.
 - Must allow RCO or designee the right of entry to inspect.
 - Incorporate RCO’s sign requirements.

Evidence must be provided by the sponsor that the proposed restoration and its intended uses are consistent with and legally permissible under the conditions of the lease, easement, or agreement.

Minimum Control and Tenure Length for Land not Owned by Sponsor	
Grant Program	Interest Length
Salmon Recovery Grants (through landowner agreement)	10 years
Aquatic Lands Enhancement Account	Perpetuity
Land and Water Conservation Fund (Easements only, leases are not eligible in this program)	Perpetuity
Washington Wildlife and Recreation Program (Except Farmland Preservation Program easements and Conservation Reserve and Enhancement Program leases)	At least 50 years
Washington Wildlife and Recreation Program’s Farmland Preservation Program	At least 25 years
Washington Wildlife and Recreation Program’s Riparian Protection Account Conservation Reserve and Enhancement Program lease extensions	At least 25 years

Projects on State-owned Aquatic Lands

Aquatic restoration projects should follow the Washington State Aquatic Habitat Guidelines Program (<http://wdfw.wa.gov/hab/ahg/>) for road culverts, stream restoration, and stream bank protection.

All marine waters are, by definition, navigable, as are portions of rivers influenced by tides. Navigable rivers and lakes are those determined by the judiciary, those bounded by meander lines, or those that could have been used for commerce at the time of statehood. The Department of Natural Resources' aquatic land managers will help the grant applicant determine if the project will fall on state-owned aquatic lands and provide more information on its authorization process. See the land manager coverage map at www.dnr.wa.gov/Publications/aqr_land_manager_map.pdf for contact information for the Department of Natural Resources aquatic land managers.

If the project is on state-owned aquatic lands, the grant applicant will need to secure a lease or easement to use those lands from the Washington Department of Natural Resources. The lease or easement may take up to a year to receive. RCO requires the executed lease or easement within 60 days after board funding approval to show control and tenure for the site. The lease or easement is required before the project will be placed under agreement, unless RCO's director approves in advance.

The following online resources may be helpful to review:

- Grant Projects on State-owned Aquatic Lands
www.dnr.wa.gov/Publications/em_fs11_018.pdf
- Leasing State-owned Aquatic Lands
www.dnr.wa.gov/Publications/em_fs11_019_leasing_soal.pdf
- Boundaries of State-owned Aquatic Lands
www.dnr.wa.gov/Publications/aqr_aquatic_land_boundaries.pdf
- Caring for Washington's Nearshore Environments
www.dnr.wa.gov/Publications/aqr_aquatic_land_boundaries.pdf

Map Requirements

RCO will require you to set a boundary and map it for long-term compliance. The sponsor and RCO will establish and concur on a map depicting the extent of the site covered by the grant agreement. The map is used by RCO to ensure the sponsor complies with provisions in the project agreement. Factors to consider when establishing boundary maps include the following:

- Project scope.
- Project agreement amount.
- Site management unit or area.
- Past board grant assistance at the site.

Minimum Boundary Map Requirements

The boundary map must include the following:

- RCO project number and name.
- Project sponsor name and signature.
- Date of the map preparation.
- Adjoining streets and roads.
- Boundary line of land protected by the grant agreement.
- North arrow and scale.
- Sponsor signature and date.

Project sponsors also may submit, for the project file, more detailed maps to document other features of the property. Other information that helps identify the property includes adjoining ownerships, adjoining water bodies, natural landmarks, geographic coordinates at the site entrance or corners of the property, survey information, and other measurements. A professional survey is not required; however, if a survey has been completed with RCO funding, the survey must be recorded with the county auditor and a copy provided to RCO.

Electronic Submissions

RCO encourages project sponsors to submit electronic maps of the property boundaries. RCO accepts polygons files formatted in an ArcGIS Geodatabase (.GDB), ArcGIS Layer Package (.LPK), Shapefile (.SHP), AutoCAD Drawing (.DWG), or GPS Exchange Format (.GPX) in Washington State Plane Coordinate System in NAD83 or HARN datum, or geographic coordinates WGS84.

Cultural Resources

Governor's Executive Order 05-05, Archaeological and Cultural Resources,¹¹ directs state agencies to review certain acquisition and construction projects for potential impacts to cultural resources¹² to ensure that reasonable action is taken to avoid adverse impacts to these resources. The federal government, through Section 106 of the National Historic Preservation Act, requires the same compliance for federally-funded projects and projects with other federal involvement, for example, projects on federal lands or those that require a federal Army Corps of Engineers permit.

RCO facilitates review under the Governor's executive order. The appropriate lead federal agency facilitates review under Section 106 of the National Historic Preservation Act. If the federal review covers the entire RCO project area, there is no additional review required to meet state requirements. Both processes require review, analysis, and consultation with the Washington Department of Archaeology and Historic Preservation and affected Native American tribes for archaeological and cultural resources.

05-05 Review Process

Using materials from the grant application, RCO consults with the Department of Archaeology and Historic Preservation and affected Native American tribes. The materials provided include the Area of Potential Effect Map, which shows the geographic areas where a project may change directly or indirectly the character or use of historic properties or archaeological resources.



Important Note: Grant recipients may not disturb the ground within the project area until after receiving a notice to proceed from RCO, which sometimes might be in the project agreement with RCO.

All consultation through Executive Order 05-05 will be initiated by RCO and will involve the applicant, Department of Archaeology and Historic Preservation, and affected tribes. The outcome of the consultation may require an applicant to complete a cultural resources survey and a continuation of the consultation to determine next steps. The consultation must be completed before any ground-disturbing activities may occur.

The costs for cultural resources review and survey are eligible for reimbursement and may be included in the grant agreement.

¹¹www.governor.wa.gov/sites/default/files/exe_order/eo_05-05.pdf

¹²Cultural resources means archeological and historical sites and artifacts, and traditional areas or items of religious, ceremonial, and social uses to affected tribes.

If Cultural Resources are Discovered during Construction

If archaeological or historic materials are discovered after ground disturbing activities have started, work in the location of discovery and immediate vicinity must stop instantly, the area must be secured, and notification must be provided to the following groups:

- Concerned Native American tribes' cultural resources staff and cultural committees
- RCO
- Department of Archaeology and Historic Preservation

If human remains are discovered during ground-disturbing activities, work in the location of discovery and immediate vicinity must stop instantly, the area must be secured, and notification must be provided to the groups listed below in the most expeditious manner possible, in compliance with state law.¹³

- Concerned Native American tribes' cultural resources staff and cultural committees
- RCO
- Department of Archaeology and Historic Preservation
- County coroner
- Local law enforcement

State Agencies

State agency sponsors have the authority to act as lead for ensuring compliance with archaeological, historic, and cultural resource requirements. RCO will not initiate review or consultation for projects sponsored by another state agency. Before initiating any ground-disturbing activities, the state agency sponsor must submit to RCO evidence of completion of the appropriate cultural resource review process and receive from RCO a notice to proceed. RCO will withhold reimbursement of grant funds for any development or restoration (including demolition, fencing, and noxious weed control) expenditures until this requirement is met.

¹³Inadvertent Discovery of Human Skeletal Remains on Non-Federal and Non-Tribal Land in the State of Washington (Revised Codes of Washington 68.50.645, 27.44.055, and 68.60.055)

Grant Time Limits and Extensions

Sponsors must complete funded projects promptly. For this reason RCO staff, with applicant assistance, establishes a timetable for project completion, including enforceable milestones and a project completion date. To avoid the risk of the Recreation and Conservation Funding Board, the Salmon Recovery Funding Board, or the director withdrawing the grant, and to help ensure reasonable but timely project completion, accountability, and the proper use of public funds, the following must be accomplished:

Application Phase

- Applicants submit only projects likely to be completed within a specified period of time after the grant award:
 - Recreation and Conservation Funding Board projects – maximum 4 years
 - Salmon Recovery Funding Board projects – maximum 5 years
 - Family Forest Fish Passage Projects – maximum two consecutive construction seasons; projects not completed will be re-evaluated and funding may be terminated.
- Applicants must provide reasonable assurance that the project can be completed within a reasonable timeframe that meets milestones and does not exceed the board approved implementation period. Reasonable assurance may include such evidence as:
 - Appraisals and review are completed.
 - Bid documents are prepared.
 - Environmental assessment is completed.
 - Hazardous substances review is completed.
 - Option agreements are signed.
 - Permits are in-hand.
 - Property is in escrow.
 - Waiver of Retroactivity is in-hand and signed.

- Recreation and Conservation Funding Board and Family Forest Fish Passage Projects projects: At least 30 days before the funding meeting, when requested by RCO staff, applicants must provide written certification of matching fund availability.

Pre-Agreement Phase

- Applicants must submit the pre-agreement materials requested by RCO within 2 calendar months¹⁴ of funding approval.
- With RCO staff assistance, applicants must develop milestones, to be included in the project agreement, and a timeline that does not exceed:
 - Family Forest Fish Passage Projects – 2 years
 - Recreation and Conservation Funding Board projects – 2-3 years
 - Salmon Recovery Funding Board projects – 2-3 years

Implementation Phase

- RCO staff monitors critical project milestones (for example, ordering appraisals and reviews, starting construction, etc.). Unsatisfactory progress may be cause for project termination or other remedies (See the project agreement—Termination and Other Remedies). Any RCO director decision may be appealed to the Recreation and Conservation Funding Board or the Salmon Recovery Funding Board.
- The project agreement end date will be written into the project agreement. It is the date that is the end of the period of performance and all project work must be complete and may be extended only when authorized by the board or director. The director may approve projects to a maximum of:
 - Family Forest Fish Passage Projects – 2 years
 - Recreation and Conservation Funding Board projects – 4 years
 - Salmon Recovery Funding Board projects – 5 years

Requests for extensions that would exceed these periods may be referred to the Recreation and Conservation Funding Board or the Salmon Recovery Funding Board for action.

¹⁴Washington Administrative Code 286.13.040 (1)(d)

Extension requests must be in writing and provided to RCO not less than 60 days before expiration of the project's completion date. The request must (a) justify the need and (b) commit to a new set of specified milestones. When one Recreation and Conservation Funding Board grant is used to match another, RCO staff will use the earliest grant to determine the 4-year window.

Other Things You Should Know

Invasive Species

Invasive species can be spread unintentionally during restoration activities. Here is how it could happen:

- Driving a car or truck to a field site and moving soil embedded with seeds or fragments of invasive plants in the vehicle's tires to another site. New infestations can begin miles away as the seeds and fragments drop off the tires and the undercarriage of the vehicle.
- Moving water or sediment infested with invasive plants, animals, or pathogens via your boots, nets, sampling equipment, or boats from one stream to another.
- Moving weed-infested hay, gravel or dirt to a new site, carrying the weed seeds along with it, during restoration and construction activities. Before long, the seeds germinate, and infest the new site.

The key to preventing the introduction and spread of invasive species on restoration projects is twofold: Use materials that are known to be uninfested with invasive plants or animals in the restoration project and ensure equipment is cleaned both before and after construction and restoration. The Washington Invasive Species Council has developed prevention protocols (www.invasivespecies.wa.gov/council_projects/prevention_protocols.shtml) for this purpose. Equipment to clean should include, but not be limited to, footwear, gloves, angling equipment, sampling equipment, boats and their trailers, and vehicles and tires.

Project Agreement Amendments

The project agreement may be amended by execution of a project agreement amendment. Amendments for minor changes in scope and extensions to the project period may be authorized by RCO. Major changes in scope for restoration projects may be authorized only by the Recreation and Conservation Funding Board and Salmon Recovery Funding Board, or for Family Forest Fish Passage Program projects, by the Washington Department of Natural Resources and Washington Department of Fish and

Wildlife. All amendment requests shall be made in writing and must include detailed justification.

Cost Increases

On occasion, the cost of completing a project exceeds the amount written into the agreement. Such overruns are the responsibility of the project sponsor. If funds are available, however, and on written request, RCO may consider a cost increase in some grant categories. Contact your grants manager for more information related to specific grant programs.

The director may approve cost increase requests for Salmon Recovery Funding Board projects. For Recreation and Conservation Funding Board projects the director may approve requests that do not exceed 10 percent of the total project cost. The Recreation and Conservation Funding Board will consider approval of other amounts.

The project's total approved cost is the basis for such cost increases which must meet the following criteria:

- The sponsor must have fully explored all practical alternatives to completing the intent of the agreement.
- The sponsor must have had little control over the conditions causing the overrun.
- Any increase must only be used for elements in the project agreement.

A sponsor must obtain board or director approval for any significant change in project scope and/or design that results a cost increase request. This approval must be granted before or simultaneously to the cost increase.

Administrative Cost Increases

Administrative charges are limited to no more than 20 percent of the total construction amount for Recreation and Conservation Funding Board projects. The director may approve requests for increases up to 35 percent and the board may approve increases above 35 percent.

Administrative charges are limited to no more than 30 percent for Salmon Recovery Funding Board projects. The director may approve requests for increases above 30 percent.

To request an increase, the project sponsor must submit a written request to RCO addressing the following:

- What amount of administrative cost is requested?

- Why is the additional cost needed?
- What has been accomplished to date? Provide specific information about the scope of work completed.
- How will the additional administrative expenses impact the project scope? Will the original scope of work still be completed?
- What is the updated project completion timeline?

Also, include information on the project's complexity and any efficiency measures taken.

Reporting

In addition to annual billings, sponsors must submit an electronic status report summarizing the progress to date on all active projects. Due dates for progress and final reports are outlined in the project agreement milestones. In addition, sponsors of completed projects are required to report on specific matters whenever requested to do so by RCO.

Inspections

Normally, RCO staff conducts four types of project site visits:

- **Pre-award.** Made during the application phase, normally with the applicant to assess the project area and scope of work for eligibility concerns and compatibility with the grant program.
- **Interim.** This inspection, normally coordinated with the sponsor, is made sometime during project implementation phase to help resolve any apparent or anticipated problems and to monitor project progress.
- **Final.** This site review takes place after the sponsor requests a final payment or final inspection. This request must be made only after the project is complete, architects and/or engineers have made their inspection, and defects have been corrected. It should be scheduled near project completion but still within the performance period of the contractor. The project must be constructed and functional as described in the project agreement. When RCO staff's final inspection verifies that the project is complete, the final payment, including retainage, will be made.
- **Compliance.** Performed about every 5 years to ensure the site is managed and maintained as specified in the project agreement. After making special

arrangements with RCO staff, the sponsor's staff also may perform these inspections.

After project funding, the sponsor shall provide the right of access to the project area to RCO, or any of its officers, or to any other authorized agent or official of the State of Washington or the federal government, at all reasonable times, in order to monitor and evaluate performance, compliance, and quality assurance.

Grant Program Acknowledgement and Signs¹⁵

Sponsors must acknowledge Recreation and Conservation Funding Board and Salmon Recovery Funding Board funding assistance, by program if possible, in all projects. This includes the following:

- Written acknowledgement in any news release or publication developed or modified for the funded project.
- Prominent placement of signs at entrances and other locations unless exempted by board policy or waived by the RCO director. The sponsor may build such signs to harmonize with an existing design standard or request a standard acknowledgement sign from RCO.

For sponsor's developing their own signs, below are suggestions for how to incorporate appropriate acknowledgement:

- Funding provided by [insert grant program name].
- Grant funding from [insert grant program name] made available from the [insert funding board name].

Funding acknowledgement signs must be posted before the project agreement end date and final reimbursement. Project sponsors must provide proof of the funding acknowledgement by attaching photographs or other evidence to PRISM.

- Verbal acknowledgement during all ground-breaking and dedication ceremonies.

Sponsors should notify the boards at least 2 weeks before any project dedication ceremony. Basic acknowledgment sign plates are available for funded projects at no charge. Notify RCO 30 days in advance if you wish to have a representative or speaker from RCO at the ceremony.

¹⁵Washington Administrative Code 286-13-120

Public Disclosure Rules

RCO records and files, including those related to developments, are public records that are subject to the Public Records Act¹⁶. More information about the RCO's disclosure practices is available on the Web site at www.rco.wa.gov/about/public_records.shtml.

Additional Rules and Instructions

The Recreation and Conservation Funding Board and Salmon Recovery Funding Board may issue additional or modified rules, instructions, interpretations, and guides from time to time as it believes necessary for the effective conduct of the grant program. Such changes will apply to all projects. Whenever possible, sufficient lead time will be given between the announcement and the effective date to minimize impacts to projects already in process at the time of announcement.

¹⁶Revised Code of Washington 42.56

Section 4: Project Construction

In this section, you'll learn about:

- ✓ Construction policies
- ✓ Public works
- ✓ Prevailing wage requirements
- ✓ Nondiscrimination
- ✓ RCO review of construction plans
- ✓ Competitive bid requirements
- ✓ Change orders

Construction Policies

Following are some Recreation and Conservation Office policies related to construction.

Public Works

Projects financed with a grant from RCO are public works projects. Public works projects are all work, construction, alteration, repair, or improvement that is executed at the cost of the state or any other local public agency. The following provisions will apply to public works contracts:

Prevailing Wage Requirements¹⁷

Prevailing wages must be paid on all projects using contracted labor and financed with state monies. Prevailing wages are established, by the Department of Labor and Industries for each trade and occupation employed in the performance of the work. Applicants and sponsors should contact the Department of Labor and Industries for specific information about correct wages.

¹⁷RCO's Project Agreement Standard Terms and Conditions, Section 8, Compliance With Applicable Law: Wages and Job Safety

If federal funding is part of the project match, the Davis/Bacon Act must be followed unless the federal funding source is identified specifically as exempt from the requirement in the federal agreement.

If a project is funded by both state and federal sources, the higher of the two wages must be paid.

Where a private, non-profit organization uses state or municipal funds to execute a project, the prevailing wage provisions of Revised Code of Washington 39.12 and 39.04 apply to that project.

Please see the links below for more information.

- Davis Bacon information - www.access.gpo.gov/davisbacon/allstates.html
- State prevailing wages on the Department of Labor and Industries Web site – <http://lni.wa.gov/TradesLicensing/PrevWage/Basics/default.asp>

Nondiscrimination¹⁸

Except where a nondiscrimination clause required by a federal funding agency is used, the sponsor shall insert the following nondiscrimination clause in each contract for construction:

“During the performance of this contract, the contractor agrees to comply with all federal and state nondiscrimination laws, regulations, and policies.”

RCO Review of Construction Plans¹⁹

Project sponsors must provide RCO with draft construction plans and specifications for review and approval. RCO reviews them to ensure the design is consistent with the list of eligible work types in the project agreement. In addition, there may be special conditions in the project agreement that require RCO review of specific elements of the project based upon the grant application evaluation or other concerns.

RCO recommends submitting development, renovation, restoration, or construction plans and specifications at 60 percent complete. Give at least 2 weeks for review.

¹⁸RCO’s Project Agreement Standard Terms and Conditions, Section 8, Compliance With Applicable Law: Nondiscrimination Laws and Section 22, Provisions Applying to Development, Maintenance, Renovation, and Restoration Projects: Nondiscrimination

¹⁹RCO’s Project Agreement Standard Terms and Conditions, Section 22, Provisions Applying to Development, Maintenance, Renovation, and Restoration Projects: Document Review and Approval

In addition, RCO requires submitting construction-ready plans and bid specifications for review at least 2 weeks before advertising for bids.

RCO will review the plans and specifications, determine conformance with the project agreement, and issue a Notice to Proceed.

Competitive Bid Requirements²⁰

Sponsors shall establish and follow written procurement procedures or follow current state procurement procedures. All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. Be aware of organizational conflicts of interest. Contractors that develop or draft specifications, requirements, statements of work, invitations for bids, or requests for proposals shall be excluded from competition for such procurements.

Procurements under \$25,000 do not require competition.

Sponsors receiving funds from federal sources must also follow applicable federal laws and regulations.

Change Orders²¹

Construction change orders that impact the amount of funding or change the scope of the project as approved by the board or RCO need prior written approval from RCO. For Family Forest Fish Passage Program projects, approval is needed by the Washington Department of Natural Resources and Department of Fish and Wildlife. For Land and Water Conservation Fund projects, change orders must be approved by the National Park Service before reimbursement of costs.

When requested, the sponsor must provide justification such as an explanation of the situation necessitating the change, the effects of the change, and the alternatives considered. RCO cannot authorize payments for work performed that is not included in the project agreement scope of work.

²⁰RCO's Project Agreement Standard Terms and Conditions, Section 16, Procurement Requirements

²¹RCO's Project Agreement Standard Terms and Conditions, Section 22, Provisions Applying to Development, Maintenance, Renovation, and Restoration Projects: Document Review and Approval

Section 5: Completing a Project

In this section, you'll learn about:

- ✓ Closing a project
- ✓ Project area stewardship and ongoing obligations
- ✓ Granting of utility permits
- ✓ Tree removal
- ✓ Allowable uses framework
- ✓ Income and income use

Closing a Project

RCO will close out the project when it determines that all applicable administrative and programmatic requirements of the agreement have been met, or when the project has been terminated. Close out does not affect:

- RCO's right to disallow costs and recover funds on the basis of a later audit or other review or failure to complete the project;
- The sponsors obligation to return any funds due as a result of later refunds, corrections, or other transactions;
- Records retention and access as required; and
- Future audit requirements.

Retainage

RCO generally holds a portion of the grant funds, usually the final 10 percent, until the project has been completed, the project has been inspected, and all required documentation is approved. The amount of funds withheld (retainage) and the timing varies, based on sponsor's performance and compliance with the terms of the agreement.

Final Inspection

Before final acceptance of the contractor's work, the sponsor shall request a final inspection by RCO. The inspection should be requested soon enough so that it may be performed before substantial completion and while the contractor still is within the performance period. The final inspection will review:

- Completion of the project scope of work as described in the agreement.
- Site appearance and construction quality.

Administrative Close Out

Within 90 days after the project agreement end date, all financial, performance and other reports required by the terms of the agreement must be provided to RCO. These may include but are not limited to:

- Final report.
- Final request for reimbursement.
- As-built, record-drawings, or conformed set drawings.
- Any cultural resources reporting requirements.
- Project boundary and final map acceptance.
- Final amendments that have been requested and processed.
- All other required documents are complete and submitted to RCO.

After the project sponsor has completed all administrative steps to close the project, the grants manager will ensure the project was completed in accordance with the scope of work and RCO policies.

If the project was not completed as described in the agreement and RCO policies, the sponsor will be notified of the actions necessary to bring the project into compliance or the amount to be charged back against the project.

Final Payment

Within 30 days of receiving all deliverables, including administrative close out documents, RCO will make final payment to the sponsor. The final payment will include any retainage and reflect any necessary adjustments to the eligible costs.

Project Area Stewardship and Ongoing Obligations²²

An RCO grant comes with long-term obligations to maintain and protect the project area²³ after a project is complete. The long-term obligations are in RCO's project agreement standard terms and conditions, the project agreement, and *Manual 7, Long-Term Obligations*. See a template of the project agreement on RCO's Web site at www.rco.wa.gov/documents/manuals&forms/SampleProjAgreement.pdf.

RCO recognizes that changes occur over time and that some facilities may become obsolete or the land needed for something else. The law discourages casual discards of land and facilities by ensuring that grant recipients replace the lost value when changes or conversions of use take place.

In general, the project area funded with an RCO grant must remain dedicated to the use as originally funded, such as outdoor recreation, habitat protection, farmland preservation, or salmon recovery purposes, for as long as defined in the project agreement. For development and restoration projects, the period is determined by the type of control and tenure provided for the project.

A conversion occurs when the project area acquired, developed, or restored with RCO grant funding is used for purposes other than what it was funded for originally. See RCO *Manual 7, Long-Term Obligations* for a discussion of conversions and the process required for replacement of the public investment. Non-compliance with the long-term obligations for an RCO grant may jeopardize an organization's ability to obtain future RCO grants.

After a project is complete (that is, after RCO's final reimbursement and acceptance of the project), RCO documents that were signed by the sponsor continue to govern the project area described in the boundary map for which funds have been granted.

Changes may be made only with the prior approval of the funding board or the director. If a compliance issue arises, RCO staff works with sponsors to resolve the issue. Unresolved, identified issues could result in restrictions on applying for or receiving future grants.

²²Revised Code of Washington 79A.25, Washington Administrative Code 286, RCO's project agreement standard terms and conditions, and *Manual 7, Funded Projects*.

²³Project area is the defined geographic area where the project occurs and is described in the project's boundary map.

Granting of Utility Permits

After determining that a pipe or power line will have no adverse effect on present and future public recreation or habitat use of a project site, any permit issued must:

- Not be an easement giving property rights to a third party.
- State that the pipe or power line will be underground.
- Require that the third party give prior notice to and receive approval from the sponsor to enter the site for construction or maintenance. Regularly scheduled periodic maintenance checks and the method(s) of performance (which must not involve disruption of any recreation or habitat conservation function), must have prior approval on the basis of a schedule. Emergency maintenance would not normally require prior notification and approval. Adequate assurance of surface restoration is also necessary.
- State a *duration* for construction and include language that allows setting a duration for reconstruction.

Tree Removal

Tree removal is allowed on funded project sites provided it does not diminish the essential purposes of the grant and:

- Tree removal is included in the project agreement and project evaluation materials, or
- Trees are removed to prevent potential risk to public safety, or
- Trees are removed in accordance with a state parks tree assessment or an approved site-specific stewardship plan, including a park master plan, to protect or enhance forest health or the health of species targeted by the grant.

Tree removal must be managed consistently with International Society of Arboriculture (ISA) guidelines and in compliance with the Washington Forest Practices Act (Revised Code of Washington 76.09) and Forest Practices Rules (Title 222 Washington Administrative Code). While revenue may be derived from tree removal, revenue generation must not be its primary purpose.

Income generated on the project site must be managed in accordance with RCO policies on Income and Income Use, later in this manual.

Requests for tree removal that do not meet the criteria in this policy must be reviewed under the allowable uses framework.

Allowable Uses Framework

RCO grants are intended to support Washington State's habitat, outdoor recreation, and salmon habitat resources. Uses of project sites must have no overall impairment to the habitat conservation, outdoor recreation, or salmon habitat resource funded by RCO.

To be in compliance with the grant, uses of grant-assisted project sites must be either:

- A. Identified in the project agreement; OR
- B. Allowed by RCO policy; OR
- C. Approved by RCO or the funding board.

For the use to be approved by RCO or the funding board (Option C, above) it must meet all of the following criteria:

- The use must be consistent with the essential purposes of the grant (i.e., consistent with the grant agreement and grant program)
- All practical alternatives to the use, including the option of no action, must have been considered and rejected on a sound basis
- The use must achieve its intended purpose with the least possible impact to the habitat, outdoor recreation, or salmon habitat resource
 - If the use impacts the type of resource the grant is designed to protect (habitat, outdoor recreation, or salmon habitat), it also must provide at least equivalent benefits to that type of resource so there is no overall impairment.

An approved use of a project site must continue in the way it was approved to remain in compliance with the grant. This policy does not modify other RCO policies, such as cultural resource policies.

Income generated on the project site must be managed in accordance with RCO policies on income and income use.

Income and Income Use

Use of Income²⁴

The source of any income generated in a funded project or project work site must be compatible with the funding source and the agreement.

Regardless of whether income or fees in a project work site (utility corridor permit, cattle grazing, timber harvesting, farming, etc.) are gained during or after the reimbursement period cited in the agreement, unless precluded by state or federal law, the revenue may only be used to offset:

- The sponsor's matching funds;
- The project's total cost;
- The expense of operation, maintenance, stewardship, monitoring, or repair of the facility or program assisted by the funding board grant;
- The expense of operation, maintenance, stewardship, monitoring, or repair of other similar units in the sponsor's system; and/or
- Capital expenses for similar acquisition, development or restoration.

If the revenue exceeds the system's operation, maintenance, or monitoring costs, it must be deposited in a capital reserve fund.

This fund must:

- Be identified in the sponsor's official annual budget for acquisition, development, or restoration of lands or facilities.
- Only be used to further the capital goals and objectives identified in the sponsor's park and recreation, habitat conservation, or salmon recovery plan.
- Only be applied to other board funded projects in the same category (for example, revenue raised from an Urban Wildlife Habitat grant only may be used to assist other Urban Wildlife Habitat projects).
- Reference the grant agreement.

²⁴Washington Administrative Code 286-13-110

Appendix A: Puget Sound Partnership Action Agenda Self-Certification Form

This letter certifies that the [enter applicant name] is not in conflict with the *Action Agenda* developed by the Puget Sound Partnership under Revised Code of Washington 90.71.310.

I understand that a project designed to address the restoration of Puget Sound cannot be funded if it is in conflict with the *Action Agenda*.*

The following is a brief description of the [enter project name and RCO project number]:

[add project description]

- I certify that this project is within the Puget Sound basin (defined for these purposes as within Water Resource Inventory Areas 1-19).
- I further certify that this project is not in conflict with the *Action Agenda* developed by the Puget Sound Partnership because (please check all that apply):
 - When completed, this project will not result in water quality degradation in Puget Sound and meets or exceeds all permitting requirements.
 - When completed, this project will not result in loss of ecosystem processes, structure, or functions, and meets or exceeds all permitting requirements.

Applicant Name: _____

Applicant Signature: _____

Applicant Title: _____

Date: _____