# **Manual 5**

# **Restoration Projects**

January 2024



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# Section 1: Introduction

#### This section covers the following:

- ✓ This manual
- ✓ The funding boards
- ✓ Where to get information

#### **About this Manual**

This manual provides basic information for restoration projects funded through the Recreation and Conservation Office (RCO), including policies adopted by the Recreation and Conservation Funding Board and the Salmon Recovery Funding Board. Use this manual, along with the individual grant <a href="manuals">manuals</a> below, which may be found on RCO's website.

- Manuals 10a, 10b, 10c, and 10f: Washington Wildlife and Recreation Program
- Manual 15: Land and Water Conservation Fund
- Manual 18: Salmon Recovery Grants
- Manual 21: Aquatic Lands Enhancement Account
- Manual 25: Community Forests Program

Applicants with combination projects also may need the following manuals:

- Manual 3: Acquisition Projects
- Manual 4: Development Projects

# **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, 79A.25, and Titles 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 <u>sample grant agreement</u> on the RCO website.

# **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. The board awards grant to develop outdoor recreation opportunities and protect the best of the state's wildlife habitat and working lands. This governor-appointed board is 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.

#### **Recreation and Conservation Office**

RCO is a small state agency that manages the two boards' grant programs and partners with other agencies to administer non-board funded programs.

#### Who Makes Decisions?

#### Staff Decisions

Staff will review grant applications to ensure they are complete, the projects are eligible to compete, the grant applicants are eligible to apply, the match is certified, and in some grant programs that objective evaluation criteria, such as whether the applicant has complied with the Growth Management Act, have been met.

#### **Director Decisions**

The RCO director, or designee, makes many project decisions based on the rules and board policies. The decisions range from authoring payments, to approving cost increases, to approving payment of charges in excess of lower bids, to terminating projects.

A project sponsor may request that the funding board reconsider a decision made by the director or designee. To request reconsideration, the project sponsor must send a letter to the board chair at least sixty calendar days before a board meeting. The request is added to the board's meeting agenda and the project sponsor then may address the board at the meeting. The board's decision is final.

#### **Board Decisions**

The boards make final decisions for funding, policies, and project changes, although some decisions they have delegated to RCO's director. The following list summarizes many project decisions made by the boards in public meetings or by subcommittees of the boards. 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 grant 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 grant agreement for Salmon Recovery Funding Board-funded projects. Consult *Manual* 18: Salmon Recovery Grants for more criteria related to cost increases for boardfunded projects.
- A "conversion" that changes the project site or how the site is used from that described in the grant agreement, Deed of Right, Assignment of Rights, or conservation easement. See *Manual 7: Long-Term Obligations* for more criteria and information about conversions.

- A significant reduction in the project's scope after receiving a grant. Typically, the
  boards will make decisions about scope reductions if the RCO director thinks the
  projects' evaluation score would have been different with the reduced scope. Not
  included are changes that do not modify significantly the way the public uses the
  facilities, the intended opportunities, or restoration objectives funded.
- Changes in policy, for example, establishing new grant limits or eligible expenditures.
- Time extensions beyond four years of the Recreation and Conservation Funding Board or director-approval date.

# Not a Hearings Board

The roles of the two boards and program partner agencies are to award grants and not to act as hearings boards that rule on land-use issues. The intent is that each proposal demonstrates adequate public notification and review and has the support of the organization applying for the grant.

#### Where to Get Information

#### **Contact RCO**

Natural Resources Building 1111 Washington Street S.E. Olympia, WA 98501 Email

*Mailing Address* PO Box 40917 Olympia, WA 98504-0917 Telephone: (360) 902-3000 FAX: (360) 902-3026

Hearing Impaired Relay Service, call 711 Website

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

#### Other Information Needed

<u>RCO's website</u> provides more information about RCO and its grant programs, including the following:

- Summary fact sheets that describe each program's goals and funding
- Grant schedules
- Grant policy manuals

- Technical assistance guides
- State plans that give broad policy background

Contact RCO for more information about these and other free publications or online tools. Each can be made available in an alternate format for people with disabilities.

Project sponsors are encouraged to review the Washington State Office of Financial Management capital budget instructions. If the project's match includes federal funds, grant sponsors should 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 Regulations.

# Section 2: Eligible Restoration Projects

#### This section covers the following:

- ✓ Eligible projects
- Eligible activities and costs
- ✓ Ineligible costs

### **Eligible Projects**

# **Restoration Projects**

A restoration project brings a site back to its historic function as part of a natural ecosystem or improves the ecological functionality of a site. These projects generally create, reestablish, or enhance habitat by bringing it back to a healthy, self-sustaining condition. Self-sustaining means it does not require continual intervention to function as a natural ecosystem. Restoration may 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 enhancement<sup>1</sup> 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

<sup>&</sup>lt;sup>1</sup>Enhancements are defined at activities to improve the ecological functionality of a site.

Include areas that are managed primarily for resource preservation and protection

# **Combination Projects**

Combination projects involve acquisition and restoration. For Recreation and Conservation Funding Board projects, at least one 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 ninety 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 ninety 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 ninety days after the funding meeting.

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

For Salmon Recovery Funding Board projects, properties must be acquired within eighteen months of the board funding approval and restoration work must be completed within three 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.

# **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 the following:

• 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.

#### **Other Considerations**

# 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 grant agreement. All parties must meet eligibility requirements to be co-sponsors on the application and grant agreement.

#### And

- Comply with the Interlocal Cooperative Act<sup>2</sup> or execute an agreement, policy statement, or resolution. All must certify the following:
  - 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 grant agreement. See *Manual 3: Acquisition Projects* or *Manual 4: Development Projects* for additional requirements for Recreation and Conservation Funding Board projects.

<sup>&</sup>lt;sup>2</sup>Revised Code of Washington 39.34 at http://apps.leq.wa.gov/RCW/default.aspx?cite=39.34

# 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*).

#### **Eligible Activities**

Typical eligible restoration activities include the list below. Because the list is not all-inclusive, applicants must consult specific grant program manuals for additional information.

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

## **Eligible Costs**

The costs described here generally are eligible for reimbursement. Because the list is not all-inclusive, consult program manuals for more 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 grant agreement.



**Important Note:** unless specific pre-agreement costs are allowed (see below), only those costs incurred after executing the grant 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.

For Salmon Recovery Funding Board and salmon office programs' restoration grants, the administrative allowance is limited to no more than 30 percent of the total construction cost in the RCO grant agreement. 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 the following:
  - Preparation of site plans, from schematic to final drawings
  - Engineering services, including structural, mechanical, electrical, and civil design work
  - o 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 involves directing, supervising, managing, and inspecting other workers and the actual restoration or construction work.
   Construction supervision is a construction cost for Salmon Recovery Funding Board restoration projects and is considered an administrative cost for Recreation and Conservation Funding Board projects. For details, see Eligible Restoration Costs below.
- **Environmental site planning** including environmental impact statement costs.
- **Miscellaneous** costs including the following:

Bid materials
 Photographs

Blueprints
 Postage and mailings

Film processing
 Printing and reproduction

MapsSupplies

• **Project administration** services including the following:

AdvertisingNegotiations

Billing preparation
 Progress reports

Communication
 Public hearings

Consultation
 Room rental

Contract award
 Site visits

Correspondence
 Taxes (if applicable)

Meetings
 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 grant agreement. See Pre-Agreement Costs below for exceptions.

- **Construction** costs directly related to the execution and construction of the project.
- Construction supervision is the supervision, management, and inspection services associated with a project under construction. Complex restoration projects sometimes involve extensive construction supervision typically under the direct guidance of the project designer. It is the direct costs for execution and construction of the project either through construction contract, staff (force account), or donated professional services. It may include evaluating construction methods; determining the labor, equipment, and materials needed; and interpreting construction plans and specifications. These costs may include mileage and per diem for travel to and from the worksite. Construction supervision may be allowable for some Salmon Recovery Funding Board restoration projects and is considered an 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 21-02 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**<sup>3</sup> 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 buy 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*.

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

- **Equipment use allowance**. See RCO's *Manual 8: Reimbursements* for details.
- **Materials testing**, if required to ensure that the components included in the project can withstand the stress and will give the structure the needed strength, toughness, flexibility, and suitability the structure likely will experience when used for its intended purpose. General testing is not allowed.
- 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 and State Environmental Policy Acts.
- **Project mitigation** costs may be included in the scope of an RCO project if the mitigation is required as a result of the RCO grant-funded project (see Eligible Mitigation Cost information below).
- **Surveys** including onsite staging or construction surveys, and surveys or studies required for permitting.

# **Eligible Pre-Agreement Costs<sup>4</sup>**

Pre-agreement costs are project costs incurred before the start date of the grant agreement. For Recreation and Conservation Funding Board projects, costs may be incurred up to three years before the start date of the grant agreement. The activities

<sup>&</sup>lt;sup>3</sup>Equipment means tangible property (other than land, buildings, and related improvements) with a useful life of more than one year that is used on a project.

<sup>&</sup>lt;sup>4</sup>Recreation and Conservation Funding Board Resolution 2017-29

below are considered eligible, pre-agreement costs and may be performed in advance of an executed grant agreement without forfeiting project or reimbursement eligibility.

For projects receiving federal funding, pre-agreement costs incurred before the federal agreement's effective date are not eligible unless otherwise stated. See grant program manuals for additional information.

Upon execution of a grant agreement, the following costs become eligible:

- Administrative costs (includes engineering and design costs)
- Cultural resources
- Permits
- 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 for Salmon Recovery Funding Board projects

Any construction or restoration costs (except permits, cultural resources, and surveys) incurred before execution of a grant agreement are not eligible for reimbursement or use as match.

# **Eligible Mitigation Costs**

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

# **Property Acquisition for Mitigation Costs**

Costs to acquire property for mitigation also may be eligible for reimbursement.<sup>5</sup> When mitigation is required for an RCO-funded project, a portion of the RCO grant may be used to buy and develop or restore 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 grant 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 grant 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. See Acquisition of Property for Mitigation in *Manual 3:*Acquisition Projects for more information.

#### **Ineligible Elements and Costs**

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

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 stormwater management systems, and water supply systems.
- Ceremonial or entertainment expenses.
- Charges incurred contrary to the policies and practices of the organization involved, the Recreation and Conservation Funding Board, the Salmon Recovery Funding Board, or office programs.

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<sup>&</sup>lt;sup>5</sup>Manual 3: Acquisition Projects

- 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 values 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 fundraising activities.
- Costs not directly related to implementing the project such as indirect and overhead charges. (Indirect costs may be eligible for office program projects or projects with federal funding. Check the program manual to see if costs are allowed.)
- 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 the program manuals for Salmon Recovery Funding Board or office grants.
- 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, or 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 in 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.
   Contact the outdoor grants manager to determine eligibility.

- 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 grant 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 <u>program policy manuals</u> on RCO's website 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.

# Section 3: General Policies

#### This section covers the following:

- ✓ Policies to consider when planning a project
- ✓ Grant time limits and extensions
- ✓ Property requirements
- ✓ Environmental requirements
- ✓ Other requirements and things to know

# Policies to Consider When Planning a Project

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

# **Project Approval and Authorization to Proceed**

A project sponsor<sup>6</sup> receiving a Recreation and Conservation Funding Board grant may not proceed with an approved project before executing a grant agreement with RCO. To do so may render the project or project elements ineligible for reimbursement. Review this manual's information on eligible pre-agreement costs.

The grant agreement will be prepared in accordance with the components contained in the sponsor's application as approved by the funding boards and forwarded for execution. A <u>sample grant agreement</u> is on RCO's website. Applicants should review the terms and conditions carefully.

<sup>&</sup>lt;sup>6</sup>An applicant becomes a sponsor on execution of an RCO grant agreement, after funding has been approved.

# **Map Requirements**

The Recreation and Conservation Funding Board requires a boundary map of the project area<sup>7</sup> to identify the area that has an obligation for long-term compliance. The sponsor submits a boundary map with the grant application. Before the project is closed and final reimbursement made, the sponsor and RCO will agree on the boundary map depicting the extent of the project area covered by the grant agreement. The map is used by RCO and the sponsor to ensure compliance with provisions in the grant agreement. Factors to consider when establishing boundary maps include the following:

- Project scope.
- The footprint of the work types<sup>8</sup> included in the project scope.
- Site management unit or area.
- Past board grant assistance at the site. Consider whether the proposal is for the same project area or an adjacent area that has existing or similar long-term compliance obligations.

# 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

<sup>&</sup>lt;sup>7</sup>Washington Administrative Code 286-04-010 (19) "Project area" is defined as a geographic area that delineates a grant-assisted site, which is subject to application and grant agreement requirements.

<sup>&</sup>lt;sup>8</sup>A PRISM database term that means the land, elements, structures, or facilities (or portion of) that comprise the project scope.

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 files 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.

#### **Property Requirements**

# **Control of the Land<sup>9</sup>**

To protect investments made by RCO, a sponsor must have adequate control of project site to construct, operate, and maintain the project area for the term required by the grant program and grant agreement.

For Salmon Recovery Funding Board and office program projects on land not owned by the sponsor, the sponsor satisfies this requirement with the landowner agreement (See program manuals).

A Recreation and Conservation Funding Board project sponsor 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 grant 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 the following:
  - Legal description.
  - Documentation of deed restrictions and encumbrances.
  - Documentation of current owner.

<sup>&</sup>lt;sup>9</sup>RCO Grant Agreement's Standard Terms and Conditions, Provisions Applying to Development, Maintenance, Renovation, and Restoration Projects: Control and Tenure

- Documentation of easements.
- Explanation of the immediate or potential impacts of any restriction, encumbrance, or easement.

If the property was acquired with RCO assistance, 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.

- 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 meet the following requirements:
  - 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 applicant 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 and Salmon Office Programs (through landowner agreement)	Ten years
Aquatic Lands Enhancement Account	Twenty-five years
Land and Water Conservation Fund (Easements only, leases are not eligible in this program)	Perpetuity
Washington Wildlife and Recreation Program (Except Farmland Preservation Category easements and Conservation Reserve and Enhancement Program leases)	At least fifty years
Washington Wildlife and Recreation Program's Farmland Preservation Category	At least twenty-five years

Grant Program Interest Length

Washington Wildlife and Recreation Program's Riparian Protection Category and Conservation Reserve and Enhancement Program lease extensions

At least twenty-five years

# **Projects on State-owned Aquatic Lands**

Aquatic restoration projects should follow the Washington Department of Fish and Wildlife's aquatic habitat guidelines for water crossings, stream restoration, and stream bank protection.

- Water Crossing Design Guidelines
- Integrated Streambank Protection Guidelines
- Stream Habitat Restoration Guidelines

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 <u>land manager coverage map</u> online for contact information for the Department of Natural Resources aquatics land managers.

If a project will occur over, in, or alongside a navigable body of water, or on state-owned aquatic lands, an authorization is needed. The grant applicant will need to secure a lease or easement (use authorization) to use those lands from the Washington Department of Natural Resources. Securing a lease or easement may take up to a year. RCO requires the executed lease or easement within sixty 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 an extension in advance.

The following online resources may be helpful to review:

- Grant Projects on State-owned Aquatic Lands
- <u>Leasing State-owned Aquatic Lands</u>
- <u>Boundaries of State-owned Aquatic Lands</u>
- Caring for Washington's Nearshore Environments

# Department of Natural Resources' Review of Project Scope

Local government applicants that need to secure a use authorization meeting board policy must do all the following:

- Meet with the Department of Natural Resources to review the proposed scope of work.
- Complete a Joint Aquatic Resource Permit Application (JARPA) and give a copy to the Department of Natural Resources.
- Attach to the grant application a Scope of Work Acknowledgement Form (signed by the Department of Natural Resources) by the technical completion deadline.

State agency applicants must follow the same procedure when developing a new facility where one currently does not exist. RCO will coordinate an interagency, in-person review of proposals for all other state agency projects.

#### **Environmental Requirements**

#### **Cultural Resources**

Governor's Executive Order 21-02, Archaeological and Cultural Resources, requires state agencies to review acquisition<sup>10</sup> and construction<sup>11</sup> projects for potential impacts to cultural resources, which are defined as are archaeological and historical sites and artifacts, and traditional tribal areas or items of religious, ceremonial, and social uses. The goal is to ensure that reasonable action is taken to avoid minimize, or mitigate harm to those resources.

The federal government, through Section 106 of the National Historic Preservation Act, requires the same compliance for projects with federal involvement, for example, projects on federal lands, with federal funds, or requiring a federal permit.

RCO facilitates review under the Governor's executive order. Federal agencies facilitate review under 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.

<sup>&</sup>lt;sup>10</sup>RCO defines "acquisition" projects as inclusive of all acquisition types (fee and less-than-fee).

<sup>&</sup>lt;sup>11</sup>RCO defines "construction" projects as inclusive of development, restoration, and maintenance project types that have ground-disturbing actions.

# Budgeting

All applicants should budget for cultural resources work for most projects. The costs of cultural resources surveys are highly dependent upon the size, scope, and locations of the projects. RCO encourages applicants to work with qualified cultural resources professionals to estimate costs. The Association for Washington Archaeology maintains a <u>list of qualified consultants</u> on its website. Costs for cultural resources reviews (survey, monitoring, etc.) are eligible for reimbursement and should be included in grant applications.

**Important Note:** Sponsors may not disturb the ground in project areas (or demolish or alter structures) until receiving approval from RCO.

In addition, ground-disturbing activities or demolition of structures for any project that occur before completion of the cultural resources review process are not eligible for reimbursement and may jeopardize funding for the entire project.

#### **Review Process**

RCO starts cultural resources review after the grant application has been completed. This review is conducted as early as possible to ensure that initial consultation is completed before a grant is awarded. To do this, RCO requires the grant applicant to complete the cultural resources page in the PRISM application, including mapping the project's Area of Potential Effects, which shows the geographic areas where a project may change directly or indirectly the character or use of historic properties or archaeological resources. The screening questions should be completed with as much detail as possible. However, an applicant should not include any information that identifies the location of archaeological sites or the sites of traditional religious or ceremonial uses. This information is protected by state and federal laws<sup>12</sup> to help prevent the looting or destruction of these sites.

The mapped Area of Potential Effects should be inclusive of all proposed ground-disturbing activities, including access and staging areas. An applicant will be asked to revise incomplete fields and insufficient maps.

Using the grant application, RCO consults with the Department of Archaeology and Historic Preservation and interested and affected Native American tribes. This initial consultation typically is completed before a grant is awarded. The outcomes of the RCO review and the initial consultation will be inserted into the grant agreement as special conditions. These conditions may require an applicant to complete a cultural resources survey, conduct monitoring, or secure a permit through the Department of Archaeology

<sup>&</sup>lt;sup>12</sup>Revised Code of Washington <u>42.56.300</u> and the National Historic Preservation Act, Section 304 (<u>36 CFR § 800.11</u>)

and Historic Preservation. All required cultural resources deliverables must be completed before ground-disturbing activities may occur.

#### Compliance with the National Historic Preservation Act

If federal review is required to comply with Section 106 of the National Historic Preservation Act, the sponsor (or lead federal agency) must provide the RCO grants manager with documentation that the review is completed before starting ground-disturbing activities or before final reimbursement will be made on an acquisition or planning project.

The Area of Potential Effects<sup>13</sup> defined by the lead federal agency may not fully align with the RCO-funded scope included in the grant agreement. If there are any activities or areas in the RCO-funded project that are not covered by the Section 106 process, RCO must conduct cultural resources review for those items or areas to meet the requirements in the executive order.

The sponsor is encouraged to work with the lead federal agency to align the Section 106 Area of Potential Effects with the complete scope of work in the grant agreement. NOTE: Federal grant programs managed by RCO (Boating Infrastructure Grants, Land and Water Conservation Fund grants, and Recreational Trail Program grants) may be subject to additional requirements. Please review the grant manuals.

# **State Agencies**

State agency sponsors have the responsibility to ensure compliance with cultural resources requirements, either through Section 106 or as lead through Executive Order 21-02. 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 evidence of completion of the appropriate cultural resource review process to RCO. RCO will provide a notice to proceed.

# Projects on State-owned or -managed Lands (non-agency sponsored)

The state agency that owns the land is responsible for ensuring that a cultural resources review is completed in accordance with state and federal laws. Each agency has its own guidelines for meeting these requirements and ensuring appropriate management of

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<sup>&</sup>lt;sup>13</sup>The federal regulations define the "Area of Potential Effects" as referring to the geographic area(s) where an undertaking may directly or indirectly affect the character or use of a historic property, if present. The Area of Potential Effects is influenced by the scale and nature of an undertaking and may differ based on the kinds of historic properties and the kinds of effects the undertaking may cause. For instance, while the Area of Potential Effects for the rehabilitation of a historic structure's interior may not go beyond that structure's walls, the Area of Potential Effects for exterior alterations might extend out into the cultural landscape. Keep in mind that an Area of Potential Effects also may include non-contiguous areas because of audible or visual effects that may carry beyond the immediate project area.

cultural resources. The sponsor must submit evidence of completion of the cultural resource review to RCO before initiating any ground-disturbing activities or being fully reimbursed for land acquisitions or planning projects.

# Amendments Triggering Cultural Resources Review

If a sponsor requests a scope change that involves increasing the size or number of work sites or changing the location of work sites or activities, the new or changed elements must undergo cultural resources review before implementation.

# If Cultural Resources are Discovered During Project Actions

If archaeological or historic materials are discovered during ground-disturbing activities, the sponsor must stop work immediately where the item was found, secure the area, and notify the following tribal governments and state agencies:

- RCO
- Affected tribes' cultural resources staff
- Department of Archaeology and Historic Preservation

If human remains are discovered during ground-disturbing activities, the sponsor must stop work immediately where the remains were found, secure the area, and notify the groups listed below in the most expeditious manner possible, in compliance with state law.<sup>14</sup>

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

The Standard Terms and Conditions of the RCO grant agreement includes Inadvertent Discovery Protocol language and instructions for unanticipated discovery of human remains or archaeological resources. Work may be able to continue in other areas on the project site if a discovery has been made. Work with the grants manager to determine the best course of action.

<sup>&</sup>lt;sup>14</sup>Inadvertent 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)

#### Other Requirements and Things to Know

# **Accessibility**

When developing public access areas on sites restored with Recreation and Conservation Funding Board grants, sponsors are required by law to make those areas accessible regardless of whether there are specific standards adopted in the State Building Code, Americans with Disabilities Act, or Architectural Barriers Act, as amended. Other federal laws, guidelines, and best practices also may apply to achieve accessibility. In case of conflict between minimums, the one providing the most access shall prevail. RCO shall have final determination.

RCO encourages sponsors to exceed the minimum accessibility standards and use a design principle that maximizes universal accessibility for all. See *Manual 4: Development Projects* and the RCO website for detailed information about how to make the facility meet <u>accessibility requirements</u>. Plans, project applications, cost estimates, and construction drawings must reflect compliance with facility access and signing requirements.

# **Scope of Work Changes**

The grant agreement may be changed by execution of a grant 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, Salmon Recovery Funding Board, or the office program decision-making body. All amendment requests shall be made in writing and must include detailed justification, updated milestones, and any other relevant information. Sponsors must submit the request to RCO for review and approval before the change is made.

#### **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. Upon written request, RCO may consider a cost increase in some grant categories if funds are available. Contact a grants manager for more information related to specific grant programs.

The director may approve cost increase requests for Salmon Recovery Funding Board projects. Cost increase requests for office programs will be considered by the decision-making body if funds are available. 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 be used only for elements in the grant agreement.

A sponsor must obtain approval for any significant change in project scope and/or design that results in a cost increase request. This approval must be granted before or simultaneously to the cost increase. Cost increases are not eligible if the sponsor requests a scope increase for Salmon Recovery Funding Board and some office programs.

#### 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 and office salmon program 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.

# Section 4: Project Construction

#### This section covers the following:

✓ Construction policies

#### **Construction Policies**

Following are some RCO 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.

# **Prevailing Wage Requirements**<sup>15</sup>

Prevailing wages must be paid on all projects using contracted labor and financed with state money. 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.

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.

<sup>&</sup>lt;sup>15</sup>RCO's Grant Agreement Standard Terms and Conditions, Compliance With Applicable Law: Wages and Job Safety

Where a private, nonprofit 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.

For more information, please see <u>Davis-Bacon information</u> on the federal website and <u>state prevailing wages</u> on the Department of Labor and Industries website.

#### Nondiscrimination 16

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 Plans**<sup>17</sup>

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 grant agreement. In addition, there may be special conditions in the grant 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 two weeks for review.

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

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

#### **Notice to Proceed**

After RCO reviews the plans and specifications and the cultural resources review requirements are complete, RCO will issue a notice to proceed with construction. However, the notice is contingent on compliance with all applicable laws, permitting requirements, and the terms of the grant agreement.

<sup>&</sup>lt;sup>16</sup>RCO's Grant Agreement Standard Terms and Conditions, Compliance With Applicable Law: Nondiscrimination Laws, and Provisions Applying to Development, Maintenance, Renovation, and Restoration Projects: Nondiscrimination

<sup>&</sup>lt;sup>17</sup>RCO's Grant Agreement Standard Terms and Conditions, Provisions Applying to Development, Maintenance, Renovation, and Restoration Projects: Document Review and Approval

# **Competitive Procurement Requirements**<sup>18</sup>

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 also must follow applicable federal laws and regulations.

# **Change Orders** 19

Construction change orders that impact the amount of funding or change the scope of the project as approved by the boards 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 grant agreement scope of work.

<sup>&</sup>lt;sup>18</sup>RCO's Grant Agreement Standard Terms and Conditions, Procurement Requirements

<sup>&</sup>lt;sup>19</sup>RCO's Grant Agreement Standard Terms and Conditions, Provisions Applying to Development, Maintenance, Renovation, and Restoration Projects: Document Review and Approval

# Section 5: Completing a Project

#### This section covers the following:

- ✓ 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 any of the following:

- 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 sponsor's obligation to return any funds due as a result of later refunds, corrections, or other transactions.
- Records retention and access as required.
- Future audit requirements.

# Retainage<sup>20</sup>

RCO generally holds a portion of the grant, usually the final 10 percent, until the project has been completed, the project has been inspected, and all required documentation is

<sup>&</sup>lt;sup>20</sup>RCO's Grant Agreement Standard Terms and Conditions, Project Reimbursements: Retainage Held Until Project Complete Section

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 or accepting a project as complete, 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 the following:

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

#### **Administrative Close-out**

Within ninety days after the grant 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 the following:

- Final PRISM report.
- Final request for reimbursement.
- As-built, record-drawings, or conformed set drawings.
- Any cultural resources reporting requirements.
- Project boundary and final boundary map acceptance.
- Recorded notice of grant, if applicable.
- Any outstanding amendments that have been requested and processed.
- All other required documents.

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 thirty 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.

#### **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 meet the following:

- 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<sup>21</sup>

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

- Tree removal is included in the grant agreement and project evaluation materials.
- Trees are removed to prevent potential risk to public safety.
- 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

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<sup>&</sup>lt;sup>21</sup>Recreation and Conservation Funding Board Resolution 2012-21

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<sup>22</sup>

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 funded project sites must be identified in the grant agreement, allowed by RCO policy, or approved by RCO or the funding board.

For the use to be approved by RCO or the funding board, it must meet all 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.

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<sup>&</sup>lt;sup>22</sup>Recreation and Conservation Funding Board Resolution 2012-21

### **Income and Income Use**

#### Use of Income<sup>23</sup>

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, they only may be used to offset any of the following:

- The sponsor's matching resources
- The project's total cost
- The expense of operation, maintenance, stewardship, monitoring, or repair of the facility or program funded by the board grant or of other similar units in the sponsor's system
- Capital expenses for similar acquisition, development, or restoration
- Other purposes explicitly approved by RCO.

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

This fund must meet the following criteria:

- 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 RCO Urban Wildlife Habitat grant only may be used to assist other Urban Wildlife Habitat projects).
- Reference the grant agreement.

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<sup>&</sup>lt;sup>23</sup>Washington Administrative Code 286-13-110