

Federal Grant Application Request

Department of State Lands

Wetland Program Development

Analyst: Linda Gilbert

Request: Approve the submission of a federal grant application to the US Environmental Protection Agency for up to \$280,000 for Wetland Program Development.

Recommendation: Authorize the agency to submit a federal grant application for up to \$220,000, with the understanding that if the grant is awarded the Department will request additional Federal Funds expenditure limitation during the 2014 Legislative Session or from the Emergency Board.

Analysis: The US Environmental Protection Agency (EPA) is soliciting pre-proposals for federal fiscal years 2013 and 2014. EPA will evaluate the proposals and request full applications from some or all states. If selected, and with legislative approval, DSL will apply for funding for three projects. The projects build on continuing work with the EPA to improve the state's ability to manage wetlands and other aquatic resources.

The projects are:

1. Complete the Oregon Rapid Wetland Assessment Protocol refinement. The expected outcome is strengthening the scientific basis for wetland function- and value-scores by sampling a determined number of sites. The second part of this project is upgrading the reporter tool on the DSL website to make it the single information source for agency staff. (\$90,000)
2. Watershed-based Approach to Stream and Wetland Mitigation in Oregon. This project would develop a functions-based watershed-scale approach to mitigation, and identify policy changes. Funds would be passed through to an outside entity to complete the work. This project depends on completion of the first project. (\$50,000)
3. Watershed-based Assessment Approach. This project tests the validity of new tools for more accurate assessment of losses at impact sites and net gains at mitigation or restoration sites. It includes funding for education and outreach. This project would benefit from completion of the first project, but is not dependent on it, nor on the second project. (\$80,000)

The application request was for up to \$280,000. Subsequent to submitting the application request letter to the Legislature, Agency management decided not to apply for a fourth grant. This brings the total request to an amount up to \$220,000. The EPA requires a 25% match. Match will be met with existing agency and outside partner in-kind work. Work that employees are normally doing will qualify as match.

The notification date was March 5, 2013 for a pre-proposal application deadline of April 5, 2013. The EPA will select successful proposals in late May and expects to announce successful grantees by mid July. Should the Department be awarded funding, work would begin in late summer 2013 and end in

summer 2015. One limited duration position, currently working on another EPA grant, would be retained administratively for the full 2013-15 biennium to work on the new grant. Additionally, the agency may need another limited duration position for 9 – 12 months to assist with the first project and ensure timely completion of the second project, depending on the EPA's decision.

The Legislative Fiscal Office recommends approving the request to apply for up to \$220,000 with the understanding that if the grant is awarded the Department will request additional Federal Funds expenditure limitation during the 2014 Legislative Session or from the Emergency Board.



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State Land Board

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The Honorable Richard Devlin, Co-Chair
The Honorable Peter Buckley, Co-Chair
Joint Legislative Committee on Ways and Means
H-178, State Capitol
900 Court Street NE
Salem, OR 97301

Dear Co-Chairpersons:

Nature of the Request

The purpose of this letter is to seek authorization from the Joint Committee on Ways and Means for the Department of State Lands (DSL) to submit an application to the U.S. Environmental Protection Agency (EPA) for a Wetland Program Development grant in an amount not to exceed \$280,000. The non-federal match requirement of 25% of total project cost will be provided mostly by in-kind services of existing DSL staff and by other state agency partners. The projects proposed for funding are described below.

Agency Action

Background

Since 1990, EPA has awarded annual grant funds under the Wetlands Program Development Grants (WPDG) on a competitive basis to support the development or refinement of state and tribal wetlands programs. The Department has received federal funds under this grant program each year, as part of our operating budget. Beginning this year, EPA is changing to a biennial WPDG solicitation for multiple years funding, which will cover FY 13 and FY 14. The grant process is two stages with a pre-proposal due on April 5, 2013. EPA will evaluate all pre-proposals submitted, and request a full application for some or all projects. The agency will submit a full application for this project, if requested by EPA and approved by the Legislature.

DSL worked with other state agencies and Tribes to develop a coordinated Oregon Wetland Program Plan ("Plan") in 2011, with funding through EPA's Wetlands Program Development Grants. The Plan provides a strategic framework and direction over the next five years for the agency and state, federal, and Tribal partners to build, strengthen, and improve the state's ability to better manage wetlands and other aquatic resources.

The Plan includes actions to improve regulatory program effectiveness and streamline efforts; improve mitigation success; develop and refine standards and tools to effectively and consistently administer regulatory activities and support decision making; and to promote and

assist in development of local government planning solutions and tools. The following projects support the goal of the Oregon Wetlands Program Plan.

Project #1 Complete the Oregon Rapid Wetland Assessment Protocol Refinement

The *Oregon Rapid Wetland Assessment Protocol* (ORWAP) was completed in May, 2009. As directed by the 2003 Legislative Assembly, DSL developed ORWAP to provide a single method for assessing the functions and values of wetlands throughout the state for Removal-Fill Law permitting. Refinement of the ORWAP to improve the method and expand its utilization for function-based accounting is currently underway. The tasks below continue these refinements:

Task 1. Complete office and field work on a statistically valid sample of wetlands statewide to strengthen the scientific basis for function and value scores, which is needed for function-based accounting and time efficient analysis by users. Final collaboration with EPA on a statistical wetland sampling protocol from DSL's newly developed landscape functions geo-database is in process but the number of reference sites needed has not been determined at the writing of this request for authorization.

Task 2. Upgrade the ORWAP Reporter tool located on the Oregon Wetlands Explorer website to correspond with the protocol's refinement. These improvements continue the efforts to make the ORWAP Wetlands Explorer Reporter tool the single source for information to complete all office work for ORWAP, which will result in a more efficient process with more consistent outcomes.

Total federal funds requested will not exceed \$80,000 for Task 1 and \$10,000 for Task 2.

Project #2 Watershed-Based Approach to Stream and Wetland Mitigation in Oregon

This project will be conducted by the Willamette Partnership in collaboration with the Department of State Lands, EPA and the US Army Corps of Engineers. It will develop the policy framework necessary for implementing a functions-based, watershed-scale approach to mitigation for streams and wetlands in Oregon. This proposal will build on substantial work already completed by these agencies to develop functions-based assessment tools and to identify necessary program policy changes. The project will build a mitigation procedure and clear guidance that can be adopted by multiple agencies as rule, guidance or other forms of approval.

This project will be completed by the Willamette Partnership through a sub-award, as approved by EPA. Total federal funds requested will be \$50,000. The non-federal match requirement of 25% of total project cost will be provided by in-kind services of an existing DSL staff person who works on the agency's mitigation program and policy development.

Project #3 Department of State Lands Watershed-Based Assessment Approach

Task 1. This project includes development of methods, processes, and procedures to test the validity of two newly developed landscape geo-database tools. Calibration will insure the new tools are effective in providing the ecological information needed to implement a function-based, watershed-scale approach to decision making. Utilizing the tools will provide a more accurate assessment of the actual losses at impact sites and net gain at restoration and mitigation sites.

Task 2. Implement an outreach and education forum to educate stakeholders about the agency's transition to a program that achieves no net loss of wetland acres and functions through functions-based, watershed-scale mitigation. The agency will conduct regional workshops and develop outreach materials.

Total federal funds requested will not exceed \$75,000 for Task 1 and \$5,000 for Task 2. The non-federal match requirement of 25% of total project cost will be provided by in-kind services of existing DSL staff.

Project #4 Floristic Quality Assessment

A Floristic Quality Assessment (FQA) is a rapid and reliable biological indicator of ecosystem integrity that allows accurate and efficient assessment. The development of this cost-effective and efficient tool would improve the state's ability to sustainably manage, conserve, and regulate Oregon's wetland resources as set forth in the state's 2012 Oregon Wetland Monitoring and Assessment Strategy.

Total federal funds requested for this project will be \$60,000.

Action Requested

The Department of State Lands requests the Joint Committee on Ways and Means to grant approval to the agency to apply for the federal grant. If the proposal is successful, DSL will return to the Legislature to seek an increase in our federal funds expenditure limitation.

Legislation Affected

Chapter 412, Section 2 (1), Oregon Laws 2011.

Thank you for your interest and assistance. If you have any questions, please contact Cyndi Wickham at 503-986-5227.

Sincerely,



Mary M. Abrams, Ph.D.
Director

Cc: Richard Whitman, Governor's Office
Josh Goldberg, Secretary of State
Michael Selvaggio, Treasurer's Office
Lisa Pearson, Chief Financial Officer, DAS
Linda Gilbert, Legislative Fiscal Office
Cyndi Wickham, Finance and Administration