

Fish Passage Barrier Removal Board – Meeting Notes

Date: January 4th, 2018

Place: Association of Washington Cities, Olympia, Washington

Summary: Agenda items with formal action

Item	Formal Action
Meeting Notes - November	Approved
Discontinue the match certification credit in future biennia	Approved
Adopt RCO Manual 18 no-match requirements for design-only projects with exception that design-only projects must result in final designs (i.e., not preliminary)	Approved
Require Project Sponsors to provide preliminary-level designs (Defined by Manual 22) in applications requesting \$500,000 or more from the Board for construction in 19-21 coordinated pathway.	Approved
Request for Proposals, based on agreed upon changes, will be published in February	Approved

Summary: Follow-up actions

Item	Follow-up
Presentation of Administrative Costs to the Board	WDFW will prepare presentation for next Board meeting
Update on RFP feedback/interest	WDFW will solicit and present feedback comments

Board Members/Alternates Present:

Tom Jameson, Chair, WDFW	Steve Martin, GSRO
Paul Wagner, DOT	Dave Caudill, RCO - GSRO
Joe Shramek, WDNR	Gary Rowe, WSAC
Justin Zweifel, WDFW	Carl Schroeder, AWC
Steve Manlow, Council of Regions	

Others present at meeting:

Dave Collins, WDFW	Dan Barrett, WDFW
Cade Roler, WDFW	Richard Honde, Citizen
Gina Piazza, WDFW	Steve Helvy, Citizen
Alison Hart, WDFW	Mr. Asher, Cowlitz Indian Tribe
Neil Aaland, Citizen	Ken Cousins, Earth Economies
	Jimmy Kaplan, Earth Economies

Welcome/Introductions/Agenda Review

Meeting start at 10:39

Tom Jameson announced that Carl Schroeder will only be here a few minutes and Gary Rowe announced that Jon Brand will not be here today.

Started with review of the agenda. Changed the organization a little to get in line with parliamentary procedures.

Next meeting - typically FBRB meets on the third Tuesday of each month, but that would have fallen after a holiday. So the next meeting was moved up one week to Feb. 13th, 2018.

Public Comments

None

Old Business

Reviewed December meeting notes.

Corrected the date of the last meeting.

At the last meeting Dave Price mentioned that one of his executives wanted a briefing on how the Board has used the Intrinsic Potential (IP) model to compare watersheds; the IP model was used on the coast and in the Sound. Dave referred Tom to the executive secretary, and they still need to set up a date for the briefing.

Carl made a motion to approve the minutes. Paul seconds. Unanimously approved minutes from Nov 28th and can now be posted.

Project funding

Tom had a meeting with the Recreation and Conservation Office (RCO)'s Scott Robinson to discuss how flexible the FBRB funds will be. Costs for projects in both pathways were, for the most part, estimated made by WDFW staff (engineers and bios) based on experience; some estimates were provided by the project sponsors. These estimates were used to develop the 17-19 capital budget request.

A new FBRB packet was distributed with info for just the projects approved in the governor's 2018 supplemental capital budget. The proposed 19.7 million goes to RCO, so funding for the Board will go to RCO and funding discussions will be with RCO not OFM.

The dollar amounts, itemized by project on the Legislative Evaluation and Accountability Program (LEAP) list, are relatively rough. The LEAP list also contained a typographical error - unnamed trib to Johnson Cr in Clallam Co, the figure is \$813,000 short. Scott Robinson says that's not a problem.

The board was concerned about how flexible the funding would be. It looks like the funding is somewhat flexible with RCO if the projects are over/under budget. The 13 projects that were named on the LEAP list also included 6 alternates (14-19 on the list). So if we have additional funding remaining after committing to the top 13 projects, it is possible to go deeper into the list with design or construction money.

FBRB is working forward assuming that the capital budget gets approved eventually.

Dave Caudill question – if one of the big projects is lost, would the remaining six backup projects cover the whole amount. What happens if there is still money left after completing alternate projects?

Tom – We would go back to RCO to discuss.

Steve Martin – If some of the projects are under budget and we have more money than we need, then we could continue down the list.

Gary – We're looking at a supplemental budget and construction season that may or may not happen. Is it worth talking about alternates if they won't be built until 2019?

Tom talked to RCO about being able to roll funds over into next biennium – that sounds like it is pretty common.

Of the top 13 projects, there are possibly 3 that could go to construction in summer 2018, assuming capital budget is approved.

Most of the projects will only be designed during the summer of 2018.

Tom sent a hardcopy letter to the sponsors of the top 13 projects to let them know that they are in the governor's supplemental budget, and requested that they enter project information into PRISM. We've entered the cost figures (lower than LEAP list) into PRISM for them. The reason that the numbers are lower is because the LEAP list includes costs for administration of the grant program by RCO.

Steve Manlow – What if the estimates are too small – what if the budget is short?

Tom – We have contacted sponsors to talk about costs. Based on recent conversations there are enough over, and enough under that it will hopefully even out.

Justin Zweifel – As soon as possible we will come up with a final dollar value that the sponsors will have to work with. Currently we have a framework for an amendment request authority, but at the next meeting we need to discuss exactly how overruns will be reviewed/approved.

Tom – Also talked to RCO about cost overruns and how they approve them. It is likely that Dave Caudill will be grant manager of FBRB projects. If a project sponsor comes to Dave with a cost overrun is there a threshold for what he can approve?

Dave described how overruns are approved through different funding sources. Project sponsor informs RCO of the needs. There is a protocol about who can do what, how many times, and info about the timing of the project.

If we use a flat percentage of overrun for amendment requests, that could be a large variation in project costs. For example, a 10% overrun on a 1M\$ project is 100k\$, which is significant.

Dave – The grant manger has to go through things to make sure that everything is on the up and up.

Gary – Are there any situations where cost overrun cannot be approved without another appropriation?

Dave – Often people come back for a new grant to add money, but, no, if they don't have it – tough luck.

The Board needs to make decisions about how much authority Kaleen Cottingham (Director - RCO) will have on approving cost overruns. The variation in cost that we are currently dealing with will diminish through time.

The Board is planning on opening another coordinated pathway project solicitation in February. Unfunded projects that were submitted for the 17-19 grant round will need to be re-submitted and scored/ranked.

For the watershed pathway we will continue working down the current list. We will talk about what design requirements are needed before capital funds are requested. What the SRFBoard typically asks for is a preliminary design (30-50%) if applicants are requesting construction dollars. The Board would like to do the same and require preliminary designs for proposed construction projects that are submitted through the coordinated pathway. However, for the watershed pathway we are planning on using WDFW staff to look at the next couple approved projects in each watershed this summer and to firm up the estimated costs of those projects. This will give us more confidence in our budget requests to the Legislature. When we start developing the next budget request, we should go deeper in the watershed pathway list and fund projects "3, 4, and 5" for design only, so that the next biennium down the road we will have designs, and reduce variability of cost estimates when asking the state for funding.

The Board supports requiring preliminary designs for coordinated pathway, and funding designs further down the watershed pathway list.

The availability of funds – talked to RCO: If the 2018 supplemental capital budget gets passed, when would funds be available? There is a multi-step process for agreement on capital budget. Budget will be voted on, and only requires a simple majority. If they need to sell bonds to pass budget, that may require a super majority vote.

Sponsors have begun to ask about pre-agreement reimbursement and match. We think that when the bond bill passes, then we can start paying staff, RCO can start facilitation contracts, and project sponsors can start incurring reimbursable costs. But money will not be available until 7/1/2018. We will bill some costs from end of session 3/8/2018, but the first we can send any money is 7/1/2018. But, again nothing has been passed yet.

Dave – Until there is a project agreement, RCO cannot pay sponsors. Potentially eligible pre-agreements costs do not include construction. It is up to the Board to decide on an agreement and payment policy.

Steve – About designs for watershed pathway projects – some of those may be parsed out, and designed. What has previously been submitted is design-build projects, which provided sponsors some predictability. Are we adding risk by only funding designs? Could that result in projects that were approved for design funding, maybe not getting funded later for construction?

Justin – The risk, on the other hand, of approving projects for construction funding without designs is that we will have cost estimates that are way off.

Steve – Is that something that will be implemented next round?

Tom – Yes, in the 2021-2023 grand round. We are also talking about merging watershed and coordinated – where do we anticipate that the Governor will draw the line on projects? How much should we ask for? We need to have a short list with a mixture of construction and design which we are reasonably sure will be funded.

Justin – Next capital budget request we may also want to more heavily weight the funding requests for the top projects with anticipated Admin costs so that we can cover staff needs. We lost some of the Admin money that we needed when the line was drawn below the top 13 projects. So this may look a little different in 19-21 budget request.

Gary – about 9% of costs is for admin. If there was the full 51 million would we need the 9% on those? Do we need nearly 5 million dollars for the state administration?

Tom – There is a base level of activity that is required for the board’s work, whether there are 5 projects or 50 projects. When the number of projects was cut short, we came up short on funding for staff at the state level. Our intent is to keep admin costs below 10%.

Gary would like to see a budgetary presentation about state admin costs to justify adding more Admin costs to the top few projects.

Tom said he can do a presentation to show how things are currently budgeted on the top projects.

New Business

Match certification credit – Board approved match certification credit for 2017-2019 projects. With match certification credit, project sponsors applying to program are given an option to get out of providing match if needed, in either of two ways: using another barrier correction in watershed, or demonstrating that sponsor simply couldn’t afford the match. This was used to kick-start the new grant program.

Should we continue allowing the certification forms, or discontinue them as we move into 19-21 projects?

If we want to require match, what would it look like (15% or something else)?

Background – when the bill that formed the Board was passed it required a 25% match, but gave the Board the ability to approve a lower match, and they approved a 15% match. As things progressed, sponsors said that they did not have the match, and that’s where the match certification credit originated.

A decision on continuing the match certification credit is needed before publishing the new RFP.

Match credit is not currently part of the selection process. Should it be part of the selection and ranking process?

If the match credit exists, it should be up front in the application process.

In accordance with the legislative intent, it may be necessary to remove the certification credit. To continue the certification credit may be a tough sell to the Legislature in the future.

Tom – I would rather require the 15% match moving forward.

Of the 13 projects in the 2017-2019 grant round, most seem to be using the match certification credit. About 10/13 are using match certification credit.

Dave Caudill – Are we going to have people who have already been approved on the original list in the watershed pathway think that they can continue to use the match certification credit?

Cade – That’s where match can be complicated in the watershed pathway.

Regarding RCO – 15% is required on most projects. They have a design only no-match, and RMAP projects that require a higher level. Eliminating match certification credit will put it more in line with RCO. Match can leverage more money without the match certification credit.

Dave Caudill mentioned that the Washington State Fund Finder makes it easier to find funding for projects.

If there is no match on design – does that go into the match credit for the full project with RCO? No. But there are ways to be creative with funding sources.

Motion to discontinue the match certification credit in future biennia. Seconded.

Match certification credit still applies to 19 projects on 2017-2019 LEAP list.

Unanimously passed.

Motion to not require match of any sort for design only projects. Decision to discuss further.

This encourages people to phase out the projects. Which makes cost estimates and funding a little more predictable.

This may be an incentive for people to phase out projects.

But does this meet the legislative intent of the Board?

Do we have a filter in our prioritization process? Yes – project readiness gives more points to a project with designs, etc. and only needs construction funds. It's only 5 points awarded which is pretty low. Biological benefits are more heavily weighted than project readiness.

It's tough to get people to match money on every phase of a project. Gary is supportive of this motion.

You don't want designs to be shelved though. How do we pick/prioritize projects before designs start. How do we ensure that we aren't paying for designs that will be shelved?

Justin - Projects that are approved for design funding are evaluated using the same biological and habitat criteria as those approved for construction funding. Therefore, approved design-only projects are already scoring high enough (based on benefits to salmonids) to make it in the funding list, and will likely rank high again when resubmitted to the Board for construction funding.

Basis for no match on the designs – it's difficult to get cost share on designs, and it will lead to more surety on finances.

There is currently a dollar cap of \$200,000 in RCO and a time limit of 18 months to do designs.

Should we go back to RCO and ask how design-only projects are treated with no-match requirements? Do we want to be sure how RCO is doing things before we approve anything?

As described in RCO's Manual 18, design-only projects with no match must meet the following conditions:

- Must result in preliminary or final design
- Project must address particular problem as specific location
- Maximum request is \$200,000
- Project is not considered RMAP
- Must be completed within 18 months of SRFBoard funding
- Without match will not be eligible for time extension
- State agencies must still have local partner

Motion to Adopt RCO Manual 18 no-match requirements for design-only projects with exception that design-only projects must result in final designs (i.e., not preliminary). Seconded.

Unanimously approved and will go into the RFP.

SRFBoard has requirements for landowner acknowledgement to be submitted with application. Landowner agreement is required later.

Do we need to talk about match certification on projects that were not on the primary or secondary list? May not need to talk about it now, but questions will arise from sponsors.

Minimum requirements for next RFP

SRFBoard requests for funding projects that cost more than \$250,000 need to come with preliminary designs. We didn't do that in the first round, but we may want to adopt it for future rounds. This would also go in the RFP.

This would give FBRB more certainty in cost estimates and funding request from Legislature.

For the watershed pathway, scoping biologists could work with regions to figure out complexity of projects to figure out if they should do designs only in the next grant round, or design + construction?

Part of this depends on the standards for design. FBRB has the same requirements as RCO.

Of the projects on the LEAP list, only 3 had preliminary designs.

In the Chehalis there are a lot of design-only projects that will come forward for construction funding.

Moving forward some of the designs we fund will have construction funded by other projects.

Of the 79 projects in the 2017-2019 capital budget request, only 13 were estimated to cost less than \$500,000. Is it defensible to have a higher threshold than SRFBoard? SRFBoard has more variability.

If the Board sets a higher level, it can always be changed in a future biennium.

A preliminary design requirement for construction funding requests would only apply to the coordinated pathway for now, not the current list of approved watershed pathway projects.

General agreement to have a requirement for designs, but set a higher dollar value threshold. The actual threshold can be changed in future biennia.

Watershed pathway has higher certainty than coordinated pathway because of more up-front involvement. This is one of the reasons that we wouldn't apply the minimum requirement. Biologists and engineers from WDFW will be sent out over the summer to firm-up cost estimates for the current list of approved, unfunded watershed pathway projects.

Motion to require recent preliminary-level designs (Defined by Manual 22) in applications requesting \$500,000 or more from the Board for construction in 19-21 coordinated pathway. Seconded.

Unanimously passed.

But if that doesn't work in future years, it can always be changed.

Review of the draft Requests for Proposals

Board copy has blue comments by Casey.

First section is background info about the Board. Addressing Casey's comment – we don't have a Board webpage yet. We solicited a bid for the webpage prior to capital budget being hung up.

Next section – describes request for proposals. Tells applicants about the two types of projects – restoration (i.e., construction) and planning (i.e., design-only). References Manual 22 which is pretty much done, but has not been published yet because it would include the motions from today, and because the person with RCO who does the final formatting is paid through the capital budget.

Projects in watershed pathway will remain in watershed pathway.

Eligibility for coordinated pathway funding – what makes a project eligible for consideration. Complete or partial barrier to salmon. Needs to be associated with a repaired barrier, or a barrier currently funded for repair. Culverts, small dams, diversions, or other physical human-made instream barriers. Natural barriers and irrigation screens and large dams are not eligible.

Discussed the implications of setting an exact definition of large and small dams. What about the Little Pilchuck dam?

Board generally agrees to leave the definitions of dam ambiguous.

Is there language we can put in about high cost projects that will be assessed for their eligibility? We understand that there will be some high cost projects, and the board will discuss whether there are eligible. That could go under the evaluation process section.

Restoration projects greater than \$500,000 must have preliminary designs.

It is not the intent of the board to fund mitigation obligations.

Scoring and Criteria section – should not have costs that are higher than benefits.

New section – requiring pre-proposals. Due to the Board by two months after RFP is open. Requiring information to score barrier severity, absence of DS barriers, net habitat gain, number of species that benefit, habitat quality, project readiness, costs outlined, and addressing climate change.

Projects that score the highest will be asked to submit a full proposal for scoring. Includes an open ended comment section for explaining the project.

This RFP is new to the Board. If approved WDFW will provide a more precise scoring system at the next meeting.

Will there be a feedback loop for regions to provide input? Not incorporated into coordinated pathway – more incorporated into the watershed pathway. Asking regions to provide input in coordinated pathway may create a lot of additional work, but regions would like to provide some input to identify key recovery needs.

The narrative question can allow applicants to describe additional relevant information about the project. In the full proposal it is mostly the applicants providing a narrative of the project, which will be used to judge the project.

It would be good to procedurally solidify how to solicit input from regions.

During the pre-proposal, maybe include a regional narrative.

If there are many barriers in a region, maybe get ranking from region, and targets for restoration.

Create a step to have applicants check with regional boards (of the six regions) or have all of the applications funnel through the region? The regional boards would review for consistency with priorities, but they would not be submitting a list. They would just comment on the proposals that were sent to them.

It may be good information, but Gary has misgivings about making it a required step. Make it so the applicant fills in how it meets regional priorities, or how it fits into the local recovery plan.

How does the board treat a proposal if the region doesn't think it's a high priority? There needs to be an objective criterion that needs to be applicable statewide.

Is the project in a three-year work plan? Should that be scored? Or just informative?

The Board thinks that the regional check should not be included in the first cut, but instead in the full proposal under the last bullet. The final proposal specifically calls out how it fits into the recovery plan.

And then the regions provide perspective once the projects are in PRISM.

Aside – discussed the scoring criteria, and how having too many categories can disguise fatal flaws. Instead lump things into large categories. This gives reviewers more discretion to score projects.

Last round we allowed the board to review projects beyond just the scoring criteria.

In the RFP, remove point values, but keep criteria the same, and then the Board will review. RFP describes that the board has a quantifiable review process.

RFP match requirements – 15% match was agreed upon. But design-only requests do not require match if the requested amount is less than \$200,000.

RFP will be published 2/1 and pre-proposals due 3/31.

Pre-proposals are basic info submitted to WDFW and the Board: barrier assessment, landowner acknowledgement, photos, etc.

6/1/2018 invitation for full proposals –full proposals due by 7/1.

Rather than asking applicants to present on their projects, just have WDFW staff create a summary presentation for the Board.

Remove wording about applicant presentations from the RFP.

If there are uncertainties, then the WDFW staff will work with applicants to clear it up.

The Board will submit project requests to the Legislature, and funding notification will be 'TBD'.

Application requirements – for pre- and full proposals. Includes landowner acknowledgement form. Includes a lot of PRISM and RCO forms.

Landowner agreements should not be in proposal phase

For SRFBoard the landowner agreement comes with the first invoice.

RFP open for discussion:

Need to amend logo on cover of RFP.

In terms of description – would it be helpful to include paragraph in RFP that says that the watershed pathway is another way that projects will be funded? May be helpful to include clarification about the two pathways?

Agreed upon RFP edits:

Put in a paragraph about the two pathways

Include wording about making sure that proposals are complete to ensure that they are competitive.

Okay with “anadromous salmonids” instead of “salmon”.

Take out the line about presentations.

Does it stray from the legislative intent if we aren’t concentrating on roads? Do we need to get clarification from legislation?

Concerns about restricting eligibility to transportation projects – what about non-transpo barriers between two transportation barriers? Will that limit opportunities? The legislation is not entirely clear about the side-boards.

Limiting it to transportation projects will still leave a lot of eligible projects.

Use the wording from the legislation about roads and ownership and put that in the RFP instead of the draft eligibility wording.

Remove “ineligible” project wording.

“Restoration (Construction) must have...”

Use “preliminary design” rather than specifying 30%.

In pre-proposal remove the points on the bullets.

In full proposal – remove the points and add statement about regional priorities.

Update match requirements.

Schedule – take out line on presentations.

Put in a line about “board ranks and approves list”.

Remove the landowner agreement forms. But keep landowner acknowledgement wording.

Remove the match certification credit form.

Motion to approve RFP based on agreed upon changes to send out in February. Seconded. Approved unanimously.

When is the handoff between the Board and RCO? What is the Board tasks, and what is the RCO tasks? This can be discussed in a future meeting.

Summary of Next Steps

Future budget presentation from WDFW

Update on RFP feedback/interest

More updating from project sponsors on project costs

Updates on funding – house, senate budgets

Culvert case updates – maybe

How will cost changes to projects be managed? Or scopes of projects?

Additional questions for RFP: Do we want to release it the same way? Asking for city and county contacts, plus regions and lead entities?

Do we want to do targeted outreach? Cast as wide of net as possible.

The meeting adjourned at 1:45 pm.

Next meeting: Tuesday, February 13th, 2018 – @ Association of Washington Cities