Conservation in Washington:
Powered by People

2015-2017 Operating Budget Submittal

Washington State
Conservation Districts

WSCC Celebrates 75 Years
1939 - 2014

Washington State
Conservation Commission

WASHINGTON ASSOCIATION OF CONSERVATION DISTRICTS

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David S. Vogel, Executive Director ● dvogel@wadistricts.org

September 5, 2014

The Honorable Jay Inslee
Governor, State of Washington
PO Box 40002
Olympia, WA 98504-0002

Dear Governor Inslee:

On behalf of our state's 45 conservation districts and their 235 conservation district board supervisors, and as President of the Washington Association of Conservation Districts (WACD), I am writing to request your support in sustaining state funding in the 2015-17 biennial budgets for conservation districts and our partner, the Washington State Conservation Commission (Commission).

Conservation districts and the Commission play a key and unique role in helping landowners achieve a high level of stewardship in managing the lands and resources under their control. Their voluntary conservation efforts will be critical if our State is to achieve the goals contained in your ***Results Washington*** initiative relating to water quality, habitat, and other natural resources priorities.

It is essential that we maintain funding for the technical and operating staff working in conservation districts if we are to continue to make progress working with landowners and land managers in protecting and improving water quality throughout the state. These dedicated men and women work hard every day to:

- Reduce pollutants entering Puget Sound that impact water quality, including water that flows over shellfish beds;
- Meet local demands for technical and financial assistance to help livestock producers and crop managers to implement efforts to improve water quality;
- Create and enact solutions to complex problems dealing with water quality and agriculture sought by the Agriculture/Water Quality Advisory Committee established by Department of Ecology Director Maia Bellon; and,
- Implement innovative conservation approaches developed via funding under the new federal Farm Bill.

Much of the Commission's Operating and Capital Budget requests were developed by the conservation districts themselves, based on what they need in the way of internal infrastructure to respond to citizen demands for services. WACD is concerned that the possible 15% reduction in operating funding will have a crippling impact on conservation districts' ability to work with landowners, and will reduce on-the-ground results sought under these water quality and natural resources initiatives. We strongly encourage you to avoid making such a reduction to the Commission's 2015-17 Operating Budget.

The Capital Budget request submitted by the Commission includes projects identified – and prioritized by -- conservation districts as immediate opportunities to protect and improve water quality, improve wildlife habitat, conserve water resources, improve air quality, and meet other important natural resources protection goals. Conservation districts have a proven track record in getting such conservation project work completed on-time and on-budget. WACD also wants to highlight the fact that the Commission has been a lean and effective partner with conservation districts in putting these conservation projects on-the-ground as efficiently and effectively as possible. We encourage you to support funding for these important Capital Budget projects.

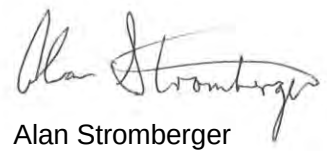
Several extremely important natural resource issues will be placed before you and the Legislature for funding this year. These include funding to implement: (1) the Voluntary Stewardship Program, (2) wildfire recovery and fire prevention activities, and, (3) storm water management improvements. WACD and the Commission strongly support these issues, and the role conservation districts play in implementing them. We are working collaboratively with the Commission's member agencies, (the Departments of Natural Resources, Ecology, and Agriculture), and cooperating organizations, to support funding options for these critical activities.

However, we urge you to fund these new initiatives separately from the Commission's core Operating and Capital Budget packages, so as not to displace and destroy vital conservation district and Commission work contained in those foundational budget requests.

Our member conservation districts greatly appreciate the support you have shown for locally-led, incentive-based conservation approaches. We encourage you to protect against the crippling impacts of a substantial budget reduction, and instead increase funding for the important landowner and community services provided statewide by conservation districts and the Commission.

We all know that this critical work takes resources. Voluntary, incentive-based natural resources management work is not easy, but it will be absolutely essential if we are going to protect Washington's precious natural resources for future generations.

Sincerely,



Alan Stromberger
President

AS:dg

cc: David Schumacher, OFM Director
Jim Cahill, OFM Budget
J.T. Austin, Governor's Policy Office

Don Stuart
[redacted]

September 1, 2014

The Honorable Jay Inslee, Governor
State of Washington
PO Box 40002
Olympia, WA 98504-0002

(Delivered by Conservation Commission staff.)

Re: Budget for the Washington State Conservation Commission

Dear ~~Governor Inslee~~: Jay

Eighteen years have passed since I ran for U.S. Congress in the First District in 1996! At the public events I attended, I also recall watching your primary campaign for Governor. Even then I knew you'd make a terrific Governor. And while I was delighted when you won that First District House seat two years later (and helped in your campaign), it is even more gratifying to see you today, where you belong, in the Governor's Office.

After the 1996 campaign, I spent three years as Executive Director for the Washington Association of Conservation Districts, and then eleven years with American Farmland Trust – a job that called for frequent dealings with districts and with the Washington State Conservation Commission. That experience has led me to write you in support of the Conservation Commission's budget. I know of no more deserving or cost-effective agency anywhere in government.

I'm sure you know the basics: Conservation districts help landowners provide sound, on-the-ground environmental management for the two-thirds of the lands in our state which are in private ownership. But, as is usually the case, there is more to it than that.

First of all, much of this conservation district work could get done in no other way. Surely, there is a critical role for regulation. But voluntary action, supported by district expertise and sometimes encouraged by incentives, is often the ONLY way to get damaged lands restored, new wildlife habitat established, and management practices adopted that actually upgrade current environmental performance. Providing environmental lift is something at which our conservation districts excel.

Secondly, our State's conservation districts, and our Conservation Commission, have won broad support among landowners through many years of even-handed professionalism and quality service. Their approach simply cannot be and (despite frequent efforts) has not ever been duplicated by any other agency. We need to preserve and grow this incredible resource of good will among our citizens. For this, adequately-funded conservation districts are essential.

Finally, the poorly understood truth about conservation districts is that they are incredibly, almost unbelievably cost effective. Consider these advantages to conservation district projects:

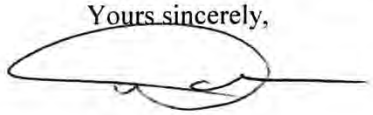
- Landowner contributions to cost: Landowners almost always contribute the vast majority of the cost for most projects – greatly leveraging the environmental improvements gained for every public dollar.

- The interest in success: Because the landowners are contributing to the cost and are 100% involved and on board, their knowledge of what will and will not work on their property assures that these projects will make sense. This is a built in safeguard for cost-effectiveness.
- Conservation economics: Good conservation is very often also good business. Conservation district professionals can identify and enhance these benefits. This phenomenon can very often greatly reduce the cost of incentives and save us all money.
- Known cost: Unlike the often-invisible economic impacts of regulation, the funding spent on voluntary programs is known – every dime of that social cost is spelled right out in the agency budget. Costs we can see we can (and do) control.
- Outcome monitoring and financial oversight: Because the entire cost of voluntary programs is known – agencies like the Conservation Commission can actually measure their success and can meaningfully report their cost effectiveness. They are motivated to do so. And they are motivated to improve. The work of other State agencies often has hidden cost impacts. So it can be difficult to impossible for them to measure their true and actual cost-effectiveness.
- Site and need-specific adaptation: Because voluntary conservation district projects are closely adapted to each specific worksite, their work only address issues that need attention. The impacts of their work do not encroach upon activities that are not creating problems.
- Community engagement: Because they work so closely with their local communities, conservation districts can enlist enthusiastic community participation that creates positive social pressure and local leadership which often greatly reduces public cost.
- Fairness: Sometimes, of course, our farmers and other private landowners may themselves be the cause of environmental degradation. But just as often, they may be asked to solve problems for which they were not responsible. It is essential that we have an effective way to enlist their help in solving environmental problems in a way that is fair to them as well as to the rest of us. Our Conservation Commission provides the only tools we have to make that possible.

For all these reasons I'm convinced that cuts in the budget of our Conservation Commission would be counter-productive for our State and tragic for our environment. Our conservation districts are essential government infrastructure. They are one of our best hopes for future environmental gains. And because they are so incredibly cost-effective in their work, every dollar we cut today will be multiplied many times over in environmental losses for all of us.

Jay, I have discussed the above and other related issues in a recently-published book entitled: Barnyards and Birkenstocks: Why Farmers and Environmentalists Need Each Other. I've asked my publisher, Washington State University Press, to send along to you a publisher's copy of this book. Among the issues it considers is the critical role of conservation districts in our nation's struggle to deal with environmental challenges on private lands. I hope you'll find the book useful.

Yours sincerely,



Don Stuart
www.donstuart.net
[redacted]

[redacted]
August 23, 2014

To Whom It May Concern:

Eleven years ago, my husband and I shopped for rural property. We wanted 2-5 acres and when we found our property on Skamokawa Creek, we ended up with 15 acres! We were city folk moving to the country. Fifteen acres was pretty overwhelming and we called on the Conservation District for help. We wanted to be good stewards of the land and had no idea how to begin.

Our creek bank was very undercut and we had constant erosion. We had some low land flooding in the winter and we were concerned about how to take care of the land. The Wahkiakum Conservation District, with Darin Houpt in the lead, was a godsend. They came out and looked at our land. Then went after money to do a major project on our creek. We became a demonstration site for others in the valley, plus people from all over the state, to see what could be done. We had the creek bank peeled back and sloped. We had woody structures put in to control and gently send the creek towards the flood plain. We planted willows along the creek bank and fenced the animals out of the creek through the CREP program. None of this would have happened without the wonderful help from the Conservation District. Both the Cowlitz and Wahkiakum County districts have been so helpful in educating us in how to care for our land. They have been a pleasure to work with and have helped us get other land owners on board for making good changes where the creek is concerned.

We are so very grateful for all the help we have received. We are happy to share with all who visit our property what a great help the Conservation District has been. The people who work for these two districts, and the boards who govern them, are a real gift for our county and the earth.

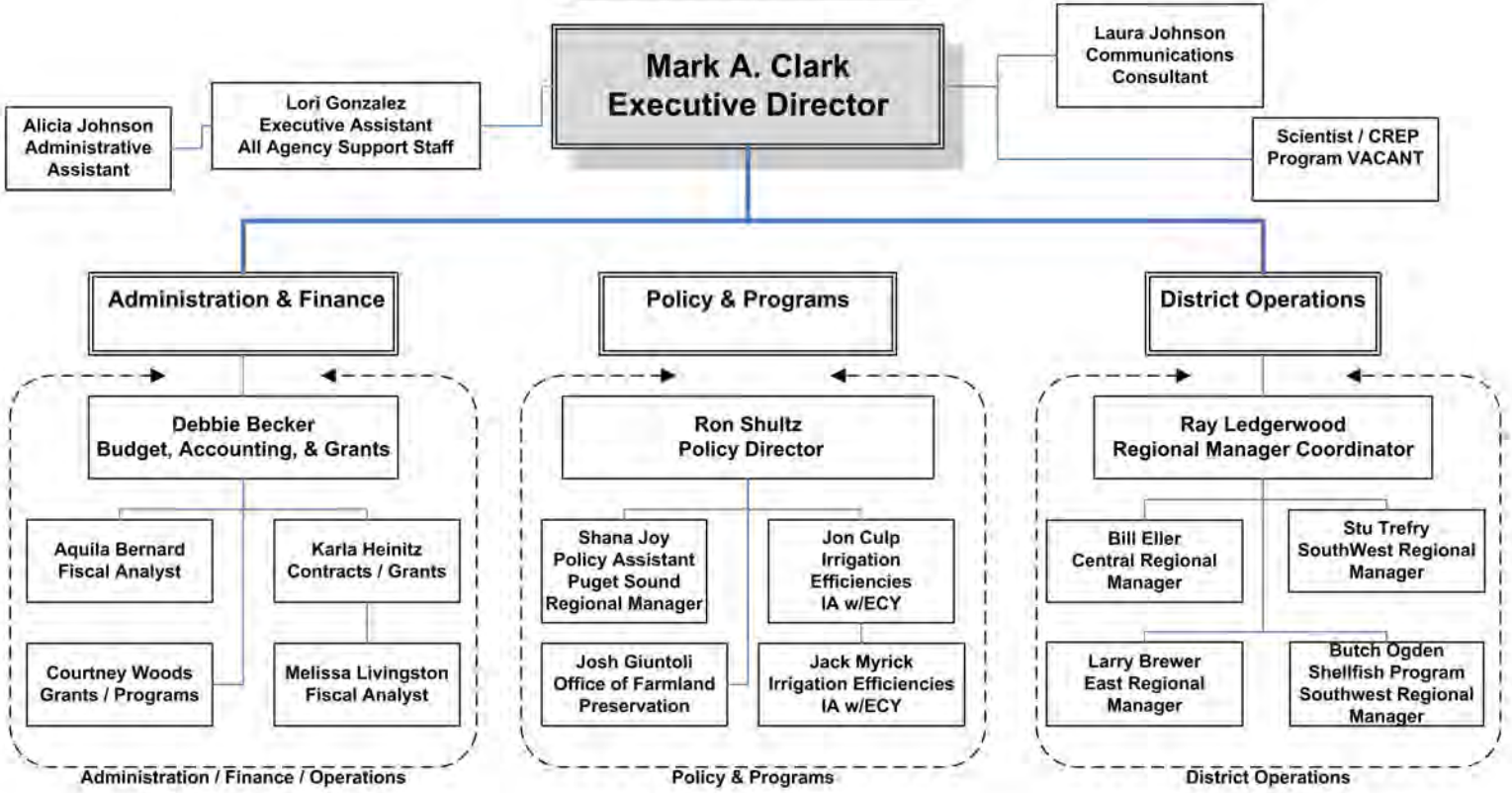
[redacted]

Washington State Conservation Commission

Governing Board of Commission Members

Jim Peters, Chair, NWIFC, Governor Appointee
Clinton O'Keefe, Vice Chair
Alan Stromberger, WACD President
Dean Longrie
Lynn Brown
Lynn Bahrych, Governor Appointee
Perry Beale, Department of Agriculture
Kelly Susewind, Department of Ecology
Jim Kropf, WSU Puyallup
Todd Welker, Dept. of Natural Resources

Agency Staff



471 - State Conservation Commission

A001 Technical Services and Program Delivery

The State Conservation Commission (SCC) members and staff provide the organizational framework for dispensing technical expertise and conservation program delivery to 47 conservation districts. These districts provide critical connections for conservation program delivery to local land owners. They provide technical and educational assistance and incentives to land owners that are willing to implement conservation measures to improve, enhance, and/or protect soil, water, air, plants, and animal resources. Districts identify critical natural resource issues and goals through the development of five-year plans, annual plans, and budget requests for conservation program implementation.

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	6.1	6.1	6.1
001 General Fund			
001-1 State	$5,171,016	$5,068,016	$10,239,032
001-2 Federal	$1,000,000	$1,001,000	$2,001,000
001 Account Total	**$6,171,016**	**$6,069,016**	**$12,240,032**
173 State Toxics Control Account			
173-1 State	$173,000	$173,000	$346,000

Statewide Result Area: **Sustainable Energy and a Clean Environment**
Statewide Strategy: **Preserve, maintain and restore natural systems and landscapes**

Expected Results

Land owners and managers will implement sound best management practices that enhance and improve the soil, water, air, plants, animals, energy, and humans.

001428 Acre-feet of water returned to streams through conservation practice installation.

Biennium	Period	Actual	Target
2013-15	A3		600
	A2		600
2011-13	A3		
	A3	1,258	6,251
	A2		
	A2	429	6,251
	A2		
	A2		
	A1		
	A1		

Performance Measure Status: Approved

002357 Conservation districts utilize SCC funding as match for several local, state, federal, private, programs. SCC funding provides conservation districts with funding to support operations allowing them to secure funding for additional projects.

Biennium	Period	Actual	Target Min	Target Max
2013-15	A3		4%	7%
	A2	4%	4%	7%

Performance Measure Status: Approved

002360 This measure will report the number of administrative efficiencies in place at the conservation districts across the state. Utilization of the Technical Assistance Group system to determine where expertise lies within the system.

Biennium	Period	Actual	Target Min	Target Max
2013-15	A3		15	20
	A2	29	10	15

Performance Measure Status: Approved

001425 Number of acres protected, improved, or enhanced through the implementation of best management practices on landowner property.

Biennium	Period	Actual	Target
2013-15	A3		50,000
	A2	29,964	35,000
2011-13	A3		
	A3	115,851	116,006
	A2		
	A2	149,809	116,571
	A2		
	A2		
	A1		
	A1		

Performance Measure Status: Approved

002368 Conservation districts are required to utilize the CPDS project management system to enter landowner projects, with individual practices and cost of each practice that results in a printable formal contract for the landonwer and district to sign.

Biennium	Period	Actual	Target
2013-15	A3		75%
	A2	100%	50%

Performance Measure Status: Approved

001409 Miles of stream protected, improved or enhanced through the implementation of best managment practices on landowner's property.

Biennium	Period	Actual	Target
2013-15	A3		100
	A2	83	100
2011-13	A3		
	A3	91	322
	A2		
	A2	120	322
	A2		
	A2		
	A1		
	A1		

Performance Measure Status: Approved

001426 Number of authorized best management practices (conservation practices) installed on landowner property, including those practices which received financial assistance.

Biennium	Period	Actual	Target
2013-15	A3		1,000
	A2	1,317	900
2011-13	A3		
	A3	1,257	616
	A2		
	A2	2,288	609
	A2		
	A2		
	A1		
	A1		

Performance Measure Status: Approved

001424 Number of land owners/managers assisted and those contacts resulting in new actions by the conservation districts.			
Biennium	**Period**	**Actual**	**Target**
2013-15	A3		3,950
	A2	3,525	3,655
2011-13	A3		
	A3	9,307	3,655
	A2		
	A2	7,319	3,680
	A2		
	A2		
	A1		
	A1		
Performance Measure Status: Approved			

001857 Number of monitoring visits to sites over the course of the fiscal year. This is designed to be an intensive on-the-ground monitoring of best management practices affecting riparian health and water quality.				
Biennium	**Period**	**Actual**	**Target Min**	**Target Max**
2013-15	A3	0	0	0
	A2	0	0	0
2011-13	A3	0	72	72
	A2	0	72	72
Performance Measure Status: Approved				

A002 Conservation District Operations and Accountability

SCC staff provide guidance and oversight to the conservation districts, assuring compliance with state and federal requirements, compliance with open public meeting regulations, annual and long range planning, annual reporting of accomplishments, district operations reviews, assistance with internal audits, and oversight of elections and appointment processes. The emphasis is on quality of leadership, public service, and conservation program delivery that addresses natural resource issues across the state.

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	6.0	6.0	6.0
001 General Fund			
001-1 State	$1,300,000	$1,300,000	$2,600,000
173 State Toxics Control Account			
173-1 State	$127,000	$127,000	$254,000

Statewide Result Area: **Sustainable Energy and a Clean Environment**
Statewide Strategy: **Establish safeguards and standards to prevent and manage pollution**

Expected Results

All conservation districts successfully provide technical, financial incentive, and educational services to land owners and managers to address natural resource issues. Services are provided through an infrastructure of qualified technical and administrative staff, board member leadership, long range and annual planning, and conservation district operations and accountability.

002357 Conservation districts utilize SCC funding as match for several local, state, federal, private, programs. SCC funding provides conservation districts with funding to support operations allowing them to secure funding for additional projects.

Biennium	Period	Actual	Target Min	Target Max
2013-15	A3		4%	7%
	A2	4%	4%	7%

Performance Measure Status: Approved

002360 This measure will report the number of administrative efficiencies in place at the conservation districts across the state. Utilization of the Technical Assistance Group system to determine where expertise lies within the system.

Biennium	Period	Actual	Target Min	Target Max
2013-15	A3		15	20
	A2	29	10	15

Performance Measure Status: Approved

001400 Conservation Commission Financial staff will act on all payments requests from conservation districts within 72 hours of receipt. Once approved, the invoices will be processed for payment within an additional 72 hours.

Biennium	Period	Actual	Target
2013-15	A3		99%
	A2	100%	99%
2011-13	A3		
	A3	100%	99%
	A2		
	A2	100%	98%
	A2		
	A2		
	A1		
	A1		

Performance Measure Status: Approved

002368 Conservation districts are required to utilize the CPDS project management system to enter landowner projects, with individual practices and cost of each practice that results in a printable formal contract for the landonwer and district to sign.

Biennium	Period	Actual	Target
2013-15	A3		75%
	A2	100%	50%

Performance Measure Status: Approved

001423 Percentage of districts without audit findings

Biennium	Period	Actual	Target
2013-15	A3		98%
	A2	98%	98%
2011-13	A3		
	A3	98%	98%
	A2		
	A2	96%	97%
	A2		
	A2		
	A1		
	A1		

Performance Measure Status: Approved

001413 Percentage of districts implementing long-range plans.

Biennium	Period	Actual	Target
2013-15	A3		100%
	A2	100%	100%
2011-13	A3		
	A3	100%	97%
	A2		
	A2	98%	98%
	A2		
	A2		
	A1		
	A1		

Performance Measure Status: Approved

001421 Percentage of long-range plans and annual plans that are current, have been reviewed, and meet SCC established standards.

Biennium	Period	Actual	Target
2013-15	A3		100%
	A2	100%	100%
2011-13	A3		
	A3	100%	97%
	A2		
	A2	97%	97%
	A2		
	A2		
	A1		
	A1		

Performance Measure Status: Approved

A003 State Conservation Commission Operations and Administration

SCC members oversee state funding for the conservation districts and provide guidance and policy direction to the Executive Director for Commission staff to implement. Members examine issues pertaining to the rights and needs of the conservation district community and make recommendations to the Governor, Legislature, and state agencies for changes in programs and laws. This activity supports agency functions by providing leadership, cross-program support, and staff presence throughout the state. Operations and Administration manages the agency's long-term financial health and provides the information to support sound decision-making and resource management. It also provides human resource services, facility and vehicle management, maintains the agency's centralized records and library resources, responds to public records requests, and certifies conservation district elections and appointment processes.

Account	FY 2016	FY 2017	Biennial Total
FTE			
001-1 State	6.0	6.0	6.0
001 General Fund			
001-1 State	$2,516,212	$2,498,212	$5,014,424
001-2 Federal	$150,000	$150,000	$300,000
001 Account Total	**$2,666,212**	**$2,648,212**	**$5,314,424**
173 State Toxics Control Account			
173-1 State	$200,000	$250,000	$450,000

Statewide Result Area: **Sustainable Energy and a Clean Environment**
Statewide Strategy: **Preserve, maintain and restore natural systems and landscapes**

Expected Results

Meet the conservation districts' technical, educational, and financial needs including providing the administrative activities identified in the district's long range and annual plans. Maintain a qualified, trained staff engaged in the improvement of natural resources and proper management of the agency's financial and administrative duties.

002357 Conservation districts utilize SCC funding as match for several local, state, federal, private, programs. SCC funding provides conservation districts with funding to support operations allowing them to secure funding for additional projects.

Biennium	Period	Actual	Target Min	Target Max
2013-15	A3		4%	7%
	A2	4%	4%	7%

Performance Measure Status: Approved

001400 Conservation Commission Financial staff will act on all payments requests from conservation districts within 72 hours of receipt. Once approved, the invoices will be processed for payment within an additional 72 hours.

Biennium	Period	Actual	Target
2013-15	A3		99%
	A2	100%	99%
2011-13	A3		
	A3	100%	99%
	A2		
	A2	100%	98%
	A2		
	A2		
	A1		
	A1		

Performance Measure Status: Approved

001904 SCC staff will audit the on-the-ground implementation of projects to ensure effective use of state resources. Reduced funding for the auditor to conduct audits of conservation districts requires that SCC ensure compliance of conservation districts.

Biennium	Period	Actual	Target Min	Target Max
2013-15	A3		15	25
	A2	20	15	20
2011-13	A3	21	24	24
	A2	47	24	24

Performance Measure Status: Approved

001423 Percentage of districts without audit findings			
Biennium	**Period**	**Actual**	**Target**
2013-15	A3		98%
	A2	98%	98%
2011-13	A3		
	A3	98%	98%
	A2		
	A2	96%	97%
	A2		
	A2		
	A1		
	A1		
Performance Measure Status: Approved			

001416 Positive constituency feedback including conservation districts, land owners, agencies, and organizations.			
Biennium	**Period**	**Actual**	**Target**
2013-15	A3		96%
	A2	92%	96%
2011-13	A3		
	A3	86%	96%
	A2		
	A2	86%	91%
	A2		
	A2		
	A1		
	A1		
Performance Measure Status: Approved			

Grand Total

	FY 2016	FY 2017	Biennial Total
FTE's	18.1	18.1	18.1
GFS	$8,987,228	$8,866,228	$17,853,456
Other	$1,650,000	$1,701,000	$3,351,000
Total	$10,637,228	$10,567,228	$21,204,456

State of Washington

Agency Performance Measure
Incremental Estimates for the Biennial Budget

Agency: 471 State Conservation Commission Budget Period: 2015-17

Activity: A001 Technical Services and Program Delivery

Outcome Measures **001409** **Miles of stream protected, improved or enhanced through the implementation of best managment practices on landowner's property.**

			FY 2016	FY 2017
PL	A0	OFM 15% Reduction	(15.00)	(15.00)
PL	N0	Restore 15% Reduction	15.00	15.00
PL	N2	Rebuilding Incentive Serv Del Sys	80.00	80.00
PL	N3	Resource Specific Improvements	200.00	200.00

Outcome Measures **001424** **Number of land owners/managers assisted and those contacts resulting in new actions by the conservation districts.**

			FY 2016	FY 2017
PL	A0	OFM 15% Reduction	(500.00)	(500.00)
PL	N0	Restore 15% Reduction	500.00	500.00
PL	N2	Rebuilding Incentive Serv Del Sys	700.00	700.00
PL	N3	Resource Specific Improvements	300.00	300.00

Outcome Measures **001425** **Number of acres protected, improved, or enhanced through the implementation of best management practices on landowner property.**

			FY 2016	FY 2017
PL	N2	Rebuilding Incentive Serv Del Sys	6,000.00	8,000.00
PL	N3	Resource Specific Improvements	1,500.00	1,500.00

Outcome Measures **001426** **Number of authorized best management practices (conservation practices) installed on landowner property, including those practices which received financial assistance.**

			FY 2016	FY 2017
PL	A0	OFM 15% Reduction	(50.00)	(50.00)
PL	N0	Restore 15% Reduction	50.00	50.00
PL	N2	Rebuilding Incentive Serv Del Sys	325.00	325.00
PL	N3	Resource Specific Improvements	100.00	100.00

Outcome Measures **002357** **Conservation districts utilize SCC funding as match for several local, state, federal, private, programs. SCC funding provides conservation districts with funding to support operations allowing them to secure funding for additional projects.**

			FY 2016	FY 2017
PL	A0	OFM 15% Reduction	(15.00%)	(15.00%)
PL	N0	Restore 15% Reduction	15.00%	15.00%
PL	N2	Rebuilding Incentive Serv Del Sys	15.00%	15.00%
PL	N3	Resource Specific Improvements	20.00%	20.00%

Illustrates the role of SCC's funding in supporting the work of the conservation district, providing matching funding, and confidence in the grantor through the oversight and guidance by SCC staff.

Agency Performance Measure
Incremental Estimates for the Biennial Budget

Agency: 471 State Conservation Commission Budget Period: 2015-17

Activity: A001 Technical Services and Program Delivery

Outcome Measures **002368** **Conservation districts are required to utilize the CPDS project management system to enter landowner projects, with individual practices and cost of each practice that results in a printable formal contract for the landonwer and district to sign.**

			FY 2016	FY 2017
PL	N3	Resource Specific Improvements	100.00%	100.00%

Rate of conservation practice implementation in the conservation district relative to number of unfunded & completed projects installed. Formal contract documents are included in the system for use by contracts staff as backup to the payment requests.

Process - Efficiency Measures **002360This measure will report the number of administrative efficiencies in place at the conservation districts across the state. Utilization of the Technical Assistance Group system to determine where expertise lies within the system.**

			FY 2016	FY 2017
PL	N2	Rebuilding Incentive Serv Del Sys	20.00	20.00
PL	N3	Resource Specific Improvements	2.00	2.00

The Legislature directed SCC and the conservation districts to evaluate the options on achieving efficiencies.

Activity: A003 State Conservation Commission Operations and Administration

Outcome Measures **001400** **Conservation Commission Financial staff will act on all payments requests from conservation districts within 72 hours of receipt. Once approved, the invoices will be processed for payment within an additional 72 hours.**

			FY 2016	FY 2017
PL	A0	OFM 15% Reduction	(10.00%)	(10.00%)
PL	N0	Restore 15% Reduction	10.00%	10.00%
PL	N1	Restore Section 714 Efficiency	2.00%	2.00%

Outcome Measures **001416** **Positive constituency feedback including conservation districts, land owners, agencies, and organizations.**

			FY 2016	FY 2017
PL	N1	Restore Section 714 Efficiency	8.00%	8.00%
PL	N2	Rebuilding Incentive Serv Del Sys	98.00%	98.00%

Outcome Measures **001423** **Percentage of districts without audit findings**

			FY 2016	FY 2017
PL	N2	Rebuilding Incentive Serv Del Sys	98.00%	98.00%

Outcome Measures **001904** **SCC staff will audit the on-the-ground implementation of projects to ensure effective use of state resources. Reduced funding for the auditor to conduct audits of conservation districts requires that SCC ensure compliance of conservation districts.**

State of Washington

Agency Performance Measure
Incremental Estimates for the Biennial Budget

Agency: 471 State Conservation Commission — Budget Period: 2015-17

			FY 2016	FY 2017
PL	A0	OFM 15% Reduction	(24.00)	(24.00)
PL	N0	Restore 15% Reduction	24.00	24.00

Outcome Measures **002357** **Conservation districts utilize SCC funding as match for several local, state, federal, private, programs. SCC funding provides conservation districts with funding to support operations allowing them to secure funding for additional projects.**

			FY 2016	FY 2017
PL	A0	OFM 15% Reduction	(15.00%)	(15.00%)
PL	N0	Restore 15% Reduction	15.00%	15.00%
PL	N1	Restore Section 714 Efficiency	2.00%	2.00%
PL	N2	Rebuilding Incentive Serv Del Sys	15.00%	15.00%

Illustrates the role of SCC's funding in supporting the work of the conservation district, providing matching funding, and confidence in the grantor through the oversight and guidance by SCC staff.

Washington State Conservation Commission

Strategic Implementation of Results Washington

August 2014

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Washington State Conservation Commission

The Washington State Conservation Commission is pleased to provide the Office of Financial Management and the citizens of the state the following information on the State Conservation Commission on the strategic implementation of Results Washington.

Results Washington Implementation

The Washington State Conservation Commission and the 45 Conservation District Boards of Supervisors and Employees provide the local linkage and relationship building with private land owners when they are making conservation planning and conservation practice implementation decisions. These local relationships for conservation work will be instrumental in the implementation activities under Goal 3 Sustainable Energy & a Clean Environment including strategic implementation for healthy fish and wildlife, clean and restored environment, and working & natural lands. This unique structure provides partnering agencies and organizations the opportunity to effectively and efficiently work with private land owners throughout Washington State on conservation planning, technical assistance, and information exchange and project implementation.

Vision

Washington State shall have healthy soils, water, air, and ecosystems, with sustainable human interaction with these resources.
The Conservation Commission is recognized as the independent and trusted agency of choice that implements stewardship in the state of Washington through support of and partnership with conservation districts and through partnership with other agencies and organizations.
Conservation districts are recognized as the leaders and implementers of actions in local areas to accomplish natural resource conservation goals.

Values

The Conservation Commission and Conservation Districts value all Washington lands, both private and public, the state's natural resources, and the people who own and use them. We demonstrate this by valuing:

- Healthy, diverse landscapes that reflect sustainable economic use of natural resources;
- Voluntary application of conservation systems on working lands that reflect state, local, and community priorities;
- Partnerships in resource management that involve local, state, federal and tribal agencies and organizations;
- The highest standards of ethics and personal and institutional integrity for Conservation Commission members and staff, and the conservation districts supervisors and staff;
- The economic contributions of natural resource-based industries, operating to achieve sustainability;
- Accountability for the effective and efficient use of public funds;
- Policies and governance procedures that assure the effective and efficient use of public resources;
- Open communications and transparency of operations that create trust;
- Diverse cultures and ideas; and,
- Education for current and future generations.
- Locally led conservation.

Role and Responsibilities

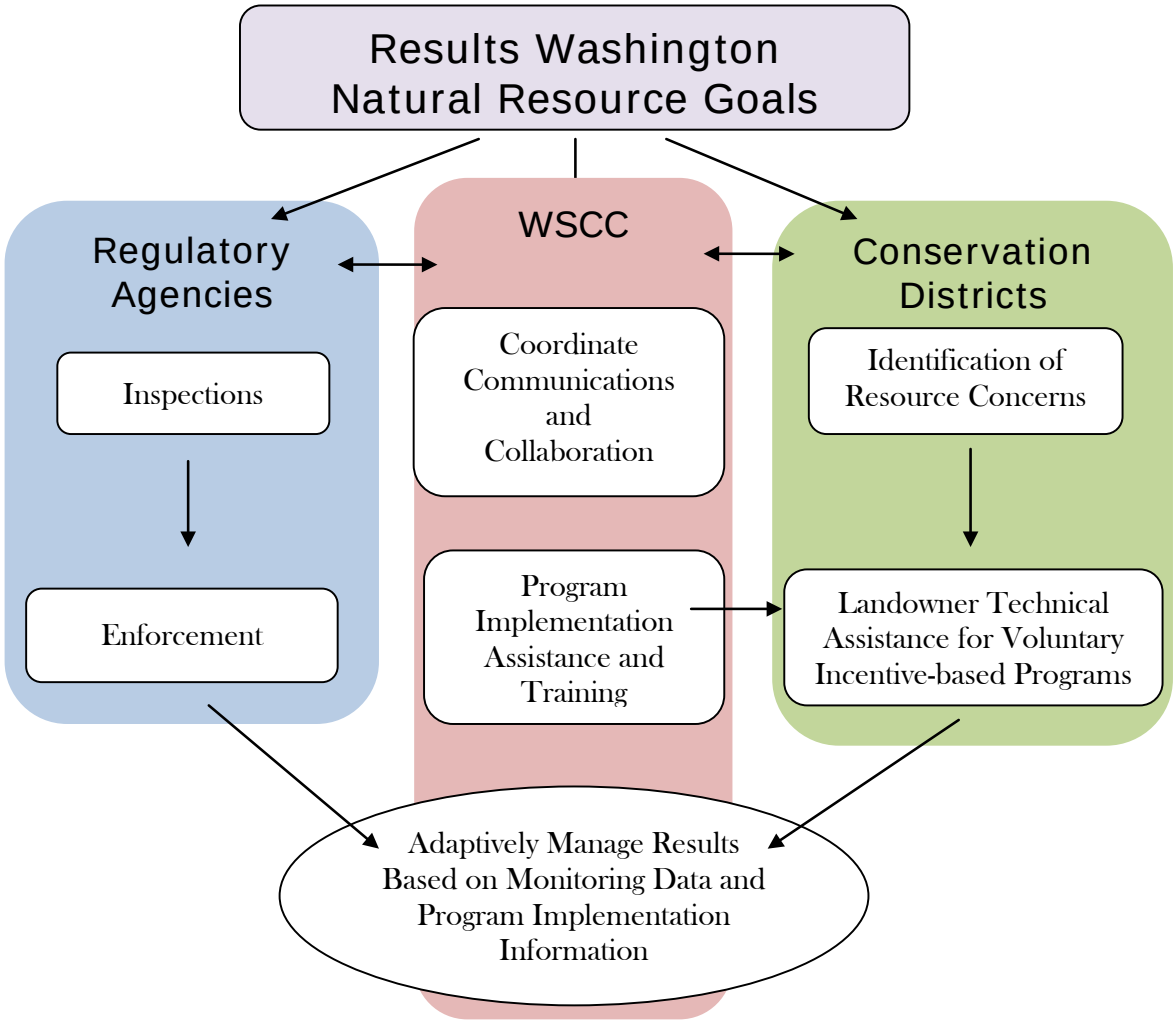
The WSCC supports and guides the conservation districts as important, non-regulatory resources of information, guidance, and technical services for private landowners in dealing with land, water, and air quality conservation. Washington State's citizens are the clients of this unique system consisting of a state agency (WSCC) and 45 municipal corporations of the state (conservation districts). In total, 490 people dedicated to responding to the conservation needs of the state by providing technical, educational, and financial services for natural resource conservation. Of these, 225 are individuals volunteering their time serving as Supervisors of the conservation districts and as State Commissioners. The others are professional and technical staff.

The role of the WSCC and conservation districts, which have no regulatory function, is to educate landowners and other stakeholders on the value and need for natural resource conservation and to effectively and efficiently deliver conservation programs

through voluntary compliance and with a minimum of bureaucracy. Our approach is to facilitate and encourage dialog between landowners, local stakeholders, and State and Federal agencies on critical natural resource conservation issues and on the means for their resolution. In addition, we implement essential conservation practices expertly and efficiently and at minimum cost to the State and other supporting agencies.

By statute, the Conservation Commission sets policies and procedures for the operation of the State's 45 conservation districts, reviews district operations, coordinates programs across district boundaries, resolves conflicts, facilitates and guides district resource conservation programs and activities. In addition, the Commission coordinates activities with the Governor's staff and lead staff of other state, tribal, and federal agencies; determines the distribution of state funds to conservation districts; and monitors their expenditure.

The Voluntary Incentive-Based Service Delivery System



Statutory Authority References

Washington State Conservation Commission Enabling Legislation 1939	89.08 RCW
Budget Provisos authorized by Legislature and signed by Governor	Ongoing
Natural Resource-related and environmentally based grant and loan programs – Administration and monetary assistance – Report to Legislative committees	43.41.270 RCW
Water Quality Account Distributions - Limitations	70.146.060 RCW
Fish habitat enhancement project – Permit review and approval process	77.55.290 RCW
Salmon Recovery	77.85 RCW
Grazing Lands – Fish and Wildlife goals – Technical Advisory Committee – implementation	79.13.610 RCW
Dairy Nutrient Management	90.64 RCW
Puget Sound Water Quality Protection	90.71 RCW
Conservation Commission	Title 135 WAC
Uses and Limitations of Centennial Clean Water Funds	Title 173 WAC
Puget Sound Water Quality Action Team	Title 400 WAC
Salmon Recovery Funding Board	Title 420 WAC

Strategic Priorities & Goals

Impact on Natural Resource Concerns

Goal Statement: *Continue to improve Washington State Natural Resources by demonstrating environmental objectives identified by each conservation district addressing resource priorities statewide by utilizing the local connection of Conservation Districts with private land owners to the network of federal, state and local agencies and organizations to implement the work necessary to achieve results through long term conservation implementation and documentation of related resource impacts.*

Communication and Outreach

Goal Statement: *Be progressive in our methods of communication so that the Citizens of Washington State would know the expertise provided by WSCC and conservation districts as well as types of services offered.*

Coordination and Leadership with Other Entities

Goal Statement: *Be proactive with state, local, tribal, and federal agencies, and Non-Government Organizations (NGOs) regarding conservation on private and public land to strengthen relationships with the various organizations in the state to assure we are not duplicating but complementing conservation work.*

Conservation District Governance, Operations, Technical Capacity, and Funding

Goal Statement: *Effective, functioning conservation districts covering the entire state with emphasis on quality of leadership, serving the public good, accountability for conservation program delivery that addresses natural resource issues.*

Goal Statement: *Maintain a recognized, high quality conservation district technical and administrative staff with the training, knowledge, and demonstrated skills, to provide conservation services, including timely planning, practice implementation, permitting, and other requirements for conservation work.*

Conservation Commission Operations

Goal Statement: *Be recognized as an effective, independent, and trusted agency of choice that implements natural resource stewardship in the state of Washington with conservation districts, other agencies, and organizations by performing its core functions, mission and strategic priorities.*

Statewide Goal 3:

SUSTAINABLE ENERGY AND A CLEAN ENVIRONMENT

Building a legacy of resource stewardship for the next generation of Washingtonians

Healthy Fish and Wildlife Protect and restore Washington's wildlife

2.1 Increase improved shellfish classification acreage in Puget Sound from net increase of 3,038 acres from 2007-13 to net increase of 8,614 acres by 2016

2.1.b. Increase number of implemented agricultural BMPs to improve water quality in shellfish growing areas in Puget Sound, Grays Harbor, and Pacific counties from 345 in 2008 to 750 by 2016

2.2 Increase the percentage of ESA listed salmon and steel-head populations at healthy, sustainable levels from 16% to 25% by 2022

2.2.a. Demonstrate increasing trend in Puget Sound Chinook populations from one in 2010 to five by 2016

2.2.b. Increase miles of stream habitat opened from 350 to 450 by 2016

2.2.c. Increase number of fish passage barriers corrected per year from 375 to 500 by 2016

2.3 Increase the percentage of current state listed species recovering from 28% to 35% by 2020

2.3.b. Increase the 5-year running average of statewide sage-grouse population from 1,000 to 1,100 by 2017

Clean and Restored Environment Keep our land, water and air clean

3.2 Increase the percentage of rivers meeting good water quality from 43% to 55% by 2020

3.2.a. Increase the number of projects that provide storm water treatment or infiltration from 10 to 34 by 2016

3.2.b. Increase percentage of core saltwater swimming beaches meeting water quality standards from 89% to 95% by 2016

3.2.c. Increase number of CREP sites to improve water temperature and habitat from 1,021 to 1,171 by 2015

Working and Natural Lands Use our lands responsibly

4.1	Increase the net statewide acreage dedicated to working farms from 7.237 million to 7.347 million by 2020, reduce loss of designated forests of long-term commercial significance from X to zero by 2020
4.1.a.	Maintain current level of statewide acreage dedicated to working farms with no net loss through 2015
4.1.b.	Increase treatment of forested lands for forest health and fire reduction from X to X by 2016
4.1.c.	Reduce rate of loss of designated forests of long-term commercial significance from X to X by 2015
4.3	Reduce the rate of loss of priority habitats from 1.5% to 1.0% by 2016
4.3.c.	Reduce rate of conversion of marine and freshwater riparian habitat in Puget Sound from 0.13% to 0.10% by 2016 and provide mitigation to ensure maintenance of today's habitat functions
4.3.d.	Reduce annual rate of shrub steppe loss from 1.4% to 1% by 2016

Ultimate Outcomes from Conservation Commission & Conservation Districts Strategic Implementation of Results Washington:

- Landowners understand conservation values and are enthusiastic about implementing them.
- Stable funding is available for voluntary best management practices and other conservation practices.
- All landowners in environmentally sensitive areas will manage their holdings using best management practices as defined in plans developed in collaboration with conservation districts and will view districts as trustworthy sources of resource management assistance.
- Private landowners, through voluntary initiatives supported by conservation districts and state and federal cost-share, have implemented effective practices that protect water quality and enhance water availability for beneficial uses.
- Washington watersheds reflect the application of best management practices and are managed to ensure long-term sustainable use for state residents and wildlife.
- Natural Resource based industries will continue to be among Washington's major industries. The State's natural resources will be robust and able to sustain the natural resource industries.
- Water quality and quantity and in-stream habitat improved and maintained and able to support sustained harvestable fish populations.
- Natural habitats for fish and wildlife are robust, and species currently endangered or at risk are protected.

Intermediate Outcomes from Conservation Commission & Conservation Districts Strategic Implementation of Results Washington:

- Increased numbers of landowners adopt stewardship goals and move from conservation district educational activity to planning and implementing conservation practices.
- The number of contracts for implementation of conservation practices and acres protected increases annually.
- Washington landowners will use conservation district technical assistance to learn about natural resource conservation air & water, and other conservation practices.
- Each conservation district will demonstrate that voluntary conservation practices result in improved water quality and that economic use of resources need not contribute to surface or ground water pollution.

Intermediate Outcomes from Conservation Commission & Conservation Districts Strategic Implementation of Results Washington:

- Conservation districts engage landowners in watershed-scale projects to improve watershed health. Projects include in-stream enhancements, riparian buffers, sediment exclusion, removal of barriers and water-protecting forest management plans.
- The number of stream miles and the acres of wildlife habitat enhanced to protect water quality and irrigation efficiencies is steadily increased.
- A steadily increasing number of stream miles are protected with improved riparian and in-stream habitat.
- Practices related to wildlife habitat improved, created, or recovered.
- Annual increases in the number of farmers and other landowners committed to managing according to an approved conservation plan.
- Continued increase in the number of landowners seeking technical and financial assistance from conservation districts.
- Continued voluntary participation of landowners in the development and implementation of conservation plans.
- Continued increase in the number of landowners contacting conservation districts for resource management assistance.
- Ensure that conservation districts provide technical assistance needed for landowner education and plan development.
- Provide financial assistance to implement required practices.
- Number of installed practices that reduce the impact of livestock, domestic animals, and agriculture on water quality.
- Work with districts and partnering agencies to create natural resource inventories of watersheds, plans for implementation of practices and documentation of results.
- Working with conservation districts and partnering agencies identify practices that need to be implemented to enhance land use productivity while protecting, or enhancing, a natural resource.

FY15 Strategic Actions

1. Commission is a leader in facilitating change in culture to be a positive, results oriented conservation district family by involving partners an opportunities
2. Coordination with other agencies using the model area concept for getting together on an area-wide project(s) to address an area-wide resource concern.
3. Impact on natural resources demonstrated with data, monitoring and Discovery Farms concept
4. Technical capacity built through certification, training on technical proficiencies needed
5. Implementation activities related to the tribal treaty rights at risk letter.
6. Build targeted marketing (legislators, public at large, specific audiences).
7. Communication and Outreach activities at state and county fairs and job fairs...information booths on natural resource issues, jobs, and education needed.
8. New budget and allocation process completed and implemented for transparency.
9. Meeting on long term sustainable funding and action plan developed
10. Good Governance, administration efficiencies need to be focused for accountability with legislation

Recommendation Summary

11:54:51AM

Agency: 471 State Conservation Commission

9/11/2014

Dollars in Thousands	Annual Average FTEs	General Fund State	Other Funds	Total Funds
2013-15 Current Biennium Total	**17.1**	**13,482**	**3,301**	**16,783**
Total Carry Forward Level	**17.1**	**13,482**	**3,301**	**16,783**
Percent Change from Current Biennium				
Carry Forward plus Workload Changes	**17.1**	**13,482**	**3,301**	**16,783**
Percent Change from Current Biennium				
Total Maintenance Level	**17.1**	**13,482**	**3,301**	**16,783**
Percent Change from Current Biennium				
PL A0 OFM 15% Reduction		(2,022)		(2,022)
PL N0 Restore 15% Reduction		2,022		2,022
PL N1 Restore Section 714 Efficiency		74		74
PL N2 Rebuilding Incentive Serv Del Sys	1.0	2,252		2,252
PL N3 Resource Specific Improvements		2,000		2,000
Subtotal - Performance Level Changes	**1.0**	**4,326**		**4,326**
2015-17 Total Proposed Budget	**18.1**	**17,808**	**3,301**	**21,109**
Percent Change from Current Biennium	5.8%	32.1%		25.8%

PL A0 OFM 15% Reduction

"I think all of us should be very interested in the success of these two goals [onsite and BMP implementation] because regulatory approaches are more difficult for a lot of different reasons, and if we can be successful here these would be a very good use of resources," Governor Inslee's comments during a Results Washington Sustainable Energy and A Clean Environment session on 4/17/14.

The work of the State Conservation Commission (SCC) and conservation districts is critical to our success in improving our state's natural resources and meeting the Governor's Results Washington goals. As Governor Inslee stated, regulatory approaches alone won't get us to our goal. Incentive based approaches where landowners are engaged in the solution will be needed. And this approach is best achieved through the SCC and conservation districts. The impact to the Commission and the conservation districts of a 15% reduction will be devastating to their ability to provide services to landowners and will set us back on our goals for improving natural resources while enhancing agricultural production.

Related to Puget Sound Action Agenda Implementation

The Conservation Commission has seen the agency operating budget reduced 34% since the 2007-2009 biennium. The proposed 15% reduction would bring the overall budget cuts to 43% - a disproportionate amount when compared to other natural resource agencies.

"Among the drivers for investing in ecosystem services are potential cost savings for basic community services, lower costs for

regulatory compliance, and mitigation of economic losses associated with natural hazards. Investment in ecosystem services can substitute for traditional built infrastructure, such as levees or water filtration systems, often providing the same services at lower cost. Similarly, investments in tree planting, wetland and floodplain restoration, or other natural systems and components can help regulated entities cost-effectively comply with environmental performance requirements."

Studies have shown the costs of addressing natural resource issues increase over time if not addressed early. Non regulatory, incentive based approaches such as those implemented by conservation districts are much cheaper in the near term when compared to the long term costs of cleanup. Cuts to the incentive based system will only increase state costs to achieve resource protection in the long term.

PL N0 Restore 15% Reduction

"Buying back" the proposed 15% funding reduction to the Washington State Conservation Commission (WSCC) prevents what otherwise will be a severe and dangerous cut to services that benefit our environment and economy.

The Washington State Conservation Commission (SCC) has seen its general fund appropriations reduced 34.5% since July 1, 2007 without any replacement funding. The proposed 15% reduction takes this cumulative reduction to more than 43%. These cuts are disproportionate to the agency when compared with other natural resource agencies. Meanwhile, the population has seen a cumulative increase of 7.7% , and property parcel counts increased 2.4%. So, as our customer base has increased, our capacity to meet a growing, unmet need has decreased.

Related to Puget Sound Action Agenda Implementation

Activities implemented by the Conservation Commission and conservation districts protect and restore our state's natural resources. These activities are accomplished through engaging landowners so they voluntarily implement practices reducing the need for expensive and confrontational regulatory approaches. SCC activities address many of the Governor's Results Washington objectives including best management practice implementation, preservation of working farm and forest lands, and maintaining open shellfish growing areas. Conservation district activities also meet our state's obligations under Tribal Treaty Rights for the protection and restoration of salmon habitat.

In the next 2 years, the cumulative population increase is expected to be more than 10%. Increased parcel counts and the stresses placed on natural resources from this growing "human footprint" are real. Without funding, Washington State risks losing the vital network of conservation district personnel who engage our private land stewards, and our precious natural resources will continue to degrade. By coordinating efforts with partners at the tribal-, federal-, state-, and local-level, the conservation district model has proven abilities to reverse resource degradation; but, only if the 15% is restored as well as addressing the additional cumulative loss of 34.5%.

The 15% reduction hurts the state economically, too. Without funding for conservation districts to engage landowners on natural resource improvements, the state loses substantial economic and environmental benefits that go well beyond the total value of the cut. This $2 million reduction to the SCC's budget translates to an overall economic loss for the state of $7.8 million and a loss of 44 jobs across multiple NAICS labor categories.

PL N1 Restore Section 714 Efficiency

The State Conservation Commission (SCC) allocates more than 70% of its general fund appropriations to the 45 conservation districts for purposes of implementing conservation practices addressing natural resource concerns. Since 2007, the SCC has seen a cumulative reduction of 34% in general fund appropriations without a replacement funding source. Our operations oversee the 45 conservation districts to ensure compliance with state law, process and audit grant payments, and participation in state level policy discussions that impact natural resource improvements across the state. Because of the reductions in appropriations, the SCC has been forced to evaluate services and delivery methods which have resulted in a better business model. Many of these efficiencies had little cash impact, but allowed our agency to handle increased workload demands without additional FTEs.

PL N2 Rebuilding Incentive Serv Del Sys

The State Conservation Commission (SCC) has suffered a 34% operating budget reduction since the 2007-2009 biennium. These reductions not only impacted the state agency with a 15% reduction in staff, but also impacted conservation districts who receive the bulk of the agency funding and therefore were hit with the bulk of the cuts. Funding requested in this proposal would begin the process of restoring previous biennia budget reductions. This will enable the SCC and

conservation districts to re-establish the system for landowner service delivery protecting and restoring our state's natural resources.

Related to Puget Sound Action Agenda Implementation

PL N3 Resource Specific Improvements

"An average of eight farm visits are needed to build relationships, develop a conservation plan, implement the practices in the plan and work with the land manager on their conservation system" Frank Clearfield, USDA Natural Resources Conservation Service, Social Sciences Institute during training sessions on estimating time needed to work with a land owner on conservation system application and management.

Over the past two decades the trend for funding conservation work has been to increase project related activities and reduce the amount of funding for technical services and planning. The result has been a weakened system for engaging with landowners so they become more committed to resource conservation. There is also a backlog of service requests by land owners willing to plan and implement conservation systems. Funding technical services and planning is necessary to develop and implement a comprehensive conservation system that achieves environmental results while recognizing the land owner objectives and willingness to expend their time, money, and energy to install and manage conservation practices.

Related to Puget Sound Action Agenda Implementation

Washington's conservation districts have a proven strong working relationship with land managers. Building on this relationship, this decision package will provide a portion of the funding needed to support conservation district technical staff. The proposal supports critical work in the areas of nutrient management, irrigation water management, soil erosion control and soil health. Success of the Governors Results Washington environmental goals is dependent on funding this technical services and planning decision package to address a shortage of technical positions.

Actions funded in this proposal will protect water quality for human health, fish and shellfish resources by limiting the loss of nutrients (nitrogen and phosphorous) and pathogens to ground, surface water and the air. Activities will also address impacts from climate change and ocean acidification by reducing inputs to these resource concerns and identifying adaptation practices necessary to implement immediately. The package also provides for agricultural water savings through carefully planned and implemented practices across the state can help improve in-stream flows, water quality, conserve energy and maintain a vibrant and viable agricultural sector. Activities under this decision package will improve water quality through irrigation water management and work to enhance water quantity through the design and engineering of water savings including technical services and planning in drought critical basins to help the agricultural community implement water conservation measures and irrigation efficiencies projects. Soil health will be improved in critical areas of the state. Soil health is defined as the continued capacity of soil to function as a vital living ecosystem that sustains plants, animals, and humans. This definition speaks to the importance of managing soils so they are sustainable for future generations.

These necessary activities will be accomplished by assisting farmers, ranchers, dairy producers, poultry operators, small acreage land owners with technical services to develop and implement conservation plans where nutrient management, water irrigation management and/or soil health is the overarching consideration. Millions of dollars of USDA Farm program financial assistance can be tapped to install needed fixes and assistance provided to land managers that are willing to adopt conservation systems.

Agency Budget Request Decision Package Summary

(Lists only the agency Performance Level budget decision packages, in priority order)

Agency: **471 State Conservation Commission**

9/11/2014
12:00:54PM

Budget Period: **2015-17**

Decision Package Code	Decision Package Title
PL-A0	OFM 15% Reduction
PL-N0	Restore 15% Reduction
PL-N1	Restore Section 714 Efficiency
PL-N2	Rebuilding Incentive Serv Del Sys
PL-N3	Resource Specific Improvements

Agency: 471 State Conservation Commission
Decision Package Code/Title: A0 OFM 15% Reduction
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

"I think all of us should be very interested in the success of these two goals [onsite and BMP implementation] because regulatory approaches are more difficult for a lot of different reasons, and if we can be successful here these would be a very good use of resources," Governor Inslee's comments during a Results Washington Sustainable Energy and A Clean Environment session on 4/17/14.

Related to Puget Sound Action Agenda Implementation

The work of the State Conservation Commission (SCC) and conservation districts is critical to our success in improving our state's natural resources and meeting the Governor's Results Washington goals. As Governor Inslee stated, regulatory approaches alone won't get us to our goal. Incentive based approaches where landowners are engaged in the solution will be needed. And this approach is best achieved through the SCC and conservation districts. The impact to the Commission and the conservation districts of a 15% reduction will be devastating to their ability to provide services to landowners and will set us back on our goals for improving natural resources while enhancing agricultural production.

The Conservation Commission has seen the agency operating budget reduced 34% since the 2007-2009 biennium. The proposed 15% reduction would bring the overall budget cuts to 43% - a disproportionate amount when compared to other natural resource agencies.

"Among the drivers for investing in ecosystem services are potential cost savings for basic community services, lower costs for regulatory compliance, and mitigation of economic losses associated with natural hazards. Investment in ecosystem services can substitute for traditional built infrastructure, such as levees or water filtration systems, often providing the same services at lower cost. Similarly, investments in tree planting, wetland and floodplain restoration, or other natural systems and components can help regulated entities cost-effectively comply with environmental performance requirements."[1]

Studies have shown the costs of addressing natural resource issues increase over time if not addressed early. Non regulatory, incentive based approaches such as those implemented by conservation districts are much cheaper in the near term when compared to the long term costs of cleanup. Cuts to the incentive based system will only increase state costs to achieve resource protection in the long term.

Agency Total

Fiscal Detail

Operating Expenditures	FY 2016	FY 2017	Total
001-1 -General Fund - Basic Account-State	(1,011,450)	(1,010,850)	(2,022,300)
Staffing			
FTEs			

[1] Ecosystem Services: Quantification, Policy Applications, and Current Federal Capabilities, http://www.rff.org/RFF/Documents/RFF-DP-11-13.pdf

Package Description:

Conservation districts are able to build on every $1 of state funding and turn it into $5 in the local community. These funds support local projects and landowner engagement and advance state priorities for cleaner water, improved salmon habitat, clean air and improved natural resources. The loss of funding will diminish our ability to secure an additional $8 million in additional funding from other sources. There will be an additional economic impact and lost jobs from these cuts.

These cuts directly impact every conservation district and the landowner engagement on resource protection and enhancement. Using past investments as a barometer the proposed cuts will have very real impacts to on-the-ground resource activities. Some of the examples of work completed in the last year which would not be completed:

- a minimum of 618 acres of shellfish habitat would not be open for harvest;
- application to remove a creek from the 303(d) list;
- community-based water quality monitoring would not be coordinated;
- witness Coho and red counts in areas not seen in years;
- failure to replace more than 100 non-compliant fish screens;
- non-installation of hundreds of acres of riparian buffer,
- replacement of 31 blockages opening 87 miles of habitat,
- elimination of non-point pollution through manure management structures, and
- water temperatures dropping 10 degrees as the result of riparian tree and shrub planting.

Not being able to complete these types of projects carries serious implications and has long-standing impacts to the resource and the ecosystem values.

The identified Results Washington goals, for which the Conservation Commission is responsible, will not be achieved.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

"We wanted to be good stewards … and had no idea how to begin."[2] The funding provided through the Conservation Commission is the support for the conservation districts to engage landowners on how they play a role in the protection and restoration of our natural resources. For example, landowner actions like the construction of a fence, or well placed woody debris in a stream, can eliminate bank erosion and sedimentation while providing pools and rearing habitat for fish of all species. Landowner commitment to these practices ensures they will be done right and maintained over time. Engagement and assistance provided by the conservation district employee supports the success of these efforts.

The Conservation Commission has compiled a series of examples of how funding conservation districts maximizes dollars through partnerships and enabling implementation of many projects across the state. The full content can be found here: http://scc.wa.gov/wp-content/uploads/2014/03/Folio_FINAL_031714.pdf

Cuts will also jeopardize additional funding leveraged by conservation districts through various match opportunities. The agency expects the continued matching of each dollar invested in a conservation district to result in another $5 invested in projects and community involvement. This is measured by the annual reporting of revenue by each conservation district to the State Auditor's office.[3] With fewer state dollars available to the districts, less funds are available for match resulting in the state cuts being magnified by the loss in matching dollars.

"Humans need ecosystem services for survival, including breathable air, drinkable water, nourishing food, flood protection, treatment of waste, and stable atmospheric conditions. Ecosystems from forests to wetlands produce a suite of such services. The benefits of ecosystem services are similar to the economic benefits typically valued in the economy, such as those of skilled workers, buildings and infrastructure. When ecosystem services are lost, economic impacts can be measured in terms of job loss, infrastructure cost, restoration cost and loss of property due to storm events (such as flooding)."[4]

[2] Landowner Letter, Kitty Speranza, August 23, 2014
[3] Washington State Auditors Office, http://portal.sao.wa.gov/LGCS/Reports/
[4] Nature's Value in the Skykomish Watershed: A Rapid Ecosystem Service Valuation, Earth Economics 2011

Lost are the opportunities to continue to build upon the relationship and trust of landowners to implement resource protection and enhancement. Resulting in delayed implementation and lost ecosystem values.

Performance Measure Detail

Activity A001 Technical Services and Program Delivery

	Incremental Changes FY 2016	Incremental Changes FY 2017
Outcome Measures		
001409 Miles of stream improved or enhanced through implementation of BMPs	(15.00)	(15.00)
001424 Number of land owners/managers assisted	(500.00)	(500.00)
001426 Number of conservation practices installed and practices receiving cost-share	(50.00)	(50.00)
002357 Additional conservation district funding secured to maximize SCC funding	(15.00%)	(15.00%)

Activity A003 State Conservation Commission Operations and Administration

	Incremental Changes FY 2016	Incremental Changes FY 2017
Outcome Measures		
001400 Conservation Commission Financial Staff will act on payment requests within 72 hours	(10.00%)	(10.00%)
001904 Implementation Monitoring of Projects	(24.00)	(24.00)
002357 Additional conservation district funding secured to maximize SCC funding	(15.00%)	(15.00%)

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes, continued cuts to the agency's budget are prohibiting the successful implementation of the Conservation Commission members' goals. Conservation districts and the Conservation Commission are critical for the successful implementation of incentive-based programs for protection of natural resources and maintaining agricultural production. The following goals and strategic actions are benefited by the restoration of this funding:

- Conservation districts engage landowners in watershed-scale projects to improve watershed health. Projects include in-stream enhancements, riparian buffers, sediment exclusion, removal of barriers and water-protecting forest management plans.
- The number of stream miles and the acres of wildlife habitat enhanced to protect water quality and irrigation efficiencies are steadily increased.
- A steadily increasing number of stream miles are protected with improved riparian and in-stream habitat.
- Practices related to wildlife habitat improved, created, or recovered.
- Annual increases in the number of farmers and other landowners committed to managing according to an approved conservation plan.
- Continued increase in the number of landowners seeking technical and financial assistance from conservation districts.
- Continued voluntary participation of landowners in the development and implementation of conservation plans.
- Continued increase in the number of landowners contacting conservation districts for resource management assistance.
- Ensure that conservation districts provide technical assistance needed for landowner education and plan development.
- Provide financial assistance to implement required practices.
- Number of installed practices that reduce the impact of livestock, domestic animals, and agriculture on water quality.
- Work with districts and partnering agencies to create natural resource inventories of watersheds, plans for implementation of practices and documentation of results.
- Working with conservation districts and partnering agencies identify practices that need to be implemented to enhance land use productivity while protecting, or enhancing, a natural resource.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

The Commission and conservation districts are directly responsible for, and agency lead for, three of the Governor's Results Washington priorities. It's important to restate – each of these goals will be severely at risk if there is a 15% reduction in the Conservation Commission and conservation district budgets. These are:

Healthy Fish and Wildlife Protect and Restore Washington's wildlife

2.1.b. Increase number of implemented agricultural Best Management Practices (BMPs) to improve water quality in shellfish growing areas in Puget Sound, Grays Harbor, and Pacific counties from 345 in 2008 to 750 by 2016.

Cut Impact: Cuts proposed to conservation districts will reduce their ability to engage with landowners for the implementation of BMPs. These goals will not be met. Cuts to the district staff infrastructure will also have long-term impacts on the ability to provide landowner services into the future as key trained staff leave the district for employment elsewhere. These are highly trained individuals that would take years to replace.

Clean and Restored Environment Keep our Land, Water and Air Clean

3.2.c. Increase number of CREP sites to improve water temperature and habitat from 1,021 to 1,171 by 2015**.**

Cut Impact: Achieving this goal requires trained staff to engage with landowners on CREP opportunities. Cuts will reduce and eliminate staff positions at the Conservation Commission and conservation districts reducing the number of landowner contacts and making it less likely that we would achieve this goal.

Working and Natural Lands Use our Lands Responsibly

4.1.a. Maintain current level of statewide acreage dedicated to working farms with no net loss through 2015.

Cut Impact: At the proposed 15% cut level, staff reductions at the Conservation Commission will be necessary. As in past years with budget cuts, the Commission has consistently reduced staff in an effort to maintain core function. In this scenario, it's possible the Commission could decide to eliminate staff support for the Office of Farmland Preservation effectively ending this program.

In addition, the conservation districts and the Commission undertake actions to implement and support the following Governor's Results Washington priorities. Cuts at the 15% level would mean these priorities would not be achieved in the next biennium. More important, not achieving these objectives would mean progress on natural resource concerns in the years beyond this biennium would be less likely to be achieved. The impacted Results Washington measures include:

Healthy Fish and Wildlife Protect and Restore Washington's wildlife

- 2.1 Increase improved shellfish classification acreage in Puget Sound from net increase of 3,038 acres from 2007-13 to net increase of 8,614 acres by 2016
- 2.2 Increase the percentage of ESA listed salmon and steel-head populations at healthy, sustainable levels from 16% to 25% by 2022
- 2.2.a. Demonstrate increasing trend in Puget Sound Chinook populations from one in 2010 to five by 2016
- 2.2.b. Increase miles of stream habitat opened from 350 to 450 by 2016
- 2.2.c. Increase number of fish passage barriers corrected per year from 375 to 500 by 2016
- 2.3 Increase the percentage of current state listed species recovering from 28% to 35% by 2020
- 2.3.b. Increase the 5-year running average of statewide sage-grouse population from 1,000 to 1,100 by 2017

Clean and Restored Environment Keep our land, water and air clean

- 3.2 Increase the percentage of rivers meeting good water quality from 43% to 55% by 2020
- 3.2.a. Increase the number of projects that provide storm water treatment or infiltration from 10 to 34 by 2016
- 3.2.b. Increase percentage of core saltwater swimming beaches meeting water quality standards from 89% to 95% by 2016

Working and Natural Lands Use our lands responsibly

- 4.1 Increase the net statewide acreage dedicated to working farms from 7.237 million to 7.347 million by 2020, reduce loss of designated forests of long-term commercial significance from X to zero by 2020
- 4.1.b. Increase treatment of forested lands for forest health and fire reduction from X to X by 2016
- 4.1.c. Reduce rate of loss of designated forests of long-term commercial significance from X to X by 2015
- 4.3 Reduce the rate of loss of priority habitats from 1.5% to 1.0% by 2016
- 4.3.c. Reduce rate of conversion of marine and freshwater riparian habitat in Puget Sound from 0.13% to 0.10% by 2016 and provide mitigation to ensure maintenance of today's habitat functions

4.3.d. Reduce annual rate of shrub steppe loss from 1.4% to 1% by 2016

What are the other important connections or impacts related to this proposal?

Budget cuts will negatively impact training and compliance oversight for conservation districts. Conservation districts are a local government and the Conservation Commission is responsible for coordinating with the State Auditor's office on audits and accountability; reviewing and approving results of their elections each year, evaluating processes and procedures for funding allocations, and appointing 2 members to their board. Specifically these impacts will include:

- Potential for increased audit findings
- Potential for non-compliance with legal requirements
- Lack of staff to outreach to landowners on solutions to resource concerns.
- Lack of staff to implement the practices funded through the capital budget.
- Inability to utilize the skills and abilities of conservation district staff to match the funding with other project dollars from other entities.

Each of these activities may be a small economic state funding investment, but using landowner involvement and multiplying the practices and activities by the 45 conservation districts across the state, the ecosystem benefits and natural capital gained for the citizens becomes exponentially greater in value. Non-regulatory approaches create relationships with landowners and communities where they become committed to the success of our shared state natural resource values. It's through the work of conservation districts that this happens. And this work is severely jeopardized by the proposed cuts.

What alternatives were explored by the agency, and why was this alternative chosen?

The operating funds of the Conservation Commission and conservation districts are primarily general fund. The Commission can draw 3% from any capital budget and a small amount of overhead from any outside contracts.

For this agency, 87% of all funding received is distributed to conservation districts. The Conservation Commission has had a tremendous amount of success with continued implementation of fiscal efficiencies such as electronic forms, electronic communications, searching for better, faster, cheaper ways of conducting meetings and producing meeting packets, and a diverse staff who take on more than just a single purpose or duty. However, we have reached reduction capacity.

Many activities of the Commission and conservation districts could be funded through other fund sources such as the state Toxics Account and the newly established ELSA account. However this option has historically not been implemented for many reasons. The agency continues to believe these activities could be funded through these accounts.

There are few other natural resources accounts that are applicable to the agency activities. The Conservation Commission has recently approved the agency staff to explore options for new revenue to support the work of the conservation districts and Commission. The results of this research will be available in mid to late November.

What are the consequences of adopting or not adopting this package?

The Conservation Commission has seen its general fund allocation reduced by 34% since the 07-09 biennium. Adding an additional 15% reduction increases the cumulative reduction since 07-09 to 43%. At the same time the requirements for efficiency, compliance oversight, and additional pressures to see a difference in environmental indicators, have continued to increase.

The role of a non-regulatory, incentive-based approach is proven successful and a goal of this Governor and prior Governors. Furthermore, as pointed out by the Tribes in their Treaty Rights at Risk white paper, our state needs to redouble our efforts in the recovery of salmon and their habitats. Incentive-based programs are key to accomplishing this. As Governor Inslee noted, we cannot achieve our goals through regulatory approaches alone, they need to be in conjunction with incentive-based approaches. By not adopting this package, our state's ability to be responsive to the Tribes and to continue improvement will be diminished and less progress will be made over the next two years.

The testimonials of landowners across the state illustrate the environmental improvements that have been addressed today but may not be addressed in the near future if additional cuts are required. Further cuts to the incentive-based system will ultimately require expensive regulatory action. Regulatory responses may also create political push-back that will set us

back on our goals.

What is the relationship, if any, to the state's capital budget?

This funding directly supports agency and conservation district actions necessary to implement the projects funded in the capital budget. This includes not only the Commission's capital budget, but any funding conservation districts receive from other entities including RCO, Ecology, BPA, EPA and others. Many of the grants received by conservation districts from other entities do not support the basic infrastructure elements of maintaining a viable conservation district and may be used only for specific project implementation. Without operating funding support conservation districts cannot successfully complete on-the-ground projects.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?
None

Expenditure and revenue calculations and assumptions

The State Conservation Commission board approved allocation of the 15% reduction to the conservation district and Commission operations. Concern over the continual loss of capacity at the Commission office to provide the basic services to conservation districts resulted in a smaller percentage of the reduction be borne by the Conservation Commission. As a result, the bulk of the budget reduction will need to be taken from the conservation districts.

Of the annual $1 million reduction (15% of the Commission fiscal year budget) the Conservation Commission would absorb $326,174 as identified in Object C, Object E, and Object G. The remaining $685,276 would be applied to each of the 45 conservation districts based upon their general fund allocation from the Commission.

To absorb the proposed cuts, the Commission would be forced to reduce services provided to conservation districts for technical assistance relating to administrative activities. These reductions would impact contracts we have for district staff and supervisor training, environmental education, reduce Commission staff training, and services with other state agencies. Travel would require an evaluation of Commission meetings and their locations, visits to conservation districts, and out of state travel.

Reductions to conservation districts totaling $685,276 in each fiscal year will result in reduced staff at some districts, fewer landowner assistance visits, delays in project implementation potentially resulting in lost funding opportunities from other sources. Furthermore, other local entities such as salmon recovery and enhancement groups depend upon the work of conservation districts and this work would be impacted by district funding reductions.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Failure to restore funding will result in reductions that could have implications beyond the current biennium. The reduced program activities will be difficult to bring back up to speed if funding is restored in the future. Relationships will need to be rebuilt and landowners re-engaged. Other more specific ongoing impacts include:

- Economic impact of $7.8 million and a loss of labor income of $2.8 million
- A loss of matching dollars of $10 million to implement projects for other local, state, federal agencies.
- A loss of ecosystem improvements directly impacting shellfish harvests, salmon habitat and catch, loss of community involvement and understanding of the role of defensible space, soil erosion, water quality impacts on drinking water, and other projects undertaken by conservation districts.
- An inability to address the agency's role with the Treaty Rights at Risk.

Object Detail		**FY 2016**	**FY 2017**	**Total**
C	Professional Svc Contracts	-125,000	-125,000	-250,000
E	Goods\Other Services	-121,174	-120,574	-241,748
G	Travel	-80,000	-80,000	-160,000
N	Grants, Benefits & Client Services	-685,276	-685,276	-1,370,552
Total Objects		**-1,011,450**	**-1,010,850**	**-2,022,300**

Decision Package

Agency: 471 State Conservation Commission
Decision Package Code/Title: N0 Restore 15% Reduction
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

"Buying back" the proposed 15% funding reduction to the Washington State Conservation Commission (WSCC) prevents what otherwise will be a severe and dangerous cut to services that benefit our environment and economy.

The Washington State Conservation Commission (SCC) has seen its general fund appropriations reduced 34.5% since July 1, 2007 without any replacement funding. The proposed 15% reduction takes this cumulative reduction to more than 43%. These cuts are disproportionate to the agency when compared with other natural resource agencies. Meanwhile, the population has seen a cumulative increase of 7.7% , and property parcel counts increased 2.4%. So, as our customer base has increased, our capacity to meet a growing, unmet need has decreased.

Related to Puget Sound Action Agenda Implementation

Activities implemented by the Conservation Commission and conservation districts protect and restore our state's natural resources. These activities are accomplished through engaging landowners so they voluntarily implement practices reducing the need for expensive and confrontational regulatory approaches. SCC activities address many of the Governor's Results Washington objectives including best management practice implementation, preservation of working farm and forest lands, and maintaining open shellfish growing areas. Conservation district activities also meet our state's obligations under Tribal Treaty Rights for the protection and restoration of salmon habitat.

In the next 2 years, the cumulative population increase is expected to be more than 10%. Increased parcel counts and the stresses placed on natural resources from this growing "human footprint" are real. Without funding, Washington State risks losing the vital network of conservation district personnel who engage our private land stewards, and our precious natural resources will continue to degrade. By coordinating efforts with partners at the tribal-, federal-, state-, and local-level, the conservation district model has proven abilities to reverse resource degradation; but, only if the 15% is restored as well as addressing the additional cumulative loss of 34.5%.

The 15% reduction hurts the state economically, too. Without funding for conservation districts to engage landowners on natural resource improvements, the state loses substantial economic and environmental benefits that go well beyond the total value of the cut. This $2 million reduction to the SCC's budget translates to an overall economic loss for the state of $7.8 million and a loss of 44 jobs across multiple NAICS labor categories.

Agency Total

Fiscal Detail

Operating Expenditures	FY 2016	FY 2017	Total
001-1 -General Fund - Basic Account-State	1,011,450	1,010,850	2,022,300
Staffing			
FTEs			

[1] Office of Financial Management, *http://ofm.wa.gov/pop/stfc/stfc2013/stfc_2013.pdf*
[1] Department of Revenue, *2013 Property Tax Statistics*
[1] Office of Financial Management, 2007 Washington Input-Output Model http://www.ofm.wa.gov/economy/io/2007/default.asp

Package Description:

"Healthy ecosystems must be kept intact and damaged systems restored so that they may provide services for future generations. Investing in natural capital promises longer-term benefits and a stronger path to sustainability than investments in built capital. Replacement costs can be avoided by making investments that preserve natural capital, like maintaining a healthy watershed."[1] – *What Is Your Planet Worth, A Handbook for Understanding Natural Capital*

Local, non-regulatory conservation districts implement an approach that brings diverse interest groups together to 1) find common ground, and 2) execute "win-win" solutions for conservation of our natural resources, or "natural capital." Conservation districts also are able to work one-on-one with private landowners to identify the best management practice(s) that will address what may be a spectrum of natural resource issues on their property, including water quality and endangered species.

"Reduced funding has eroded the ability of USDA NRCS, land grant university extension services, and soil and water conservation districts to deliver effective programming to farmers. Many farmers, agency personnel, and other watershed groups noted the decrease in agency personnel due to reduced funding and recognized that this has affected conservation program delivery."[2] - *Lessons learned from the National Institute of Food and Agriculture–Conservation Effects Assessment Project*

In 2006, and subsequent years after, Earth Economics has done a number of studies on the economic and ecosystem value of natural capital. One report concluded the following about services provided by King Conservation District: "…although rendered at no cost in terms of market price, these services have high economic value." The report goes on to project that "…an additional $90.5 -327.3 million is estimated as the indirect special benefit resulting from landowner implementation of best management practices." [3]

Snohomish Basin underwent a similar study in 2010: "…quantifying the economic value supplied by nature in the Basin every year. The results are compelling: by protecting against flooding, assuring water supply, buffering climate instability, supporting fisheries and food production, maintaining critical habitat, providing waste treatment, and additional benefits, Snohomish Basin ecosystems are providing between $383.1 million to $5.2 billion in benefits every year."[4]

[1] What Is Your Planet Worth, A Handbook for Understanding Natural Capital, Earth Economics 2013
[2] Improving conservation practices programming to protect water quality in agricultural watersheds: Lessons learned from the National Institute of Food and Agriculture–Conservation Effects Assessment Project, Journal of Soil and Water Conservation, SEPT/OCT 2012—VOL. 67, NO. 5
[3] Special Benefit from Ecosystem Services, Economic Assessment of the King Conservation District, 2006
[4] The Whole Economy of the Snohomish Basin, Earth Economics 2010

As illustrated in the table below, funding must be restored to 2007 levels for the SCC and conservation districts to effectively protect ecosystems and natural capital, resulting in many indirect benefits as well.

State Conservation Commission General Fund Appropriation Evaluation Compared to Population and Taxable Parcels

Biennia	General Fund - State	% Change	% Cumulative Change from 2007-09	Population Increase[1]		% Cumulative Change from 2007	Real Property Parcels[2] *does not include multi-family or commercial*	% Cumulative Change from 2007
2007-09	20,429,000			2007	6,525,086		2,757,648	
2009-11	15,399,000	-24.6%		2009	6,672,159		2,799,407	
2011-13	13,583,000	-11.8%	-33.5%	2011	6,767,900	3.7%	2,813,839	
2013-15	13,579,000	0.0%	-33.5%	2013	6,881,504	5.5%	2,822,527	2.4%
15-17 Carry Forward	***13,482,000***	***-0.7%***	***-34.0%***	***2015***	***7,029,758***	***7.7%***		
PROPOSED OFM 15% [3]	*11,459,700*	*-15.0%*	*-43.9%*	*2017* [1]	*7,182,231*	*10.1%*		

Source:

[1] *Office of Financial Management* http://ofm.wa.gov/pop/stfc/stfc2013/stfc_2013.pdf

[2] *Dept. of Revenue* 2013 Property Tax Statistics

[3] *Letter to Agencies* http://ofm.wa.gov/budget/instructions/operating/2015_17/covermemo.pdf

"Recognizing the financial value of natural systems is a practical approach to achieving this balance, because the greater the impacts from human activity, the more valuable the remaining ecosystem service. The scarcer critical ecosystem services become, the more likely that the value provided by conservation or restoration on an ecosystem will outweigh the value of the same land for development, harvesting or extraction."[5] - *Ecosystem Services And The Value of Land*

A 15% reduction to the SCC and conservation districts will also be a hit to the local rural economy of our state. Using the OFM Washington Input-Output Model 2013 NAICS[6] to evaluate the economic impact to our state's economy, a $2 million cut will result in a direct economic loss of $5,648,000 and a loss of 44 jobs, mostly in rural areas:

Biennial Numbers

NAICS Industry	Reduction
Other Construction	400,000* state/cd investment only
Engineering Services	400,000* state/cd investment only
Administrative Support Services	722,300* state/cd investment only
Other, & Agricultural Services	500,000* state/cd investment only

Total Direct Economic Impact to Washington State:	
Economic Output	5,648,000
Loss of Jobs	44
Loss of Labor Income	2,130,000

Conservation districts leverage every dollar of state funding. In fact, for every $1 invested in conservation district projects, an estimated $5 goes into the local community. These funds support local projects, landowner engagement, and advance state priorities for cleaner water, improved salmon habitat, clean air, and improved natural resources. The loss of funding

[5] Ecosystem Services And The Value of Land, Adam I Davis

[6] Office of Financial Management, 2007 Washington Input-Output Model http://www.ofm.wa.gov/economy/io/2007/default.asp

diminishes our ability to secure an additional $8 million in funding from other sources. This leads to more negative impacts to our economy and lost jobs:

NAICS Industry	Reduction
Other Construction	$800,000* with match dollars
Engineering Services	$600,000* with match dollars
Administrative Support Services	$847,300* with match dollars
Other, & Agricultural Services	$625,000* with match dollars

Total Direct Economic Impact to Washington State:	
Economic Output	$7,859,000
Loss of Jobs	59
Loss of Labor Income	$2,892,000

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

"Eleven years ago, my husband and I shopped for rural property. We wanted 2-5 acres and when we found our property on Skamokawa Creek, we ended up with 15 acres! We were city folk moving to the country. Fifteen acres was pretty overwhelming and we called on the Conservation District for help. We wanted to be good stewards of the land and had no idea how to begin." [7] *- Kitty Speranza, Wahkiakum landowner*

The quote above echoes a sentiment shared by landowners across state, countless times a day. Conservation districts are a critical link to landowners who want to be good stewards and support environmental and ecosystem benefits. In this case, like many others across the state, not having that community link with the conservation district would result in more, needless environmental damage and possibly to expensive local or state regulatory action.

The Conservation Commission provides funding to conservation districts that makes this landowners engagement possible. It helps landowners understand the role they play in the protection and restoration of our natural resources. For example, landowner actions like the construction of a fence, or well-placed woody debris in a stream, can eliminate bank erosion and sedimentation while providing pools and rearing habitat for fish of all species. Landowner commitment to these practices ensures they will be done right and maintained over time. Engagement and assistance provided by conservation district staff enables the success of these efforts.

The Conservation Commission has compiled a series of examples of how funding conservation districts maximizes dollars through partnerships and enables implementation of many projects across the state. The full content of the report (*Conservation in Washington: Powered by People*) can be found here:
http://scc.wa.gov/wp-content/uploads/2014/03/Folio_FINAL_031714.pdf

Some excerpts:

Clallam Conservation District[8]
The piping of 50 miles of irrigation ditch has required patience and perseverance. Some people didn't believe it needed to or could be done. It has taken over 40 grants from 15 sources, investments in quality design work, and good project oversight to achieve this success. "The Clallam Conservation District has taken the major part in the leadership and funding of water conservation and water quality in the Dungeness Valley over the past 15 years," said Gary Smith, Sequim Prairie Tri Irrigation Association member. "Without the District's leadership and commitment to water issues, the reduction of irrigation water outtake from the Dungeness would be a small fraction of what has been accomplished to-date."

Lewis County Conservation District LCCD[9]

[7] Landowner Letter, Kitty Speranza, August 23, 2014
[8] Clallam Conservation District, http://scc.wa.gov/wp-content/uploads/2014/02/ClallamCD_FINAL.pdf

The LCCD worked closely with partners to implement consistent surveys of the barriers. The Washington Department of Fish and Wildlife provided training to ensure all assessments accurately determined the culverts as blockages and the sites as having fish usage, including the species of fish present. "This has been a very rewarding endeavor for the LCCD and our cooperators," said Bob Amrine, LCCD Manager. "The ability to apply for grants and to replace the barriers with larger culverts or bridges has been very successful."

Snohomish Conservation District (SCD)

Snohomish Conservation District is working with the county and Department of Ecology to help agricultural landowners implement land use practices that ultimately will result in removing segments of Woods Creek from the 303(d) impaired waters list. Practices installed by the district include: over 25,000 feet of livestock exclusion fencing; 66 waste storage/compost structures; 57 heavy use areas for livestock; and 90acres of riparian (streamside) buffers. [10] SCD also has produced a video describing the role of riparian buffers and how they can assist property owners through flood mitigation, wildlife and fisheries enhancement, and economic viability.[11] "In 17 years having Woods Creek in our back yard, we have had stunningly supportive help…[to] reduce erosion, improve the riparian zone, and plant native trees and bushes," said Joel Selling, Woods Creek landowner. "The result is not only better land values for us, but a sense of being truly good stewards of this valley."[12]

Restored funding is critical to address concerns raised by Treaty Tribes regarding the status of salmon recovery. Funding cuts will severely limit the ability of the Commission and conservation districts to respond to Tribal concerns. Restored funding will allow for additional activities necessary to advance needed actions for salmon recovery. These actions include additional stream buffers installed and fish passage / culvert repair and replacement projects.

Cuts will also jeopardize additional funding leveraged by conservation districts through various match opportunities. The agency expects the continued matching of each dollar invested in a conservation district to result in another $5 invested in projects and community involvement. This is measured by the annual reporting of revenue by each conservation district to the State Auditor's office. With fewer state dollars available to the districts, less funds are available for match resulting in the state cuts being magnified by the loss in matching dollars.

Each of these activities may individually be a small economic state funding investment, but using landowner involvement and multiplying the practices and activities by the 45 conservation districts across the state, the ecosystem benefits and natural capital gained for the citizens becomes exponentially greater in value. Non-regulatory approaches create relationships with landowners and communities where they become committed to the success of our shared state natural resource values. It's through the work of conservation districts that this happens. And this work is severely jeopardized by the proposed cuts.

Performance Measure Detail

Activity A001 Technical Services and Program Delivery	**Incremental Changes**	
	FY 2016	**FY 2017**
Outcome Measures		
001409 Miles of stream improved or enhanced through implementation of BMPs	15.00	15.00
001424 Number of land owners/managers assisted	500.00	500.00
001426 Number of conservation practices installed and practices receiving cost-share	50.00	50.00
002357 Additional conservation district funding secured to maximize SCC funding	15.00%	15.00%

Activity A003 State Conservation Commission Operations and	**Incremental Changes**

[9] Lewis County Conservation District, http://scc.wa.gov/wp-content/uploads/2014/02/Lewis_FishBarriers_FINAL.pdf
[10] *Conservation in Washington: Powered by People*, Washington State Conservation Commission, February 2014, pg 6, http://scc.wa.gov/wp-content/uploads/2014/03/Folio_FINAL_031714.pdf.
[11] The video can be viewed here: www.betterground.org/programs/sound-nature/.
[12] *Conservation in Washington: Powered by People*, Washington State Conservation Commission, February 2014, pg 6.

Administration	FY 2016	FY 2017
Outcome Measures		
001400 Conservation Commission Financial Staff will act on payment requests within 72 hours	10.00%	10.00%
001904 Implementation Monitoring of Projects	24.00	24.00
002357 Additional conservation district funding secured to maximize SCC funding	15.00%	15.00%

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes, continued cuts to the agency's budget are prohibiting the successful implementation of the Conservation Commission members' goals. Conservation districts and the Conservation Commission are critical for the successful implementation of incentive-based programs for protection of natural resources and maintaining agricultural production.

The following goals and strategic actions are benefited by the restoration of this funding:

- Conservation districts engage landowners in watershed-scale projects to improve watershed health. Projects include in-stream enhancements, riparian buffers, sediment exclusion, removal of barriers and water-protecting forest management plans.
- The number of stream miles and the acres of wildlife habitat enhanced to protect water quality and irrigation efficiencies is steadily increased.
- A steadily increasing number of stream miles are protected with improved riparian and in-stream habitat.
- Practices related to wildlife habitat improved, created, or recovered.
- Annual increases in the number of farmers and other landowners committed to managing according to an approved conservation plan.
- Continued increase in the number of landowners seeking technical and financial assistance from conservation districts.
- Continued voluntary participation of landowners in the development and implementation of conservation plans.
- Continued increase in the number of landowners contacting conservation districts for resource management assistance.
- Ensure that conservation districts provide technical assistance needed for landowner education and plan development.
- Provide financial assistance to implement required practices.
- Number of installed practices that reduce the impact of livestock, domestic animals, and agriculture on water quality.
- Work with districts and partnering agencies to create natural resource inventories of watersheds, plans for implementation of practices and documentation of results.
- Working with conservation districts and partnering agencies identify practices that need to be implemented to enhance land use productivity while protecting, or enhancing, a natural resource.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

The Commission and conservation districts are directly responsible for, and agency lead for, three of the Governor's Results Washington priorities. These are:

Healthy Fish and Wildlife Protect and restore Washington's wildlife

- 2.1.b. Increase number of implemented agricultural BMPs to improve water quality in shellfish growing areas in Puget Sound, Grays Harbor, and Pacific counties from 345 in 2008 to 750 by 2016

Clean and Restored Environment Keep our land, water and air clean

- 3.2.c. Increase number of CREP sites to improve water temperature and habitat from 1,021 to 1,171 by 2015

Working and Natural Lands Use our lands responsibly

- 4.1.a. Maintain current level of statewide acreage dedicated to working farms with no net loss through 2015

In addition, the conservation districts and the Commission undertake actions to implement and support the following Governor's Results Washington priorities:

Healthy Fish and Wildlife Protect and restore Washington's wildlife

- 2.1 Increase improved shellfish classification acreage in Puget Sound from net increase of 3,038 acres from 2007-13 to net increase of 8,614 acres by 2016
- 2.2 Increase the percentage of ESA listed salmon and steel-head populations at healthy, sustainable levels from 16% to 25% by 2022
- 2.2.a. Demonstrate increasing trend in Puget Sound Chinook populations from one in 2010 to five by 2016
- 2.2.b. Increase miles of stream habitat opened from 350 to 450 by 2016
- 2.2.c. Increase number of fish passage barriers corrected per year from 375 to 500 by 2016
- 2.3 Increase the percentage of current state listed species recovering from 28% to 35% by 2020
- 2.3.b. Increase the 5-year running average of statewide sage-grouse population from 1,000 to 1,100 by 2017

Clean and Restored Environment Keep our land, water and air clean

- 3.2 Increase the percentage of rivers meeting good water quality from 43% to 55% by 2020
- 3.2.a. Increase the number of projects that provide storm water treatment or infiltration from 10 to 34 by 2016
- 3.2.b. Increase percentage of core saltwater swimming beaches meeting water quality standards from 89% to 95% by 2016

Working and Natural Lands Use our lands responsibly

- 4.1 Increase the net statewide acreage dedicated to working farms from 7.237 million to 7.347 million by 2020, reduce loss of designated forests of long-term commercial significance from X to zero by 2020
- 4.1.b. Increase treatment of forested lands for forest health and fire reduction from X to X by 2016
- 4.1.c. Reduce rate of loss of designated forests of long-term commercial significance from X to X by 2015
- 4.3 Reduce the rate of loss of priority habitats from 1.5% to 1.0% by 2016
- 4.3.c. Reduce rate of conversion of marine and freshwater riparian habitat in Puget Sound from 0.13% to 0.10% by 2016 and provide mitigation to ensure maintenance of today's habitat functions
- 4.3.d. Reduce annual rate of shrub steppe loss from 1.4% to 1% by 2016

What are the other important connections or impacts related to this proposal?

Cuts will also jeopardize additional funding leveraged by conservation districts through various match opportunities. The agency expects the continued matching of each dollar invested in a conservation district to result in another $5 invested in projects and community involvement. The loss of this funding directly impacts project implementation for several local, state, federal agencies, and NGOs. For instance:

- stormwater and soil erosion projects for Ecology and EPA;
- culvert and fish passage projects for RCO and DNR;
- wildfire and flood recovery for DNR and USDA;
- noxious weed control, Weed Boards and AGR;
- energy audits, BPA;
- fish screening for Yakama Nation, RCO, WDFW;
- no-till project education for WSU;
- riparian habitat for Snohomish County;
- large woody debris placement for RFEGs, NOAA, USDA Forest Service

Why are these projects and partners impacted? Because none of these project partners allow for basic infrastructure or foundational level funding in their project implementation. The funding from this account and SCC provides the ability for there to be a conservation district with an office, staff, computers, to meet all the needs of those who have resource concerns needed addressed. And, the conservation district staff are the trusted, non-regulatory entity who has the ability to work with the private landowners on their property. Those relationships have been built and cultivated over decades. Without the conservation district system, a majority of these projects would not get done.

For SCC, these cuts will negatively impact training and compliance oversight for conservation districts. Conservation

districts are a local government and the Conservation Commission is responsible for coordinating with the State Auditor's office on audits and accountability; reviewing and approving results of their elections each year, evaluating processes and procedures for funding allocations, and appointing 2 members to their board. Specifically these impacts will include:

- Potential for increased audit findings
- Potential for non-compliance with legal requirements
- Lack of staff to outreach to landowners on solutions to resource concerns.
- Lack of staff to implement the practices funded through the capital budget.
- Inability to utilize the skills and abilities of conservation district staff to match the funding with other project dollars from other entities.

Restored funding as requested in this proposal will ensure the continued fiscal compliance of the conservation districts. Restored funding will also maintain the ability of the Conservation Commission to assist conservation districts in maintaining effective and efficient operations as they provide technical assistance to landowners and implementing projects for other partners and agencies.

What alternatives were explored by the agency, and why was this alternative chosen?

The operating funds of the Conservation Commission and conservation districts are primarily general fund. The Commission can only draw 3% from any capital budget and a small amount of overhead from any outside contracts.

For this agency, 70% of the general fund dollars are distributed to conservation districts. The Conservation Commission has had a tremendous amount of success with continued implementation of fiscal efficiencies such as electronic forms, electronic communications, searching for better, faster, cheaper ways of conducting meetings and producing meeting packets, and a diverse staff who take on more than just a single purpose or duty. However, we have reached reduction capacity.

Many activities of the Commission and conservation districts could be funded through other fund sources such as the state Toxics Account and the newly established ELSA account. However this option has historically not been implemented for many reasons. The agency continues to believe these activities could be funded through these accounts.

There are few other natural resources accounts that are applicable to the agency activities. The Conservation Commission has recently approved the agency staff to explore options for new revenue to support the work of the conservation districts and Commission. The results of this research will be available in mid to late November.

What are the consequences of adopting or not adopting this package?

The Conservation Commission has seen its general fund allocation reduced by 34% since the 07-09 biennium. Adding an additional 15% reduction increases the cumulative reduction since 07-09 to 43%. At the same time the requirements for efficiency, compliance oversight, additional pressures, and requirements to measure additional environmental indicators, have continued to increase.

The role of a non-regulatory, incentive-based approach is proven successful and a goal of this Governor and prior Governors. Furthermore, as pointed out by the Tribes in their Treaty Rights at Risk white paper, our state needs to redouble our efforts in the recovery of salmon and their habitats. Incentive-based programs are key to accomplishing this. As Governor Inslee noted, we cannot achieve our goals through regulatory approaches alone, they need to be in conjunction with incentive-based approaches. By not adopting this package, our state's ability to be responsive to the Tribes and to continue improvement will be diminished and less progress will be made over the next two years.

The testimonials of landowners across the state illustrate the environmental improvements that have been addressed today but may not be addressed in the near future if additional cuts are required. Further cuts to the incentive-based system will ultimately require expensive regulatory action. Regulatory responses may also create political push-back that will set us back on our goals.

What is the relationship, if any, to the state's capital budget?

This funding directly supports agency and conservation district actions necessary to implement the projects funded in the capital budget. This includes not only the Commission's capital budget, but any funding conservation districts receive from other entities including RCO, Ecology, BPA, EPA and others. Many of the grants received by conservation districts from other entities do not support the basic infrastructure elements of maintaining a viable conservation district and may be used only for specific project implementation. Without operating funding support conservation districts cannot successfully complete on-the-ground projects.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

The State Conservation Commission board approved allocation of the 15% reduction to the conservation district and Commission operations. Concern over the continual loss of capacity at the Commission office to provide the basic services to conservation districts resulted in a smaller percentage of the reduction be borne by the Conservation Commission. As a result, the bulk of the budget reduction will need to be taken from the conservation districts.

Of the annual $1 million reduction 15% of the Commission fiscal year budget the Conservation Commission would absorb $326,174 as identified in Object C, Object E, and Object G. The remaining $685,276 would be applied to each of the 45 conservation districts based upon their general fund allocation from the Commission.

To absorb the proposed cuts, the Commission would be forced to reduce services provided to conservation districts for technical assistance relating to administrative activities. These reductions would impact contracts we have for district staff and supervisor training, environmental education, reduce Commission staff training, and services with other state agencies. Travel would require an evaluation of Commission meetings and their locations, visits to conservation districts, and out of state travel.

Reductions to conservation districts totaling $685,276 in each fiscal year will result in reduced staff at some districts, fewer landowner assistance visits, delays in project implementation potentially resulting in lost funding opportunities from other sources. Furthermore, other local entities such as salmon recovery and enhancement groups depend upon the work of conservation districts and this work would be impacted by district funding reductions.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

Failure to restore funding will result in reductions that could have implications beyond the current biennium. The reduced program activities will be difficult to bring back up to speed if funding is restored in the future. Relationships will need to be rebuilt and landowners re-engaged. Other more specific ongoing impacts include:

- Economic impact of $7.8 million and a loss of labor income of $2.8 million
- A loss of matching dollars of $10 million to implement projects for other local, state, federal agencies.
- A loss of ecosystem improvements directly impacting shellfish harvests, salmon habitat and catch, loss of community involvement and understanding of the role of defensible space, soil erosion, water quality impacts on drinking water, and other projects undertaken by conservation districts.
- An inability to address the agency's role with the Treaty Rights at Risk.

Object Detail		**FY 2016**	**FY 2017**	**Total**
C	Professional Svc Contracts	125,000	125,000	250,000
E	Goods\Other Services	121,174	120,574	241,748
G	Travel	80,000	80,000	160,000
N	Grants, Benefits & Client Services	685,276	685,276	1,370,552
Total Objects		**1,011,450**	**1,010,850**	**2,022,300**

Snohomish Conservation District's mission is to work cooperatively with others to promote and encourage conservation and responsible use of natural resources.

The Conservation District Farm Planning Process

Bobbi Lindemulder

Lead Farm Planner

www.snohomishcd.org

425-335-5634 x 109

Lake Stevens, WA

"Local Solutions to Local Problems"

The Plan

The plan is based on an entire system of work:

- Education/Outreach
- Technical assistance
- Plan development
- Implementation
- Adaptive management
- Relationship building

"Local Solutions to Local Problems"

Why are plans written?

- A voluntary request
- A requirement to participate in cost-share or incentive programs
- Required to meet regulations (Dairy)
- A regulatory requirement following a referral

“Local Solutions to Local Problems”

"FOTG"

- The Natural Resources Conservation Service (NRCS) Field Office Technical Guide (FOTG)
  - The foundation of the planning process
  - Procedures, criteria, standards & specifications
  - Certified planning process
  - Soil, water, animal, plant, cultural resources, air, and human (SWAPA)
  - Alternatives/recommendations
  - Record of Decisions

Implementation

- Voluntary, non-regulatory
- Importance of a regulatory backstop
- Cost-share and incentives
- Timelines
- A “living document”
- Adaptive management and follow-up
- Public benefits

“Local Solutions to Local Problems”


05/10/2011 11:24

15 Oatfield Road
Skamokawa, WA 98647
August 23, 2014

To Whom It May Concern:

Eleven years ago, my husband and I shopped for rural property. We wanted 2-5 acres and when we found our property on Skamokawa Creek, we ended up with 15 acres! We were city folk moving to the country. Fifteen acres was pretty overwhelming and we called on the Conservation District for help. We wanted to be good stewards of the land and had no idea how to begin.

Our creek bank was very undercut and we had constant erosion. We had some low land flooding in the winter and we were concerned about how to take care of the land. The Wahkiakum Conservation District, with Darin Houpt in the lead, was a godsend. They came out and looked at our land. Then went after money to do a major project on our creek. We became a demonstration site for others in the valley, plus people from all over the state, to see what could be done. We had the creek bank peeled back and sloped. We had woody structures put in to control and gently send the creek towards the flood plain. We planted willows along the creek bank and fenced the animals out of the creek through the CREP program. None of this would have happened without the wonderful help from the Conservation District. Both the Cowlitz and Wahkiakum County districts have been so helpful in educating us in how to care for our land. They have been a pleasure to work with and have helped us get other land owners on board for making good changes where the creek is concerned.

We are so very grateful for all the help we have received. We are happy to share with all who visit our property what a great help the Conservation District has been. The people who work for these two districts, and the boards who govern them, are a real gift for our county and the earth.

Sincerely,

Kitty Speranza

Kitty Speranza

Conservation in Washington: Powered by People

Making an Impact:

- ***Nearly 50 miles of irrigation ditch have been piped in Dungeness Valley resulting in water savings in excess of 14 cubic feet per second.***
- ***In 2013, salmon returned to the Dungeness River to spawn in numbers not seen in 50 years.***
- ***500 acres of Dungeness Bay were upgraded from "Closed" to "Conditionally Approved" for shellfish harvest.***

CLALLAM CONSERVATION DISTRICT - LEADING SUCCESSFUL WATER CONSERVATION EFFORTS IN DUNGENESS VALLEY

In 1999, Puget Sound Chinook salmon and Hood Canal summer chum—two salmonids found in the Dungeness River—were listed as a threatened species. In 2000, Dungeness Bay was closed to shellfish harvesting due to high fecal coliform bacteria counts. The network of irrigation ditches in the valley contributed to habitat problems in the river and pollution problems in the bay.

FINDING A COMMON PATH As a first step towards addressing pollution problems, Clallam Conservation District worked with irrigation districts and companies to upgrade their open ditch irrigation systems to pipeline systems. This led to larger, more comprehensive ditch piping projects that not only eliminated pollution, but also conserved substantial amounts of water that was leaking from the inefficient ditches.

RESULTS ON THE GROUND In 2001 and 2002, Clallam Conservation District helped pipe three irrigation ditches that had been identified as contributing to pollution in Dungeness Bay. With the implementation of additional projects, water quality steadily improved, and in 2011, 500 acres of Dungeness Bay were upgraded from "Closed" to "Conditionally Approved" for shellfish harvest. Since 2000, nearly 50 miles of irrigation ditch have been piped in the Dungeness Valley, resulting in water savings in excess of 14 cubic feet per second—that's over 9 million gallons of water per day. This is a 25 percent reduction in irrigation water withdrawals over the past 13 years. In 2013, salmon returned to the Dungeness River to spawn in numbers not seen in half a century.

The piping of 50 miles of irrigation ditch has required patience and perseverance. Some people didn't believe it needed to or could be done. It has taken over 40 grants from 15 sources, investments in quality design work, and good project oversight to achieve this success.

"The Clallam Conservation District has taken the major part in the leadership and funding of water conservation and water quality in the Dungeness Valley over the past 15 years," said Gary Smith, Sequim Prairie Tri Irrigation Association member. "Without the District's leadership and commitment to water issues, the reduction of irrigation water outtake from the Dungeness would be a small fraction of what has been accomplished to-date."

Irrigation ditch before (left) and after piping (right).

Conservation in Washington: Powered by People

Making an Impact:

- ***Saved an estimated 2,404 acre feet of water (nearly 800 million gallons) as a result of irrigation efficiencies.***
- ***Removed gravel diversion dams that previously impeded fish migration.***
- ***Provided 20 farm owners/operators with more efficient and reliable irrigation delivery systems.***

WALLA WALLA COUNTY CONSERVATION DISTRICT - PARTNERS FIND SOLUTIONS THAT BENEFIT FISH AND FARMERS

The Bergevin-Williams/Old Lowden ditch systems have been used to irrigate farms in the Walla Walla Valley for decades. Gravel diversion dams were built in the Walla Walla River that caused water to flow into these irrigation ditches. However, these dams impeded fish migration, which was a major concern of basin-wide restoration efforts. In an effort to maintain higher stream flows and improve fish passage, the Walla Walla County Conservation District worked with farmers and conservation partners to find a "win-win" solution.

FINDING A COMMON PATH The Walla Walla County Conservation District (WWCCD) secured grant funding from the Bonneville Power Administration, Confederated Tribes of the Umatilla Indian Reservation, and the Department of Ecology to remove two gravel dams and consolidate irrigation ditches into a single diversion. To further complement the aquatic improvements, WWCCD upgraded the Bergevin-Williams/Old Lowden irrigation ditches to a pipeline system. This increased irrigation efficiency and reduced water use on 1,816.5 acres. Work on this project began in 2009 and completed in 2013.

RESULTS ON THE GROUND Fish, farmers, and workers benefitted from the Bergevin-Williams/Old Lowden irrigation project. Improvements in irrigation efficiency allow farmers to save water each year that is placed into the Trust Water Rights. This results in additional water for fish. In fact, this project has saved an estimated 2,404 acre feet of water—that's nearly 800 million gallons of water that has been placed into trust. And, the yearly fish passage obstructions have been removed allowing for migration. The 20 farm owners and operators involved in this project are benefitting from an improved irrigation delivery system that is both more reliable and efficient. This complex project also provided jobs for a number of workers in various occupations.

This project demonstrates that conservation and agricultural stakeholders can work in a cooperative and collaborative manner. Water is critically important for agricultural and ecological objectives, but resources can be managed to support both "fish and farmers."

"The real story of the Bergevin-Williams/Old Lowden consolidation was the cooperation and collaborative workings of private sectors and agencies, both state and federal," said Kay Mead, WWCCD Irrigation Efficiency Coordinator.

Left: Old Bergevin-Williams gravel diversion dam ("push-up") prior to removal.

Right: Bergevin-Williams/Old Lowden single diversion that was constructed to replace gravel dams.

Conservation in Washington: Powered by People

Making an Impact:

- *Snohomish County proposed to Department of Ecology that two segments of Woods Creek be removed from 303(d) list.*
- *District planting 20 acres in riparian zone in next three years.*
- *Established network of community members willing to participate in efforts to shade Woods Creek and reduce water temperatures.*

SNOHOMISH CONSERVATION DISTRICT - WORKING WITH LANDOWNERS TO RESTORE WOODS CREEK

Woods Creek was listed as part of the Lower Snohomish River Tributaries TMDL (total maximum daily load) for fecal coliform in 2003. Agricultural practices were identified as one of the potential contributors to this pollution. The Snohomish Conservation District was enlisted by partners to work with agricultural landowners to responsibly manage manure and fence livestock from the stream.

FINDING A COMMON PATH The Snohomish Conservation District, Snohomish County, Department of Ecology, and several nonprofits put effort into addressing the sources of fecal contamination in the basin by working on a voluntary basis with private landowners. The watershed is zoned primarily rural residential with small farms being the focus of these efforts. Practices installed by the Conservation District included: over 25,000 feet of fencing; 90 acres of riparian planting; 66 waste storage/compost structures; and 57 heavy use areas for livestock.

RESULTS ON THE GROUND Due to this focused effort on manure management and control of fecal coliform contamination, the percent of time fecal counts exceed summer standards has reduced dramatically. As such, Snohomish County has proposed to the Department of Ecology that two segments of Woods Creek be removed from the 303(d) list (Britsch, personal communication, 2014). The Department of Ecology is now turning its focus from fecal contamination to high summer water temperatures and has encouraged the District to focus future efforts on planting the riparian zone. The District developed a Woods Creek Riparian Action Plan to identify priority areas for planting and received a $250,000 grant from Ecology to plant 20 acres in the next three years.

Snohomish Conservation District learned the importance of building trust and positive relationships with private landowners within a watershed. Now a network of community members is willing to participate in the District's continuing efforts to shade the stream to reduce water temperatures.

"In 17 years having Woods Creek in our back yard, we have had stunningly supportive help…[to] reduce erosion, improve the riparian zone, and plant native trees and bushes," said Joel Selling, Woods Creek landowner. "The result is not only better land values for us, but a sense of being truly good stewards of this valley. Thanks to the Conservation District and Surface Water Management for sharing our vision for our watershed."

Woods Creek property before (left) and after Snohomish Conservation District helped landowner install fencing and plants (right)

Conservation in Washington: Powered by People

Making an Impact:

- ***Water temperature reduced more than 10 degrees F within primary spring Chinook spawning/rearing reaches.***
- ***Issued 35 CREP contracts with landowners, covering 1,063 acres.***
- ***Implemented 50-mile geomorphic assessment of the Tucannon River.***

COLUMBIA CONSERVATION DISTRICT: RESTORING SALMON HABITAT

The Tucannon River supports four ESA-listed species: steelhead, bull trout, and spring and fall Chinook salmon. In 1992, Columbia Conservation District (CCD), Bonneville Power Administration (BPA), and the USDA-Natural Resources Conservation Service developed a watershed habitat restoration plan for the Tucannon. The plan and associated assessment revealed threats to salmon habitats and recovery potential, including high water temperatures, stream bank instability, lack of instream habitat diversity and complexity, and sedimentation.

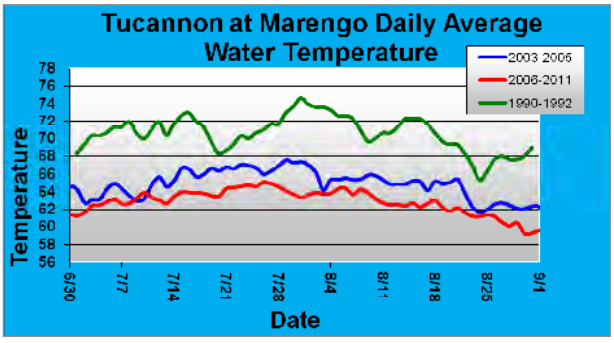
FINDING A COMMON PATH In 1996, the CCD began partnering with private and public landowners, BPA, tribes, and state and federal agencies to implement Tucannon restoration projects. The Conservation Reserve Enhancement Program (CREP) became the District's primary tool to restore and protect the Tucannon's riparian (streamside) conditions. Administered by the Farm Service Agency and the Washington State Conservation Commission (WSCC), CREP offers landowners financial incentives for restoring and protecting riparian habitat on their property. The District's CREP projects complemented their other efforts in the watershed to improve instream and floodplain habitat, increase instream flows using the WSCC's Irrigation Efficiencies program, and implement conservation tillage practices to reduce nonpoint sediment loading.

RESULTS ON THE GROUND The CCD issued 35 CREP contracts with landowners covering 1,063 acres, and they secured eight Irrigation Efficiencies contracts that put 11.77 *cubic feet per second* (cfs) and 975 *acre feet* (af) of water into trust (1 cfs = 7.48 gallons, 1 af = 43,560 cubic feet). They also installed 52 irrigation diversion screens, reduced tillage practices with reduction in cobble embeddedness/TSS (total suspended solids) to <20%, and completed multiple instream habitat enhancement projects. Restoration actions contributed to a temperature reduction of more than 10 degrees F within the primary spring Chinook spawning/rearing reaches (RM 26.9). These resource improvements led CCD, with support from BPA and the Salmon Recovery Funding Board, to implement a 50-mile geomorphic assessment of the Tucannon River, including LiDar flights. The assessment identified resource conditions, salmonid habitat limiting factors, and helped plan future restoration actions for continued habitat improvement. Current focus is on the 45 prioritized projects identified in the assessment effort.

Resource restoration and recovery success is dependent on; 1) landowner involvement, support, and trust in a voluntary and incentive-based approach, and 2) committed multi-year funding source(s). Conservation Districts' non-regulatory status and locally led processes involving landowners in the early development stages is a critical link in successful salmon restoration and recovery implementation and partnership development.

Left: Reconnected floodplain following dike/levee removal and modification.

Right: Temperature monitoring trend, Snake River Salmon Recovery Board.



FINAL

Agency: **471 State Conservation Commission**
Decision Package Code/Title: **N1 Restore Section 714 Efficiency**
Budget Period: **2015-17**
Budget Level: **PL - Performance Level**

Recommendation Summary Text:

The State Conservation Commission (SCC) allocates more than 70% of its general fund appropriations to the 45 conservation districts for purposes of implementing conservation practices addressing natural resource concerns. Since 2007, the SCC has seen a cumulative reduction of 34% in general fund appropriations without a replacement funding source. Our operations oversee the 45 conservation districts to ensure compliance with state law, process and audit grant payments, and participation in state level policy discussions that impact natural resource improvements across the state. Because of the reductions in appropriations, the SCC has been forced to evaluate services and delivery methods which have resulted in a better business model. Many of these efficiencies had little cash impact, but allowed our agency to handle increased workload demands without additional FTEs.

Agency Total

Fiscal Detail

Operating Expenditures	FY 2016	FY 2017	Total
001-1 -General Fund - Basic Account-State	37,000	37,000	74,000
Staffing			
FTEs			

Package Description:

Section 714 of ESSB5034 (Chapter 4, Laws of 2013, 2nd Special Session), as amended by ESSB 6002 (Chapter 221, Laws of 2014), resulted in a cash reduction to the agency's maintenance level of $74,000. The types of efficiencies adopted in our agency primarily involve process improvement and "walking the floor" of our customers consistent with LEAN approaches. By improving processes, we increased the amount of real time that existing staff had to address additional agency and customer needs. Few, if any, of the efficiencies employed resulted in the size of cash savings as applied. This package requests reinstating the $74,000 to the agency's maintenance level funding.

Reducing SCC's budget by $74,000 does not accurately reflect the efficiencies already achieved in the agency through processes and procedures, nor does it reflect the gains made by employees through career growth and opportunities. As it stands, this reduction will need be implemented across SCC's operations, impacting the ability to research additional efficiencies, training opportunities for conservation districts, and negatively impacting supporting efforts to achieve a greater online methodology and technology.

Narrative Justification and Impact Statement

What specific performance outcomes does the agency expect?

Examples of efficiencies already achieved and the attitude reflected in the agency on efficiencies even prior to the passage of Section 714 are set out below:

Example #1

Rather than send a new form to all 45 conservation districts to report on project implementation, which they would have complete and return to SCC for data analysis, the SCC employed the use of an existing project management system already in place to collect the implementation measures for each project. This required SCC staff time to remind conservation district staff of the available section within the system to record the results. To ensure the data is entered, SCC financial staff checks the project for data completion, prior to paying an invoice from the conservation district. If the data is not entered, the invoice is not paid and the conservation district sent a reminder to update the project record.

Results:
SCC has the ability, at any time, to run reports from the project management system to evaluate project implementation, types of projects, and projects by conservation district. In addition, during the end of the fiscal and biennium, financial staff is not faced with collecting additional paper reports, hand completed, with a variety of content based upon the opinion of the filer, and tallying that data for reporting to OFM and SCC members. This has resulted in more accurate data to report, and time for SCC financial staff to spend finalizing accounting requirements for fiscal and biennial year end on time.

Cash Cost:
Minimal, because the SCC made better use of the existing system.

Example #2
Historically, new grant forms were created for each fiscal and biennia change. This included a hand method of completing applications, budget revisions, a scope of work, and then scanning and emailing or mailing the document to SCC. SCC would then record the application's receipt and place in the appropriate file. This inevitably led to lost and late paperwork that was not easily tracked online or could be exported to other computer programs like Excel. Staff time to complete this process at both the conservation district and SCC were significant, particularly if multiple grants were involved.

Results:
Adobe FormsCentral[1] has allowed SCC to create online forms and reports that can be easily completed by conservation district staff. No special software is needed for the user except *Adobe Reader*. For SCC, we pay an annual fee of $143.88 for unlimited forms and online storage. When a conservation district completes a form, it is sent to the *Adobe FormsCentral* location, time stamped for date received, and is stored there in an easily accessible location where it can be filtered by field, and become a PDF document or downloaded to EXCEL. This allows SCC staff to review submittals, ensure deadlines are met, and evaluate content for additional purposes. SCC staff has substantially reduced time spent processing these documents through this new process of recording receipt of the documents, paper handling, and data management. This has allowed SCC staff to spend more time reviewing the material and clarifying intent and compliance, or allowed SCC staff to be assigned other duties like participation in LEAN or other agency responsibilities.

Cash Cost:
$143.88 per year or $287.76 for the biennium.

These are only two specific examples identifying efficiencies adopted by SCC. The *Adobe FormsCentral* has since been incorporated across the budget submittal process for all 45 conservation districts, the submittal of the 45 conservation district annual report of accomplishments, and will be used extensively in the upcoming conservation district supervisor appointment cycle. Other methods of efficiencies have included online meeting packets for Conservation Commission meetings rather than providing paper copies; utilizing webinar technology as a means to communicate across the state with a few or all 45 conservation districts; and conducting training sessions with conservation district staff using webinars with cameras, allowing for improved personal communications during these webinars.

As indicated earlier, with only 19 FTEs, there is never a shortage of work, meetings to attend, or task forces to be involved with. By implementing these efficiencies, the staff time needed to process paperwork and record data has been reduced. This has allowed greater involvement by staff in other aspects of business, such as attending trainings, expanding interests and career growth opportunities.

Reinstating the $74,000 would allow the agency to add updates to other processes like the project data system used by

[1] Adobe FormsCentral https://www.acrobat.com/en_us/products/formscentral.html?trackingid=iioam.

conservation districts to more accurately define the types of natural resources being impacted or track the landowner obligations under each individual contract. These currently are being done by hand with individual paper files. A portion of these funds would allow SCC to further evaluate the benefit of online document storage, potentially hiring a temporary office assistant to scan and archive the hundreds of boxes of documents currently in storage in our office and at other locations.

Reducing SCC's budget by $74,000 does not accurately reflect the efficiencies already achieved in the agency through processes and procedures, nor does it reflect the gains made by employees through career growth and opportunities. As it stands, this reduction will need be implemented across SCC's operations, impacting the ability to research additional efficiencies, training opportunities for conservation districts, and negatively impacting efforts to achieve a greater online methodology and technology.

Performance Measure Detail

Activity A003 State Conservation Commission Operations and Administration

	Incremental Changes FY 2016	FY 2017
Outcome Measures		
001400 Conservation Commission Financial Staff will act on payment requests within 72 hours	2.00%	2.00%
001416 Positive constituency feedback including conservation districts	8.00%	8.00%
002357 Additional conservation district funding secured to maximize SCC funding	2.00%	2.00%

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

This package enhances the role of the strategic plan adopted by the Conservation Commission members. The members are extremely customer-service oriented and believe in past efficiencies adopted by SCC (for example, the agency has a goal of issuing payments to conservation districts within three days of a payment request). The online form submittals and substantial use of webinars for meetings and trainings, are all actions that have been supported by the Commission members. SCC members continue to challenge SCC staff to evaluate methods of doing business that can result in more funding reaching the conservation districts, serving landowners, and meeting natural resource needs.

Effective and efficient are listed as Values[2] of the Commission members:

Values

- The highest standards of ethics and personal and institutional integrity for Conservation Commission members and staff, and the conservation districts supervisors and staff;
- The economic contributions of natural resource-based industries, operating to achieve sustainability;
- Accountability for the effective and efficient use of public funds;
- Policies and governance procedures that assure the effective and efficient use of public resources;
- Open communications and transparency of operations that create trust;
- Diverse cultures and ideas; and,
- Education for current and future generations.
- Locally led conservation.

Conservation Commission Operations

Goal Statement: *Be recognized as an effective, independent, and trusted agency of choice that implements natural*

[2] Washington State Conservation Commission, 2009-2015 Strategic Plan, 2008, pg 4, http://scc.wa.gov/wp-content/uploads/2013/12/09-15-WSCC-Strategic-Plan.pdf

resource stewardship in the state of Washington with conservation districts, other agencies, and organizations by performing its core functions, mission and strategic priorities.[3]

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

SCC and conservation districts are addressed in *Results Goal #3 Sustainable Energy and a Clean Environment*. Within this goal topic, SCC is responsible for reporting on several indicators where funding is provided to conservation districts for addressing the resource concern identified.

In addition, SCC believes because of our efforts to implement process efficiencies resulting in cash and non-cash savings, our results are directly linked to Goal #5 Efficient, Effective and Accountable Government. Not listed are our actions, but we believe based upon our customer feedback and the broad adoption of our methods that we have been successful in implementing measures that have directly impacted their business relationship with a government agency in a positive manner.

What are the other important connections or impacts related to this proposal?

The results of our efficiencies and the need to reinstate our funding can be linked to our ability to more effectively track conservation district projects and resource improvements. This is evident in our reporting of performance measures to Office of Financial Management, reporting of measures to Puget Sound Partnership on the Near Term Actions, and be able to effectively and with confidence report to the Governor the activities and indicators in Results Goal #3.

What alternatives were explored by the agency, and why was this alternative chosen?

SCC employs a 360° methodology for process improvement. Given our close relationship with our primary customers, the 45 conservation districts, communication on recommendations and appreciation on improvements does not suffer any lag time. In some cases, our conservation districts are even more advanced than SCC's current methodology and processes. This provides SCC great insight into additional opportunities that may exist to be the best at what we do.

Because the agency has experienced such a devastating 34% reduction in funding over the last seven years, every angle, every dollar, and every action is evaluated to determine if there is a better, more efficient or more cost effective way.

SCC was one of the first natural resource agencies to incorporate webinar technology and introduced it to our counterparts. This was a direct result in our budget being reduced.

What are the consequences of adopting or not adopting this package?

The reinstatement of the $74,000 will allow us to continue to work with our customers to achieve even more effective methods. Currently underway are discussions relating to outreach materials. With 45 conservation districts, there are 45 ways of approaching outreach. By reinstating the funding, this will allow SCC to evaluate current methods and establish a set of criteria and materials to be used by each conservation district across the state. Reducing costs at their level and reducing time spend by SCC staff trying to assist each conservation district with individual materials designed solely for their area.

Without this funding, those efforts will be delayed, and likely shelved.

What is the relationship, if any, to the state's capital budget?

While a direct link to implementing a capital project is not apparent, these past efficiencies adopted and those anticipated

[3] Washington State Conservation Commission, 2009-2015 Strategic Plan, 2008, pg 20, http://scc.wa.gov/wp-content/uploads/2013/12/09-15-WSCC-Strategic-Plan.pdf

in the future assist in the following ways:

- Reporting actual implementation measures in a more effective, resource-based method.
- Reimbursing landowners and districts faster for costs incurred for projects. This results in more landowners willing to incur the costs knowing the turnaround time for payment is days, rather than months.
- Consistent messaging about the nature of local conservation districts, which leads to increased state and federal partnership opportunities, increasing landowner contact, engagement, and assistance in achieving the resource priorities of the state.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None

Expenditure and revenue calculations and assumptions

The reinstated $74,000 would be used to continue the evaluation of communication methodology and to make improvements in online document management and storage, and make improvements to the project system to be able to report on specific resource improvements.

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These costs and benefits are considered ongoing and would be included in future biennia. The culture of SCC is to always be efficient and effective. By reinstating these funds, it allows ongoing efforts and improvements to continue.

Object Detail		FY 2016	FY 2017	Total
E	Goods\Other Services	37,000	37,000	74,000
Total Objects		**37,000**	**37,000**	**74,000**

* LIVESTOCK TECHNICAL ASSISTANCE *
* APPLICATION *

District Information

District Name:

Completed By:

E-Mail Address

Phone:

This application is due no later than noon on October 1st.
It includes 2 components that must be addressed.

This information will be used to determine the allocation of livestock technical assistance dollars for (FY14) the current year, as well as the Supplemental Budget Request to the Governor and Legislature for FY15.

The emergent livestock technical assistance needs you have between now and June 30, 2014 (FY14).

The livestock technical assistance needs you will have between July 1, 2014 and June 30, 2015 (FY15).

Please provide the information in the correct time period.

This section is for FY14 which ends June 30, 2014.

Total Dollars Requested

Number of district staff supported with this request

Number of Dairy Plans to be Updated

Number of livestock plans to be updated

Number of NEW Dairy Plans to be written

Number of NEW livestock plans to be written

Please indicate the number of plans identified above covered by a referral, and from which agency.

Describe in detail, the level of plans will be updated and written, including the size of the facilities to be addressed - (RMS, CNMP, DNMP, Practices only plan.)

Are these plans to be used to support practices already defined in CPDS? If so, please identify each of the landowners and the priority number assigned to this landowner's practices.

Is this funding to be used to "reach out" and develop the relationship with the landowners to begin writing the plans?

If yes, please indicate the number of landowners anticipated and the targeted watershed/area, including the resource to be addressed.

Please indicate the types of facilities this funding will be used to address. You may choose more than one.

- dairy <180 milkers
- dairy > than 180 but <500 milkers
- dairy >500 milkers
- cow/calf operation <500 head
- cow/calf operation >500 head
- open range livestock
- cattle <100 head
- cattle >100 head
- horses <5 head
- horses >5 head
- Miscellaneous animals on less than 5 acres
- Miscellaneous animals >5 acres but <20 acres
- Other

Does the conservation district have a current inventory (in last 4 years) of the number of landowners who will need assistance?

- Yes
- No
- I don't know

Does the district have a contingency plan with funding if a new landowner is referred to the district for assistance?

- Yes
- No

If funding is provided on October 5, 2013, then on June 30, 2014, our district will be able to report *"this"* was achieved and *"this"* improvement has been made :

COMPLETE BELOW THIS LINE for the year beginning July 1, 2014 thru June 30, 2015

Total Dollars Requested

Number of district staff supported with this request

Number of Dairy Plans to be Updated

Number of livestock plans to be updated

Number of NEW Dairy Plans to be written

Number of NEW livestock plans to be written

Please indicate the number of plans identified above covered by a referral, and from which agency.

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- Miscellaneous animals >5 acres but <20
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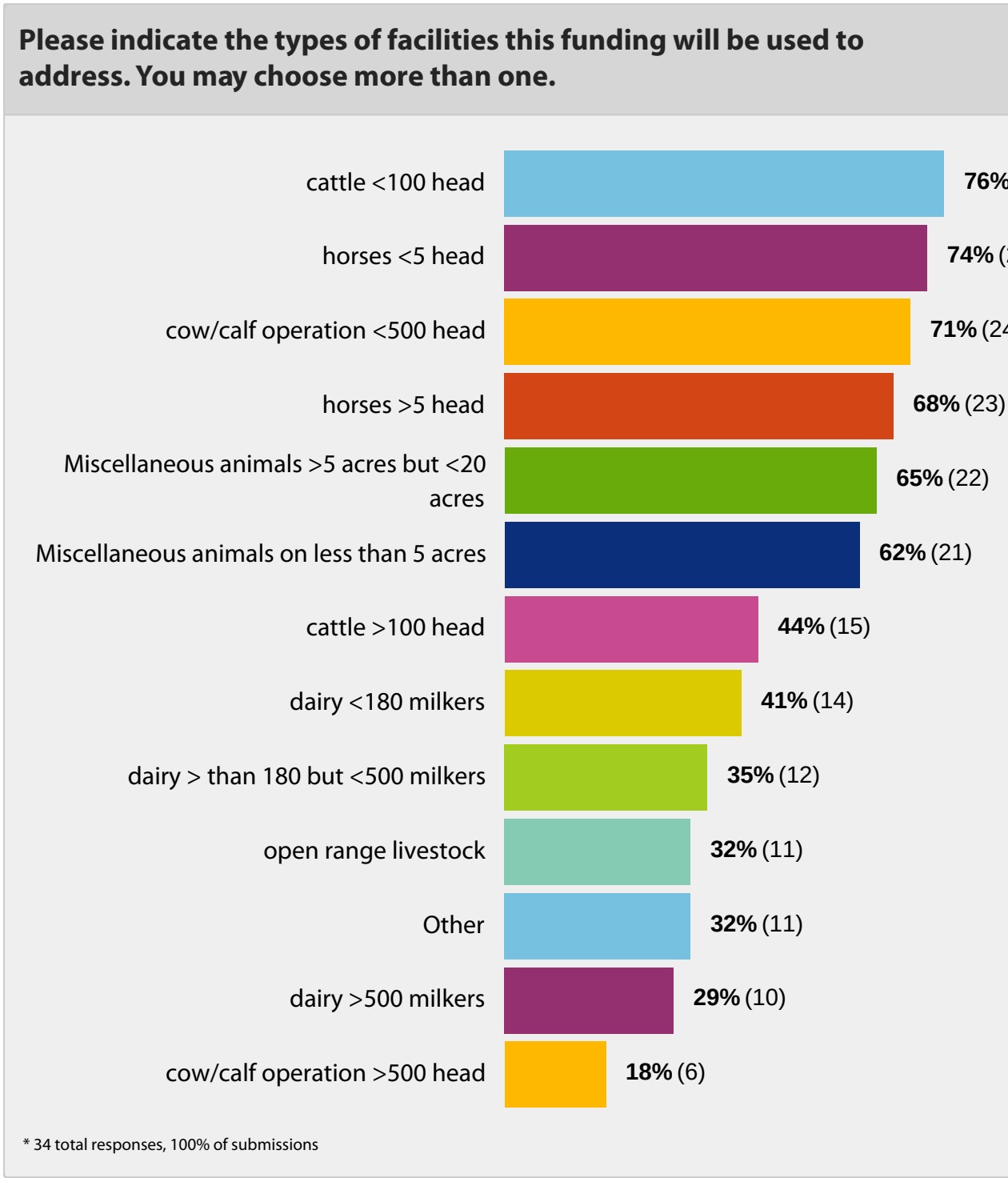
- Yes
- No
- I don't know

Does the district have a contingency plan with funding if a new landowner is referred to the district for assistance?

- Yes
- No

If funding is provided on July 1, 2014, then on June 30, 2015, our district will be able to report *"this"* was achieved and *"this"* improvement has been made :

Submit



Example of summary data from an AdobeFormsCentral application.

FINAL

Agency: 471 State Conservation Commission
Decision Package Code/Title: N2 Rebuilding the Incentive Service Delivery System
Budget Period: 2015-17
Budget Level: PL - Performance Level

Recommendation Summary Text:

The State Conservation Commission (SCC) has suffered a 34% operating budget reduction since the 2007-2009 biennium. These reductions not only impacted the state agency with a 15% reduction in staff, but also impacted conservation districts who receive the bulk of the agency funding and therefore were hit with the bulk of the cuts. Funding requested in this proposal would begin the process of restoring previous biennia budget reductions. This will enable the SCC and conservation districts to re-establish the system for landowner service delivery protecting and restoring our state's natural resources.

Related to Puget Sound Action Agenda Implementation

Agency Total

Fiscal Detail

Operating Expenditures	FY 2016	FY 2017	Total
001-1 -General Fund - Basic Account-State	1,131,228	1,121,228	2,252,456

Staffing	FY 2016	FY 2017	Annual Average
FTEs	1.0	1.0	1.0

Package Description:

"Those who fund and manage conservation can contribute to improved practice on the ground by working to create a supportive environment for conservation. Those who implement conservation on the ground are best placed to improve its practice. It has become clear that if conservation is to be successful it has to be a sustained and continuing process, like providing health care, for example. This means modifying the time-scale over which interventions take place, accepting the possibility of long-term support, for example through trust funds and other means, and eschewing expectations of rapid results, both in terms of changes in human behavior and in impacts on biodiversity." [1]

Even though the preceding statements are from an international conference sponsored by the Food and Agricultural Organization of the United Nations in Rome during October 2002, they are as relevant today in Washington State.

How is the work of the State Conservation Commission (SCC) and conservation districts related to this and how is this budget package relevant?

"As the landowners, we are impressed by the professionalism and commitment shown by the UCD staff and volunteers that worked on the site and your concern for our satisfaction with the end result."[2]

[1] Biodiversity and the Ecosystem Approach in Agriculture, Forestry and Fisheries, Case Study No. 5 Effectiveness of Biodiversity Conservation, http://www.fao.org/docrep/005/y4586e/y4586e06.htm

[2] Dan Gundersen, participating landowner, quoted in *Conservation in Washington: Powered by People*, Washington State Conservation Commission, February 2014, pg 8, Conservation in Washington: Powered by People.

"This is a great project. The landowner now has the opportunity to collect, store, and apply the manure, and clean water drains into the creek from the roof. The cooperation between NRCS and the District shows how teamwork can get great projects on the ground."[3]

"The landowner initially was not convinced that the District's plan would work. As they began construction, he eventually could see the design had merit and allowed them to continue. Eastern Klickitat Conservation District now has an advocate in this landowner, who wants to the District to do more work on his ranch."[4]

"Projects like this are exciting because they are easy to implement and produce dramatic and obvious results. When they work as well as this one did, we also get a friend who trusts the District and is willing to work with us in other endeavors."[5]

"Oftentimes we get called into projects because other partners need somebody the landowner can trust. We're governed by local volunteer supervisors, most of whom are farmers and ranchers themselves. I think other partners want us involved because, frankly, they know we'll get through the landowner's door before they will."[6]

"The major challenge was finding willing landowners to participate, considering the long history of mistrust among stakeholders within the watershed. It was the landowners' trust in the local Conservation District that led them to participate in this project and implement practices to make demonstrable water quality improvements. As one SCCD Board Supervisor said, "You have to start somewhere—one successful project will spur interest in more projects."[7]

This small collection of quotes illustrates the role of conservation districts in each of these local areas and is replayed hundreds of times every day, thousands of time each year. The 45 locally led, with multiple agency and NGO partners, and a series of goals identified by the conservation district board of supervisors achieved these efforts. Successful funding provided by the State Conservation Commission and authorities in RCW 89.08 are the foundation for each conservation district and each project creating a resource improvement and increasing the ecosystem value to the landowner, community, and state.

"One of the biggest accomplishments over the years has been the recognition by agencies and the legislature of who we are and how important our role is in getting work done on the ground."[8] Unfortunately, budget cuts over the past 6 years have chipped away at these accomplishments. SCC has seen its general fund appropriations reduced 34% since July 1, 2007 without any replacement funding. While the population has increased 7.7%[9] and the parcel count experienced a 2.4%[10] increase to date. The population in the state is expected to reach a cumulative increase of 10% by 2017.

Increased parcel counts and the stresses placed on the resources from ongoing population increases are real. Without the resources and community of conservation district personnel to reach out and engage these citizens of our state, the resources will continue to be impacted. Coordinating efforts through partners, other agencies, community groups, and the conservation district model has proven abilities to reverse the trend, but only if funding is provided to stem the tide of the reductions, allowing this work to increase in its intensity across the state.

In a report published by Earth Economics in 2006 regarding the King Conservation District, it states in part,

[3] Sergio Paredes, NRCS Resource Conservationist, quoted in *Conservation in Washington: Powered by People*, Washington State Conservation Commission, February 2014, pg 10, Conservation in Washington: Powered by People.

[4] *Conservation in Washington: Powered by People*, Washington State Conservation Commission, February 2014, pg 11, Conservation in Washington: Powered by People.

[5] Jim Hill, Central and Eastern Klickitat Conservation District manager, quoted in *Conservation in Washington: Powered by People*, Washington State Conservation Commission, February 2014, pg 11, Conservation in Washington: Powered by People.

[6] Craig Nelson, Okanogan Conservation District manager, quoted in *Conservation in Washington: Powered by People*, Washington State Conservation Commission, February 2014, pg 12, Conservation in Washington: Powered by People

[7] *Conservation in Washington: Powered by People*, Washington State Conservation Commission, February 2014, pg 16, http://scc.wa.gov/wp-content/uploads/2014/03/Folio_FINAL_031714.pdf

[8] Ron Juris, former SCC Chair and wheat farmer, Eastern Klickitat Conservation District Board member.

[9] Office of Financial Management, *http://ofm.wa.gov/pop/stfc/stfc2013/stfc_2013.pdf*

[10] Dept. of Revenue *2013 Property Tax Statistics*

"King Conservation District (KCD) programs and activities are vital to empowering landowners with knowledge, tools and methods for personal gain from ecosystem conservation. KCD programs and activities are also vital for securing and enhancing the common wealth that healthy lands, waters and ecosystems provide special and irreplaceable benefits for the greater community. The District is particularly integral to the improvement of several key ecosystem services in the area: soil formation and retention, water regulation and supply, nutrient regulation, waste treatment, habitat functions, aesthetic value and other services providing special benefit to landowners and other stakeholders in the community.

Although rendered for free in terms of market price, these services have a high economic value. The majority of economic value, or special benefits, provided by ecosystem services are produced as economically non-excludable services for landowners as well as members of the general public. This report estimates the economic value of conservation programs and activities that provide extensive special benefits to landowners and the general community. This case is made using ecosystem service valuation, the best available scientific method for quantitative analysis of the relationships between ecosystem health and economic benefit."[11]

Natural capital is comprised of geology, nutrient and water flows, native plants and animals, and the network of natural processes that yield a continual return of valuable benefits (Daly and Farley 2004). Natural capital contributes to our economy and quality of life in many ways that are not currently included in policy considerations. This includes provision of water, natural water filtration, energy production, flood control, recreation, natural storm water management, biodiversity, and education.[12]

At this time, the extensive research from the Gund Institute for Ecological Economics at the University of Vermont. Since that time, the work of the Gund Institute on natural capital and ecosystem values has been used extensively to evaluate contributions on healthy watersheds and defining the relationship between land use types and ecosystem/natural capital.

"The concept of ecosystem services is a valuable tool for economic analysis, and should not be discarded because of disagreements with particular economists' assumptions regarding sustainability, justice and efficiency."[13]

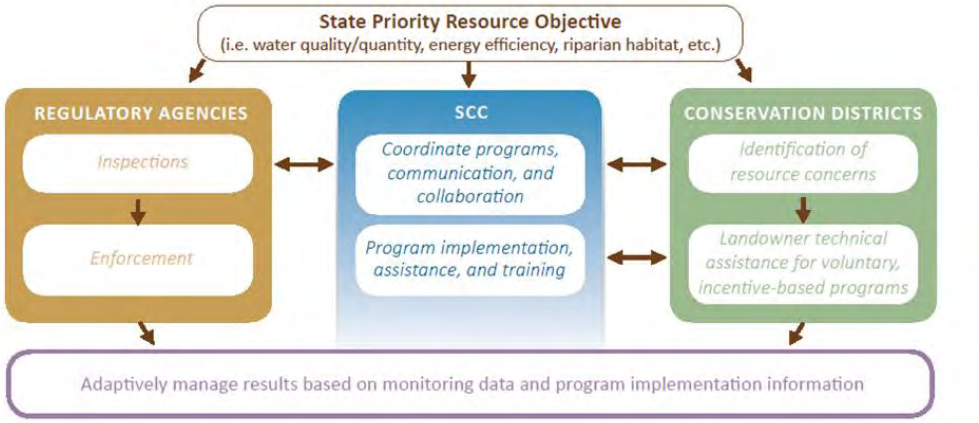
Narrative Justification and Impact Statement

SCC and the conservation districts approach budget development in complex way. The role of each conservation district is unique due to its role as a locally-led form of local government where it is governed by a board of five volunteers. Three of these members are elected by the local landowners and citizens in the area, and two members are appointed by agency's 10-member Conservation Commission. The locally-led board of supervisors develops an annual and long range plan based upon input from the local community, priority resources identified through information and data, and identified state priorities.

The system for conservation district efforts in addressing natural resources takes a two-pronged approach: the regulatory approach and the incentive-based approach. SCC seeks to coordinate these two approached to target and address resource concerns and the conservation districts implement the incentive-based approach.

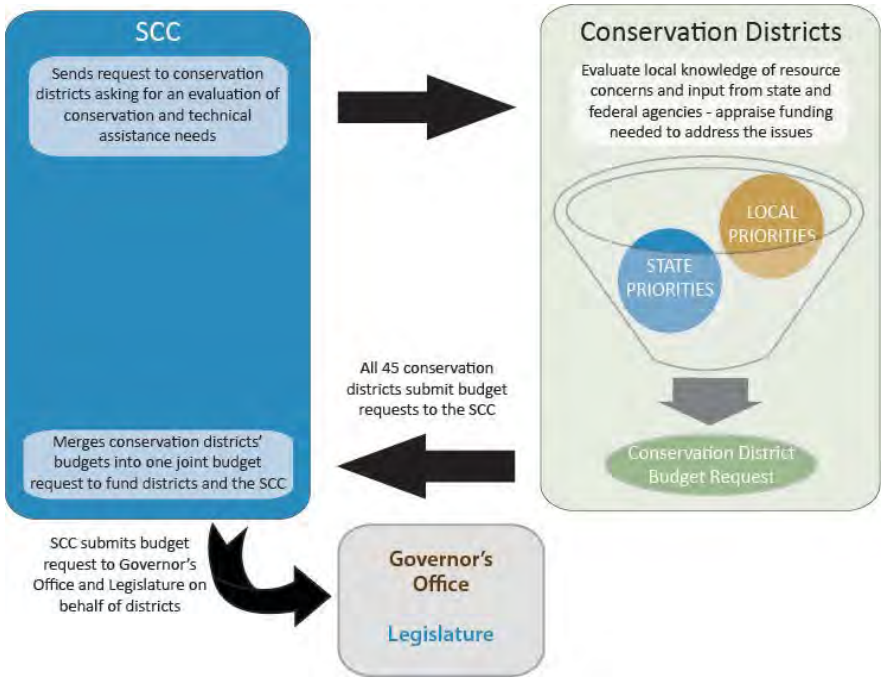
Incentive based conservation not only yields measurable results, it also:

- Accelerates voluntary compliance.
- Encourages open communication.
- Builds bridges between public and private interests.



[11] Special Benefit From Ecosystem Services, Economic Assessment of the King Conservation District, Earth Economics, 2006
[12] Analysis of Special Benefits from Ecosystem Services for King Conservation District, Earth Economics, 2006.
[13] Ecosystem Services: The Economic Debate, Farley, J. 2012

This model then results in the ability for the conservation districts and SCC to work together to submit a budget request that represents the objectives of incentive-based conservation and recognizes the role of natural resource priorities.



The community support and stories from the landowners and partners regarding the role conservation district in their area is a result of the ability to build the community-based trust in a non-regulatory approach. Outcomes of the relationships are substantial and involve funding from a broad array of sources. To continue these types of projects, the funding needs to be made available to support the conservation district operations and staff and engineers necessary to implement these types of projects:

- culvert fish barrier removal
- forest plans written for small forest landowners
- off-creek watering facilities
- waste storage facilities
- roof runoff systems
- heavy use areas

To see pictures and descriptions of these types of practices across the state, see the Washington State Conservation Commission 2013 Annual Report at www.scc.wa.gov.

Our goal is to continue to secure additional landowner involvement and support, resulting in comments like these from our many partners:

> "We knew as landowners that this would not be a project with a BEGINNING and END! We understand the stream needs to be a maintained system," said Dorie Belisle, project coordinator and landowner. "This is true for every stream running through productive agricultural land. Protecting fish and farming is an ongoing project using adaptive management to meet the needs of both farmers and the natural resource."[1]

> "In 17 years having Woods Creek in our back yard, we have had stunningly supportive help…[to] reduce erosion, improve the riparian zone, and plant native trees and bushes,: said Joel Selling, Woods Creek landowner. "The result is not only better land values for us, but a sense of being truly good stewards of this valley. Thanks to the conservation district and Surface Water Management for sharing our vision for our watershed."[2]

[1] Doris Belisle, Project Coordinator Ten Mile Creek; Whatcom County
[2] Joel Selling, landowner, Woods Creek, Snohomish County

What specific performance outcomes does the agency expect?

The agency expects the continued matching of each dollar invested in a conservation district to result in another $5 invested in projects and community involvement. This is measured by the annual reporting of revenue by each conservation district to the State Auditor's office.

The Conservation Commission will be able to respond to the Treaty Rights at Risk and the progress being made to address the concerns over best management practice installation.

Performance Measure Detail

Activity A001 Technical Services and Program Delivery

	Incremental Changes FY 2016	FY 2017
Outcome Measures		
001409 Miles of stream improved or enhanced through implementation of BMPs	80.00	80.00
001424 Number of land owners/managers assisted	700.00	700.00
001425 Annual Number of acres improved or enhanced through BMP installation	6,000.00	8,000.00
001426 Number of conservation practices installed and practices receiving cost-share	325.00	325.00
002357 Additional conservation district funding secured to maximize SCC funding	15.00%	15.00%
Process - Efficiency Measures		
002360 Administrative Efficiencies Implemented	20.00	20.00

Activity A003 State Conservation Commission Operations and Administration

	Incremental Changes FY 2016	FY 2017
Outcome Measures		
001416 Positive constituency feedback including conservation districts	98.00%	98.00%
001423 Percent of districts without audit findings	98.00%	98.00%
002357 Additional conservation district funding secured to maximize SCC funding	15.00%	15.00%

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes, however the continued reductions over the last several biennium are prohibiting the successful implementation of the Conservation Commission members' goals they have established for agency staff and conservation districts. The complexity of achieving these goals has changed over time and with the reduction of funding, the successful implementation will be limited.

We have the ability to see pockets of success, but to see substantial ecosystem health benefits will require the reinstatement of funding lost over the last several bienna.

- Conservation districts engage landowners in watershed-scale projects to improve watershed health. Projects include in-stream enhancements, riparian buffers, sediment exclusion, removal of barriers and water-protecting forest management plans.
- The number of stream miles and the acres of wildlife habitat enhanced to protect water quality and irrigation efficiencies is steadily increased.
- A steadily increasing number of stream miles are protected with improved riparian and in-stream habitat.
- Practices related to wildlife habitat improved, created, or recovered.
- Annual increases in the number of farmers and other landowners committed to managing according to an approved

conservation plan.

- Continued increase in the number of landowners seeking technical and financial assistance from conservation districts.
- Continued voluntary participation of landowners in the development and implementation of conservation plans.
- Continued increase in the number of landowners contacting conservation districts for resource management assistance.
- Ensure that conservation districts provide technical assistance needed for landowner education and plan development.
- Provide financial assistance to implement required practices.
- Number of installed practices that reduce the impact of livestock, domestic animals, and agriculture on water quality.
- Work with districts and partnering agencies to create natural resource inventories of watersheds, plans for implementation of practices and documentation of results.
- Working with conservation districts and partnering agencies identify practices that need to be implemented to enhance land use productivity while protecting, or enhancing, a natural resource.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Healthy Fish and Wildlife Protect and restore Washington's wildlife

- 2.1 Increase improved shellfish classification acreage in Puget Sound from net increase of 3,038 acres from 2007-13 to net increase of 8,614 acres by 2016
- 2.1.b. Increase number of implemented agricultural BMPs to improve water quality in shellfish growing areas in Puget Sound, Grays Harbor, and Pacific counties from 345 in 2008 to 750 by 2016
- 2.2 Increase the percentage of ESA listed salmon and steel-head populations at healthy, sustainable levels from 16% to 25% by 2022
- 2.2.a. Demonstrate increasing trend in Puget Sound Chinook populations from one in 2010 to five by 2016
- 2.2.b. Increase miles of stream habitat opened from 350 to 450 by 2016
- 2.2.c. Increase number of fish passage barriers corrected per year from 375 to 500 by 2016
- 2.3 Increase the percentage of current state listed species recovering from 28% to 35% by 2020
- 2.3.b. Increase the 5-year running average of statewide sage-grouse population from 1,000 to 1,100 by 2017

Clean and Restored Environment Keep our land, water and air clean

- 3.2 Increase the percentage of rivers meeting good water quality from 43% to 55% by 2020
- 3.2.a. Increase the number of projects that provide storm water treatment or infiltration from 10 to 34 by 2016
- 3.2.b. Increase percentage of core saltwater swimming beaches meeting water quality standards from 89% to 95% by 2016
- 3.2.c. Increase number of CREP sites to improve water temperature and habitat from 1,021 to 1,171 by 2015

Working and Natural Lands Use our lands responsibly

- 4.1 Increase the net statewide acreage dedicated to working farms from 7.237 million to 7.347 million by 2020, reduce loss of designated forests of long-term commercial significance from X to zero by 2020
- 4.1.a. Maintain current level of statewide acreage dedicated to working farms with no net loss through 2015
- 4.1.b. Increase treatment of forested lands for forest health and fire reduction from X to X by 2016
- 4.1.c. Reduce rate of loss of designated forests of long-term commercial significance from X to X by 2015
- 4.3 Reduce the rate of loss of priority habitats from 1.5% to 1.0% by 2016
- 4.3.c. Reduce rate of conversion of marine and freshwater riparian habitat in Puget Sound from 0.13% to 0.10% by 2016 and provide mitigation to ensure maintenance of today's habitat functions
- 4.3.d. Reduce annual rate of shrub steppe loss from 1.4% to 1% by 2016

What are the other important connections or impacts related to this proposal?

Additional funding is necessary to increase funding leveraged by conservation districts through various match opportunities and increase the rate of implementation of other natural resource projects. The agency expects the continued matching of each dollar invested in a conservation district to result in another $5 invested in projects and community involvement. This funding is matched from many sources, including local, state, federal agencies, and NGOs.
Why are these projects and partners impacted? The majority of project partners do not provide infrastructure or foundational level funding in their project implementation budgets. The funding from this account and SCC provides the ability for there to be a conservation district with an office, staff, computers, to meet all the needs of those who have resource concerns needed addressed.

And, the conservation district staffs are the trusted, non-regulatory entity who has the ability to work with the private landowners on their property. Those relationships have been built and cultivated over decades. Without the conservation district system, a majority of these projects would not get done.

These examples of work and description of the projects implemented in the last year, clearly define how these funding decisions impact local communities and the resource concerns identified by local input.

What alternatives were explored by the agency, and why was this alternative chosen?

The state general fund appropriation to the Conservation Commission and conservation districts are used for basic infrastructure support, office, staff, computers, operations.

Each year, at least 70% of the general fund appropriation is distributed to conservation districts. This is illustrated by the landowner responses, the success stories and the number of projects implemented each year. There is a tremendous amount of work yet to be done to not only restore, but to protect and prevent further damage. The current level of funding and support is not enough to keep up with the number of requests received or implement the numbers of projects necessary each year.

The Conservation Commission has had a tremendous amount of success with continued implementation of efficiencies like electronic forms, electronic communications, searching for better, faster, cheaper ways of conducting meetings and producing meeting packets, and a diverse staff who take on more than just a single purpose or duty.

However, for continued growth and a to meet the demands and expectations of the state's landowners grow the natural capital, it is going to take the restoration of historical and additional funding..

What are the consequences of adopting or not adopting this package?

The Conservation Commission has seen its general fund allocation reduced by 34% since the 07-09 biennium.

The role of the non-regulatory approach is successful and a repeated goal of this Governor, prior Governors, and members of the Legislature. However the funding appropriated does not adequately address the need presented on the landscape.

Delaying any successful results well beyond a biennium, will impact the economics of ecosystem resources, and ecosystems values.

While lengthy, it is only a small example of work identified by conservation districts across the state needing completed. These projects identified may involve one landowner, or it may involve a community of landowners and residents.

Kittitas County Conservation District

Anna Lael, District Manager
607 E Mountain View Avenue Ellensburg, WA 98926
(509) 925-8585 x4 | a-lael@conservewa.net | www.kccd.net
Board Chair: Mark Moore

Other Accomplishments

Fuels Reduction Projects

Interest in fuels reductions projects spiked after the Taylor Bridge Fire in August 2013. More than 500 individual home site assessments were conducted in the months after the fire. Washington DNR assisted with securing additional grant funds and nearly $470,000 in cost share and implementation funds were put on the ground in FY 2013.

Fuels reduction, before and after

Fish Screening and Passage

The Bonneville Power Administration funded Yakima Tributary Access and Habitat Program (YTAHP) continues to be strong in the KCCD. In FY 2013, a project to convert from an unscreened gravity irrigation diversion to a pump station and sprinkler system was completed on Parke Creek. This allows for removal of the old structure in FY 2014.

Parke Creek sprinkler and fish screen ("road" in view)

Feature 2013 Accomplishment:

Emergency Watershed Protection – Taylor Bridge Fire

Resource Challenge: On August 15, 2013 the Taylor Bridge Fire ignited, burning more than 20,000 acres in the first 24 hours. When the fire was finally contained, 29,500 acres of primarily private land burned. Sixty three residences were lost along with multiple outbuildings. Erosion was the immediate concern in the burn area.

Map displays burn area, landowners who requested assistance, and completed projects

Project Summary and Results: Kittitas County Conservation District (KCCD) worked closely with the Kittitas Board of County Commissioners and the USDA Natural Resources Conservation Service (NRCS) to address soil erosion and to search for funding for landowners.

Strawbale dam installed, native seeds aerially broadcast in the burn area

NRCS offered the Emergency Watershed Protection (EWP) Program. The KCCD was the local sponsor and the required 25% matching funds were provided by the Washington State Conservation Commission. NRCS and KCCD staff conducted more than 100 site assessments and determined that 70% were eligible. Fifty six landowners entered into agreements. A total of $568,164 was provided to landowners to reimburse the cost of practices including aerial and broadcast seeding; straw bale dams, straw wattles, hand-falling trees across slopes for erosion control; lopping and scattering of burn materials; mulching; and hazard tree removal. An estimated 9.1 jobs were created over the six months that contractors worked with landowners.

Key Project Partners: USDA National Resources Conservation Service; WA State Conservation Commission; Kittitas County; WSU Extension; and Kittitas County Noxious Weed Control Board.

More Work to Do!

Fish Screening and Passage
- Parke Creek Barriers (4 Projects)
- Caribou Creek Barriers (2 Projects)
- Manastash Creek (1 Project)
- Teanaway River (2 Projects)

Water Quality
- Riparian Planting Projects (8 Acres: Swauk Creek and Whiskey Creek)

Irrigation System Improvements
- Manastash Pipelines (1 Project)
- Small Project Cost Share for Irrigation Upgrades (6-8 Projects)
- Sprinkler Conversion Projects (5 Projects - 42± Acres)

Wildland Fire – Fuels Reduction
- Community Fire Plans (3)
- Roving Chipper (250 Acres)
- Shaded Fuel Break (25 Acres)
- Home Site Assessments (200)
- Defensible Space (1,50 Acres)

35

- Plan and implement livestock water quality improvements in the White Salmon River watershed.
- Complete permitting, design and construction of the Cannavina Creek fish passage correction.
- Completed permitting, design and construction of the Buck Creek irrigation diversion project.
- Complete fish passage surveys in the Wind River watershed.
- Pursue funding for Trout Lake Irrigation Efficiency and Fish Screening Project.
- Expand technical assistance and cost-share services to orchards and vineyards.
- Pursue funding to sustain a district-wide Firewise Program.
- Secure funding to implement livestock projects currently on waiting list.
- Continue to provide support to beginning farmers, helping to keep agriculture viable and prevent agricultural land conversion in Thurston Co.
- Assist agricultural landowners in complying with the local Critical Areas Ordinance.
- Continue focus and further partnerships in restoring water quality in area streams and Puget Sound.
- Continue to support salmon recovery efforts through the Lead Entity process.

Spokane Conservation District

Vicki Carter, Director
210 N Havana Street Spokane, WA 99202
(509) 535-7274 | info@sccd.org | www.sccd.org
Board Chair: Jerry Scheele

Other Accomplishments

Firewise

The Spokane Conservation District (SCD) Firewise program is protecting homes and improving forest health. In May, the SCD completed two 300-acre fuels reduction projects in the Four Mile/Indian area. As a result of the interest these projects generated, the area received a preliminary assessment, a Firewise Community was formed, and 18 individual home site assessments were completed.

Earlier in 2013, the Bedlamont neighborhood had a community assessment, 84 individual home site assessments and formed Bedlamont Firewise Community. Aside from these two areas, SCD completed 20 home site assessment and have many more in the pipeline.

Trout Habitat Restoration

The SCD implemented the Family Forest Fish Passage Program to open more than 22 miles of red band trout habitat. In 2013, two projects were completed to remove culverts, installing bridges and restoring natural vegetation.

Direct Seed

One 2013 Case IH Quad Trac was purchased to support the Direct Seed program. The SCD has seeded 2,400 acres in fall 2012, 1,900 acres in spring 2013 and expects to seed 3,500 acres in fall 2013. Every season the no-till planter is traversing with wheat, barley, canola and more.

Feature 2013 Accomplishment:

Livestock and Land Program Now Available Across Spokane County

The Livestock and Land program started out in specific watershed areas in 2012 and now serves all of Spokane County with free site assessments and recommendations, cost share opportunities, and an upcoming grant and loan program.

Program Summary and Results: The success of the Livestock and Land program in fiscal year 2013 made an impact on local watersheds, landowners, and animal health.

Six workshops were held to introduce residents to the program, best management practices (BMPs), and cost-share opportunities. 70 people attended workshops and increased their knowledge of mud and manure management, pasture management, facility design and more.

Due to workshops, word of mouth, advertising and direct mailers, 82 land users participated in the program and received free, no obligation site assessments. Half of these landowners implemented the following BMPs:

- 4 pasture management plans
- 7 off-creek watering facilities
- 9 riparian fencing projects totaling 6,974 feet
- 6 roof runoff systems
- 7 heavy use areas
- 8 waste storage facilities
- 3 sub surface drainage

Altogether, 41 improvements were made, 630.5 acres were affected and approximately $250,000 cost share dollars were distributed. This doesn't include the purchase and creation of our Manure Spreader Rental program which debuted this spring and has helped landowners harness their manure as a valuable resource.

Above: A high use area before and after assistance from Livestock and Land Program

More Work to Do!

The Spokane Conservation District will implement a new On-Site Septic System Loan Program. An estimated 15% of septic systems in Spokane County need to be replaced.

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- Seek additional funds for technical and financial assistance to apply BMP's, improve water and air quality, and on farm energy efficiency.
- Continue as member of the Lower Yakima Valley GWMA Advisory Committee to identify solutions to reduce groundwater contamination.
- Continue outreach/educational on irrigation water management, nutrient management, and energy efficiency.
- 25 Dairy Nutrient Management Plans were developed/updated during the last grant cycle. If Livestock Technical Assistance funding is available, we'll continue to work with local dairy and livestock facilities to ensure all local, state and federal regulations are met.
- Develop and/or update nutrient management plans, and provide technical assistance with BMP implementation as needed.
- Soil erosion continues to be the district's highest priority and resource problem. More on the ground Implementation of Best Management Practices is needed.
- Improvement in the district's water quality by increasing the direct seeded acres, grass buffer acres, and filter strip acres.
- More energy audits and energy implementation projects to be complete.
- Partnering with other districts to increase district operation and administrative efficiency.
- Lead coalition to protect economic viability of family farms.
- Lead coalition to advance the improvement of water quality in shellfish growing areas.
- Work with industrial property owners to use innovative, green infrastructure techniques to address natural resource

concerns.

- Assist the City of Tacoma with their pilot residential rain garden program implementation.
- Continue to partner with Pierce County, the Health Department, and others in concentrated areas to raise the Health of water quality in specific streams/lakes in Pierce County.
- 25North and South Fork Palouse River TMDL Implementation: Installing riparian buffers and continuing water quality monitoring.
- Palouse Prairie Phase II: Restoring and protecting native plants, migratory songbirds and pollinators with USFWS and WDFG.
- Direct Seed Program: Increasing enrollment, outreach, and monitoring.
- Education and Outreach: Providing conservation education programs to local landowners, residents and schools.
- Partners for Fish and Wildlife: Improving habitat and providing technical assistance to landowners.
- Work with small forest landowners to ensure management plans are received and up to date.
- Create plans and implement 10 Conservation Reserve Enhancement Program (CREP) projects. Work with farmers to ensure management plans are up to date.
- Finish the Johnson project installing 2 bridges that will open 5 miles of salmon habitat.
- Work to ensure shellfish produce on and water quality in Willapa Bay.
- Work with 62 Landowners in the Naselle River basin to restore salmon habitat by repairing 1.7 miles of stream habitat and replacing 5 failed tide gates with bridges.
- Forest Land: There are approximately 145,774 acres of non-industrial private forest land in Lewis County. To date we have provided very little assistance to these stakeholders due to the lack of funding.
- Agriculture Land: There are 357,971 acres of privately owned agriculture land in Lewis County. Landowners are consistently requesting new and updated conservation plans. In addition, we will be constructing additional critter pads during this biennium.
- Ten projects on wait list pending funding from the SCC's Capital Cost-share program.
- Expand Irrigation Water Management (IWM) program.
- Work with WA Department of Ecology and farmers to process burn permit applications.
- Develop and/or revise Nutrient Management Plans (NMPs).
- Continue growing interest in Othello Sandhill Crane Festival.
- Promote the District's small farms program and identify cost share opportunities that conserve natural resources.
- Continue to grow Water on Wheels (WOW) educational program in schools.
- Continue Crop ID Program with WA Department of Agriculture.
- Finalize negotiations of the Multi-Species Habitat Conservation Plan with USFWS for 17 threatened, endangered, and/or species of concern on no-federal agricultural lands.
- Continue to implement invasive weed species control on approximately 25 properties in Douglas County.
- Continue implementing the watershed action plan for approx. 1.3 million acres in WRIA's 44 and 50.
- Implement three funded river restoration projects encompassing 3.5 miles of the Coweeman River.
- Assess effectiveness of knotweed treatment in the Coweeman River Watershed and schedule follow up treatment for 2014.
- Work with at least two landowners to develop and submit project proposals for funding.
- Locate additional capacity to initiate a community watershed level project in one of the other 12 priority watersheds.
- Clark County has the 3rd highest number of small farms in Washington State.
    - 99% of our drinking water comes from one aquifer.
    - Over 34,000 horses reside in the county, along with numerous other livestock.
    - 3,625 culverts blocking fish passage into county streams.
- Wildfire site restoration, flood prevention and protection, Firewise programs, and fuels reduction to help prevent future fire/flood damage.
- Upland habitat, urban/general resource restoration, technical assistance and cost share for landowners.
- Non-salmon stream habitat restoration, water quality protection, and riparian revegetation.

What is the relationship, if any, to the state's capital budget?

This funding directly supports agency and conservation district staff necessary to implement the projects funded in the capital budget. Including but not limited to, the Commission's capital budget, but any funding conservation districts receive from RCO,

ECY, BPA, and others. Many of the grants received by conservation districts from other entities do not support the basic infrastructure elements of maintaining a viable conservation district. The funding from these other entities is for specific project implementation.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?
None

Expenditure and revenue calculations and assumptions
SCC Operations 1 FTE, operations and technical specialties in resource science.
Grants to districts $2,060,032

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

With an increasing population and ongoing pressures to the resources, these costs are going be ongoing for the near future. Additionally, the role of adaptive management and addressing changes in infrastructure and ecosystem needs will likely require a more consistent level and sustainable level of funding to adequately address change.

Object Detail		FY 2016	FY 2017	Total
A	Salaries And Wages	62,000	62,000	124,000
B	Employee Benefits	19,212	19,212	38,424
E	Goods\Other Services	10,000	5,000	15,000
G	Travel	5,000	5,000	10,000
J	Capital Outlays	5,000	0	5,000
N	Grants, Benefits & Client Services	1,030,016	1,030,016	2,060,032
Total Objects		**1,131,228**	**1,121,228**	**2,252,456**

State Conservation Commission General Fund Appropriation Evaluation Compared to Population and Taxable Parcels

Biennia	General Fund - State	% Change	% Cumulative Change from 2007-09	Population Increase[1]		% Cumulative Change from 2007	Real Property Parcels[2] *(does not include multi-family or commercial)*	% Cumulative Change from 2007
2007-09	20,429,000			2007	6,525,086		2,757,648	
2009-11	15,399,000	-24.6%		2009	6,672,159		2,799,407	
2011-13	13,583,000	-11.8%	-33.5%	2011	6,767,900	3.7%	2,813,839	
2013-15	13,579,000	0.0%	-33.5%	2013	6,881,504	5.5%	2,822,527	2.4%
15-17 Carry Forward	*13,482,000*	*-0.7%*	*-34.0%*	*2015*	*7,029,758*	*7.7%*		
PROPOSED OFM (15%) [3]	*11,459,700*	*-15.0%*	*-43.9%*	*2016* [1]	*7,105,670*	*8.9%*		
Agency Request 15-17 [4]	*17,808,456*	*32.1%*	*-12.8%*	*2017* [1]	*7,182,231*	*10.1%*		

Source:
[1] Office of Financial Management
http://ofm.wa.gov/pop/stfc/stfc2013/stfc_2013.pdf
[2] Dept. of Revenue
http://dor.wa.gov/Content/AboutUs/StatisticsAndReports/2013/Property_Tax_Statistics_2013/county-assessor-report.aspx
[3] Letter to Agencies http://ofm.wa.gov/budget/instructions/operating/2015_17/covermemo.pdf
[4] Assumes no 15% reduction plus new requests

Connecting People to Conservation

Washington State
Conservation Commission

2013 Annual Report

Conservation in Washington: Powered by People

Making an Impact:

- ***Worked with coalition of partners to assess and inventory fish barriers in the Chehalis Basin—over 2,000 fish barriers were identified.***
- ***Replaced 31 blockages opening up 87.21 miles of habitat.***
- ***Replaced culverts allowing streams to sustain larger numbers of salmon.***

LEWIS COUNTY CONSERVATION DISTRICT - REMOVING FISH BARRIERS IN THE CHEHALIS BASIN

Fish passage barriers became a large-scale concern in the late 1990's due to the miles of habitat that was no longer accessible to salmon. The Lewis County Conservation District (LCCD) began assessing culverts in the Chehalis Basin to inventory the barriers and prioritize efforts to replace blockages.

FINDING A COMMON PATH LCCD worked in conjunction with several state and local agencies and timber companies to address fish barrier concerns. The solution was to get the fish passage barriers assessed so separate entities throughout the basin could begin installing larger culverts and/or bridges to allow fish of all ages to migrate up and down stream. Over 2,000 barriers were identified in the Chehalis Basin. The assessment was and is still used to apply for grants and rank applications to get the barriers replaced.

RESULTS ON THE GROUND LCCD and their partners began replacing fish barriers in 2000. To date, the district has replaced 31 blockages, which opened up 87.21 miles of habitat. The pictures below show one barrier that was replaced in 2007. The outfall drop on the culvert made the pipe a complete barrier to all fish from migrating upstream. In the fall of 2007, adult Coho salmon were observed spawning above this project. While adult Coho salmon could access some of the sites, juvenile Coho were blocked from migrating up and down stream during rearing time in the streams. Replacing culverts allowed the stream to sustain larger numbers of salmon. Several other blockages have been removed and/or replaced in the basin by other partner agencies.

The LCCD worked closely with partners to implement consistent surveys of the barriers. The Washington Department of Fish and Wildlife provided training to ensure all assessments accurately determined the culverts as blockages and the sites as having fish usage, including the species of fish present.

"This has been a very rewarding endeavor for the LCCD and our cooperators," said Bob Amrine, LCCD Manager. "The ability to apply for grants and to replace the barriers with larger culverts or bridges has been very successful."

Culvert replaced by the Lewis County Conservation District in the Chehalis Basin before (left) and after project implementation (right)

Conservation in Washington: Powered by People

Making an Impact:

- ***Four landowners with contiguous property along Lincoln Creek installed riparian buffers.***
- ***59.6 acres of riparian buffer planted along Lincoln Creek and two tributaries.***
- ***Buffer lengths totaled about 2.4 miles along Lincoln Creek and 1.9 miles along the 2 tributaries.***

LEWIS COUNTY CONSERVATION DISTRICT - LANDOWNERS REESTABLISH VEGETATION ALONG LINCOLN CREEK

Over the years, land managers have cut most of the trees and shrubs out of segments of Lincoln Creek. This is a large-scale concern for water quality in the basin. Lewis County Conservation District began working with landowners in early 2000 to restore vegetation on the banks of the creek as part of an on-going restoration effort.

FINDING A COMMON PATH The solution was to get landowners to sign up for Washington State's Conservation Reserve Enhancement Program (CREP). Administered by the Farm Service Agency (FSA) and the Washington State Conservation Commission (WSCC), CREP offers landowners financial incentives for restoring and protecting riparian habitat (areas in and around rivers and streams) on their property. From 2002 to 2013, Lewis County Conservation District had four landowners with contiguous property sign up for CREP, which allowed the District to replant riparian buffers (vegetated borders along streams) from 35 feet to 180 feet wide.

RESULTS ON THE GROUND A total of 59.6 acres of riparian buffer were planted along Lincoln Creek and two tributaries. The lengths totaled approximately 2.4 miles along Lincoln Creek and 1.9 miles along the 2 tributaries. The trees and shrubs have not all been established at this time, and the District will require funding to monitor the site for water quality improvements. However, the accomplishments of the District and landowners will keep domestic livestock out of the streams. And, the buffers are essential for utilizing any nutrients and trapping sediment that may runoff during normal agriculture activities. The ability to be flexible with the widths of these buffers made this a success. The landowners had areas where they were not willing to plant 180 foot buffers. Reasons included proximity of the stream to the county road and buildings. In addition, flexible buffers allow for straight fields along the meandering streams. Being able to implement down to 35 feet kept these buffers contiguous with the four separate landowners.

"Without the ability to plant riparian zones from 35 to 180 feet in CREP, these restoration projects would not have been as successful," said Bob Amrine, Lewis County Conservation District Manager. "We would have had to stop and restart in segments and contiguous buffers would not have been planted."

Property before (left) and after CREP buffer was planted (right)

Conservation in Washington: Powered by People

Making an Impact:

- *Working with irrigators to replace 136 non-compliant fish screens in Okanogan River.*
- *Developed water quality plan for Okanogan Watershed.*
- *Restored stretch of Bonaparte Creek to its historic channel.*

OKANOGAN CONSERVATION DISTRICT - IMPROVING WATER QUALITY IN THE OKANOGAN WATERSHED

When the Okanogan Conservation District began developing a water quality plan for the Okanogan Watershed (WRIA 49) in 1995, they found many challenges. Some streams exhibited excess sediment or had been rechanneled. Water quality monitoring revealed high levels of dissolved oxygen and fecal coliform. In response, the Okanogan Conservation District launched a series of projects to protect and restore the watershed.

FINDING A COMMON PATH A diversity of stakeholders are invested in the watershed. Recognizing the success of water quality projects depends on collaboration, the Okanogan Conservation District worked hard to bridge the interests of private landowners with the goals of the Colville Tribes and several federal, state, and local government entities. The resulting watershed projects balance water quality and land use goals.

ACTION ON THE GROUND In 2000-2003 the District surveyed Bonaparte Creek and found septic pipes draining directly into the creek. The associated homes were outside Tonasket city limits, but the District proposed a deal between homeowners and the City to grandfather-in the failing wells and sewer the area. Years later, the District worked with a landowner to move a stretch of Bonaparte Creek away from Highway 20 and back to its historic stream channel. The stretch of stream increased by over 1,000 feet and has been planted with native vegetation. The District also currently offers an incentive-based program with a goal of replacing 136 non-compliant fish screens along the Okanogan River. Fish screens protect juvenile fish from water diversions, such as irrigation pump intakes. As a result of the program—which covers 100 percent of the costs to replace and install new fish screens—irrigators voluntarily have replaced 55 non-compliant screens. The District has contracted with the Colville Tribes to replace 50 more screens next year.

Okanogan Conservation District has faced some logistical hurdles. State and federal agencies rarely award grants for monitoring, so the District lacks capacity to measure impacts of installed practices. And, while landowner participation has increased over time, more outreach is needed to increase stewardship on private lands. According to District Manager Craig Nelson, the success of projects in the watershed depends on positive relationships with landowners.

“Oftentimes we get called into projects because other partners need somebody the landowner can trust,” said Nelson. “We’re governed by local volunteer supervisors, most of whom are farmers and ranchers themselves. I think other partners want us involved because, frankly, they know we’ll get through the landowner’s door before they will.”

Restoring Bonaparte Creek to its natural channel, from project beginning (left) to end (right)

Conservation in Washington: Powered by People

Making an Impact:

- *Worked with the Spokane Tribe to establish the Chamokane Watershed Council.*
- *Installed several practices in the watershed, including riparian fencing and planting of native vegetation.*
- *Project spurred other landowners' interest in additional conservation work.*

STEVENS CONSERVATION DISTRICT - BRINGING STAKEHOLDERS TOGETHER TO IMPROVE WATER QUALITY

Chamokane Creek, a tributary to the Spokane River, is on the 303(d) list due to its high levels of fecal coliform and dissolved oxygen. Streams are placed on the 303(d) list when poor water quality impairs their use as drinking water, habitat, recreation, and/or industrial use. The Spokane River is also on the 303(d) list for PCBs and dissolved oxygen. Over the years the issues surrounding these waters have generated distrust and a few legal battles over water rights. As a local and trusted entity, the Stevens County Conservation District has been able to bring together diverse stakeholder groups—including private landowners—to work towards a solution.

FINDING A COMMON PATH Chamokane Creek is bordered by private lands and the Spokane Indian Reservation on the lower portion. Stevens County Conservation District (SCCD) received a Department of Ecology (DOE) grant and worked with Spokane Tribe to establish the Chamokane Watershed Council, which is made up of private landowners and a large commercial timber ownership. Through this council the first water quality improvement project was implemented with funding from the Tribe, DOE, EPA, and a participating landowner. Several best management practices (BMPs) were installed as part of the project, including riparian (streamside) fencing, a livestock bridge, spring development, and planting of native woody vegetation. An Engineering Grant from the Washington State Conservation Commission funded the livestock bridge design. The landowner—who was active in the implementation of the entire project—provided labor and materials as in-kind.

RESULTS ON THE GROUND 1,500 feet of Chamokane Creek has been improved, and the landowners and neighbors are better informed on the importance of a healthy riparian area. One clear success is that the landowners and the watershed council are extremely pleased and look forward to the riparian area and diverse vegetation improving in the future. Many of the neighbors continue to watch the project develop and are now showing interest in working on their own property. There were some pre-project water samples collected, but SCCD has yet to find funding for post-project monitoring to further document water quality improvements.

The major challenge was finding willing landowners to participate, considering the long history of mistrust among stakeholders within the watershed. It was the landowners' trust in the local Conservation District that led them to participate in this project and implement practices to make demonstrable water quality improvements. As one SCCD Board Supervisor said, "You have to start somewhere—one successful project will spur interest in more projects."

Chamokane Creek property before (left) and after water quality improvement project (right)

FINAL

Agency:	**471**	**State Conservation Commission**
Decision Package Code/Title:	**N3**	**Resource Specific Improvements**
Budget Period:	**2015-17**	
Budget Level:	**PL - Performance Level**	

Recommendation Summary Text:

"An average of eight farm visits are needed to build relationships, develop a conservation plan, implement the practices in the plan and work with the land manager on their conservation system" Frank Clearfield, USDA Natural Resources Conservation Service, Social Sciences Institute during training sessions on estimating time needed to work with a land owner on conservation system application and management.

Over the past two decades the trend for funding conservation work has been to increase project related activities and reduce the amount of funding for technical services and planning. The result has been a weakened system for engaging with landowners so they become more committed to resource conservation. There is also a backlog of service requests by land owners willing to plan and implement conservation systems. Funding technical services and planning is necessary to develop and implement a comprehensive conservation system that achieves environmental results while recognizing the land owner objectives and willingness to expend their time, money, and energy to install and manage conservation practices.

Related to Puget Sound Action Agenda Implementation

Washington's conservation districts have a proven strong working relationship with land managers. Building on this relationship, this decision package will provide a portion of the funding needed to support conservation district technical staff. The proposal supports critical work in the areas of nutrient management, irrigation water management, soil erosion control and soil health. Success of the Governors Results Washington environmental goals is dependent on funding this technical services and planning decision package to address a shortage of technical positions.

Actions funded in this proposal will protect water quality for human health, fish and shellfish resources by limiting the loss of nutrients (nitrogen and phosphorous) and pathogens to ground, surface water and the air. Activities will also address impacts from climate change and ocean acidification by reducing inputs to these resource concerns and identifying adaptation practices necessary to implement immediately. The package also provides for agricultural water savings through carefully planned and implemented practices across the state can help improve in-stream flows, water quality, conserve energy and maintain a vibrant and viable agricultural sector. Activities under this decision package will improve water quality through irrigation water management and work to enhance water quantity through the design and engineering of water savings including technical services and planning in drought critical basins to help the agricultural community implement water conservation measures and irrigation efficiencies projects. Soil health will be improved in critical areas of the state. Soil health is defined as the continued capacity of soil to function as a vital living ecosystem that sustains plants, animals, and humans. This definition speaks to the importance of managing soils so they are sustainable for future generations.

These necessary activities will be accomplished by assisting farmers, ranchers, dairy producers, poultry operators, small acreage land owners with technical services to develop and implement conservation plans where nutrient management, water irrigation management and/or soil health is the overarching consideration. Millions of dollars of USDA Farm program financial assistance can be tapped to install needed fixes and assistance provided to land managers that are willing to adopt conservation systems.

Agency Total

Fiscal Detail

Operating Expenditures	FY 2016	FY 2017	Total
001-1 -General Fund - Basic Account-State	1,000,000	1,000,000	2,000,000

Staffing

FTEs

Package Description:

This decision package includes funding for assisting farmers, ranchers, dairy producers, poultry operators, small acreage land owners with technical services to develop and implement conservation plans where nutrient management, or water irrigation management and/or soil health is an overarching consideration. A recent a study on how to build a better conservation system identified three important factors impacting the success of these programs:[i]

- Technical assistance to farmers is most effective when delivered by a trusted local contact, including peer farmers, and is highly people intensive
- Reduced funding has eroded the ability of USDA NRCS, land grant university extension services, and conservation districts to deliver effective programming to farmers. Many farmers, agency personnel, and other watershed groups noted the decrease in agency personnel due to reduced funding and recognized that this has affected conservation program delivery
- Conservation practice adoption is a multidimensional choice and economics are exceptionally important.

Nutrient Management

This decision package includes funding for technical assistance and planning for nutrient management. Activities include the utilization of nutrients regardless of form whether inorganic (chemical fertilizer) or organic (manure) in a way that maximizes forage and crop growth, protects natural resources (soil, water, and air), and increases the efficiency and productivity of a farm. Experienced and trained conservation district resource planners will develop conservation plans for farmers, ranchers, dairy producers and poultry operators that:

- Describe the proper rates, placement, timing and form of nutrients to meet realistic crop needs;
- Give guidance on how to apply the nutrients to avoid loss to the environment;
- Account for the manure and poultry litter generated by the farm, ranch, dairy or poultry operations to ensure that there is adequate space to store these nutrients until they can be safely applied or exported to a nutrient deficient farm.
- Identifies complementary and supporting practices that must also be implemented as part of a comprehensive, effective nutrient management system.

With a conservation plan that reflects his or her current operation, the farmer, rancher, dairy producer or poultry operator will know what to do and how to do it. District cluster engineers will design the structures to Natural Resource Conservations Service standards which are nationally recognized by EPA and other States as the demonstrably effective standard for agricultural best management practices. These plans and designs will provide access to millions of dollars in USDA farm program financial assistance to install human, ecosystem and climate protective practices.

This proposal also includes two special cost share programs. One for dry land wheat growers to monitor the effectiveness of their nutrient management plans and adapt nutrient applications for succeeding years to avoid loss. The second is to install moisture meters in crop fields over the Yakima Groundwater Management Area (GWAMA). This region is facing serious concerns regarding nitrate contamination of ground water and drinking water. The nitrate form of fertilizer is water soluble. Over irrigation will carry it into the aquifer that people rely upon for drinking water. By effectively managing irrigation water through the use of these meters, potable groundwater is protected.

Irrigation Water Management Implementation

This decision package will fund of **irrigation water management implementation** with irrigators on approximately 50,000 acres in Benton, Franklin, and Grant counties. Irrigation farmers will receive information on how to better manage irrigation water to meet crop needs to reduce over-irrigation, minimize inconsistent application, and maximize crop production. These goals will be met by using soil moisture sensing equipment and data (weather, system, soil structure) collection and analysis.

This request will also fund irrigation system design and engineering for a water storage project and a ditch to pipe project. The water storage project will design a small reservoir (600-1500 acre feet) to store spring runoff in the Dungeness River from an existing water right. This diversion and storage will allow the water purveyor to reduce late summer diversion when irrigation diversion is in conflict with fish flows in the Dungeness River. Another ditch to pipe design project funded in this proposal will reduce conveyance loss of water by a main stem water purveyor off the Walla Walla River. Water savings from this project will be kept in stream to enhance the flow of the Walla Walla River.

Requested funding will support a deep well monitoring in the Black Sands Irrigation District and the Odessa Sub-Area and will leverage the $150,000 received from the Office of Columbia River. Combined this funding will measure deep well static levels through the irrigation season to further monitor the affects of deep well pumping on ground water levels. Aquifer levels have been shown to be impacted by the deep well pumping with further data collection needed to anticipate impact timing on municipal water supplies and on agriculture in the Columbia Basin.

Maintain Soil Health

Soil is one of our most complex and dynamic natural resources the health of which is vital to the continued sustainability of the agricultural industry in the State of Washington. Soil erosion through wind and water contributes to water quality degradation. Repeated manipulation of soil for crop planting and harvest can also stress soil making it less resilient to disease and decreasing productivity. Healthy soil gives us clean air and water, bountiful crops and forests, productive grazing lands, diverse wildlife, and beautiful landscapes. Soil does all this by performing five essential functions:

1. Regulating water - Soil helps control how rain, snowmelt, and irrigation water flow over the land or into and through the soil.
2. Sustaining plant and animal life - The diversity and productivity of living things depends on soil.
3. Filtering and buffering potential pollutants - The minerals and microbes in soil are responsible for filtering, buffering, degrading, immobilizing, and detoxifying organic and inorganic materials, including industrial and municipal by-products and atmospheric deposits
4. Cycling nutrients - Carbon, nitrogen, phosphorus, and many other nutrients are stored, transformed, and cycled in the soil
5. Physical stability and support - Soil structure provides a medium for plant roots. Soils also provide support for built structures and protect archeological treasures

It is, therefore, recommended that soil erosion and soil health would be made a priority through an adequately funded, comprehensive budget package. The package would include wide-scale implementation of BMP's addressing soil health, soil erosion, water quality, riparian buffers, and nutrient management

All functions under this request will require conservation district staff to work directly with landowners and resource managers to affect positive change to local natural resources.

Narrative Justification and Impact Statement

Nutrient Management:

Washington's 39,500 farms on 14.7 million acres of land power a diverse agricultural economy. The value of Washington's 2012 agricultural production reached $9.89 billion. This productivity has been built upon the use of organic and inorganic sources of nutrients. For livestock and poultry, nutrient generation is also an unavoidable byproduct. If nutrients are not managed well there are significant implications for water, soil, and air pollution. If we can learn from the

unfortunate experiences of others, nutrient management must be implemented across the entire agricultural landscape in Washington State.

The negative impacts of nutrients (nitrogen and phosphorous) are becoming more stark and harmful. (See An Urgent call to Action -- Report of the State-EPA Nutrient Innovations Task Force, August 2009) This is exacerbated with climate change as increases in temperature accelerate biological processes. The severity of the nutrient pollution and climate change most recently became manifest when 500,000 people in Toledo went without water for days due to dramatic algae blooms in Lake Erie caused by agricultural and other nutrient source runoff.

> "The amount of nutrients entering our waters has dramatically escalated over the past 50 years, and nutrients now pose significant water quality and public health concerns across the United States. In terms of growing drinking water impacts, expanding impairment of inland waters, and compromised coastal estuaries, nitrogen and phosphorus pollutions has the potential to become one of the costliest, most difficult environmental problems we face in the 21st century." Boesch, D.f. 1999 Causes and Consequences of Nutrient Overenrichement of Coast waters

However the impacts from nutrients are not limited to other states. Harmful algal blooms which poison water, humans who consume tainted shellfish, and suffocated fish due to lower dissolved oxygen are of increasing concern to Washingtonians.

> "In 2005, the Washington State Legislature established funding for an algae control program and asked the Washington Department of Ecology (Ecology) to develop the program. Reducing nutrient input to lakes is the only long-term solution to prevent algae blooms. However the amount of money available for this program (about $250,000 per year) is not enough to fund comprehensive lake-wide and watershed-wide nutrient reduction projects." Washington Dept. of Ecology Algae Control Program.

> "A critical starting point is slowing the pace of ocean acidification by reducing the drivers of acidification in Washington's marine waters. These include carbon dioxide emissions and runoff of nutrients and organic carbon from local land-based sources." Washington State Blue Ribbon Panel on Ocean Acidification, Ocean Acidification: From Knowledge to Action; November 2012

> "Nitrogen is the main pollutant that causes low dissolved oxygen levels: Discharges from wastewater treatment plants, septic systems and other sources add nitrogen to Puget Sound. Excess nitrogen causes excess algae growth. As the algae dies and decays, they rob the water of dissolved oxygen. Once released into Puget Sound, nitrogen moves around. Nitrogen discharged at one spot may cause low dissolved oxygen levels many miles away." Washington Dept. of Ecology; Washington Dept. of Ecology South Puget Sound Dissolved Oxygen Study

> "Ecology has documented a trend in declining sediment quality across Puget Sound and the Strait of Georgia, but the quality in Bellingham Bay was lower than both." Washington Dept. of Ecology, Health of marine life at bottom of Bellingham Bay declines; January 2014.

> "The river seems to be a significant contributor to the bay's load of nitrogen-based nutrients after heavy rainfall when manure and other pollutants move down the river." Jude Apple, PhD; Bay sea life decline a puzzle; Bellingham Herald, January 16, 2014.

Using manure and poultry litter to meet crop needs is a natural, organic farming practice. It also benefits climate change as it can be substituted for inorganic or chemical nitrogen fertilizer which is made from fossil fuels.

> "The global N cycle is more severely altered by human activity than the global carbon (C) cycle, and reactive N dynamics affect all aspects of climate change considerations, including mitigation, adaptation, and impacts.", E.C. Suddick et al.; The role of nitrogen in climate change and the impacts of nitrogen–climate interactions in the United States: foreword to thematic issue; September 2012.

The downside of using fresh, un-composted manure as a fertilizer is that can be a huge source of pathogens. This is because it is improperly applied at very high rates (thousands of gallons of slurry for e.g.) to meet crop nitrogen needs. The guidance found in nutrient management plans protects against discharges to surface waters and, ultimately, public beaches

and shellfish harvest areas. Comprehensive guidance and tools that are part of dairy nutrient management plans can be found at the Whatcom Conservation District website.

This funding request addresses areas that already experience significant negative impacts or are likely to experience impacts because of the high level of nutrients used or generated by agriculture. A few include the Yakima GWMA, Bellingham Bay (which includes the Lummi Tribal Commercial Shellfish Harvest area of Portage Bay), Oakland Bay and Hood Canal. In Snohomish County, the Stillaguamish, Snoqualmie, and mainstem Snohomish all have TMDLs for low dissolved oxygen (DO) that call for reductions in nutrient inputs.

Irrigation Water Management:

Another natural resource issue driving this request is a significant one: finding sufficient supplies of water to meet the needs of people, farms, and fish. There are several approaches to address this problem, one of which involves improving our water use efficiency and management.

Irrigation for farm production uses significant amounts of water in the Columbia River Basin. Irrigated agriculture is also a significant water user on the Sequim Prairie along the Dungeness River. This water use impacts water needs for domestic supply, fish populations, and agricultural production. This request addresses this conflict by working with landowners who use irrigation to improve the water management efficiency of their existing irrigation systems, increase the efficiency of their system and monitoring its impact on ground water supplies.

Soil Health & Erosion Control:

The agricultural industry in the State of Washington has a $9.89 billion per year impact on the State's economy. The sustainability of that industry is dependent upon soil health and our ability to maintain and increase productivity. Precision agriculture and the use of the latest technology has enabled producers to reduce runoff by up to 70 percent and maintain soil structure and water holding capacity while maintaining or increasing yields. This budget package includes funding for the development of new technology, water protection systems, soil health management systems, cover crops, and direct implementation of best management practices to improve soil health and control erosion.

What specific performance outcomes does the agency expect?

Nutrient Management: The investments in this decision package will markedly reduce the transport of nitrogen and phosphorous to ground or surface water. We can estimate the loss avoided in pounds of nutrients by comparing the benchmark (pre-plan) condition to the alternative (post-plan fully implemented) condition by surveying participating farmers, ranchers, producers or operator using the Conservation Effects Assessment Project (CEAP) or similarly appropriate methodology. See CEAP. Since manure contains pathogens in addition to nitrogen and phosphorous, we can expect marked reductions in fecal coliform loading in surface waters.

Irrigation Water Management: These activities will result in water conservation due to increased irrigation management and application or conveyance efficiencies. Irrigation water management would be performed on approximately 50,000 acres during the FY16-17 biennium. The final design and cost estimate for an 11 mile open ditch piping project will be completed for the Gardena Farms Irrigation District #13 Upper Ditch Pipeline. The planning, design, and engineering of a 600 – 1,500 acre-foot irrigation reservoir will be completed. Static water levels for 300 groundwater wells will be measured.

Soil Health & Erosion Control: These activities will result in improved soil health, minimize soil erosion, and protect water quality on approximately 50,000 acres during the FY 15-17 biennium including mitigating for erosion potential and associated nutrient run-off. The activities will also result in development and implementation of new technologies designed to insure the sustainability of the agricultural industry.

Performance Measure Detail

Activity A001 Technical Services and Program Delivery **Incremental Changes**

	FY 2016	FY 2017
Outcome Measures		
001409 Miles of stream improved or enhanced through implementation of BMPs	200.00	200.00
001424 Number of land owners/managers assisted	300.00	300.00
001425 Annual Number of acres improved or enhanced through BMP installation	1,500.00	1,500.00
001426 Number of conservation practices installed and practices receiving cost-share	100.00	100.00
002357 Additional conservation district funding secured to maximize SCC funding	20.00%	20.00%
002368 CPDS Conservation District entry of Shovel Ready Projects with Printable Cost Share Applications	100.00%	100.00%
Process - Efficiency Measures		
002360 Administrative Efficiencies Implemented	2.00	2.00

Is this decision package essential to implement a strategy identified in the agency's strategic plan?

Yes. This decision package supports the agency's strategic plan:

Washington State Conservation Commission 2009-2015 Strategic Plan, Page 11, Activity: Water Quality
Goal: Conservation Districts maintain successful water quality program education and implementation programs that address water quality issues, resulting in fewer water bodies impacted by pollution.

Objective: Reduction in water pollution originating from working lands through technical, education, and financial assistance and practice application.

Strategies: 2. Increase program capacity for addressing livestock and working lands water quality issues, including increasing funding for livestock cost share. 3. With Ecology and EPA, develop a strategy for enhancing the non-point source pollution program funding, including evaluation of the workload, priorities and program delivery. 4. Through conservation districts, provide technical, financial, and educational assistance to private land managers to enhance the health of private lands in all watersheds. 6. Utilize conservation districts to bring landowners, manager, and other stakeholders, including regulatory agency representatives, together to collaborate on programs that improve watershed health. 7. Develop capacity to demonstrate that improvements in watershed health provide economic and human health benefits. 8. Promote practices to private land managers that benefit long-term productivity, and are economically sound. Performance: Increased number of water bodies meeting water quality standards. Conservation plans, practices applied, and acres benefited.

WSCC Strategic Plan, Page 12, Activity: Puget Sound.
Goal: Have a visible and effective role for the Conservation Commission and districts for Puget Sound recovery.

Objective: Increase conservation district activities and "on the ground" actions based on identified threats and measureable outcomes for the Puget Sound.

Strategies: 1. Through the conservation districts, provide technical, financial, and educational assistance for private land managers to improve the health of private lands in all watersheds and foster voluntary landowner or manager responsibility for sustainable resource management. 2. SCC as a key player with specific tasks to implement and actions identified in the Action Agenda. 3. Increase "on the ground" activities based on identified threats, and with measureable objectives. Performance: Increased assistance to land managers, developing conservation plans and implementing practices applies on private lands in the Puget Sound area.

WSCC Strategic Plan, Page 15, Activity: Agriculture Issues

Strategies: Assist private landowners to plan and implement science-based systems on working lands that maintain or enhance current levels of agriculture.

Does this DP provide essential support to one or more of the Governor's Results Washington priorities?

Yes, this decision package provides essential support to several of the Governor's Results Washington priorities in Statewide Goal 3: SUSTAINABLE ENERGY AND A CLEAN ENVIRONMENT, Building a legacy of resource stewardship for the next generation of Washingtonians including:

Clean Electricity

- 1.2.b-"Increase electrical load growth replaced by conservation from 112.5 average megawatts as of 2010 to 155 average megawatts by 2020
  Example: In addition to saving water, Irrigation Water Management also saves energy by reducing the electrical pumping needs. Some electrical utilities already offer incentive to agricultural irrigators to help meet their conservation goals.

Healthy Fish and Wildlife Protect and restore Washington's wildlife

- 2.1.b. Increase number of implemented agricultural BMPs to improve water quality in shellfish growing areas in Puget Sound, Grays Harbor, and Pacific counties from 345 in 2008 to 750 by 2016
  Example: Whatcom has over 100 dairies which on average has 375 milking cows. Each dairy generates pathogens equivalent to a city with a population of 6,500 people. It also has over 1,000 non-dairy livestock operations. Snohomish has 28 dairies of about the same size and many, many non-dairy livestock operations. Mason conservation district has many non-commercial livestock operations. Since the nutrient management plans address the proper timing and placement of nutrients to avoid transport to water, they protect against pathogen pollution at the same time.
- 2.2 Increase the percentage of ESA listed salmon and steel-head populations at healthy, sustainable levels from 16% to 25% by 2022
  Example: The reservoir project helps increase late summer flows in the Dungeness River. The piping project will be designed to increase summer flows in the Walla Walla River to the benefit of anadromous species listed under the Endangered Species Act and IWM will increase summer flows in the Columbia and Snake rivers.
- 2.2.b. Increase miles of stream habitat opened from 350 to 450 by 2016
  Example: Fencing, crossings, out of stream watering systems and riparian plantings are all conservation practices that support nutrient management. Keeping livestock out of the stream also keeps nutrients out of surface water. This conserves nutrients for crops and pastures. In the development of nutrient management plans, resource planners will offer these practices as part of a nutrient management system. So, nutrient management encourages riparian protection and enhancement.
- 2.2.c. Increase number of fish passage barriers corrected per year from 375 to 500 by 2016
  Example: see 2.2b example

Clean and Restored Environment Keep our land, water and air clean

- 3.2 Increase the percentage of rivers meeting good water quality from 43% to 55% by 2020
  Example: The reservoir project helps increase late summer flows in the Dungeness River. The piping project will be designed to increase summer flows in the Walla Walla River to the benefit of anadromous species listed under the Endangered Species Act and IWM will increase summer flows in the Columbia and Snake rivers. The nutrient management and soil health/erosion control practices implemented also contribute to accomplishing this goal.
- 3.2.a. Increase the number of projects that provide storm water treatment or infiltration from 10 to 34 by 2016
  Example: The nutrient management and soil health/erosion control practices implemented contribute to accomplishing this goal specifically from agricultural related runoff and infiltration.
- 3.2.b. Increase percentage of core saltwater swimming beaches meeting water quality standards from 89% to 95% by 2016

Example: Bacterial contamination is the primary reason that saltwater swimming beaches are closed. Livestock feces are significant sources of this bacteria which will be address through the nutrient management plans.

- 3.2.c. Increase number of CREP sites to improve water temperature and habitat from 1,021 to 1,171 by 2015
  Example: CREP offers financial source for not just riparian plantings but also fencing, out of stream watering systems and crossing. All these practices support nutrient management. Farmers, ranchers, and dairy producers will be encouraged to enroll in this program to fund elements of their nutrient management plans.

Working and Natural Lands Use our lands responsibly

4.1 Increase the net statewide acreage dedicated to working farms from 7.237 million to 7.347 million by 2020, reduce loss of designated forests of long-term commercial significance from X to zero by 2020

Example: As described at the outset, the use of chemical and manure fertilizers have been fundamental to the productivity of the Washington State agriculture industry. Nutrient management plans are all about avoid losses to the environment. This saves the farmer money. Uneconomical farms go out of business and will sell land to the highest available bidder. As least one County has failed to designate farmland of long-term significance because of it is generally uneconomical to farm. Nutrient management helps conserve farmland because helps farmers be more efficient (spend less money) helping their bottom line which helps them stay in business. Additionally, profitable farms engender a feeling in younger generations that there is a future in agriculture. These provide practical reasons to protect farmland from conversion to other uses.

What are the other important connections or impacts related to this proposal?

Nutrient Management:

In the past 18 months, the Department of Ecology has hired 4 new staff to work in Snohomish, Skagit and Whatcom Counties because of the negative impacts livestock are having to water quality. Washington State Departments of Agriculture and Health have each hired 1 new staff person to assist in protecting shellfish harvest areas. Ecology and Agriculture are referring livestock operations to work with the Conservation Districts. They need the resources to deal with the growing workload. The number of livestock operations around Puget Sound, for e.g., are too numerous for regulators to both provide oversight (halt pollution) and provide technical assistance (how to halt pollution). State law requires that technical assistance be provided to small businesses and agricultural operations before penalties can be pursued.

Irrigation Efficiencies & Soil Health/Erosion Control:

Irrigation efficiencies support improving the quality of natural resources throughout the state while improving the vitality of businesses and individuals throughout the state through the strategy of vibrant communities.

Overall Impacts:

- These activities support the strategy of providing safeguards and standards that reduce human impacts to resources and improve natural systems and the sustainable use of public resources.
- This request provides essential support to the Governor's priority of improving economic vitality and restoring natural systems and landscapes.
- These projects all have positive impacts on the State's agricultural economy through a reduction in production costs.
- Regulatory compliance by State and Federal agencies; public health; sustained economic viability; improved recreational water use; improved wildlife habitat; and addresses salmonid habitat concerns.

What alternatives were explored by the agency, and why was this alternative chosen?

Each conservation district has a local annual plan and seeks input from the community for the development of those plans. The proposed projects have been identified as a priority for the individual conservation district. The cooperating conservation districts simply do not have adequate, sustained funding to provide the technical and planning services necessary to address the nutrient management, irrigation water management, soil health, and erosion control issues needing addressed. While other agencies and organizations claim to provide technical services, this alternative was chosen because of the proven accomplishments of conservation district personnel working with private land managers in development and implementation of conservation plans and conservation systems via strong, trusted, non-regulatory working relations.

What are the consequences of adopting or not adopting this package?

Nutrient Management: If this decision package is not adopted landowners will continue to apply and generate nutrients and pathogens that will end up in the state's waters. Those who happen to be identified by regulatory agencies will not receive technical assistance they need to abate identified problems. They will not receive technical assistance from trained experienced resource professionals who can help them access financial assistance through USDA Farm Programs. There will be lost opportunities to recruit landowners into the CREP program and, therefore, replace fish passages and restore degraded riparian areas proximate to salmonid bear streams. Impacts to drinking water supplies (Yakima GWMA and Abbottsford-Sumas Aquifer for e.g.), aquatic life (Puget Sound) and recreational water quality will persist.

Irrigation Water Management: If adopted, the state would be making an investment to achieve our resource goals and objectives for water, soil health and viable natural resource related industry. If not adopted, projects being designed and reviewed would not receive funding. Irrigation efficiencies would not be achieved, and instream flows would not be enhanced. The state would not achieve our resource goals and objectives for water, potentially exacerbating ongoing disputes over water

Soil Health/Erosion Control: Not adopting this package would result in continued degradation of our soil and water resources and the reduction of productivity on the State's agricultural lands. Other consequences may include regulatory issues of the State not being adequately addressed resulting in loss of Federal funds, increased enforcement activity, and impacts to our interstate commerce and public safety. This was apparent in recent wind storms resulting in highway closures.

What is the relationship, if any, to the state's capital budget?

This funding directly supports agency and conservation district actions necessary that are essential to the planning of the implementation for projects funded in the capital budget. This includes not only the Commission's capital budget, but any funding conservation districts receive from other entities including RCO, Ecology, BPA, EPA and others. Many of the grants received by conservation districts from other entities do not support the basic infrastructure elements of maintaining a viable conservation district and may be used only for specific project implementation. Without operating funding support conservation districts cannot successfully complete on-the-ground projects.

What changes would be required to existing statutes, rules, or contracts, in order to implement the change?

None for irrigation water management or soil quality/erosion control.

There could be a comprehensive examination of nutrient use and generation and its impacts on people and the environment and related impact of current regulations that disproportionately address certain sources in a watershed (e.g. municipal sewage plant) or industry (dairy) at the exclusion of others contributing substantial loadings of similar pollutants to the same watershed. Such an examination could lead to the development of recommendation for changes or additions to existing laws and regulations.

Expenditure and revenue calculations and assumptions

- Essential to the calculations is the assumption that the 15% reduction to maintenance level operating budget will be

recovered.

- For irrigation water management, it was assumed that the conservation districts would provide a 50% cost-share to producers implementing the program for an incentive payment and the design and engineering costs were based on the cost of similar previous projects and the scope and scale of each project
- The project implementation relies on the continued funding from state and federal agency programs that are driven by project implementation after the work described in this decision paper is completed

Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?

These are ongoing funding and function needs for the upcoming biennia. Agriculture, particularly animal agriculture is very dynamic. Crops change annually. Herd sizes generally increase over time as less efficient operations are absorbed by larger more profitable operations. Fields and facilities are ever changing. Consequently, nutrient utilization, soil health, erosion causes, and water use figures change accordingly.

A significant advantage of a state-supported program is that there is more accountability over the rigor with which the nutrient management, irrigation water management, and erosion control plans are written and implemented. There is a clear conflict of interest presented to private consultants whose livelihood is dependent upon customer satisfaction. There is pressure to ensure that calculations reflect that there is an adequate land base to fully utilize the nutrients generated on farm. In contrast, conservation district resource planners have the environment as their client. They write plans based upon NRCS guidance to achieve the stated purpose of managing nutrients, irrigation water use and soil in a manner that is protective of the environment while meeting realistic crop needs.

Object Detail		**FY 2016**	**FY 2017**	**Total**
N	Grants, Benefits & Client Services	1,000,000	1,000,000	2,000,000
Total Objects		**1,000,000**	**1,000,000**	**2,000,000**

[i] "How to Build Better Agricultural Conservation Programs to Protect Water Quality: The National Institute of Food and Agriculture-Conservation Effects Assessment Project Experience" Edited by Deanna L. Osmond, Donald W. Meals, Dana LK. Hoag, and Mazdak Ara

Conservation in Washington: Powered by People

Making an Impact:

- ***Cattle no longer have access to seasonal tributary of the Little Klickitat River.***
- ***Landowner's property no longer source of mud and manure runoff.***
- ***Landowner now can remove manure and apply it to his fields instead of potentially contributing to nonpoint pollution.***

CENTRAL KLICKITAT CONSERVATION DISTRICT - LIVESTOCK OWNERS MANAGE POLLUTION IN LITTLE KLICKITAT RIVER

After learning about possible pollution issues on their properties, many livestock owners in the Little Klickitat River watershed have implemented practices that alleviate pollution. One such landowner approached the Central Klickitat Conservation District (CKCD) to find a solution to a runoff problem from his winter feedlot. Runoff typically occurs following rain or snow melts when excess surface water carries pollutants, such as animal waste and fertilizer, into streams. This landowner's project was one of many similar projects CKCD undertook in the Little Klickitat River watershed.

FINDING A COMMON PATH Working with the Natural Resources Conservation Service (NRCS) through the Environmental Quality Incentive Program (EQIP), CKCD and the landowner worked together to implement pollution management practices. Nearly 45,000 square feet of the feedlot were sloped, hardened with shale, and underlayed with fabric. They also installed livestock exclusion fencing, re-routed water management from barns and the creek, set up water troughs, and implemented manure management.

RESULTS ON THE GROUND As a result of this project, cattle no longer have access to a seasonal tributary to the Little Klickitat River, which is used by steelhead as a migration corridor and spawning habitat. Mud and manure were eliminated from this source. The exact tons of manure and mud removed has not been calculated, but the impact on this stream is dramatic. The landowner now can effectively remove manure and apply it to his fields.

The biggest challenge to this project was coordinating between CKCD, the Washington State Conservation Commission Livestock Cost Share program, and NRCS, with the landowner having final say in the end product. Results from projects like this are hard to quantify, but the end result is clean water flowing into the Little Klickitat River from this tributary.

Sergio Paredes, NRCS Resource Conservationist said, "This is a great project. The landowner now has the opportunity to collect, store, and apply the manure, and clean water drains into the creek from the roof. The cooperation between NRCS and the District shows how teamwork can get great projects on the ground."

Landowner's winter feedlot before (left) and after project implementation (right)

Conservation in Washington: Powered by People

Making an Impact:

- ***Livestock trough spillage eliminated and mud reduced.***
- ***Water from uphill runoff piped under access road instead of flowing through feedlot.***
- ***Success of the project motivated landowner to seek Conservation District assistance with more work on his ranch.***

EASTERN KLICKITAT CONSERVATION DISTRICT - LIVESTOCK OWNERS PROTECT WATER QUALITY IN ROCK CREEK

Rock Creek in Eastern Klickitat Conservation District is on the 303(d) list as a Category 5 stream and is critical habitat for Mid-Columbia Steelhead and Coho and Chinook salmon. Streams placed on the 303(d) list have pollution levels high enough to impair their use as drinking water, habitat, recreation, and industrial use.

FINDING A COMMON PATH Livestock owners along Rock Creek asked the Eastern Klickitat Conservation District to help them implement best management practices that would improve water quality in the creek while still allowing them to continue livestock operations. One landowner requested that the District help alleviate the mud and manure flow from his water trough in the winter feed area, adjacent to Rock Creek. This mud flow had the potential to reach the creek, and the landowner wanted it fixed. District engineers designed a new system for a trough and overflow. The trough is spring fed and has a constant flow.

RESULTS ON THE GROUND As a result of the practices installed, the mud and manure accumulation and transport around the trough has been eliminated. By re-designing the trough overflow mechanism and installing adequately sized pipe, the spillage from the tank has been eliminated. In addition, the hardened area around the trough has stopped the mud created by the livestock when they visit the trough for water. The inflow is a constantly flowing spring which runs through the trough. That water is piped away from the tank and flows through a filter strip before entering the creek. Water from uphill runoff also was piped under the access road instead of being allowed to flow through the feedlot. The District continues to implement projects in the Rock Creek watershed knowing that the cumulative effect of such sediment reduction projects can impact water temperature and flow.

The landowner initially was not convinced that the District's plan would work. As they began construction, he eventually could see the design had merit and allowed them to continue. Eastern Klickitat Conservation District now has an advocate in this landowner, who wants to the District to do more work on his ranch.

District Manager Jim Hill said, "Projects like this are exciting because they are easy to implement and produce dramatic and obvious results. When they work as well as this one did, we also get a friend who trusts the District and is willing to work with us in other endeavors."

Water trough project before (left) and after landowner received assistance from Eastern Klickitat Conservation District (right)

State of Washington

Agency Budget Request Decision Package Summary

(Related to Puget Sound Action Agenda Implementation)

Agency: **471 State Conservation Commission**

9/11/2014
12:00:54PM

Budget Period: 2015-17

Decision Package Code	Decision Package Title	
PL-A0	OFM 15% Reduction	Related to Puget Sound Action Agenda Implementation
PL-N0	Restore 15% Reduction	Related to Puget Sound Action Agenda Implementation
PL-N1	Restore Section 714 Efficiency	
PL-N2	Rebuilding Incentive Serv Del Sys	Related to Puget Sound Action Agenda Implementation
PL-N3	Resource Specific Improvements	Related to Puget Sound Action Agenda Implementation

2015-17 Biennium

ELECTRONIC SUBMITTAL CONFIRMATION FORM

Agency Number: 471

Agency Name: State Conservation Commission

Agencies are required to provide electronic access to each decision package in their budget request as part of the submittal process. Confirm Option 1 or 2 below:

Option 1:

☒ This agency posts all decision packages for our 2015-17 budget request to our public facing website at the following URL:

URL: http:// www.scc.wa.gov

Option 2:

☐ This agency does not post decision packages and has forwarded copies via e-mail to OFM.Budget@ofm.wa.gov.

These decision packages conform to our agency's ADA accessibility compliance policy.

Agency Contact: Debbie Becker

Contact Phone: 360 407 6211

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Date: 9-11-14