

October 3, 2016

TO: Membership, South Central Caucus Group Local Integrating Organization (LIO)

FM: Fred Jarrett, Chair, South Central Caucus LIO

RE: Future of the South Central Local Integrating Organization: A Proposal to Restructure

Summary of Proposal

The South Central Caucus Group LIO should be restructured so that it can accomplish its objectives more effectively. Specifically, I propose that the LIO work with partners over the next year to pursue consolidating certain functions with existing watershed groups in the region – specifically, Water Resource Inventory Areas (WRIAs) 8, 9, and possibly 10 -- and dissolving the LIO as a separate body. However, the restructuring must be accompanied by a change in the existing LIO scope of work. The existing scope of work is dominated by planning and reporting requirements rather than implementation and merely shifting this scope to WRIAs or other groups will not be effective or desirable.

Introduction

This memorandum proposes that the South Central Caucus LIO change its structure and scope of work to address concerns about the effectiveness and redundancy of the LIO. It describes a specific restructuring proposal, although I anticipate the need for us to devote a significant amount of our 2017 work plan towards developing a workable approach with key partners. I emphasize that this proposal focuses on the South Central LIO, as it is likely that no single model will work everywhere in Puget Sound.

Background¹

In 2007, the legislation that created the Puget Sound Partnership (PSP) established seven “Action Areas,” and in 2008 a state legislative task force recommended a process to facilitate integration of the efforts of all groups in each Action Area, coining the term “Local Integrating Organization.” The Task Force recognized that there were many local groups involved in salmon and Puget Sound recovery, and did not contemplate replacing those groups with LIOs. Rather, it emphasized the need to build on existing groups and promoted flexibility for each group to best meet the needs within a particular Action Area. The South Central LIO was one of nine LIOs created by PSP in 2009/2010 with the intention to bring together (“integrate”) local jurisdictions and interests to establish and implement local priorities for Puget Sound protection and recovery, and to advise and influence PSP on regional priorities and strategies.²

¹ The 2014 Report “Review of Local Watershed and Salmon Recovery Groups in Puget Sound”, provides an excellent history of watershed based groups; this summary borrows heavily from that document.

² Note that the creation of nine LIOs deviated from the seven “Action Areas” described in the Partnership’s enabling legislation—providing a precedent for some flexibility in determining appropriate LIO geographic boundaries.

The South Central LIO lumped together a large area encompassing three WRIA watersheds: the Lake Washington/Cedar/Sammamish (WRIA 8), the Green/Duwamish (WRIA 9); and the Puyallup/White (WRIA 10). These areas are heavily populated and economically robust, with numerous jurisdictions (comprising portions of King, Snohomish, and Pierce counties). Moreover, WRIsAs 8 and 9 have state-designated “Lead Entity” organizations for salmon recovery, leading implementation of the Recovery Plan for threatened Puget Sound Chinook Salmon under the auspices of NOAA Fisheries. These WRIA groups are guided by watershed-based salmon habitat conservation plans, staffed and funded by interlocal agreements, with strong participation from elected officials, jurisdictional staff and stakeholders. They have existed for over ten years, and the recent 2015 renewal of the interlocal agreements and funding, attests to their strong partner support.

During the initial years of the South Central LIO (2009/10), there was significant local engagement given the excitement and political visibility of the newly established PSP, along with the expectation that LIOs would have a role in allocating funding for local actions. South Central LIO meetings were initially well attended by elected officials and senior jurisdictional staff, and PSP, through Environmental Protection Agency (EPA) funding, provided a high level of staff support. However, for the most part no significant LIO role in allocating funding has materialized, and there has been increasing confusion about the role and efficacy of LIOs.³ While the 2015 revision of the EPA Puget Sound funding model indicated a limited LIO role in allocating federal National Estuary Program (NEP) funding, work over the past two years has been devoted to meeting PSP-directed planning requirements. Specifically, this included elements of a 5-year “Ecosystem Recovery Plan,” a 2-year “Implementation Plan,” and the solicitation of “near term actions” (NTAs) for inclusion in the 2016 Action Agenda. These processes elicited substantial feedback to PSP and EPA that they were confusing, overly burdensome and lacked a meaningful connection to implementation.

Current Situation

There are currently several drivers for change:

- *Process and planning fatigue:* While South Central LIO members continue to participate in meetings, there is growing frustration with too much process, planning products and reporting.
- *Lack of perceived effectiveness:* Many feel that the LIO has not realized its intended purpose to integrate local actions nor catalyze local implementation of the Action Agenda.
- *Frustration at lack of funding for implementation:* There has been EPA funding for planning and process, but to date only minimal funding for project implementation.
- *Less elected official participation:* Participation by elected and senior level officials has declined. By contrast, there is more such participation on other efforts such as WRIA forums, the Floodplains by Design initiative, and “the Green-Duwamish Watershed Strategy.”

³ A 2014 State Supplemental Budget proviso report described this situation and provided recommendations for improved alignment and strengthening of LIOs.

- *Increasing external pressure to reduce process costs:* PSP has cut staff and reduced capacity to support LIOs and other groups. There is also reduced federal funding from NOAA Fisheries to Washington State for salmon recovery Lead Entity capacity.

Based on these concerns, in recent meetings several South Central LIO members have questioned whether continuing to convene the LIO is worth the effort. The group has taken steps to address this by devoting more meeting time to sharing details of implementation approaches rather than planning deliverables, but the question remains.

Local engagement is still critically important

Despite the stated concerns, I believe collaborative local engagement is critical for Puget Sound recovery. Local support is needed to:

- *Foster local buy-in for successful implementation:* Most of the on-the-ground actions needed to implement recovery occur at the local level—stormwater and wastewater management, land use controls, transportation decisions, habitat protection and restoration, and floodplain management activities. It is important to ensure that local activities contribute to the regional goals and targets set by PSP, and to garner local resident and business support for them.
- *Support development and implementation of funding strategies:* Beyond having a role in allocating funding, local entities will need to be heavily involved in the development and implementation of overall funding strategies. Federal or state funding may never materialize at the level sufficient to make a difference, and funding may ultimately need to come from various local sources—jurisdictions, residents and businesses. Because funds are scarce, local entities will be motivated to ensure actions are cost-effective and aligned with other local priorities, ranging from transportation, education, and police and fire safety, etc.

Proposal

Therefore, I propose to negotiate a 2017 South Central LIO scope of work that:

- *Reduces planning requirements:* instead of further refining separate local plans, the scope would focus on determining how the LIO can best contribute to the PSP's Action Agenda. The Action Agenda reflects scientifically robust and elaborate planning work (defined targets, logical results chains and conceptual models, etc.). It is more appropriate that our local effort focus on prioritizing actions we can take to support the Action Agenda within our purview, to strengthen and not re-do PSP's intensive planning work.
- *Provides opportunities for meaningful watershed based program integration⁴ and information sharing* (in particular, focusing on how to integrate salmon recovery and water quality/quantity efforts). Salmon recovery and stormwater experts see a need for greater integration through an established framework or venue.

⁴ We note that the term “integrating” in the acronym LIO may appear to have been used to emphasize that need to integrate many jurisdictions within a local geographic area; there may be an equal need to “integrate” different types of programs/projects over a logical ecosystem-defined area, such as a watershed.

- *Maximizes LIO influence in allocating funding.* We appreciate EPA and PSP's efforts to ensure a role for LIOs in allocating federal funding. It is a positive development and responsive to frustration LIOs have expressed. We would also want to maximize opportunities for "seed funding" for project implementation.
- *Streamlines reporting requirements:* Reporting requirements should be streamlined to the degree possible given state statutory requirements, while maintaining a rigorous reporting process for Near Term Actions that are funded and implemented (given the need for accountability and an adaptive "plan-do-check-adjust" framework).
- *Includes time to develop and implement restructuring of the LIO,* either the proposal described below or an alternative reform plan.

As a starting point, I propose the LIO work with WRIAs 8 and 9 on establishing a new structure whereby the LIO would dissolve, but these WRIA groups would, *with additional capacity*, take on additional functions that both enhance the WRIA's effectiveness and advance the regional effort to protect and restore Puget Sound.⁵ (Appendix A provides an initial list of functions for consideration). I believe this proposal would:

- *Improve cross-program integration (by having a more ecologically linked geographic boundary):* Because they are hydrologically linked, actions to address water quality, salmon recovery, and flood protection are best managed at the watershed scale. Focusing attention separately on the Lake Washington/Cedar/Sammamish, Green/Duwamish, and Puyallup/White watersheds is appropriate as these different watersheds have different physical characteristics, pressures, and ecological restoration priorities.
- *Make political integration easier (a smaller scale would be more workable):* The South Central Action Area is highly populated and includes so many jurisdictions that narrowing the focus to WRIA basins would reduce the number of interested and affected parties, thus facilitating good communication and coordination.
- *Reduce redundancy.* LIO functions would be more effectively achieved by using existing bodies that are watershed based and have political buy-in and engagement at the local level and a proven track record, as is the case in the WRIAs 8 and 9. Fewer groups makes it more likely that elected officials and community and business leaders would participate, and save time and resources overall.
- *Reinforce existing trends.* WRIAs have already expanded their scope to incorporate climate change and stormwater as it relates to salmon. A watershed based approach is also consistent with the inclusion of basin planning in the current Stormwater NPDES permit, and the trend toward multi-benefit approaches such as "Floodplains by Design."

⁵ The LIO coverage for WRIA 10, currently part of the South Central Caucus, would need to be determined.

- *Help foster development of an overall funding strategy.* This approach is consistent with the recommendation of the Finance Subcommittee of PSP's Ecosystem Coordination Board to move away from silos toward an integrated funding approach. WRIA groups are experienced at articulating funding needs, and consolidating efforts may help advance the funding discussion, perhaps even towards locally-driven funding initiatives.

I recognize that there are several challenges to bringing this about. PSP and EPA would need to be assured that the new structure more effectively supports the Action Agenda and would need to reduce burdensome LIO planning and reporting requirements. WRIA groups would need to have additional capacity for this role, and would need to be convinced that it is in their best interest to take on these additional responsibilities—that an increasing role will benefit their core mission of salmon recovery, improve their effectiveness, and increase their relevance given emerging environmental problems (such as stormwater and climate change).

While the exact restructuring would emerge from discussions over the next year, I believe it should adhere to certain principles. These include greater consolidation, a focus on integrating activities on a watershed scale, and revising the local effort in Puget Sound recovery away from planning toward implementation. I also believe this restructuring will simultaneously strengthen PSP, emphasizing its primacy as the entity responsible for regional planning.

Next steps

I look forward to discussing this proposal with you at the October LIO meeting. Assuming general concurrence with the need to restructure, King County will look to renegotiate the 2017 contract with PSP to allow for exploration of this restructuring process.⁶ We will then need to engage with WRIA groups and other partners to discuss, develop, and implement a change. It will take some effort to bring this about, but from our discussions to date, it is clear that change is needed. Residents, local governments, and community organizations throughout the South Central region are very supportive of protecting Puget Sound, as demonstrated by your perseverance these past few years. I am concerned that the current perception of a process-heavy, ineffective LIO process risks wasting this enthusiasm, diminishing the potential political will that is needed for making the difficult decisions, and raising the funds needed, to achieve real progress towards our restoration goals.

Enclosure

⁶ King County would likely not continue in a leadership role past 2017, assuming that independent WRIA or other groups would absorb the LIO's functions, and if not, then the LIO would dissolve.

APPENDIX A

Potential LIO Roles for WRIAs

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- Continue Lead Entity and salmon recovery role. Keep Interlocal Agreements for salmon recovery in WRIAs 8 and 9.
- Keep salmon recovery grant programs and roles: Salmon Recovery Funding Board, Puget Sound Acquisition and Restoration and Cooperative Watershed Management grants. Having funding decisions keeps partners at the table and progress inspires more implementation.
- Add selected LIO functions to WRIAs 8 and 9, negotiate to have Environmental Protection Agency (EPA) funding go to them instead of King County, but have the scope of work be renegotiated to be more meaningful and less burdensome (less planning requirements). Work could potentially still be done with consultant help or by adding part-time staff to each WRIA team or the WRIA teams could share staffing.
- Examine WRIA membership to consider including groups that currently participate in LIO.
- WRIA leaders/members would need to ascertain which of the LIO planning functions would be appropriate and worthwhile to pursue, and negotiate these with PSP and EPA who currently are requiring these functions.

Enhanced Roles that Might Be Considered for adding LIO roles to WRIAs

- Examine other models such as those summarized in Appendix A and consider add Non-Profit status to increase ability to fundraise and attract private sector funding.
- Expand WRIA roles and responsibilities to include other salmon species (e.g. WRIA 7 already considers Chinook, Bull Trout, Steelhead and Coho).
- Expand WRIA role in integrating salmon recovery/stormwater planning (as has been done in the case of Miller-Walker Creek retrofits, Green-Duwamish Stormwater Planning, Bear Creek Basin stormwater and habitat planning).
- Expand WRIA role in identifying and recommending Floodplains by Design projects.
- Some WRIAs could do more integrated floodplain planning (King County has Flood Control District now, but Regional Needs Assessment called for Fish, Water Quality and Flooding to be done at watershed/regional scale).
- Expand WRIA role in climate preparedness especially related to salmon recovery (will already be happening at some level as part of WRIA salmon plan updates).
- Expand role in direct implementation of riparian plantings and stewardship programs, for example by coordinating stewardship programs.

- Expand role in engaging business community and private sector in funding and taking actions to improve Puget Sound health (e.g. Salmon Safe program and climate change offsets).
- Consider role for WRIAs in areas with significant shellfish bed closures, to recommend water quality improvements.
- In more urban areas, WRIAs could be more involved in improving livability and sustainability of cities and reducing sprawl (i.e., promote low impact development and rain gardens, shoreline best management practices and landowner-driven restoration projects).