



Natural Resource Investments Programmatic Guidelines

Revised May 2023

Program Background

Natural Resource Investments (NRI) funds are capital funds appropriated to the State Conservation Commission for conservation districts to complete projects with landowners to address natural resource concerns for the enhancement and protection of renewable natural resources. A budget proviso may be added to an appropriation as part of the legislative budgeting process. Currently no budget provisos restricting the projects that may be completed with this funding are attached to this appropriation.

Program Rules

Eligibility to Receive Funds

Conservation districts must meet all of the Accountability requirements under the [Conservation Accountability and Performance Program](#) (CAPP) in order to be eligible to receive NRI funds.

Timeline & Application for Funding

Natural Resource Investments funds are allocated to conservation districts at the beginning of each biennium, in the month of July. Funds will be allocated to districts based on complete applications submitted utilizing the [grant addendum form](#). Each district will be eligible to receive an equal share of available NRI funds based on legislative appropriation levels each biennium. Applications will be reviewed by Regional Managers and SCC financial staff for complete information and adherence to program guidelines before funds will be awarded. A district's potential allocation of NRI funds will be held for 90 days at the start of each biennium. At the end of 90 days, the district may forfeit the funding allocation if they are not working in good faith with their Regional Manager to develop projects to properly utilize the funds, or simply cannot utilize their full allocation due to a lack of eligible projects.

Throughout each biennium, after the NRI funds have been allocated for that biennium, each district is expected to enter future project needs for NRI funding into CPDS to build future requests for funding.

Throughout each biennium, Regional Managers will interact with each conservation district with allocated NRI funding to ascertain project progress. Work must be initiated, regardless of project type, within 120 days of funding award to the district. At the end of 120 days if progress has not been demonstrated, the district may forfeit the funding allocation.

To amend an NRI grant to add or remove projects after the initial grant award, districts must work with their Regional Manager. Formal notice of a grant amendment must be received from SCC fiscal staff prior to beginning work or incurring expenditures on the new/amended project.

If funds are returned to the SCC or additional funding otherwise becomes available, a subsequent application round may be conducted. If that occurs, funding will be distributed either through a competitive process or distributed equally among the eligible districts. The amount of funding available will determine the method used. If a competitive process, ranking criteria will be established and published in the funding availability announcement. At least a 60 day solicitation period for applications would be conducted. Every effort will be made to utilize existing forms, such as the NRI supplemental funding request form to act as an application for this process.

Technical Assistance

A maximum of 25% of the total funding award of NRI funds may be used for technical assistance activities such as planning, project design, engineering, permitting, project implementation oversight, project management and administration, travel, and reporting. Total award amount x 25% = allowable amount for technical assistance.

General Requirements

- All funded cost-share and completed District Implemented Projects and practices must be entered in the CPDS.
- All projects and practices must have a detailed description. See example descriptions below.
- Maximum cost-share per landowner per fiscal year is **\$100,000** per *The Grants and Contracts Policy and Procedures Manual*.
- All best management practices (BMPs) must meet NRCS standards and specifications, alternative practice designs approved by a professional engineer licensed by the State of Washington or an SCC approved practice per *the Grants and Contracts Policy and Procedures Manual*.
- An overhead percentage only is allowed to be billed based on actual hours worked.
- Ineligible costs for NRI funding:
 - Administrative goods and services (office rent, copy machines, telephones etc....)
 - Education and outreach
- Equipment is eligible for reimbursement under a cost-share project structure only, only if it is directly essential for implementation of a conservation/farm plan, and the equipment must become an asset tied to the property/farm (not self-propelled) and used only for proper implementation of the BMP. An example of eligible equipment is manure spreading equipment to implement a nutrient management plan. Trucks and tractors are not eligible.
- All projects must meet requirements for use of NRI capital funding. **Capital projects must have a practice design life of greater than one year.** Refer to practice list available [here](#). For example, management practices such as cover crop or reduced tillage are not eligible for NRI capital funding. Capital funding may only be used for structural-type practices.
 - Select practices with a design life of one year or less may be eligible for NRI funds as long as the practice is completed in conjunction with, and in support of, a structural practice. For example, tree/shrub site preparation, mulching, or spoil spreading are potentially eligible if completed in conjunction with a riparian buffer planting. Please work with your Regional Manager if you have any questions at all about eligibility of a practice for NRI funds before you begin any work.
- Work must be underway on all awarded NRI projects within 120 days of the

funding allocation. This could be technical assistance effort or actual construction.

- Any district that does not utilize their awarded NRI allocation in a timely manner or returns funding late in the biennium without a compelling explanation, may receive a reduced allocation or be deemed ineligible to receive future NRI funding allocations.
- Districts may work together and pool their available NRI funding for larger or joint projects, or transfer available NRI funds to another district, upon consultation with the Regional Manager and with an inter-agency agreement in place.
- All project and practices must be completed in the funding time frame. The funding is granted on a biennium basis (for example: July 1, 2023 - June 30, 2025) therefore, all projects must be completed by the end of each biennium. All technical assistance costs must be vouchered for in the month following when the expenditures are incurred.
- Please submit a [Capital Grants Returned Funds form](#) as soon as it becomes clear that funds will not be utilized.

CPDS Requirements

- All funded cost-share and completed DIP's and practices must be entered into the CPDS
 - Input the amount of NRI funding utilized for the practice.
 - Input other funding sources also being utilized for the practice such as landowner contribution or another grant.
- The Contract for Cost Share must be printed from the CPDS for all cost-share projects. No changes may be made to SCC's Contract for Cost Share.
- "Before" and "After" pictures are required for each practice.
- "Planned" and "Actual" implementation measures are required for each practice.
- Completion date is required for each practice completed with NRI funding.

Vouchering

Monthly grant vouchers are required. Technical assistance and expenditures incurred by districts to implement or construct a DIP must be vouchered for on a monthly basis. Cost share projects are vouchered upon BMP completion.

Refer to the [Grant and Contract Policy and Procedure Manual](#) for further, detailed vouchering, cost share, and DIP rules.

Cultural Resources

- All practices must comply with the SCC cultural resources policy. A cultural resources

review can begin once the location and extent/type of potential soil disturbance is known. Any expansion of the extent/type or location of soil disturbance will require a new cultural resources review. Please plan ahead to ensure enough time is allowed before breaking ground- review could take 45 days or more. Please plan ahead to ensure enough time is permitted prior to implementation, which could be 45 days or more. Cultural resources review is required by the Governor’s Executive Order 21-02 for all projects using both state operating and capital funding .

- The [GEO 21-02 Complied Statement](#) form must be submitted when requesting cost share or district implemented project reimbursement.
- Please refer to the [SCC cultural resources policy and procedures](#).
- Cultural resource costs are awarded on a case-by-case basis. Funding will be added into a separate grant outcome as each award occurs.

Eligible Project Types

NRI funds may be implemented in two different project types. A project may not be changed from one eligible project type to another once work has been done or expenditures have occurred. The following are the eligible project types and associated parameters of each type:

Landowner Implemented Cost-Share Projects

- All landowner information and proposed practices must be entered completely into the Conservation Practice Data System (CPDS).
- All cost-share practices must be identified under the funding tab as utilizing “Natural Resource Investments” funding.
- The Contract for Cost Share must be generated from CPDS and utilized for this type of project. The terms in the Contract for Cost Share must not be modified.
- Multi-landowner cost-share projects are allowed. A multi-landowner cost-share project is one in which the same or similar BMP(s) are installed on several landowner’s properties. A Contract for Cost Share is required for each landowner.

District Implemented Projects

A district implemented project (DIP) is a project where the district is the lead planner and implementer. An example of a DIP could be implementing an identified practice with multiple landowners at the same time – reducing vegetative fuels throughout a neighborhood or installing riparian buffers on several consecutive properties along a creek. Another example of a district implemented project could be performing one aspect of a much larger project such as acquiring large woody debris for a stream restoration project or constructing or installing one component or practice of a multi-practice project. In this project type, the District is taking full responsibility for installation/construction of the project which may include, but is not limited to: acquiring permits, [bidding and purchasing processes](#), and [prevailing wage](#) requirements. Districts may sub-contract construction/implementation of a DIP to a private contractor, another district, or a partner agency or organization. Contracts or inter-agency agreements for these arrangements

should be kept in project files at the conservation district and made available, upon request, to the SCC.

- A district implemented project must not include cost-sharing, cash reimbursement, to a landowner(s) with NRI or other SCC funds. The District is assuming all responsibility for project planning and construction directly.
- All project information and completed practices must be entered completely into the Conservation Practice Data System (CPDS). Each individual landowner must be entered into CPDS. Districts should account for and budget for additional time to ensure this gets done.
- A Landowner Agreement is required for any projects completed on non-district owned property and a fully signed (signed and dated by landowner and district) copy must be provided to the SCC at the time of vouchering. The WSCC provides a [Landowner Agreement template](#) for district use, if desired. A District may also use their own version of a Landowner Agreement. A copy of this agreement must be provided when vouchering.
- There is no match or cost-share scenario requirement for these projects. However, other sources of contributing funds toward the project should be reported.
- See [District Implemented Project Decision Tree in Attachment A](#) for assistance with determining if a cost-share or DIP approach is best for your project or contact your Regional Manager.

Recommendations

- Districts are encouraged to group landowners and practices together.
 - This unique targeted approach of clustering practices with multiple landowners in one geographic area allows for more effective and efficient use of capital funding targeting focused geographic areas for measurable resource improvement.
- Districts are encouraged to prioritize projects implemented in areas with identified pollution inputs with particular focus on areas with 303(d) listings, projects implementing an Ecology TMDL implementation plan, projects addressing habitat for Chinook salmon, and projects implementing a local resource plan.
- Districts are encouraged to prioritize projects connected to the conservation district's annual or long-range plan.

Definitions

This is the verbatim definition of a capital project per the Office of Financial Management's budget instructions. The SCC must work within this definition as well as restrictions that may exist for our specific sources of capital funding and any legislative budget provisos.

- **Capital Project:** A capital project is a project to construct either new facilities or make significant, long-term renewal improvements to existing facilities. A capital

project usually has the length of time of an NRCS BMP practice life and typically requires the involvement of an architect and/or engineer. Grants made by the state to fund capital projects for other entities are also included in the capital budget.

Capital projects are usually funded by sources specifically set aside for capital purposes, such as proceeds of bond sales, long-term financing contracts, and other dedicated revenues.¹ Projects are typically on-the-ground projects and technical assistance activities limited to those that support projects or will lead to capital funded projects.

- **Practice:** Approved practice per current NRCS BMP Field Office Technical Guide (FOTG). Or Washington State Conservation Commission (SCC) approved practices or Licensed Engineer approved practices.

Detailed Practice Descriptions

Completed Cost-Share Project or Practice (Example)

The landowners want to address water quality concerns with the implementation of a more effective manure management program. At the present time, the farm has 22 beef cattle spring and summer grazing on approximately 100 acres of pasture located on the east side of the Northfork. During the late fall, winter and early spring months, the livestock will be fed hay from the barn. As manure accumulates during the rainy months when the manure cannot be spread on the fields, it will have the potential to contaminate surface and groundwater resources. To address the problem, the landowners would like to construct a waste composting facility. Implementation of this practice will improve and protect water quality by providing a means of storing and composting manure which has the potential to contaminate surface and groundwater resources. In addition, it will provide the farming operation with a high value organic soil amendment for use on the crop, pasture and hay fields.

The Skokomish River has a history of having problems with fecal coliform contamination that sometimes results in shellfish closures in the Hood Canal. This project will help reduce the risk of shellfish contamination by eliminating a potentially substantial source of fecal coliform to the system.

Frequently Asked Questions

Why do we need to describe the practice(s) with so much detail?

- **Answer:** The Commission will need to write a detailed, narrative report for the Legislature and other interested entities on how this funding was spent and what was the benefit to natural resources, nutrient and pathogen pollution and any other resource concern. The Commission will also need to explain how these funded projects measurably improve habitat for Chinook salmon, water quality, natural resource needs overall, and partnerships with other entities to make significant measurable improvements to these resource concerns. We must report how the funding impacted the

¹ Office of Financial Management Budget Division 2015-25 Capital Budget Instructions June 2014, OFM Directive 14B-02.

watershed, or what water bodies or habitat were improved. The number of new BMPs installed and what benefit did they bring to the problem of a local county partnership, Ecology's 303(d) listed water bodies or a county or local issue.

If you were to read the examples above, which one would you be able to “tell the best story with?”

Why do we need to enter into CPDS all of our completed practices regardless of whether or not it was a cost-share or district implemented project?

- **Answer:** The Commission utilizes CPDS to compile metrics on accomplishments for our capital funded programs including NRI funds. We must be able to efficiently report out to the legislature and others what the public investment of funds is buying. CPDS is our current method of collecting this information from conservation districts.

Do the SCC cost-share policies apply to a district implemented project?

- **Answer:** A District Implemented Project is not a cost-share project so the SCC policies that apply to cost-share specifically do not apply to a district implemented project. However, the practices being implemented still fall under SCC's “cost share” type activities and are still subject to implementation monitoring, complete CPDS record entry, Debarment & Suspension, Cultural Resources and other general requirements. Refer to the DIP section of the [Grants and Contracts Policy and Procedure Manual](#) for more details.