

**Project Selection Process
for Implementation of the Long-Term
Ecosystem Restoration Plan
Draft - 8/3/99**

Introduction

The Restoration Coordination Program began its transition to long-term implementation in 1999. The transition from early ecosystem restoration to long-term implementation involves moving from a very broad solicitation and implementation of ecosystem projects, characteristic of the 1997 and 1998 solicitations, to an increasingly focused implementation plan moving towards implementation of the long-term Ecosystem Restoration Program (ERP). The Ecosystem Restoration Plan provides the framework for implementing ecosystem restoration projects.

In 1999, the public solicitation for ecosystem restoration projects included increased specificity in the form of focused actions, most of which were contained in the ERP Stage 1 Actions. Future solicitations for projects are expected to be increasingly focused, with every project approved making measurable progress towards implementation of the long-term plan. The key to development of a systematic and logical approach to implementation of the long-term plan depends on the refinement and development of annual priorities that are consistent with the implementation of Stage 1 and the long-term plan.

Proposed Revised Project Selection Process

The proposed revision to the project selection process is primarily driven by the need to transition from broad ecosystem restoration activities characteristic of the early ecosystem restoration program to very focused ecosystem restoration activities which are included in the long-term Ecosystem Restoration Plan. In developing a revised process it became apparent that for administrative success the process needed to be both predictable and timely. The process as it is proposed is an annual cycle based on the federal fiscal year. The process also needs to have clear annual priorities, and be able to show the linkage that ties individual projects to the ERP and overall CALFED plan.

In addition to transitioning from early ecosystem restoration to the implementation of the long-term plan, many individuals and stakeholder raised concerns about the process that has been used in the past to select ecosystem restoration projects. The concerns and issues raised by the public and stakeholders will be incorporated in the review and modification of the project selection process. The revised project selection process is intended to address and incorporate the following issues and concerns raised by stakeholders and the public:

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"The process should be "transparent". The CALFED ecosystem restoration project selection process is complex. There have been a substantial questions and concerns raised regarding the process. Generally individuals want a better understanding of who makes decisions, how the decisions are made, and what the decisions are based upon. In reviewing and modifying the project selection process a clearer definition of process and the respective roles of each step will be made. Linkages will be explained between the overall program, the long-term ecosystem restoration plan and the project selection process.

"Project selection should be conducted in a public forum." Many individuals believe that decision making for ecosystem restoration projects needs to be conducted in a public forum, and that even preliminary recommendations such as those which came from the Integration Panel need to be made in public. In reviewing and modifying the project selection process several actions are being considered to address this concern. CALFED is proposing that for each funding cycle, the initial funding recommendation be made in the public forum of the Ecosystem Roundtable. Project review that occurs prior to the Ecosystem Roundtable meeting will result in written recommendations on a project by project basis, not a preliminary recommendation for funding. Scientific review of ecosystem projects will be conducted more like a scientific peer review rather than the technical and Integration Panel technical review which resulted in scoring of projects and a funding recommendation. Science panel and staff reviews will advance with the proposal to the Ecosystem Roundtable, and will form the basis for recommending a preliminary funding package.

"Local governments, adjacent property owners and other interested parties should be given the opportunity to be engaged early in the process." Many individuals have been critical of the compressed time line for project selection. Revisions to the process include establishing an annual funding cycle to correspond to the federal fiscal year, with decisions on project selection being made concurrent with the beginning of the fiscal year. This will allow a more systematic approach to project selection. The public, local governments and stakeholders will be engaged in the process at the onset, including opportunities to contribute to the annual priorities and work plans which define the type of projects that will be selected, and opportunities to consider and provide comments on projects which are being considered for funding.

The proposed revised project selection process consists of three primary components: definition of priorities, solicitation of proposed projects and selection of projects.

Definition of Priorities. The definition of clear annual priorities is the foundation and first step in the annual ecosystem restoration implementation process. According to the proposed implementation process, annual priorities are developed in the first quarter of the year prior to the year being funded. For example, FY 2001 priorities will be developed in the first quarter of FY 2000. Annual priorities are based on the goals and programmatic actions contained within the ERP combined with public, agency, and

stakeholder input, policy decisions and the CALFED solution principles. Annual priorities must be sufficiently detailed to form the basis for project selection. As we move into implementation of the long-term plan, every project approved should make measurable progress towards its implementation. These implementation actions are described in ERP Stage 1 Actions and Stage 1A Bundles. Stage 1A Bundles geographically represent implementation actions for not only the ERP but other CALFED programs (e.g. Water Quality and Watershed Management).

Solicit Proposals. An annual solicitation process focused on annual and long-term priorities will be held in the second quarter of each fiscal year. Broad notification would be made and a closing date identified. Proposals can be submitted outside the solicitation period. These proposals would be held, processed and considered as part of the following solicitation period. A standard proposal submittal package would be made available. This package would identify minimum requirements for proposal submittal and the process for project selection. New annual priorities would be made available at the beginning of each second quarter to guide potential applicants in the type of projects being sought.

Select Projects. The annual solicitation process focused on annual and long-term priorities will be held for the purpose of identifying potential ecosystem restoration projects. Once proposals are received, they will be given an administrative review to determine that they are complete and responsive to the solicitation. Proposals which do not meet specified minimum requirements will be eliminated at this step.

Proposals will next be subjected to a concurrent review by an independent science panel and CALFED staff for scientific and technical merit. A large pool of independent scientists and technical experts who have appropriate expertise will be developed to provide independent peer review of the proposals. Each proposal will be evaluated by 3-5 scientists or technical experts. Non agency scientists will be provided with funding for this activity. Proposals will be evaluated on their individual merit when compared to evaluation criteria and annual priorities, not compared against one another at this point in the process. CALFED staff will be providing recommendations as to the proposal's potential ability to meet ERP short and long-term objectives, and reviewing administrative and non scientific proposal components. Both the scientific and staff review will result in a narrative recommendation as to the merit of the proposed project. These recommendations would be advanced with the proposal to the Ecosystem Roundtable for consideration of funding.

Potential projects may also be identified as directed programs by the CALFED Ecosystem Roundtable or Policy Group, or by providing funding to a next phase of an already funded project. Decisions regarding the preliminary funding package would be made by the Ecosystem Roundtable in a public forum. The Ecosystem Roundtable's role is to consider the staff and scientific recommendations and provide policy input into the selection process. The Ecosystem Roundtable will consider and compare all potential

projects and their relative ability to meet the annual priorities. As has been done in the past, the Roundtable recommendation will be forwarded to the Bay Delta Advisory Committee and Policy Group. Policy Group will make the final recommendation to the Secretary for Resources and Secretary of Interior for approval.

FY 2000 Priorities and Project Selection

The first step toward project selection for FY 2000 involves development of priorities. The priorities should identify desired outcomes through project actions in the first year of Stage 1 implementation. Draft FY 2000 priorities will be presented to the Ecosystem Roundtable and the public to identify ERP priorities for the coming year. A public workshop will be held on August 31st to discuss the priorities outlined. Upon completion of the FY 2000 priorities, projects can then be identified which meet those priorities. Projects for FY 2000 are expected to be funded primarily with proposals remaining from the 1999 Proposal Solicitation Package. FY 2000 priorities may also be met by developing new directed programs.

The attached table describes the key dates for the Roundtable in this process. It is expected that recommendations will be made, in part, by October of this year in time for FY 2000 funds. It is anticipated that CALFED may receive \$30 to \$45 million dollars for ecosystem restoration projects for FY 2000.