



# Coos Watershed Association

## Strategic Framework

2005 - 2015



September 2004



# Coos Watershed Association Strategic Framework 2005 – 2015

## Table of Contents

Executive Summary .....	iii
Introduction.....	7
Background and History.....	10
Market Approach .....	14
Program Approach and Activities .....	17
Management and Operations.....	24
Financial Considerations.....	33
Risks and Risk Management.....	40
Conclusion.....	42
Attachment A: Summary of Job Responsibilities .....	44

## Figures

Figure 1 Programs Diagram .....	22
Figure 2 Board and Committee Structure .....	27
Figure 3 Organizational Chart .....	30

## Tables

Table 1 Products and Services .....	23
Table 2 Sample Performance Measurement System .....	32



## EXECUTIVE SUMMARY

### INTRODUCTION

Incorporated as a private, not-for-profit organization in 1994, the Coos Watershed Association (CoosWA) is one of the oldest community-based watershed stewardship organizations in the Pacific Northwest. The CoosWA is widely recognized as a *leading watershed organization* in a field of more than 90 such organizations throughout the state of Oregon.

In 2004, the Executive Council elected to undertake an organizational and programmatic review and hired ShoreBank Enterprise Pacific to facilitate this effort. *The purpose of this process was to develop a Business Plan that would act as a strategic foundation that will serve the organization for the next ten years.* Implementation of this Business Plan requires two steps:

- A short-term (three year) tactical plan for refinements and upgrades designed to enhance organizational capacity that was based on the Internal Operational Audit; and
- A long-term strategic business plan to guide the organization for its next ten years (this document).

It is our intent to use this Business Plan as a strategic guide-post consistent with our Organizational Mission.

#### **Organizational Mission**

The mission of the Coos Watershed Association is:

*To provide a framework to coordinate and implement proven management practices, and test promising new management practices, designed to support environmental integrity and economic stability for communities of the Coos Watershed.*

### FRAMEWORK FOR THE BUSINESS PLAN

This Business Plan is based on the following set of fundamental assumptions that have derived from our first ten years of operation. *This refined approach places an emphasis on combining a more business like operating framework with an enhanced scientific approach.* This will include:

- **A Market-Based Approach:** Our *market is expanding* from upland large landowners (corporate and public) to now include lowland small land owners (farmers, small businesses, rural municipalities). *This shift requires intensified outreach, education, and communication to create a constituency of Conservation Stewards who place value on the products and services we offer.* Our goal in a market-based approach is to reduce dependency on subsidies, diversify our base of funding, and result in a financially stable future.
- **Focused on Goals & Values:** We ask the question – why do individuals value watershed conservation work? We believe that *people are motivated by different “values” in four general categories: ecological, economic, cultural, and community/public good.* In business terms, we believe that *“value” translates to “return on investment”* of time and money. Simply put – when we do work for people, our clientele understands the value of these services and outcomes, and are willing to compensate the organization for our services.
- **Committed To Innovation:** *Our lasting value to the watershed stewardship movement will be in demonstrating innovations* in approaches, products, and techniques. Every action we undertake is considered to be an experiment that can produce learning and demonstrate improved management techniques that can be shared with experts and non-experts alike.

- ***With Highly Functioning Organizational Capacity:*** *Our long-term organizational health is dependent on efficient and high functioning operating systems*, diversified sources of funding, mutually beneficial partnerships, and increased staff capacity to provide quality services.

## PROGRAM APPROACH

The science of watershed restoration and conservation is constantly evolving. In response, the services and products offered by the CoosWA have grown and evolved. In the past, this has primarily happened in an opportunistic and reactionary way. ***Our new strategy establishes an internal process for innovation through continuous research and development.*** Led at the Executive and Board level, ***this innovation process will feed ongoing program enhancements in our three program areas***, keeping the CoosWA at the leading edge of its field. To lay the groundwork for implementing this strategic framework, we have organized our program activities under three areas: Education; Conservation Stewardship; and Information.

- **Education:** Outreach builds constituency and support – education builds skills, leadership, and Conservation Stewards. Activities include:
  - ✓ Educational Workshops and Tours
  - ✓ Landowner Outreach
  - ✓ Publications
- **Conservation Stewardship:** Landowners and the broader community are the stewards of this watershed and are our target market for restoration practices and services. These include, but are not limited to:
  - ✓ Riparian Stewardship Services
  - ✓ In-stream Habitat Restoration
  - ✓ Technical Assistance and Consulting
- **Information:** Monitoring, data collection, and analysis are required both to measure and maximize the impact of our efforts. Activities in the Information program area include:
  - ✓ Environmental Monitoring
  - ✓ Species Monitoring
  - ✓ Assessment and Analysis

An integrated approach is taken in these three organizational areas. For example, Conservation Stewardship can only occur as the result of education and outreach to landowners, while at the same time requiring high levels of assessment, monitoring and analysis to be successful.

## PRIORITIES AND OUTCOMES

Using our business plan’s emphasis on building a foundation for growth through expanded organizational capacity, our priorities and expected results for the next three years include:

***Build Capacity*** that results in increased tenure of staff, establishment of a Deputy Director position, enhanced operational capacity, and effective financial and grants management reporting systems.

***Expand Partnerships*** to provide opportunities for mutual benefits and measurable impacts in our watershed.

***Enhance Communication, Outreach, and Education*** to build a comprehensive stewardship education program that expands our constituency. A minimum of one publication focused on watershed stewardship will be published annually.

***Articulate Return on Investment*** to demonstrate to the landowner the “value” of conservation stewardship activities on their property, and its overall benefit to the watershed.

**Diversify Our Funding Base** so that no more than 30% of total funding will be from any one source; and the Association will achieve an Earned Income Ratio (EIR) of 75% by 2008. The EIR is the proportion of the organization's funds received from fees for services compared to its total revenues.

**Support Program Innovation** to initiate one new research project focused on innovations in watershed stewardship annually. Results will be evaluated and findings will be broadly disseminated to peer institutions and our local community.

**Measure Organizational Impact** through a metrics system with performance results broadly disseminated.

## FINANCIAL PERFORMANCE

A major emphasis of our strategy is to diversify the base of funding that supports our operation. ***The goal of this diversification is to reduce reliance on any one source of funding.*** This will be achieved through positioning and marketing the institution to a more diverse base of funding sources, combined with an emphasis on products and services that result in earned revenue. ***The primary focus over the next three years is to expand organizational capacity.*** Especially critical is to: (a) upgrade our financial accounting and grants management systems; (b) increase the efficiency of our computer network; and (c) provide for increased staff retention and skills.

Additional funding will be required over the next three years to establish the necessary expanded capacity. The cost of this effort is projected at approximately \$340,000 over the three-year period. The Internal Operational Audit (completed in the fall, 2004) provides an overview of general costs for this capacity building. Based on the Audit, a set of financial projections for 2005 -2007 have been developed to provide for this increased capacity and are indicated in the projected budgets in this document. To fund these activities, the Association will embark on a fundraising strategy that combines securing a number of smaller grants for specific discrete activities and projects (typically from local and regional sources), along with cultivating larger multi-year grant support for capacity building and communications from regional and national foundations.

## STRATEGIC PLAN IMPLEMENTATION

This Strategic Business Plan provides a guide for the Association's next ten years. Implementing the Plan will require the sustained commitment of the Executive Council and staff. As a first step, the Executive Council will form a Strategic Plan Implementation Committee to map out detailed plans and specifications for each year during the initial three year period, with more general goals fixed for years four through 10. These plans and specifications will be incorporated into the Annual Work Plan and Budget, with continuing oversight by Executive Council during its meetings. Strategic Business Plan implementation will also provide the focus for the annual Executive Council retreat, at least during the initial three years (2005 – 2008).

## **Introduction**

The Coos Watershed is one of the most diverse watersheds on the Oregon Coast, covering approximately 390,000 acres of estuary, uplands, and urban areas. In comparison with other coastal watershed, it also has one of the highest proportions of private land ownership.

*The watershed is nestled in the coastal temperate rainforest of the Pacific Northwest, one of the most productive biological landscapes on the planet.*

It is an area where human culture has long been influenced by an abundance of natural resources. The region is rich in salmon and shellfish, and the upland hills are home to some of the largest spruce and fir trees in North America. Early native tribes prospered in this environment, developing a highly self-sufficient culture by gleaning resources from both land and sea. Later, European settlers arrived with a strong sense of independence, and built a small empire based on exporting the natural abundance of this area to a global market. In the early 20<sup>th</sup> Century, Coos Bay was home to one of the largest lumber mills in the world, affectionately known as the “Big Mill.”

*The natural resource industries of the Coos Bay area supported a booming, working class economy for much of the 20<sup>th</sup> Century.*

Wood products mills run by the C.A. Smith Company, and later Georgia Pacific and Weyerhaeuser provided thousands of jobs to residents of the watershed. The vast network of rivers and tidal waterways supported logging and other work in the woods. Local salmon runs fed a growing fishing industry. However, the early harvesting practices of these industries often failed to integrate long-term management strategies. Early timber harvesting, coal mining, agriculture and fishing adversely affected the biological health of the watershed, damaging salmon habitat, and degrading water quality.

*As yields of natural resources declined, the community began to look hard at the prospects of the long-term, and to examine the idea of sustainability.*

Community leaders asked how the region could maintain a healthy, sustainable economy, and conserve the rich environment that makes the Coos Watershed unique.

*Restoring the natural wealth of this region – which will result in restoring economic wealth – is a priority for many local residents and businesses.*

The abundance of natural resources is a point of pride for Coos County residents. It is also a savvy business model, banking on long-term sustainability over short-term boom

and bust cycles. Embracing a history of independence and self-sufficiency, the local community has provided strong support to the Coos Watershed Association, a grass-roots group focused on improvement and restoration of this magnificent environment.

### ***Planning Process***

The early work of the Coos Watershed Association was funded almost entirely by grant subsidies from state and federal government sources. As the Association evolved, it became clear to the Executive Council and staff that an entrepreneurial, market-based approach would be required to ensure success and sustainability for the organization.

***The key, they believed, was to market a set of products and services that appealed to the self-interest of their constituency. To create an approach that supported local investment in restoration and conservation activities and resulted in measurable returns on that investment.***

In 2004 the Coos Watershed Association hired ShoreBank Enterprise Pacific to implement a capacity building effort aimed at building a strong and diverse financial foundation from which the CoosWA could grow. The effort provided guidance in two general areas:

- ***Operational Audit: Assessment of current operating systems resulting in a three year plan for refinements and upgrades designed to enhance organizational capacity;***
- ***Strategic Framework: Reflection on our organizational history and impacts, evaluation of our current and future operating environment, and review of current and potential CoosWA program activities - resulting in a new business framework. It is our intent to *use this framework as a strategic guidepost as we move into our second decade of operations, used to guide future growth and as a tool to assist with accessing funds necessary to finance that growth.****

The framework presents information targeted to fill the following needs:

1. An integrated overview of CoosWA program activities, including both subsidized and revenue generating activities;
2. A diversified fundraising strategy matched to forecasted programs and projects.
3. A three year forecast of financial requirements necessary to sustain the organization and support desired capacity building and program activities.

Various sections of this framework examine organizational background, market, program activities, operating structure, financial condition, fundraising and risk management.

This strategic framework is the *culmination of a multi-step capacity building process*. In conjunction with CoosWA staff and the Board, ShoreBank Enterprise undertook the following steps:

1. Council and Staff Surveys: Surveys were distributed and responses collected from active Board members and current staff. Analysis of the surveys provided an overview from Council Members and staff regarding opinions on current status and future direction. The results of the Board survey were presented in a written report.
2. Operational Audit: Current program and systems were reviewed and analyzed. The resulting report provided a set of observations and recommendations designed to enhance the operating structure of the organization. The information provided in the Operational Audit focused on identifying system needs regarding financial and grants management and future revenue generating activities.
3. Board Retreat: ShoreBank Enterprise staff facilitated a retreat of the CoosWA Board. The retreat included a review of the Operation Audit developed by ShoreBank Enterprise. The Board was asked for feedback on suggested operational changes as well as possible opportunities for change or growth in program activities.
4. Staff Retreat, Program Review, and Development: Working through staff and others as directed, ShoreBank Enterprise reviewed all existing program activities. The process included a review of program materials, one-on-one meetings, and a staff retreat focused on program activities.
5. Draft Strategy: Based on results of operational audit and program review, ShoreBank Enterprise developed a draft framework for review by staff.
6. Final Strategy: Based on review of draft plan, ShoreBank Enterprise made refinements and presented a final document.

## **Background and History**

Incorporated as a private, not-for-profit organization in 1994, the Coos Watershed Association (CoosWA) is one of the oldest community-based watershed stewardship organizations in the Pacific Northwest. The CoosWA is widely recognized as a ***leading watershed organization*** in a field of more than 90 such organizations throughout the state of Oregon.

### ***Founding Focus***

***The CoosWA was founded to serve as a voluntary organization focused on improving environmental conditions in the watershed, and, in doing so, support economic stability for the people and businesses located in the watershed.***

In practice, the CoosWA has approached watershed improvement through a focus on improving salmon habitat and salmon passage (access to habitat). Salmon, both the Coho and Chinook species that are dominant in the watershed, are excellent indicators of environmental quality. Both species depend on good quality water, and healthy river and stream habitat to prosper.

In order to improve opportunities for salmon and improve the overall health of the watershed, the organization has supported the following activities:

- **Improvement Projects:** Construction projects to restore or create fish habitat;
- **Information Projects:** Research efforts to assess the location and size of problems, and track the success of efforts to fix problems;
- **Education Projects:** Outreach efforts designed to share information and teach residents how they can help maintain a healthy watershed.

***To date the CoosWA has invested over \$5,000,000, and leveraged an equivalent amount in in-kind landowner contributions, on watershed improvement projects in the Coos Watershed.***

As the CoosWA has expanded the scope of its programs, ***it has increased the depth and complexity of its approach to improving watershed health.*** Although salmon survival still remains a high priority for the organization, ***new opportunities have emerged that require testing and implementation of activities that target the broader mission of improving water quality, watershed health, and economic stability.*** In recent years, the CoosWA has engaged in research and development projects that have resulted in innovative new tools and practices for watershed improvement.

The CoosWA has approached these efforts on a voluntary basis, ***partnering with organizations and landowners*** to create projects with high leverage values and broad

based local support. The organization has historically had strong support from the State of Oregon, the Federal Bureau of Land Management, Weyerhaeuser Corporation and other industrial landowners, as well as hundreds of local landowners and citizens.

### ***Organizational Statistics***

The activities of the CoosWA are applied to the Coos Watershed basin, an area that covers approximately 610 square miles and is about half the size of the State of Delaware. The geography served by the CoosWA is characterized by the following:

- The largest urban area on the Oregon coast;
- The largest commercial oyster production region in Oregon;
- The second largest estuary on the Oregon coast (after the Columbia River);
- One of the most productive and important habitat areas for endangered coastal Coho salmon on the Oregon coast.

***These characteristics, and the region's potential for continued growth, have made the Coos Watershed an important bell-weather region for issues and practices related to watershed stewardship.***

The combination of urban development and high habitat values has created a unique opportunity for the CoosWA to become an innovator in the field of watershed work.

Since starting as a volunteer organization with a limited budget, the CoosWA has grown into a respected organization with a staff of +/- 10 and an annual budget of approximately \$1,000,000. The following milestones characterize the CoosWA's efforts to grow an effective watershed organization:

- 1994: First paid staff
- 1994: First project grant – “Bullwinkle I” - \$316,714 from the Oregon Watershed Health Program, July, 1994 (includes \$45K “watershed council support and development”)
- 1996: First OWEB support – Council support and development was built into all the early Oregon Watershed Health grants; the first solely Council Support Grant from GWEB/OWEB was received in 1996 for \$18,000 over two years.
- 2001: Budget passes \$1,000,000
- 2001: More than 5 full-time employees - Until January 2001, all CoosWA employees were leased through Cardinal Services. On June 1, 2004 with the initiation of benefits, all full-time employees were hired directly by the Association.

## **Historical Funding Support**

*The idea of watershed councils as a mechanism to improve conditions for fish and streams began with a report by the Rivers Council in 1991 that proposed language for legislation to establish the councils (this resulted in SB1183). Models used to design the Oregon system included the Puget Sound Water Quality Management Agency, a program started in Michigan in 1994 for local advisory councils (which now has taxing power), and the Oregon Groundwater Program that provides for groundwater advisory councils.*

The “Oregon Watershed Management Proposal” completed in December, 1992 prepared model legislation. *In 1993, the Oregon Legislature passed HB2215, which called for the establishment of local voluntary councils to restore watershed health.* At this time, funds were targeted to coastal salmon populations as a result of the findings in Willa Nelson’s “Pacific Salmon at the Crossroads” article. *In 1996, the Legislature passed the Healthy Streams Partnership, which led to the establishment of the Governor’s Watershed Enhancement Board (later renamed the Oregon Watershed Enhancement Board in 2000).*

*The Healthy Streams Partnership added overall water quality to the previous salmon orientation, specifically to address SB1010’s local agricultural water quality management plans as well as the USEPA/DEQ total maximum daily load allocation process under the Federal Clean Water Act.*

As far as the sustainability of councils was concerned, the originators recognized in 1991 that initially the *State would need to provide the majority of funding to establish the councils and provide for their initial efforts, but were hopeful these funding needs would decline over time.* According to Louise Solliday – one of the originators of the watershed councils in Oregon – the initial thinking was that the councils “would be around for a long time.”

The history of base, state, funding for the Coos Watershed Association operations is consistent—by design—with this approach. There was also a recognition that support for watershed councils would probably be easier in urban, compared to rural areas, because there was more industry and stronger local governments to provide this support.

Various types of local support were envisaged: one was a “polluters pay” mechanism similar to ones in Japan where downstream areas are taxed by cities to clean up upper watershed areas. Other potential sources of support considered where the design and implementation of mitigation, as well as other types of water quality sampling. There was no concern expressed about competition with other local, private, sources for these services.

*Past funding support for the CoosWA has primarily focused on achieving ‘on-the-ground’ restoration projects. However, the CoosWA*

***has targeted a new but growing product niche that concentrates on developing new products for watershed improvement.***

More recent funding has supported innovative projects such as DNA identification of sources of fecal pollution, and the publication of a “how-to” guide for private landowners engaging in riparian re-forestation.

***We believe our future resides in continuing to evolve our products and service line – and by so doing – move the organization towards a more diversified stream of funding sources.***

## **Market Approach**

At its core, the CoosWA market approach relies on landowners and citizens to engage in voluntary efforts to improve watershed health. In many ways, *the CoosWA is best defined by what it is not - a regulatory approach.* The CoosWA focuses on voluntary partnerships as a method for building successful projects.

### ***Partnerships***

Partnerships are the key to the successful implementation of our activities, and the CoosWA engages partners that range from multi-national corporations to retired mill workers that want to improve their 10 acres of “heaven.”

*Most of these partners, be they large or small, offer up private contributions to the restoration projects, both in cash and in ‘sweat equity.’ The market is broad, and it is growing, new customers for watershed services are emerging as the organization expands its products and services to support new opportunities for watershed conservation.*

The CoosWA Executive Council plays a key role in developing and enhancing partnerships. The membership of the Council reflects project partners. Major landowners in the watershed are represented on the Council, along with local governments and state and federal agencies. *These partners can often bring significant resource to projects*, making them work where they otherwise would not.

### ***Early Products***

*Early CoosWA work focused on the large forest-land owners in the headwaters of the watershed.* Between the State of Oregon, the U.S. Government and the Weyerhaeuser Corporation, over 50% of the watershed is in large holdings. Early work focused on building strong relationships with these owners, and *implementing hundreds of projects across broad swaths of forest and streams.*

*The products provided to this market were focused on on-the-ground improvements. The informal slogan of CoosWA work was “find it and fix it.”*

The CoosWA partnered with these large partners to survey the upper reaches of the watershed, and determine key problems, especially problems related to salmon passage and survival. The CoosWA worked on the miles of logging roads cut through the upper watershed. Crews fixed road erosion problems, replaced old, failing road culverts with ‘fish friendly’ road crossings, and closed roads that were no longer necessary.

Working with private landowners, the CoosWA obtained funding from state and federal agencies to restore critical salmon habitat. Crews placed large boulders and woody debris in streams, seeking to simulate natural habitat that existed before being damaged by the rough and tumble logging practices of the early 20<sup>th</sup> Century.

*These projects were highly successful, resulting in greatly improved habitat, and satisfied partners. New areas of the watershed were re-opened to salmon, and both the CoosWA and its partners were able to claim 'win-win' results.*

### **Current and Emerging Products**

The science of watershed restoration and conservation is constantly evolving. In response, the services and products offered by the CoosWA have grown and deepened.

*The organization continues to respond to the needs of its historic constituency, maintaining a strong restoration projects program, but, at the same time the CoosWA has responded to new requests from a growing market focused on water quality issues.*

New markets have emerged in the areas of water quality testing, pollution source identification and outreach and education.

*These products focus less on construction and more on the generation and sharing of information. Years of experience in watershed assessment has created organizational capacity to collect, analyze and interpret data concerning watershed health.*

The CoosWA is building on this capacity, offering its services to a range of publicly held agencies and research institutions. Recent products include:

- Weather monitoring services
- Bacteria DNA sampling
- Stream temperature monitoring
- Well-water training workshops
- Riparian Silviculture Guide (publication)

*The CoosWA is also beginning to market to a new constituency, the thousands of landowners that occupy the lowlands surrounding the Coos Bay Estuary. These lands include some of the most valuable opportunities remaining for significant salmon habitat improvement.* The lowland region is also home to over 30,000 people. It is an area that is characterized by small land holdings.

*It is this constituency that the CoosWA must service as it matures in its role as the premier community institution addressing issues of water quality and watershed restoration on Oregon's south coast.*

To meet the challenges of this new market, the **CoosWA will implement an aggressive outreach and education program** designed to build skills in watershed stewardship and expand our constituency.

Our products, services, and activities will be geared towards the following **market segments over the next ten years:**

- Upland large forestland owners (public, private)
- Lowland small landowners (farmers, small businesses, rural municipalities)
- Local municipalities and public agencies
- State/Federal public agencies and regional/national private foundations
- Community-based non-profits, educational institutions, environmental organizations, and science institutions
- Other watershed stewardship organizations

## **Program Approach and Activities**

### **Strategic Framework**

This strategic framework is based on the following set of fundamental assumptions that have derived from our first ten years of operation. *These assumptions are founded on our conclusion that to be successful in the future, we must focus on changing the model for watershed-based work.* Put simply – we could chose to stay in our current mode of operation and delivery or we could chose to move forward with a refined approach. *This refined approach places an emphasis on combining a more business like operating framework with an enhanced scientific approach.* This will include:

- **Market-Based:** Our *market is expanding* from upland large landowners (corporate and public) to now include lowland small land owners (farmers, small businesses, rural municipalities). *This shift requires intensified outreach, education, and communication.* In business terms, we must now focus on building and expanding our market. *This should not be taken as a sign of retreating from our past focus on the uplands. There is still much work to accomplish in partnership with our upland landowners and we will be retaining and expanding these efforts.* Our new approach is inclusive of the entire watershed and will be:

#### **Market-Based**

Market has expanded



Access to new market will be through Outreach and Education



Objective is to create a constituency of Conservation Stewards



These “Stewards” see value in products and services we offer  
(And will pay for them)

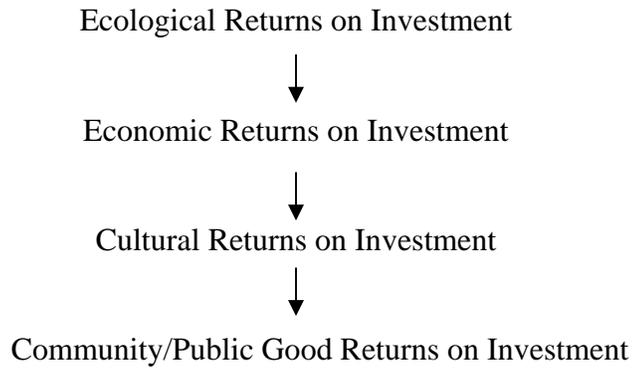


This reduces dependency on subsidies, diversifies our base of funding, and results in a financially stable future

- **Rational Self-Interest:** Our products and services will be designed and implemented to demonstrate rational self-interest and measurable returns on investments. We define rational self-interest in terms of value – why do individuals value watershed conservation work? In business terms, we believe that “*value*” translates to “*return on investment*”. Simply put – what do I, as an

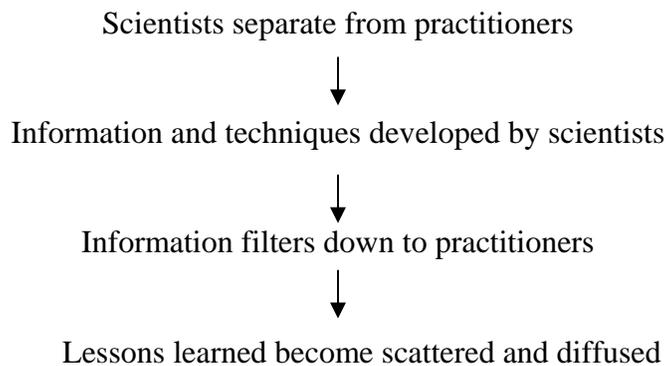
individual or entity, “get” in return for participating in conservation and restoration activities? We believe that *people are motivated by different “values” and that return on investment happens in four general categories:*

**Rational Self-Interest**

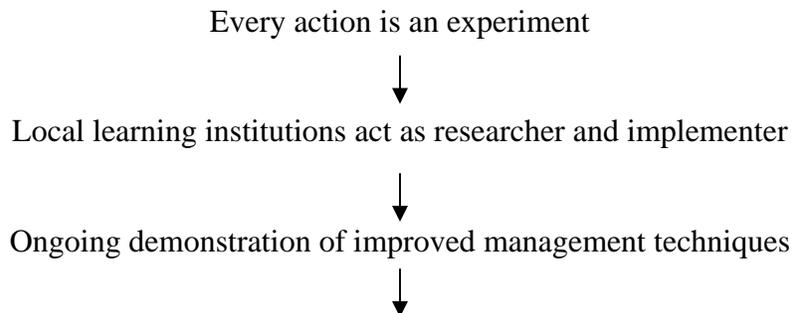


- **Innovation:** *Our lasting value to the watershed stewardship movement will be in demonstrating innovations* in approaches, products, and techniques – and disseminating lessons learned (successes and failures), to peer institutions. A focus of this new framework will be to demonstrate a new method for researching and implementing watershed-based conservation activities:

**Old Model for Innovation**



**A New Model for Innovation**



Sharing lessons learned with experts and non-experts

- ***Capacity: Our long-term organizational health is dependent on efficient and high functioning operating systems, diversified sources of funding, mutually beneficial partnerships, and increased staff capacity to provide quality services:***

### **Capacity**

Our staff and volunteers are the organization's primary asset



High functioning systems and appropriate technology are required for success



We can't be successful alone – partnerships are a hallmark of our approach



Revenue generation and funding diversity are essential to long-term stability

***In summary, in our new framework must provide for:***

- A transition from a narrow constituency to a broader constituency, refining our approach based on a changing market – **MARKET-BASED**
- This new constituency will be driven to action by different “values” and motivations – **RATIONAL SELF-INTEREST**
- To successfully program and create services for this changing market we must internalize a process for ongoing refinement and learning – **INNOVATION**
- To achieve this innovation and deliver quality products and services to a broader constituency, we must enhance our operating systems and expand institutional capacity through a commitment to system development, diversified funding, and expanded partnerships – **CAPACITY**

### ***Program Approach***

The science of watershed restoration and conservation is constantly evolving. In response, the services and products offered by the CoosWA have grown and deepened. ***This strategy establishes an internal process for innovation through continuous research and development.*** Led at the Executive and Board level, ***this innovation process will feed ongoing program enhancements in our three program areas***, keeping the CoosWA at the leading edge of its field.

To lay the groundwork for implementing this strategic framework, we have organized our program activities under three areas: Education; Conservation Stewardship; and Information.

Our focus for the Education Program Area will be market driven and emphasize outreach, communication, and education activities that results in developing a broader constituency of Conservation Stewards.

In partnership with these Conservation Stewards, our Conservation Stewardship Program Area will continue to provide the on-the-ground restoration services and assistance we have become known for.

Our Information Program Area will provide the monitoring, data collection, and analysis required to both measure and maximize the impact of our efforts.

- **Education:** Outreach builds constituency and support – education builds skills, leadership, and Conservation Stewards. Activities include:
  - Educational Workshops and Tours
  - Landowner Outreach
  - Publications
- **Conservation Stewardship:** Landowners and the broader community are the stewards of this watershed and our target market for restoration services and activities. These include:
  - Riparian Stewardship Services
  - Erosion Control
  - In-Stream Habitat Restoration
  - Technical Assistance
- **Information:** Monitoring and information collection and analysis provides the framework to maximize impact of our efforts. Activities include:
  - Environmental Monitoring
  - Species Monitoring
  - Assessment and Analysis

### ***Organizational Priorities and Outcomes***

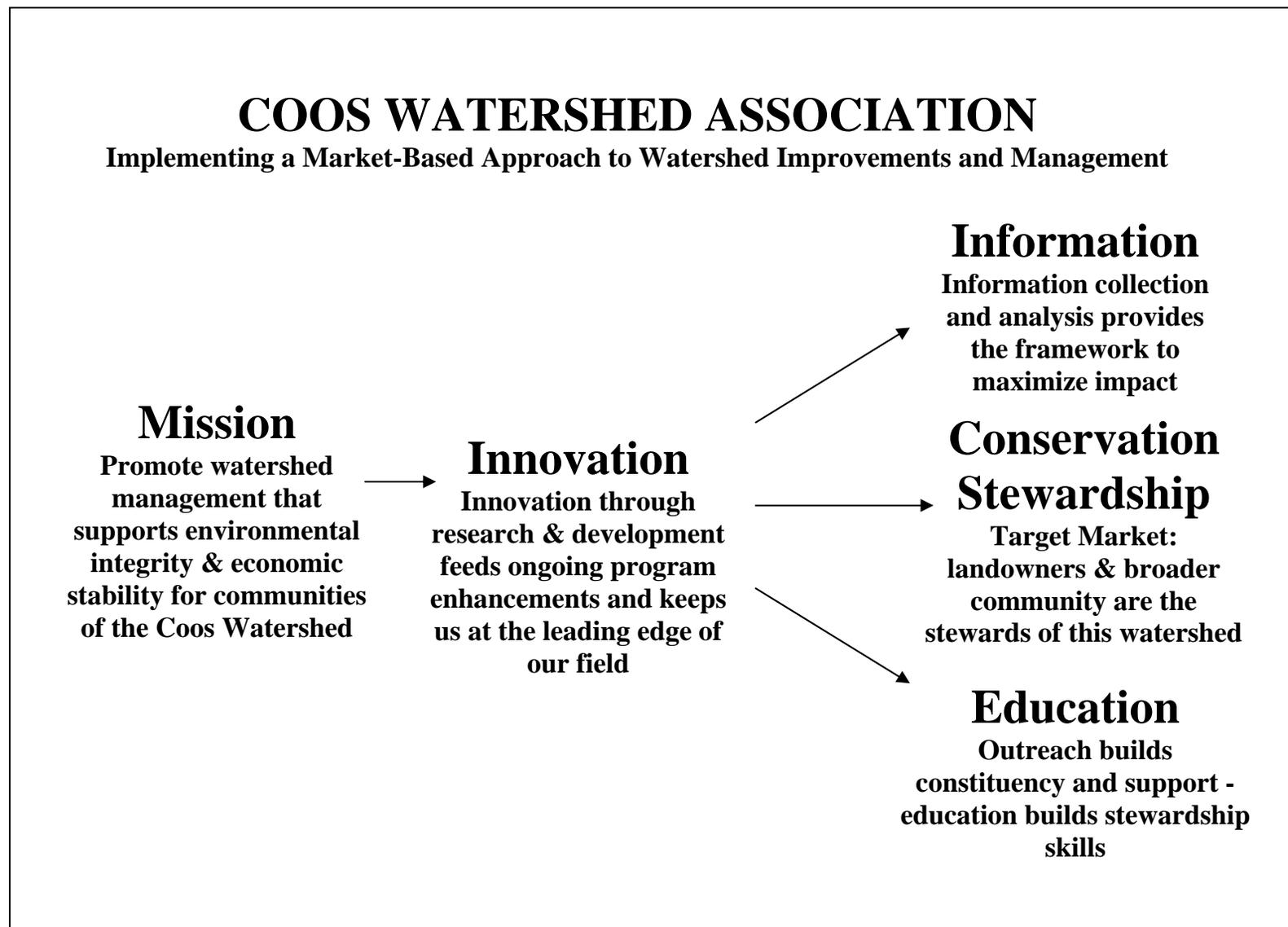
Using the emphasis of building a foundation for growth through expanded organizational capacity, our priorities and expected results for the next three years include:

- **Building Capacity:** Building staff and institutional capacity as an on-going activity.  
**Result:** Increased tenure of staff, establish a Deputy Director position, Board development and training, enhanced operational capacity, and effective financial and grants management reporting systems.

- **Expanding Partnerships:** New partnerships that leverage new resources.  
**Result:** Expanded partnership opportunities that provide mutual benefits and result in measurable impacts in our watershed.
- **Enhancing Communication, Outreach, and Education:** Aggressive and consistent outreach that builds partnerships, markets, and a constituency of Conservation Stewards.  
**Result:** A comprehensive stewardship education program will be implemented that expands our constituency. A minimum of one publication focused on watershed stewardship will be published annually.
- **Articulate Return on Investment:** Demonstrate “rational self-interest” to constituency through restoration projects and activities.  
**Result:** Through publications and presentations, will articulate the “value” of conservation stewardship activities to all residents and users of the watershed in a way that connects with their personal motivations.
- **Diversify Base of Funding:** Position the organization for new sources of funding and continue expansion of revenue generating activities.  
**Result:** Increased cultivation of new funders, no more than 25% of total funding will be from one source, and achieve an Earned Income Ratio (EIR) of 75% by 2008.
- **Supporting Program Innovation:** Research and development on new restoration innovations, monitoring, science, and outreach/education will be prioritized and implemented through enhanced capacity.  
**Result:** One new research project focused on innovations in watershed stewardship will be initiated annually. Results will be evaluated and findings will be broadly disseminated to peer institutions and our local community.
- **Measuring Impact:** Measuring our impact and sharing the lessons learned.  
**Result:** A metrics system will be implemented and performance results will be broadly disseminated.

On the following pages are a Programmatic Flow Chart and a table of Products and Services, Target Markets, and Outcomes.

**Figure 1 Programs Diagram**



**Table 1 Products and Services**

Product / Service	Target Market	Mission Outcome
<p><b>Conservation Stewardship</b>                      Riparian stewardship services</p> <ul style="list-style-type: none"> <li>• Tree Planting</li> <li>• Weed control</li> <li>• Fencing</li> <li>• Stock watering</li> <li>• Forest management</li> </ul> <p>Erosion control</p> <ul style="list-style-type: none"> <li>• Culvert replacement</li> <li>• Road decommissioning</li> </ul> <p>In-stream habitat restoration</p> <ul style="list-style-type: none"> <li>• Wood and boulder placement</li> <li>• Tidegate repair/replacement</li> </ul> <p>Technical Assistance</p>	<p>Private land owners, real estate professionals</p> <p>Private and public land owners</p> <p>Private and public land owners, irrigation districts</p> <p>Private landowners</p>	<p>Improved stream quality</p> <p>Improved water quality</p> <p>Improved fish habitat</p> <p>General watershed improvement</p>
<p><b>Information</b>                      Environmental monitoring</p> <ul style="list-style-type: none"> <li>• Streamflow and weather monitoring</li> <li>• Aquatic habitat inventories</li> <li>• Stream temperature monitoring</li> <li>• Tidegate performance</li> </ul> <p>Species monitoring</p> <ul style="list-style-type: none"> <li>• Salmon spawning surveys</li> <li>• Juvenile salmon monitoring</li> </ul> <p>Assessment and Analysis</p> <ul style="list-style-type: none"> <li>• Watershed assessments</li> <li>• Data management and analysis</li> </ul>	<p>Public agencies, environmental organizations, private landowners</p> <p>Public agencies, environmental organizations, private landowners</p> <p>Public agencies, environmental organizations, all county residents</p>	<p>Improved watershed assessment</p> <p>Fish survival assessment</p> <p>Lessons learned, ongoing program enhancements</p>
<p><b>Education</b>                      Educational workshops and tours</p> <ul style="list-style-type: none"> <li>• Septic and well-water education</li> <li>• Project tours</li> <li>• K-12, Community College outreach</li> </ul> <p>Landowner Outreach</p> <ul style="list-style-type: none"> <li>• Informational meetings</li> <li>• Outreach publications</li> </ul> <p>Publications</p> <ul style="list-style-type: none"> <li>• Watershed improvement guides</li> </ul>	<p>All county residents, educational institutions</p> <p>Small, private landowners</p> <p>Watershed improvement organizations, landowners</p>	<p>Increase awareness of watershed improvement issues</p> <p>Education, expanded constituency</p> <p>Education, expanded constituency, sharing lessons learned</p>

## **Management and Operations**

### ***Building Capacity***

The CoosWA currently faces an excellent opportunity to position itself for growth – to leverage and maximize impact – and to establish a unique place for our institution among regional and national watershed-based groups.

***The first step in seizing this opportunity is to build a solid foundation to ensure long-term organizational stability.***

To achieve this, an extensive operational audit was performed as the first step in this planning process. The purpose was to assess current operating systems, resulting in a plan for refinements and upgrades designed to enhance organizational capacity.

A detailed set of recommendations, including cost analysis, was developed and is available upon request. The recommendations include both short-term (i.e. quick system software fix) and long-term (i.e. staff development) activities. These detailed recommendations were organized in three categories: Operations, Personnel, and Board. ***The CoosWA is prioritizing fundraising activities to implement these recommendations.***

Successful implementation of these internal refinements will achieve the following desired outcomes:

- Spread responsibilities and accountabilities across the organization;
- Centralize administration and operations in a new management position, freeing up Executive Director's time to focus on organizational development, program development, and fundraising;
- Upgraded systems to accommodate for growth;
- Enhanced staff capacity and tenure through professional development training and performance management systems;
- Enhanced Board capacity to govern through increased involvement; and
- Efficient and responsive operating systems that result in cost savings and instill confidence in funders and clients.

***Enhancing the operational capacity of the CoosWA will obviously require additional resources.***

Issues of non-profit capacity, long-term stability, and financial diversification, are currently important topics in the eyes of funders and policy makers. We would add to this – ***recognition of the need for long-term funding stability currently being voiced by key leaders in the watershed restoration industry in the State.***

Given this increased interest, we believe the timing is right to aggressively pursue “capacity building” funds to support these recommended changes – ***resulting in a model of organizational sustainability for other groups*** – and further positioning CoosWA as a leader in its field.

The refinements are meant to be implemented in discrete stages, based on the realization that change must be implemented over time to reduce pressure on budget, staff, and volunteers. Expectations for a “quick fix” or “immediate results” are not realistic.

***We fully realize that a long-term commitment from Board and Staff will be required to achieve the desired results of a strong institutional foundation poised for growth.***

## **Governance**

The CoosWA is governed by a 20-member Council that represents landowners and stakeholders throughout the Coos basin. The Council is the backbone of the CoosWA, both in terms of governance and as a source of restoration projects. ***The Council has provided stable guidance over the first decade of the institution.*** Membership of the Council ranges from small ranch owners, oyster growers and fishermen, to large, multi-national wood products companies and federal agencies.

***Since inception, the Council has operated on a consensus basis, requiring that all Board actions have unanimous support.***

Board members supply technical expertise to CoosWA activities through both standing and ad-hoc committees. Specific responsibilities include:

- Setting program direction and approving annual workplan;
- Approving policies and changes;
- Normal fiduciary responsibilities and oversight, including annual budget approval;
- Participation on various program committees; and,
- Marketing of the CoosWA and its activities.

A four-member Executive Committee comprised of Board officers, meets monthly and reports to the full Council on actions taken. The Executive Committee provides direct management and financial oversight for the Executive Director. Specific responsibilities include:

- Scheduled to meet monthly (as necessary)

- Review monthly financials
- Advise on program direction
- Board member recruitment
- Oversee general affairs of organization
- Manage and evaluate performance of Executive Director annually

The Council also supports three additional standing committees: the Projects Committee, the Education Committee and the Audit Committee. The former committees provide direct support to staff, advising on program development, the later provides an independent review of financial information as a function of the annual audit. It is anticipated that the Council may form special committees as needed to provide guidance and assistance on certain projects or activities. These committees may also include non-board members and are scheduled to meet during the months in-between Board meetings. On the following page is a chart of the Board and Committee structure.

**Figure 2 Board and Committee Structure**



### **Staffing History**

The early CoosWA staff consisted of a paid Director and an administrative assistant. Most of the early activities and projects were completed through contracts with agencies and private organizations. Restoration projects were identified, designed and contracted out to the appropriate organization. In those early years the CoosWA was primarily a 'pass-through' organization, funneling funds to restoration work. CoosWA staff actually performed little of the 'on-the-ground' restoration work, absent some "displaced worker" crews in the early days.

As the CoosWA matured, the organization became more involved in implementing projects. The reasons for this are three-fold:

- Watershed assessment, and through it, restoration project identification and prioritization, became an important piece of watershed work;
- Institutional and staff knowledge accumulated, particularly with respect to monitoring, leading to innovation, and the establishment of the CoosWA as a storehouse for unique skills and knowledge with regard to watershed improvement projects; and
- The CoosWA began to embrace the entirety of its mission, requiring additional focus on education and outreach.

*As a result, the CoosWA staff grew to what it is today, a full-service watershed improvement organization focused on information, restoration, and education.*

### **Current Staffing**

Current CoosWA program activities are coordinated by the Executive Director (ED). The ED manages three program staff:

- Information and Monitoring Program Coordinator
- Conservation Stewardship Program Coordinator
- Education Program Coordinator

The ED also manages daily operations and finance and administrative functions in conjunction with a finance and administration assistant.

The Program Coordinators manage the day-to-day activities of restoration and monitoring technicians. The technicians perform on the ground survey and data collection activities.

The ED provides significant support to each program area, managing projects, providing technical assistance, and developing proposals for fundraising. All project decisions, including financial requests are funneled through the ED. Further, the ED provides direct

guidance to the finance and administration assistant, guiding the development and refinement of accounting systems, payroll and grant administration.

The ED role is crucial for providing senior guidance on important information, restoration and education programs. The ED must guide the integration of CoosWA activities, and identify areas for innovation that can create new opportunities for watershed restoration.

Because the role of the ED is very broad at the CoosWA, it is difficult for the ED to maintain the appropriate level of oversight for all areas. Further, the necessary skill sets for managing watershed improvement projects are different from the skills necessary for non-profit finance and administration.

***This strategy includes the addition of a new position, a Deputy Director (DD), to take on daily operations and financial responsibilities. The DD will manage administrative support staff, and will interact with all program staff concerning grant management and project and contract billing.***

The injection of a Deputy Director into the staffing structure at the organization will free up additional time for the Executive Director. The Executive Director will spend this time working on research and development of new projects and products for the CoosWA.

***A key premise to a market-based approach to watershed improvement is the need for innovation and cutting-edge programs that create interest among funders and clients alike. An ED with significant time devoted to research and development will be able to keep the CoosWA at the forefront of innovation and market trends.***

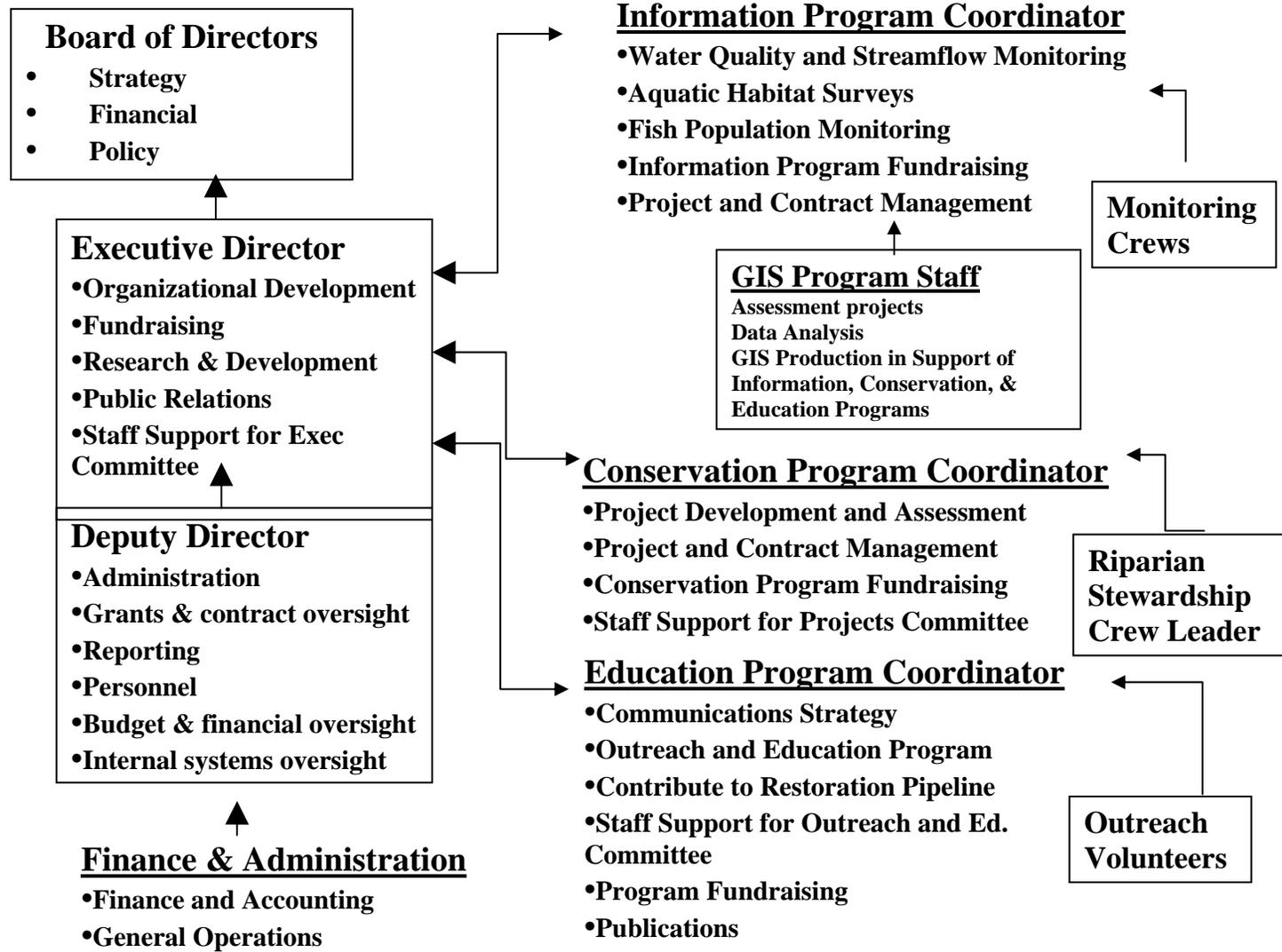
As with any institution, the quality of its staff is its most important asset.

***Recommendations contained in the operational audit are designed to increase staff capacity to perform, spread responsibilities and accountabilities, and provide for employee growth opportunities. Employee retention will be essential to long-term success.***

An organizational chart is provided on the following page.

**Figure 3 Organizational Chart**

**Coos Watershed Association - Functional Org Chart**



### **Measuring Impact**

Program monitoring and evaluation is a key element for measuring organizational success. Program monitoring can also assist the CoosWA in communicating success to funders, clients, and the broader community. The CoosWA Board is the primary party responsible for the creation of a monitoring system and periodic evaluation of programs based on the data.

***The Board will develop parameters for establishing a system to evaluate organizational impacts – what has been accomplished and how to measure it.***

Once basic parameters are defined, then a strategy will be developed for establishing required systems for data collection.

***In the future, the measurement tool will be used to establish organizational performance goals and objectives. Completion of a measurement system specific to the CoosWA is expected by June 2005.***

There are a variety of ways to breakdown and monitor organizational activities. The McKenzie Watershed Council has developed a comprehensive model for organizational evaluation that links over 25 data points to the achievement of 5 organizational goals. Many other models exist.

The table on the following page is provided as an example of a structure for collecting program data. The first column is divided into the 3 major CoosWA program areas: Information, Conservation Stewardship, and Education. The additional areas of Innovation and Organizational Management are also included. The second column is a set of example data points or ‘metrics’ that could be used to track performance in each of these area.

The types of data and the description of the ‘metric’ will vary based on the audience. A funder with strong technical expertise (e.g. OWEB) will understand terms like “aquatic passage barriers,” while lay audiences many respond to “numbers of fish.”

**Table 2 Sample Performance Measurement System**

Program Area	Metric
Information	<ul style="list-style-type: none"> <li>• # of monitoring contracts</li> <li>• Report production and dissemination</li> </ul>
Conservation Stewardship	<ul style="list-style-type: none"> <li>• Acres of land area protected by habitat type (e.g. wetland).</li> <li>• Number of aquatic passage barriers replaced.</li> <li>• Estimate of the length/acres of aquatic habitat reconnected.</li> <li>• Length/acres of key riparian, aquatic, and terrestrial habitats restored.</li> <li>• # of landowners participating in programs</li> <li>• Miles of stream with improving water quality</li> <li>• Miles of stream with increasing numbers of fish returning (3-year average)</li> </ul>
Education	<ul style="list-style-type: none"> <li>• Number of individuals attending Association meetings and other Council educational activities (quarterly basis).</li> <li>• Number of presentations given by Association Staff, Volunteers and Partners to organizations, user groups, and classrooms.</li> <li>• Number and hours of residents, students, teachers, organizations, and user groups devoted to participating in projects.</li> <li>• Number of households and organizations receiving information (newsletters and other materials).</li> <li>• Percentage of surveyed watershed residents and other stakeholders who express an understanding of watershed issues, stewardship actions, and activities.</li> </ul>
Innovation	<ul style="list-style-type: none"> <li>• Amount of funding for Research &amp; Development (annual basis)</li> <li>• Innovative techniques disseminated and adopted by others</li> </ul>
Organizational Management	<ul style="list-style-type: none"> <li>• Median meeting attendance for Executive Council members (by quarter)</li> <li>• Median staff tenure</li> </ul>

## **Financial Considerations**

### ***Financial Performance***

***A major emphasis of this strategy is to diversify the base of funding that supports our operation. The goal of this diversification is to reduce reliance on any one source of funding.***

This will be achieved through positioning and marketing the institution to a more diverse base of funding sources, combined with an emphasis on products and services that result in earned revenue. An internal definition for earned revenue is included below and will be used for establishing annual objectives for performance.

***A primary focus over the next three years is to establish the internal foundation of this framework with an emphasis on expanded organizational capacity.***

Using the recommendations from the Operational Audit, a set of financial projections for 2005 -2007 have been developed and are included in this document.

Additional funding will be required over this period to establish the necessary expanded capacity. The cost of this effort is projected at approximately \$340,000 over the three year period. A tiered fundraising strategy has been developed and will be implemented to secure the necessary resource.

### ***Earned Revenue***

***A priority over the next three years is to further establish revenue generating activities as a means of achieving long-term financial stability.***

All three program areas have products and/or services that have the potential to generate fee income. Emphasis will be placed on building out these opportunities over a reasonable growth curve.

***Each activity will have an operating plan that will include a marketing strategy, revenue expectations, and expected returns on investment.***

Expanding earned income achieves three objectives:

- In our current funding environment, both locally and nationally, reducing our reliance on grant subsidies will lead us to a more financially stable future;

- Expanded earned income will provide us increased opportunities for leveraging other resources (matching fund requirements, etc) and will result in a more appealing balance sheet for future potential funders; and,
- Focusing on earned income requires a more business like approach to internal financial management systems, product/service quality and performance standards, and enhanced reporting measures and systems.

Given the historic "gray zone" between some of our grants and our "earned income" contracts, and for purposes of internal reporting regarding earned revenue, we have adopted the following definition of an earned income contract:

- Where the source of funds has identified specific restoration sites or activities and project deliverables must be performed and/or completed prior to billing. Cost reimbursable grants with specific deliverables required before payment are included in this category.
- All contracts with private landowners, including any matching fund requirements.
- Sales of proprietary products, publications and data.

Below are the categories of services and products that will be used under our definition of earned income.

- Products: Publications, data, and maps that generate revenue.
- Consulting Services: Restoration design, GIS, technical assistance, and advisory services.
- Information/Monitoring Contract Services: Tidegate performance, stream monitoring, specific fish counts, etc.
- Stewardship Contract Services: All Riparian Stewardship Crew and restoration activities.

### **Goals**

The primary financial objectives for the next three years, in level of priority, include:

- Improved Cash Flow: A cash-flow management system will be established and institutionalized by June 2005.

- New Resources: Diversifying funding base through increased cultivation of potential funders resulting in no more than 30% of total funding from one source by 2008.
- Earned Revenue: Through development of revenue generating activities. Achieve an Earned Income Ratio (EIR) of 75% by 2008.
- Operating Reserve: A rolling operating reserve based on an average month expenditure x3 by year three will be established by 2008.

### **Fundraising Strategy**

CoosWA will deploy a fundraising strategy that combines *securing a number of smaller grants for specific discreet activities/projects and cultivating larger multi-year grant support for capacity building and communications.*

It is expected that not every request will be funded. We estimate a success rate of 30% to 40%. Therefore, applications will be prioritized based on both internal need and potential competitiveness of the application.

CoosWA's fundraising approach will focus on both public and private foundation sources. Our strategy will include:

- Cultivating relationships with smaller regional foundations for grants ranging from \$5,000 to \$50,000. These proposals will primarily be project specific. They will primarily be focused on institutional capacity items like internal systems and hardware/software upgrades. Other potential activities may include discreet pieces of Board and staff training/development activities, and discreet pieces of the communications strategy. We will submit between six to eight proposals in this category per year.
- Cultivating relationships with larger regional and national foundations for grant submittals ranging from \$100,000 to \$250,000. These will be multi-year requests and will cover the broader range of activities and operations. This would include a combination of direct staff support relating to capacity building (salaries, training, etc), project specific activities (product and program innovations), and communications (10 year report, outreach materials, etc). We will submit two to four proposals in this category per year.
- Pursue joint funding opportunities through relationships with local and regional partners. It is anticipated that implementation of this business strategy will lead to increased opportunities for joint programming with other institutions focused on watershed health and economic stability.

Successful acquisition of larger grants will require developing relationships and cultivation of the potential resources, resulting in expenditure of both time and money (travel).

*A key to success in these applications will be the ability to show how these funds lead to increased institutional stability, long-term financial diversity, and that demonstrate a model for others to replicate.*

### **Budget Summary**

On the following page you will find a summary of budget projections for the next three years. *These projections do not replace the annual budgeting process.* They are intended to provide a snapshot of capitalization requirements and expenditures anticipated for initial implementation of this strategy.

Budget Projections for 05, 06, and 07				
EXPENSES				
<i>Exempt Employees (wages only)</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>Budget Notes</i>
1) Executive Director	47,000	52,000	57,000	Comensurate pay scale for environmental EDs
2) Deputy Director	40,000	43,000	46,000	First year is 05
3) Administration Coordinator	33,000	34,000	35,000	Position currently held by Joyce
4) Conservation Program Coordinator	36,000	39,000	42,000	Coordinators: Masters level or similar, Equal pay scale, Target salary range \$38-\$46
5) Information Program Coordinator	36,000	39,000	42,000	
6) Education Program Coordinator	36,000	39,000	42,000	
7) Program Assistant - Monitoring	28,000	30,000	32,000	Current monitoring technician position
8) Program Assistant - Monitoring	14,000	15,000	16,000	Current road and landing technician, .05 position
9) Program Assistant - Education	0	24,000	26,000	Support for Education Coordinator starting in 06, 07
10) Stewardship Crew Leader	30,000	32,000	34,000	Stewardship asst. starts in 06, 07 due to growth in stewardship operations and increased crew size
11) Stewardship Crew Assistant	0	26,000	28,000	
12) GIS/Information Management	34,000	36,000	38,000	Supports assessments, publications, and information
Exempt Employees sub-total	334,000	409,000	438,000	
Benefits and taxes package (@18%)	60,120	73,620	78,840	Minimum benefits package
<b>Exempt Employees total</b>	<b>394,120</b>	<b>482,620</b>	<b>516,840</b>	Total for salaried employees
<b>Non-Exempt Employees (wages, tax)</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	
13) Office Assistant (Full time)	13,200	14,500	14,500	05 - \$9/hr, 30 hours/week, 06,07 - \$10/hr, 30 hours/week (\$1/hour toward insurance, taxes)
14) Seasonal Assistant #1 (4 months)	6,800	6,800	6,800	05-07 - \$9/hour, 40 hours/week, 4 month positions (\$1/hour toward insurance, taxes)
15) Seasonal Assistant #2 (4 months)	6,800	6,800	6,800	
Stewardship Crew	3,200	3,800	5,000	05 - 5 members, 06 - 6 members, 07 - 8 members, \$5/day/person, 6 months/year
<b>Non-Exempt Employees total</b>	<b>30,000</b>	<b>31,900</b>	<b>33,100</b>	Total for hourly employees
<b>Contract Labor</b>				
Contract Services	153,000	161,000	169,000	Inc. construction contractors + inmate crews
Consulting Services	17,000	18,500	20,000	Comp. Support @ \$6K; \$8K for research; & \$3K publications
<b>Contract Labor total</b>	<b>170,000</b>	<b>179,500</b>	<b>189,000</b>	Total for contracted services
<b>Labor Expense Total</b>	<b>594,120</b>	<b>514,520</b>	<b>549,940</b>	

<b>Non-Labor Expenses</b>				
Advertising	500	1,000	1,000	Meeting notices, hiring advertisements
Communication and Events	8,000	10,000	12,000	Implementing education strategy - materials, brochures
Conferences, Meetings, Workshops	2,000	3,000	3,000	Building reputation & markets through exposure, learning opp
Professional Development	2,500	5,000	5,000	Staff training, continuing education
Board Development	3,000	1,500	1,000	On going Board development and training activities
Internships	5,000	10,000	10,000	Paid intern positions
Dues and memberships	500	500	500	Membership in regional and national watershed industry group
Insurance	6,000	6,000	6,000	
Rent	12,000	12,000	12,000	Accommodate costs of expanded office space
Licenses and Permits	4,000	4,000	4,000	
Bank fees	50	50	50	
Equipment Maintenance	3,000	4,000	5,000	Increase with expanding Riparian Crew capacity
Postage	2,000	2,000	2,000	
Printing	5,000	7,000	10,000	1 professional publication annually, matched with pub. Revenue
Accounting	5,000	5,000	5,000	
Legal	1,000	1,000	1,000	Retainer, review of contract templates, contracts
Program Development and Research	20,000	20,000	20,000	Grant driven based on R&D projects, related to specific grants
Software	10,000	10,000	5,000	Office system upgrades, see internal review memo
Subscription and Publications	750	750	750	Industry publications
Supplies				
Educational supplies and materials	12,500	12,500	12,500	Includes 1 major pub./yr. + \$5K misc.
Restoration equipment and supplies	50,000	65,000	80,000	Does not include riparian stewardship equip.
Monitoring equipment and supplies	23,000	23,000	18,000	Proj. effectiveness & research, amortized
Equipment Rental	14,600	15,700	18,500	Self-rental of riparian stewardship equipment + \$4.5K/yr. Proj.
Office equipment and supplies	6,000	6,500	7,000	Reflects increased staffing levels
Travel				
Misc. Travel Costs	5,000	5,000	5,000	Increased travel for fundraising, marketing, exposure
Mileage	20,000	20,000	20,000	Reflects current level
Telecommunications (internet/telephone)	5,000	5,000	5,000	Reflects increased use of phones
Utilities	0	0	0	Assuming pro-rated as part of rent expenses
<b>Non-Labor Expenses Total</b>	<b>226,400</b>	<b>255,500</b>	<b>269,300</b>	
<b>Total Operating Expenditures</b>	<b>820,520</b>	<b>770,020</b>	<b>819,240</b>	
<b>Capital Expenses</b>				
Capital Equipment (crew vehicle, equipmer	8,000	20,000	20,000	
<b>Capital Expenditures Total</b>	<b>8,000</b>	<b>20,000</b>	<b>20,000</b>	
<b>Total Expense</b>	<b>828,520</b>	<b>790,020</b>	<b>839,240</b>	
<b>Operating Reserve (proposed)</b>	<b>69,043</b>	<b>131,670</b>	<b>209,810</b>	Based on average month expenditure x 3 by year three

<b>REVENUE</b>				
<b>Core Funding</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	
Government Sources				All government grant sources
Oregon Watershed Enhancement Board	110,000	90,000	75,000	Base, assessment, & monitoring
Oregon Department of Env. Quality	150,000	75,000	75,000	WQ assessment and restoration
NOAA - Comm.-based Restor. Prgm.	50,000	50,000	50,000	
Private Foundation Sources				All private foundation or corporate grants
Capacity Grants	140,000	112,000	87,000	Activity specific and multi-year capacity building grants
Project Grants	50,000	75,000	100,000	BEF Monitoring; R&D
Operating Grants	10,000	15,000	20,000	
Contributions				
Individual	1,000	2,500	5,000	
Other	2,500	5,000	7,500	
<b>Core Funding Total</b>	<b>513,500</b>	<b>424,500</b>	<b>419,500</b>	
<b>Earned Revenue</b>				
Contracts				
Government restoration contracts				
Oregon Watershed Enhancement Board	250,000	250,000	250,000	
BLM - Rural Secure Schools (RAC)	125,000	70,000	50,000	
NOAA - Comm.-based Restor. Prgm.	0	75,000	150,000	
USFWS - Coastal Program	50,000	50,000	50,000	
Oregon Department of Agriculture	10,000	10,000	10,000	
Stewardship contracts	20,000	40,000	50,000	
Monitoring contracts	10,000	15,000	20,000	CB/NBH20; tide gate performance
Consulting Services contracts	10,000	15,000	40,000	Restoration design; GIS
Information and Publications				
Publications (annual)	4,000	6,000	10,000	
Publications (other)	1,000	1,000	2,500	
Data	1,000	2,000	3,000	
GIS Products/Maps	2,000	3,000	5,000	
Annual Events - Fundraisers				
<b>Earned Revenue Total</b>	<b>483,000</b>	<b>537,000</b>	<b>640,500</b>	
<b>Total Revenue</b>	<b>996,500</b>	<b>961,500</b>	<b>1,060,000</b>	

## **Risks and Risk Management**

### ***Pace and Workload***

Without wise stewardship, the lifeblood of volunteer energy, wisdom and capacity can easily be exhausted. The same is true for small organizations with minimal paid staff meeting multiple demands. Burnout at either level in a rural environment can result not only in organizational failure, but in permanent damage to the base of civic involvement in a rural community. While the staff continues to meet both contract and grant obligations, it is only a matter of time before the quality of CoosWA work begins to suffer in the face of a mounting quantity of work. ***The organization is faced with the double edged sword of, on one hand being known for innovation and quality work, and on the other hand having opportunities generated by reputation out-strip organizational capacity.***

#### **Mitigation**

- **Pace and Workload:** Some pace and workload issues will be assisted by implementing the system and operational changes currently planned. These changes will help to a degree but will not in themselves solve the problem.
- **Prioritize Fundraising:** The key will be coupling these changes, with successful fundraising to increase staff capacity to deliver programs. This will go a long ways to addressing this issue.
- **Monitor Employee Satisfaction:** The Board and Director will implement a tool for monitoring satisfaction levels of all employees (Board monitors Director - Director monitors other staff). The purpose is to stay informed, allow for communication to occur, and identify staff burnout issues in advance of them becoming a bigger problem.

### ***Operations***

The CoosWA has inherited the legacy of being one of the oldest watershed associations in the state. With the legacy of a pioneer often comes the practice of 'figuring it out as you go along.' While that kind of approach has served to hold together the operations end of the CoosWA to date, ***future growth and innovation, and even existing operations, need a more robust operations structure – one that is proactive rather than reactive.***

#### **Mitigation**

- **Upgrade and Refine Systems:** Systems refinements will require some additional one-on-one technical assistance and expenditures to improve input efficiencies, information tracking, and reporting.
- **Policies:** Operating and personnel policy and procedure manuals are being updated for Board review this Fall.

- Budgeting Process: Revise process of budget development to increase budget 'ownership' by program staff and delegations of responsibility on the revenue and expense sides of the page.
- Personnel Management: Establish consistent personnel management systems that clarify responsibilities and expectations. These include: regularly scheduled staff meetings; employee workplan and performance standards; and, personnel evaluation tools.
- Staff Training: As part of the planning process for next year, a staff training budget line item is established and each employee will be required to develop a training plan for professional development. These plans are negotiated with the Director to ensure they support overall program direction.

### **Communications**

CoosWA can improve its efforts to collect stories of success from its 10 years of history. The organizational history is rich with completed and successful projects, yet an interested party would be hard-pressed to learn about CoosWA success from existing organizational documents. *Without an established system to collect and distribute stories and evidence (pictures, statistics) of success, the CoosWA will struggle to gain a quality position from which it can pursue diversified funding sources and expand its constituency.*

### **Mitigation**

- Communications Strategy: A communications strategy will be developed and implemented that includes outreach materials and publications. Responsibility for communication will reside with the Education Program Coordinator.
- Communications Budget: An annual budget line item will be established to adequately fund communication activities.

## **Conclusion**

As has been previously stated:

*The purpose of this process was to develop a new strategic framework that would act as a foundation that will serve the organization for the next ten years.*

This framework is based on assumptions that have derived from our first ten years of operation. *These assumptions are founded on our conclusion that to be successful in the future, we must focus on changing the model for watershed-based work.* Put simply – we could chose to stay in our current mode of operation and delivery or we could chose to move forward with a refined approach. *This refined approach places an emphasis on combining a more business like operating framework with an enhanced scientific approach.*

In summary, our new framework must provide for:

- A transition from a narrow constituency to a broader constituency, refining our approach based on a changing market – **MARKET-BASED**
- This new constituency will be driven to action by different “values” and motivations – **RATIONAL SELF-INTEREST**
- To successfully program and create services for this changing market we must internalize a process for ongoing refinement and learning – **INNOVATION**
- To achieve this innovation and deliver quality products and services to a broader constituency, we must enhance our operating systems and expand institutional capacity through a commitment to system development, diversified funding, and expanded partnerships – **CAPACITY**

A primary focus over the next three years is to establish the internal foundation of this framework with an emphasis on expanded organizational capacity – *resulting in a model of organizational sustainability for other groups* – and further positioning CoosWA as a leader in its field.

These strategic and operational refinements are meant to be implemented in discrete stages, based on the realization that change must be implemented over time to reduce pressure on budget, staff, and volunteers. Expectations for a “quick fix” or “immediate results” are not realistic.

*We fully realize that a long-term commitment from Board and Staff will be required to achieve the desired results of a strong institutional foundation poised for growth.*

We are proud of our accomplishments of the last ten years and the ecological and economic impacts we have had on our watershed. We are also excited by our future. We believe this framework provides us an excellent opportunity to position ourselves for growth; to leverage and maximize our impact; and to establish a unique place for our institution among regional and national watershed-based groups.

We look forward to our future – and as the old adage goes:

***“Opportunity dances with those on the dance floor”***

## **Attachment A: Summary of Job Responsibilities**

### ***Executive Director***

- Program Strategy and Implementation: Oversee Program Coordinators
- Build and foster relationships with community members, landowners, organizations, agencies, scientific community, and others
- Research and Development: Develop new products and programs
- Reporting: Board of Directors meetings, committee meetings, and associated reports
- Fund raising and grant development
- Administration: Oversee Deputy Director
- Employee hiring, dismissal, supervision, and oversight

### ***Deputy Director***

- Operations management: Oversee capital assets and systems
- Financial Management: Oversee Administrative Assistant
- Budget development and management
- Personnel Management
- Grants Management
- Data Collection Management for program evaluation

### ***Office Manager***

- Manage books
- Manage office filing systems
- Payroll, personnel, administrative, and operations system management
- Financial report production
- Board member and communications mailings
- Member/client contact information database management
- Logistics

### ***Education Program Coordinator***

- Education program development and implementation
- Develop and manage Education Program budget
- Grant development and fundraising
- Grant reporting
- Develop and implement communications strategy and all associated materials
- Maintain organizations website
- Coordinate data collection and evaluate programs
- Develop and maintain partner relationships and network with relevant organizations.

### ***Information and Monitoring Program Coordinator***

- Water quality and streamflow monitoring

- Aquatic habitat surveys
- Fish population monitoring
- Monitoring Program fundraising
- Project and contract management
- Program fundraising

**Conservation Stewardship Program Coordinator**

- Project development and assessment
- Project and contract management
- Restoration program fundraising
- Staff support for Projects Committee

**GIS Program**

- Assessment projects
- Data Analysis
- GIS production in support of monitoring, restoration, & communication

**Program Technicians**

- Field-based data collection
- Data entry
- Final report development