

April 25, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Bev Goodreau, Grant Program Specialist

**SUBJECT: Agenda Item I: Small Grant Program
May 15-16, 2007 OWEB Board Meeting**

I. Introduction

This staff report provides information on the 2005-2007 Small Grant awards and requests funding for the Small Grant Program for the 2007-2009 biennium.

II. Background

In 1999, OWEB was seeking ways to be more responsive to small, straightforward restoration grant applications. During this time, the Legislature added a budget note to OWEB's budget to encourage the agency to initiate a county-based, local cost-share program.

In response to these identified needs, in September 2000 the Board authorized the formation of a subcommittee to provide guidance for developing a Small Grant Program. The subcommittee developed nine overarching policy objectives, which the Board approved at its January 2001 meeting. At that meeting, the Board also authorized staff's initiation of rulemaking to develop a program with the nine policy objectives serving as a guide. A Rules Advisory Committee — composed of representatives of the Oregon Association of Conservation Districts, Soil and Water Conservation Commission, watershed councils, and other interests — met five times over the summer to develop rules.

In January 2002, the Board adopted administrative rules establishing a Small Grant Program. Twenty-eight small grant teams (Attachment A) consisting of representatives from local watershed councils, soil and water conservation districts, and tribes were each awarded \$100,000 to put toward restoration projects of \$10,000 or less, a total commitment of \$2.8 million.

For the 2001-2003 biennium, teams awarded approximately \$2.5 million for 403 projects, which averaged about \$6,100 each. All of those projects have been completed.

For the 2003-2005 biennium, the Board again awarded \$2.8 million for the Small Grant Program. The 28 teams awarded approximately \$2.4 million for 384 projects, which averaged about \$6,200 each. Of those projects, 36 (9%) have not yet been completed. Approximately \$173,000 in payments has yet to be requested.

In 2004, staff continued to seek ways to streamline and improve the program. At the January 2005 meeting, the Board approved a staff request to begin rulemaking and to form a Rules Advisory Committee. The Board approved the resulting proposed rule changes presented by staff in May 2005.

III. 2005-2007 Biennium

In May 2005, the Board awarded \$2.8 million in capital funds for the Small Grant Program for the 2005-2007 biennium. To date, the 28 teams have recommended and OWEB has funded 302 grants for over \$2 million with an average of \$6,800 per grant. Currently, three teams have allocated all but \$2 or less of their allotted \$100,000 and 116 (38%) of the projects are completed. However, past experience has shown that there will be numerous recommendations as we near the end of the biennium. Teams have been asked to submit any new applications they wish to recommend for funding by May 15, 2007 to allow time for processing before the end of the biennium (June 30, 2007).

A. Small Grant Teams

A few teams have experienced staff changes that have made it difficult for them to function well. For example, the Umpqua Small Grant Team has faced the most significant difficulties, having just formed for the 2005-2007 biennium in March of this year due to staffing issues. The Umpqua Team realizes it will not have time this biennium to allocate its full \$100,000. However, we understand it has several worthy projects ready for funding and expects to be able to implement them this spring or summer. Staff believe the efforts of the team this spring and summer will better prepare them for greater productivity next biennium to get projects on the ground in their area.

B. Small Grant Projects

During the 2005-2007 biennium, the Small Grant Program continued to fund a variety of projects from a low of \$500 to the maximum of \$10,000. The Small Grant rules designate the following project types as eligible for Small Grants: instream process and function, fish passage, urban impact reduction, riparian process and function, wetland process and function, upland process and function, water quantity and quality/irrigation efficiency, and road impact reduction. Attachment B shows how the Small Grant Teams have prioritized and used their funding this biennium.

Small grant projects often offer excellent examples of local collaboration and partnerships. Two projects from this biennium are worth noting. First, is the Rock Creek Dam Modification project for fish passage funded at \$10,000 through the MidCoast Small Grant Team. This project was recently recognized by the State Land Board as one of two exemplary stream projects statewide. Rock Creek is the only productive stream in the Devils Lake Basin for native coho salmon, steelhead and cutthroat trout. Modifying the dam, which involved cutting and removing a 20 foot by three foot concrete section, is expected to have long-lasting, positive impacts for Oregon's fish populations. Partners included the Salmon Drift Creek Watershed Council, Devils Lake Water Improvement District, the City of Lincoln City, the Preservation Association of Devils Lake, Oregon Department of Fish and Wildlife, and U.S. Fish and Wildlife Service.

The second project is the Stradley Upland Structure grant funded for \$642 through the Lower Deschutes Small Grant Team. This project demonstrates an upland process and function grant intended to protect cropland from sheet and rill run-off to prevent sediment entering streams in Sherman County, and as a consequence addresses issues identified in the Agricultural Water Quality Management Plan for the Lower Deschutes.

IV. 2007-2009 Biennium

The Small Grant Program continues to be extremely popular because of its ability to fund restoration projects more quickly with less process and paperwork than the regular grant program. The program also serves an important function by providing an element of local control and fostering local collaboration. For these reasons, staff recommend the Board continue funding for the Small Grant Program for the 2007-2009 biennium at the \$2.8 million level. This will provide the same level of funding to the teams as has been provided in previous biennia. In addition, this action will allow for the development of agreements with the Small Grant Teams starting July 1, 2007.

Staff will report to the Board on the final expenditures for the 2005-2007 biennium at the September 2007 meeting. At that meeting, staff may also discuss the potential for additional team funding and how staff might structure team agreements to better coincide with the legislative approval of OWEB's budget.

V. Recommendation

Staff recommend that the Board allocate funding for the Small Grant Program for the 2007-2009 biennium at a level of up to \$2.8 million in capital funds, with a distribution of \$100,000 per team. This action will make funding available upon legislative approval of OWEB's 2007-2009 budget.

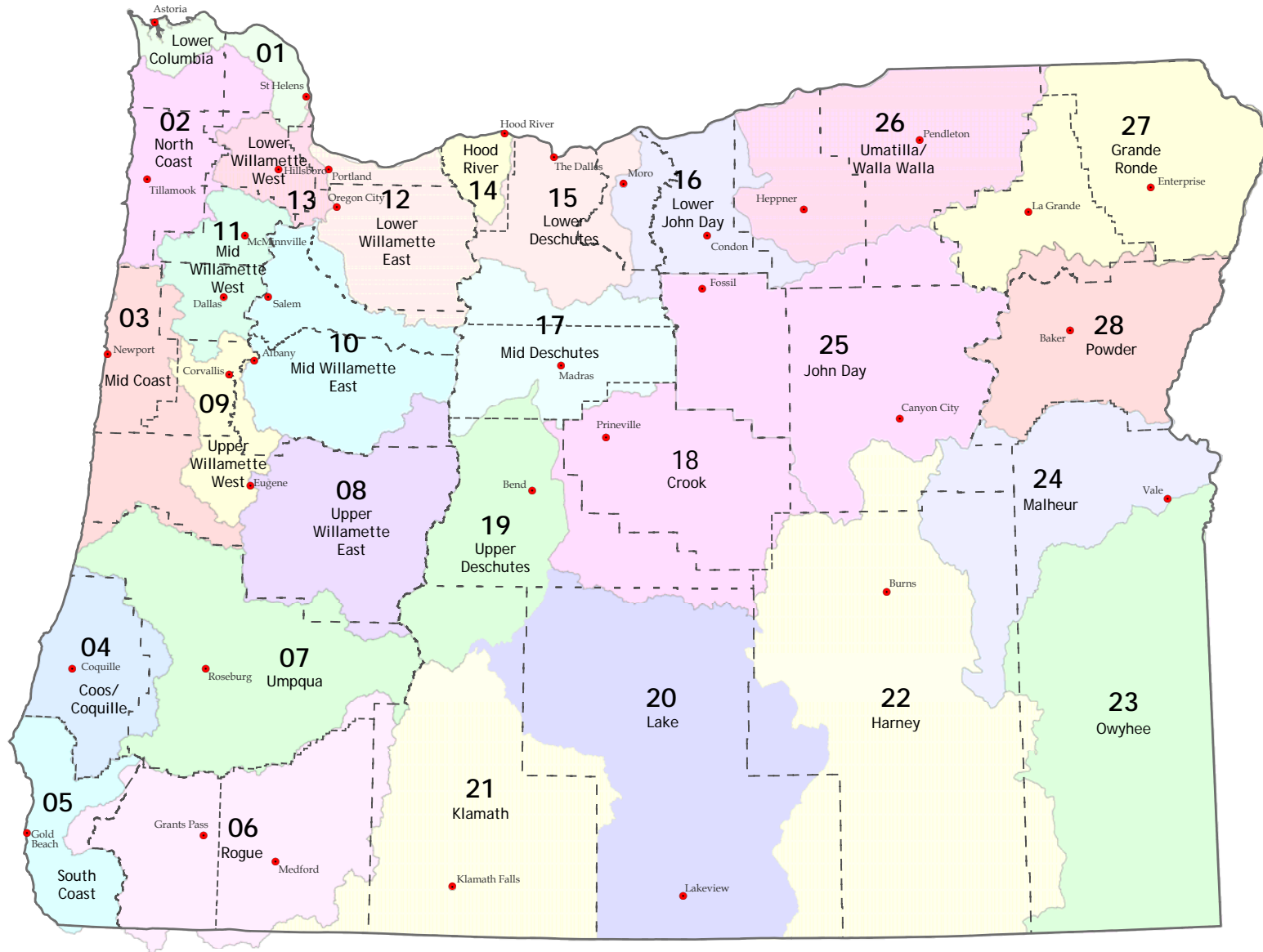
Attachments

- A. Small Grant Team Map
- B. 2005-2007 Grant Types by Team



OWEB Small Grant Areas

Oregon Watershed Enhancement Board
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**SMALL GRANT TEAM PROJECT FUNDING BY TYPE
2005-2007 BIENNIUM THROUGH APRIL 24, 2007**

ATTACHMENT B

Team	Small Grant Team	Instream Process			Fish Passage			Urban Impact			Riparian Process			
		Priority	#	Amount	Priority	#	Amount	Priority	#	Amount	Priority	#	Amount	
01	Lower Columbia	H	2	\$20,000	H	3	\$25,500	H	0	\$0	H	4	\$32,677	
02	North Coast	H	3	\$20,027	H	0	\$0	H	0	\$0	H	7	\$55,792	
03	Mid Coast	H	4	\$31,567	H	2	\$16,237	M	0	\$0	H	1	\$4,654	
04	Coos Coquille	H	0	\$0	H	1	\$9,955	M	0	\$0	H	1	\$6,750	
05	South Coast	H	3	\$24,050	H	3	\$24,220	H	0	\$0	H	2	\$20,000	
06	Rogue Basin	H	0	\$0	H	0	\$0	M	0	\$0	H	3	\$21,801	
07	Umpqua Basin	H	0	\$0	H	0	\$0	L	0	\$0	H	0	\$0	
08	Upper Willamette East	H	0	\$0	H	0	\$0	M	0	\$0	H	11	\$60,493	
09	Upper Willamette West	H	1	\$10,000	H	0	\$0	M	0	\$0	H	6	\$38,242	
10	Mid Willamette East	M	0	\$0	M	0	\$0	H	0	\$0	H	4	\$20,326	
11	Mid Willamette West	H	1	\$8,470	H	3	\$18,446	M	0	\$0	H	3	\$23,525	
12	Lower Willamette East	M	0	\$0	M	1	\$10,000	M	1	\$9,777	H	6	\$33,405	
13	Lower Willamette West	M	0	\$0	M	0	\$0	M	0	\$0	H	6	\$34,824	
14	Hood River	H	1	\$3,856	H	0	\$0	L	1	\$2,020	H	3	\$30,000	
15	Lower Deschutes	M	0	\$0	M	0	\$0	L	0	\$0	H	2	\$19,500	
16	Lower John Day	H	0	\$0	H	0	\$0	N/A	0	\$0	H	0	\$0	
17	Mid Deschutes	H	0	\$0	H	0	\$0	L	0	\$0	M	1	\$3,225	
18	Crook	H	0	\$0	H	0	\$0	L	0	\$0	H	3	\$26,175	
19	Upper Deschutes	H	1	\$8,670	H	0	\$0	M	0	\$0	H	1	\$7,190	
20	Lake	H	1	\$1,325	H	1	\$9,950	L	0	\$0	H	1	\$5,858	
21	Klamath Basin	M	2	\$14,475	M	0	\$0	M	0	\$0	H	0	\$0	
22	Harney Basin	H	0	\$0	M	0	\$0	L	0	\$0	H	3	\$24,131	
23	Owyhee	M	0	\$0	L	0	\$0	N/A	0	\$0	H	1	\$10,000	
24	Malheur	M	0	\$0	H	0	\$0	L	0	\$0	H	1	\$10,000	
25	John Day	H	0	\$0	H	0	\$0	L	0	\$0	H	3	\$16,470	
26	Umatilla-Walla Walla	H	0	\$0	H	1	\$3,619	L	0	\$0	H	0	\$0	
27	Grande Ronde	L	0	\$0	M	0	\$0	L	0	\$0	H	0	\$0	
28	Powder	H	1	\$4,800	H	0	\$0	L	0	\$0	H	3	\$29,923	
Number of Projects & Amount				20	\$147,240		15	\$117,927		2	\$11,797		76	\$534,961

Priority Watershed Concerns

H = High

M = Medium

L = Low

N/A = Not Applicable

**SMALL GRANT TEAM PROJECT FUNDING BY TYPE
2005-2007 BIENNIUM THROUGH APRIL 24, 2007**

ATTACHMENT B

Team	Small Grant Team	Wetland Process			Upland Process			Water Quantity Irrigation Eff.			Road Impact Reduction		
		Priority	#	Amount	Priority	#	Amount	Priority	#	Amount	Priority	#	Amount
01	Lower Columbia	H	1	\$9,900	H	1	\$8,666	M	0	\$0	M	0	\$0
02	North Coast	H	0	\$0	H	0	\$0	H	0	\$0	H	0	\$0
03	Mid Coast	H	0	\$0	H	0	\$0	H	0	\$0	H	0	\$0
04	Coos Coquille	H	0	\$0	M	0	\$0	N/A	0	\$0	M	0	\$0
05	South Coast	H	0	\$0	H	1	\$10,000	H	0	\$0	H	0	\$0
06	Rogue Basin	H	0	\$0	M	1	\$9,309	M	5	\$30,342	M	0	\$0
07	Umpqua Basin	M	0	\$0	M	0	\$0	H	0	\$0	M	0	\$0
08	Upper Willamette East	H	0	\$0	M	0	\$0	M	0	\$0	M	0	\$0
09	Upper Willamette West	H	1	\$9,256	M	3	\$22,100	M	2	\$14,554	M	0	\$0
10	Mid Willamette East	H	0	\$0	H	9	\$75,070	N/A	0	\$0	N/A	0	\$0
11	Mid Willamette West	H	2	\$19,369	H	4	\$25,523	L	2	\$4,607	N/A	0	\$0
12	Lower Willamette East	H	0	\$0	H	7	\$35,472	M	0	\$0	M	0	\$0
13	Lower Willamette West	M	0	\$0	H	4	\$29,928	L	1	\$9,998	N/A	0	\$0
14	Hood River	M	0	\$0	H	2	\$9,330	H	6	\$55,135	M	0	\$0
15	Lower Deschutes	M	0	\$0	H	16	\$70,203	H	2	\$11,855	N/A	0	\$0
16	Lower John Day	L	0	\$0	H	20	\$81,111	M	1	\$6,909	L	0	\$0
17	Mid Deschutes	H	0	\$0	H	0	\$0	H	7	\$70,000	M	1	\$10,000
18	Crook	M	0	\$0	H	6	\$36,395	H	1	\$9,333	L	0	\$0
19	Upper Deschutes	M	0	\$0	M	0	\$0	H	1	\$10,000	L	0	\$0
20	Lake	H	1	\$3,370	H	5	\$49,492	H	1	\$10,000	H	1	\$9,550
21	Klamath Basin	M	0	\$0	H	3	\$23,535	H	9	\$58,774	M	0	\$0
22	Harney Basin	M	0	\$0	H	5	\$42,616	H	0	\$0	M	0	\$0
23	Owyhee	L	0	\$0	H	0	\$0	H	3	\$24,070	L	0	\$0
24	Malheur	H	0	\$0	M	1	\$9,844	H	11	\$80,154	L	0	\$0
25	John Day	H	0	\$0	H	14	\$71,040	H	0	\$0	H	0	\$0
26	Umatilla-Walla Walla	H	0	\$0	H	13	\$85,013	H	1	\$10,000	M	0	\$0
27	Grande Ronde	M	0	\$0	H	5	\$29,951	H	1	\$5,964	H	1	\$8,615
28	Powder	H	0	\$0	H	3	\$22,930	H	4	\$36,490	L	0	\$0
Number of Projects & Amount			5	\$41,895		123	\$747,527		58	\$448,185		3	\$28,165

Priority Watershed Concerns

H = High

M = Medium

L = Low

N/A = Not Applicable