



Oregon

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Oregon Watershed Enhancement Board

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MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager

SUBJECT: **Agenda Item F: OWEB Grant Award Recommendations
Overview and Statewide Applications
March 19-20, 2008 OWEB Board Meeting**

I. Introduction

This staff report describes the process for evaluation of the capital and non-capital grant applications submitted by the October 22, 2007, deadline. The report also includes budget considerations and a summary of combined funding recommendations. Finally, this report includes the statewide Education and Outreach staff recommendations.

II. Background and Summary

Two hundred and sixty four grant applications seeking a total of \$33,557,110 were received by the October 22, 2007, deadline. The breakdown by region, project type, and dollar amount is shown on the attached table. (Attachment A)

Restoration and Acquisition applications that use capital funds were solicited in this funding cycle, as were Technical Assistance, Monitoring, and Education and Outreach applications that use non-capital funds. After being screened for eligibility and completeness, the applications were sent to the five Regional Review Teams (RRTs), which reviewed them for merit and made prioritized funding recommendations to OWEB staff. OWEB staff considered the funding availability and funds budgeted, and integrated the separate RRT recommendations into the staff funding recommendation to the Board. A map showing the location of the Restoration applications recommended for funding by OWEB staff is attached. (Attachment B)

Following this overview are staff reports containing the OWEB staff funding recommendations for each region.

III. Review Process

The applications were screened for completeness, categorized by application type, and copied for review. The RRTs were sent packets of eligible grant proposals to read and consider. OWEB staff in each region then scheduled visits to as many sites as possible, emphasizing new applications, acquisitions, and the more complicated applications. All RRT members were invited on these visits and some members were able to participate at each site. In their RRT meetings, reviewers were asked to determine the technical merit of each proposal and, with the exception of Acquisition applications (for which the RRT only discussed the ecological and

educational value of the proposed acquisition), whether to recommend each application for funding. After classifying applications as “do fund” or “no fund,” the RRTs were then asked to prioritize the applications recommended for funding. The RRT recommendations are included in each applicable regional staff report in this agenda item. The staff-recommended funding amount and any special conditions are identified in the tables attached to each regional staff report.

OWEB received two Education and Outreach grant applications that have broader focus than a single region. These applications were reviewed only by the Oregon Plan Outreach Team.

The Oregon Plan Monitoring Team reviewed each Monitoring grant application and identified their significance to the Oregon Plan and their likelihood of success. These review comments were passed along to the RRTs for their consideration and used in recommending funding and ranking.

The RRT recommendations in summary form were distributed to all applicants whose proposals were reviewed by that RRT. Staff continued in this grant cycle the practice of forwarding all comments received from applicants regarding the RRT recommendations to the Board prior to the Board meeting.

IV. Statewide Education and Outreach Applications

The Oregon Plan Outreach Team recommended funding both of the Statewide Education and Outreach applications for a total of \$106,695. The Team members were supportive of The Nature Conservancy’s Weed Watcher program (208-7001) and recognized that this application is a key part of a much larger “Silent Invasives” project with Oregon Public Broadcasting, Oregon State University (OSU) Extension (208-7002), Stop Oregon Litter and Vandalism (SOLV), and others.

The Team also supported OSU Extension’s proposal (208-7002), which included invasive species awareness, prevention and management; training for successful riparian restoration projects; Water Wise landscaping and plantings to conserve water; Low Impact Growth; and training for restoration project prioritization. The Team evaluated the proposed activities within the application individually to come up with a prioritized list.

Staff were also impressed with the applications, but due to limited non-capital funding and the number of Education and Outreach applications across the state, the demand far exceeded available funds and made it impossible to meet all needs. Staff recommend funding 208-7001 and the top three prioritized activities of 208-7002, for a combined total of \$73,708.

V. Acquisition Applications

A total of 12 Acquisition applications were received, including one water acquisition and 11 land acquisitions. One land acquisition application was withdrawn by the applicant. The process for reviewing Acquisition applications and the status of those applications is described in the sections below.

A. Land Acquisition

By rule, land acquisition applications undergo a multifaceted review. Applications are first reviewed by the Board Acquisition Subcommittee, which recommends whether or not staff

should proceed with a due diligence review of the project. Simultaneously, applications are reviewed by the RRTs for ecological and educational values. The Subcommittee may ask for additional information from the applicant or may ask the RRTs to address specific questions.

If the due diligence review is recommended, staff request an appraisal report, title report and exceptions, option, donation disclosure, environmental site assessment, and proposed conservation easement. An independent review appraiser evaluates the appraisal report. OWEB's legal counsel at the Department of Justice reviews the title report, exceptions, option agreement, and conservation easement. Department of Environmental Quality reviews the environmental site assessment.

After the due diligence review is complete, the Subcommittee reviews the results and makes a funding recommendation to staff. Staff then consider all of the evaluation criteria, the Subcommittee's recommendation, and available funding resources to develop a funding recommendation to the full Board. The staff funding recommendations are summarized in a separate section in the appropriate regional staff report.

The Subcommittee reviewed the applications and requested staff to solicit due diligence materials from nine of the 11 land acquisition applicants. Due diligence materials were received and reviewed for one application, Yamhill Oaks (208-108) in the Willamette Basin. This application from The Nature Conservancy is proposed for funding by staff.

The Subcommittee and staff have recommended no funding for a land acquisition application from the Deschutes Basin (208-105, Coffey Ranch). The other eight land acquisition applications are recommended for deferral; one from the North Coast, five from the Willamette Basin, one from the Snake River Basin, and one from the Deschutes Basin. The applications recommended for deferral total approximately \$4.25 million and may mature over the spring and summer of 2008 for Board consideration in May or September.

B. Water Acquisition

The ecological value of a proposed water acquisition project is based on a project's ability to increase instream flow to address the needs of priority habitat and species, and/or to improve water quality in a water quality limited stream reach. This evaluation is conducted in part by reference to the Oregon Plan Streamflow Restoration Priorities (2001) and evaluation by the appropriate RRT.

In addition to the ecological review of a proposed project, a review of due diligence materials is conducted. Due diligence materials include a fair market appraisal or other valuation assessment, a written assessment of the water right, the water right certificate, an ownership and lien report, an option agreement, and a donation disclosure statement. The appraisal or other valuation is reviewed by OWEB's review appraiser. The assessment of the water right is evaluated by the Oregon Water Resources Department to determine its reliability to provide instream benefit. The remaining items are evaluated by staff for consistency with the administrative rules and by OWEB's legal counsel for legal sufficiency.

The water acquisition application is located in the Deschutes Basin (208-104, Deschutes River Instream Leasing). Staff and the Subcommittee recommend the Board defer consideration of this application pending the receipt of more information and clarification

from the applicant. This application requests \$863,534 for a 10-year temporary instream lease.

VI. Budget Considerations

A. Capital Funds

The Board established a capital funding target of \$9.25 million for each grant cycle for the 2007-2009 biennium.

Currently OWEB has approximately \$36.3 million in capital funds available for the remainder of the biennium; this includes unspent grant funds returned from completed grants. Eight million dollars of these capital funds is reserved for Special Investment Partnerships. Accordingly, about \$28.3 million in capital funds is available to be allocated among three remaining capital grant cycles (October 22, 2007, April 21, 2008, and October 20, 2008) – roughly \$9.4 million per cycle. In the October 22, 2007 grant cycle alone, OWEB received more than \$28 million in requested funding for Restoration and Acquisition grants.

Staff recommend the expenditure of \$9,204,204 in capital funds at the March Board meeting. This amount would fund one acquisition and 64 restoration applications. It should be noted that OWEB has approximately \$6 million in pending land acquisition applications, which will affect future capital grant cycles.

B. Non-Capital Funds

Table 1 shows the non-capital funding reserved for each grant type. This reserve was approved by the Board in September 2007.

Table 1. Non-Capital Budget Reserve for the October 2007 Grant Cycle

Grant Type	Budget
Education	\$ 500,000
Monitoring	\$1,500,000
Technical Assistance	\$ 500,000
Total Budgeted	\$2,500,000

OWEB also uses non-capital funds for the education and outreach elements of Restoration applications. These non-capital costs are identified in the tables attached to each regional report.

Given the demand for non-capital funding, staff recommend the expenditure of \$2,541,552 at the March Board meeting. This total is \$41,552 more than the amount budgeted by the Board, and would be funded through \$2,112,911 in non-capital dollars and \$428,641 from the non-capital Research Operating Account dollars. The total recommended non-capital expenditure would fund 16 Technical Assistance, 21 Education, and 26 Monitoring applications.

VII. Staff Capital and Non-Capital Funding Recommendations

Staff recommendations for Board actions are identified by region for the applications indicated in each of the following five regional reports. “Do Fund” applications are indicated on the tables by shading.

A. Capital Funding Recommendations

The statewide funding total recommended by staff is shown below. Details are contained within each of the attached regional staff reports.

Restoration Applications, <i>Capital</i> Portion	\$ 8,704,204
<u>Acquisition Applications</u>	<u>\$ 500,000</u>
TOTAL <i>Capital</i> Staff Recommendation	\$ 9,204,204

B. Non-Capital Funding Recommendations

Technical Assistance Applications	\$ 489,496
Monitoring Applications	\$1,498,188
Education and Outreach Applications	\$ 531,716
<u>Restoration Applications, <i>Non-Capital</i> Portion</u>	<u>\$ 22,152</u>
TOTAL <i>Non-Capital</i> Staff Recommendation	\$2,541,552

The statewide funding total for non-capital applications recommended by staff exceeds the budgeted amount by approximately \$41,552. The proposed funding level for Education and Outreach exceeds the amount budgeted for this category. There were, however, significant additional Technical Assistance, Monitoring and Education and Outreach applications that staff were not able to recommend due to the limited amount of non-capital funds available this cycle.

VIII. Staff Recommendations on Statewide Education and Outreach Application Funding

Attachment C shows the proposals, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the Oregon Plan Outreach Team. The table also indicates, by means of shaded entries, the OWEB staff funding recommendation to the Board.

Staff recommend the Board approve the staff funding recommendation contained in Attachment C to this report.

Attachments

- A. Types of Applications Received and Amounts Requested by Application Type
- B. Map Showing Projects Recommended by OWEB Staff
- C. Statewide Applications Recommended for Funding

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Types of Applications for October 22, 2007

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Region 1	5	6	8	1	17	37
Region 2	7	10	10	0	34	61
Region 3	15	10	6	7	24	62
Region 4	2	7	4	3	26	42
Region 5	4	7	8	1	40	60
Statewide	0	2	0	0	0	2
Totals	33	42	36	12	141	264

Dollar Amounts by Application Type

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Region 1	166,735	163,093	418,740	100,000	2,743,784	3,592,352
Region 2	227,248	218,646	908,495	0	4,129,444	5,483,833
Region 3	673,062	422,662	346,797	4,052,540	4,019,128	9,514,189
Region 4	50,156	242,902	63,492	2,108,534	4,461,835	6,926,919
Region 5	149,208	264,097	706,711	550,000	6,263,106	7,933,122
Statewide	0	106,695	0	0	0	106,695
Totals	1,266,409	1,418,095	2,444,234	6,811,074	21,617,297	33,557,110

**Statewide
Education Applications Recommended for Funding by the RRT
October 22, 2007 Grant Cycle**

Staff Recommendations to the Board are Highlighted in Gray			
App #	Application name	Total Amount	Priority
208-7001	Protecting WSs throught the Early Detection & Rapid Response to Invasive Species	36,708	1
208-7002	Projects for: Advancing WS Stewardship Education in Communities *	37,000	1
Total Education Applications Recommended for Funding to Staff by Oregon Plan Outreach Team		\$106,695	
Total Education Applications Recommended for Funding by Staff to Board		\$73,708	

* Listed Amount Reflects Recommended Reduction