



# 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  
Carolyn Devine, Communications Coordinator  
Greg Sieglitz, Monitoring and Reporting Program Manager  
Miriam Hulst, Acquisitions Specialist

**SUBJECT:** Agenda Item G: OWEB Grant Award Recommendations  
Overview and Statewide Projects  
**March 18-19, 2009 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 20, 2008, deadline. The report also includes budget considerations and a summary of combined funding recommendations. Finally, this report includes the statewide Education and Monitoring grant evaluations and staff recommendations.

### II. Background and Summary

Two hundred and thirty-three grant applications seeking a total of \$30,955,072 were received by the October 20, 2008, 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/Outreach applications that generally 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. As explained in more detail below, Education/Outreach applications were also reviewed by the statewide Education/Outreach Review Team (EORT), and Monitoring applications were also reviewed by the Oregon Plan Monitoring Team (OPMT).

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

### **III. Review Process**

The applications were screened for completeness and categorized by application type. The RRTs were sent packets or CDs 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 projects. 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 projects for which the RRT only discussed the ecological and educational value of the proposed acquisition, whether to recommend each project for funding. After classifying projects as “fund” or “no fund,” the RRTs were then asked to prioritize the projects recommended for funding. The RRT recommendations are included in each applicable regional staff report in this agenda item. The recommended funding amount and any special conditions are identified in the tables attached to each regional staff report.

The EORT reviewed each Education/Outreach grant application. They met in Bend on December 4, and discussed 5 main aspects of each proposal: the applicant's understanding of audience needs; the design of the activities and whether or not they will lead toward the intended outcomes; the process for evaluation; and the proposal's overall value toward furthering the broader goal of developing and maintaining healthy watersheds. These review comments were passed along to the RRTs for their consideration and use in recommending funding and ranking, and were also used by OWEB's Director and Grant Program Manager in making funding recommendations. OWEB received three Education/Outreach grant applications that have broader focus than a single region; these were reviewed by the EORT only. OWEB's Director and Grant Program Manager used the EORT review to develop funding recommendations for the statewide applications.

We recognize that measurable outcomes of our education and outreach investments are important. So that we can articulate the impact of these efforts across the state, we are encouraging Education/Outreach grantees to report not just their activities, but also the impact their efforts have had on their communities through changed skills, attitudes, knowledge, and behavior.

The OPMT 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 use in recommending funding and ranking. OWEB also received three Monitoring applications with broader focus than a single region; one of these was reviewed by the appropriate regions and the OPMT; and the other two were reviewed only by the OPMT.

The RRT recommendations in summary form were distributed to all applicants whose proposals were reviewed by that RRT. The EORT evaluations were also distributed to Education/Outreach applicants. Staff continue in this grant cycle the practice of forwarding all comments received from applicants regarding the RRT and EORT recommendations to the Board prior to the Board meeting.

#### **IV. Statewide Education and Monitoring Applications**

Based on EORT evaluations and staff consideration of the evaluations and available funding, staff recommend funding two statewide Education/Outreach applications totaling \$129,184. Staff recommend reducing the award for application 209-7000 to \$80,000 instead of the requested \$89,643.

Based on the OPMT evaluations and staff consideration of the evaluations and available funding, staff recommend one statewide Monitoring application for funding at \$31,952.

#### **V. Acquisition Applications**

Eleven new land acquisition applications were reviewed during this grant cycle. By rule, land acquisition projects undergo a multifaceted review. Applications are first reviewed by a 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 that specific questions be addressed by the RRT.

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. The environmental site assessment is reviewed by staff at the Department of Environmental Quality.

After the due diligence review is complete, the Subcommittee synthesizes the proposed project's ecological and educational benefits, applicant capacity, partnerships, local support, local and regional community effects, RRT evaluation, and due diligence results into a funding recommendation to OWEB staff. Staff then consider all 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.

Two of the land acquisition grant applications submitted in October 2008 are ready for funding at this time: Coffey Ranch Conservation Easement, application 209-114 in Region 4; and Table Rocks Acquisition, application 209-113 in Region 2. These projects are described in the Region 4 and Region 2 staff reports. The rest of the applications submitted in October 2008 are either recommended for deferral or are not recommended for funding.

One acquisition project previously submitted and deferred by the Board, the Alsea Bay Acquisition, application 208-116 in Region 1, is ready for a funding decision at this time. The project is described in the Region 1 staff report.

#### **VI. Budget Considerations**

##### **A. Capital Funds**

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

Given the unprecedented economic downturn, it is difficult to predict with certainty exactly the amount of capital funds available for the remainder of the biennium. Measure 66 Lottery revenues were distributed to OWEB in February, and the final 2007-2009 distribution will be in May. The latest revenue forecast shows that Lottery revenues are down from the prior forecast. However, despite reduced sales, the Lottery has increased administrative savings and is utilizing about \$20 million in contingency reserves in order to keep 2007-2009 programs whole. This means Measure 66 Lottery funds remain stable for the moment--and hopefully through the remainder of the biennium.

Based on this information, OWEB expects to have approximately \$13 million in uncommitted capital funds available for the remainder of the biennium; this includes unspent grant funds returned from completed grants. Two million dollars of these available capital funds have been reserved by the Board for Special Investment Partnerships. Accordingly, about \$11 million in capital funds is available to be allocated through June 2009.

Staff expect that between \$2 million and \$4 million in land acquisitions applications may be ready for Board consideration at the June 2009 meeting. If the Board adopts staff's Acquisition funding recommendations at the March Board meeting, the total dollar amount of deferred acquisitions will be \$9,684,232.

Staff recommend funding for 62 of the 77 Restoration applications recommended for funding by the RRTs; two land acquisition applications submitted in October 2008, and the previously deferred Alsea Bay Acquisition, application 208-116, for which OWEB is providing state match for a Coastal Wetlands Grant. Staff recommend funding these grants through the expenditure of \$8,662,399 in capital funds.

In addition, in order to allow funding further down the list of non-capital applications, staff recommend funding two Monitoring applications using capital funds for a total of \$241,216. These applications are eligible for capital funds because they propose effectiveness monitoring for two implemented Restoration projects where work is continuing: the Williamson River Delta Restoration in Region 4, and Willow Creek water quality improvement in Region 5.

Therefore the total recommended expenditure of capital funds is \$8,903,615. This is \$346,385 less than the budgeted amount of \$9.25 million per cycle. However, there is still uncertainty about the exact amount of Measure 66 Lottery funds that will be available through the end of the biennium. In addition, we expect up to \$4 million in additional Acquisitions to be ready for funding consideration by the June 2009 Board meeting.

## **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 of 2008. Table 1 also shows the total dollar amount of non-capital applications recommended for funding by the RRTs and by staff for the statewide applications.

**Table 1. Non-Capital Budget Reserve for the October 2008 Grant Cycle**

<b>Grant Type</b>	<b>Budget</b>
Education/Outreach	\$750,000
Monitoring	\$1,300,000
Technical Assistance	\$750,000
<b>Total Budgeted</b>	<b>\$2,800,000</b>
<b>Total RRT Do Fund</b>	<b>\$3,381,290</b>

As discussed above, it is hard to predict the amount of Measure 66 non-capital funds that will be available to OWEB for the remainder of the biennium. The good news is that even though Lottery revenues are down from the prior forecast, the Lottery has increased administrative savings in order to keep 2007-2009 programs whole. However, no one knows for certain what the May Lottery revenue forecast will be. Further, non-capital funds are more vulnerable to legislative appropriation. If the Board approves staff's funding recommendations for non-capital applications, OWEB will communicate to our grantees that while the Board has made the awards, funding is subject to the May revenue forecast and to legislative disappropriation.

Table 2 shows the non-capital funding recommended by OWEB staff for each grant type. The Technical Assistance budget for the October 2008 grant cycle is recommended for increase because the RRTs recommended funding for 30 applications totaling about \$1,084,965, and staff determined it was important to fund as far down the Technical Assistance list as possible, since these proposals will help develop Restoration projects. As a result of this recommended increase, the Education/Outreach budget is recommended for reduction.

**Table 2. Non-Capital Applications Recommended by OWEB Staff**

<b>Grant Type</b>	<b>Budget</b>
Education/Outreach	\$ 597,125
Monitoring	\$1,315,811
Technical Assistance	\$ 846,621
<b>Total</b>	<b>\$2,759,557</b>

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

Staff recommend funding 13 of the 23 Education/Outreach applications recommended by the RRTs, and two of the three statewide Education/Outreach applications (one at a slightly reduced level). Staff recommend funding 19 of the 23 Monitoring applications recommended by the RRTs, and one of the three statewide Monitoring applications. Staff recommend funding 22 of the 30 Technical Assistance applications recommended by the RRTs.

Staff recommend funding these grants through the expenditure of \$2,518,341 in non-capital funds and \$241,216 in capital funds, for total funding of \$2,759,557.

## VII. Staff Capital and Non-Capital Funding Recommendations

Staff recommendations for Board action 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	\$6,736,399
Monitoring Applications (209-4040 and 209-5067)	\$ 241,216
Acquisition Applications (Regions 2 and 4)	\$1,625,000
<u>Coastal Wetlands Acquisition (Region 1)</u>	<u>\$ 301,000</u>
<b>TOTAL <i>Capital</i> Staff Recommendation</b>	<b>\$8,903,615</b>

### B. Non-Capital Funding Recommendations

Education/Outreach Applications	\$ 597,125
Monitoring Applications	\$1,074,595
Technical Assistance Applications	\$ 846,621
<u>Restoration Applications, <i>Non-Capital</i> Portion</u>	<u>\$ 18,314</u>
<b>TOTAL <i>Non-Capital</i> Staff Recommendation</b>	<b>\$2,536,655</b>

## VIII. Staff Recommendations on Statewide Education and Outreach and Monitoring Application Funding

Attachment B shows the proposals and funding amounts for statewide Education/Outreach and Monitoring applications. The table also indicates, by means of shaded entries, the OWEB staff funding recommendations to the Board.

Staff recommend the Board approve the staff funding recommendations contained in Attachment B to this report.

### Attachments

- A. Types of Applications Received and Amounts Requested by Application Type
- B. Statewide Projects Recommended for Funding

## Oregon Watershed Enhancement Board

### Types of Applications for October 20, 2008

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
<b>Region 1</b>	7	7	7	3	10	<b>34</b>
<b>Region 2</b>	7	5	8	2	20	<b>42</b>
<b>Region 3</b>	18	9	9	2	20	<b>58</b>
<b>Region 4</b>	5	8	3	3	27	<b>46</b>
<b>Region 5</b>	7	3	4	1	32	<b>47</b>
<b>Statewide</b>	0	3	3	0	0	<b>6</b>
<b>Totals</b>	<b>44</b>	<b>35</b>	<b>34</b>	<b>11</b>	<b>109</b>	<b>233</b>

### Dollar Amounts by Application Type

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
<b>Region 1</b>	\$241,468	\$172,612	\$388,020	\$2,616,462	\$1,311,016	<b>\$4,729,578</b>
<b>Region 2</b>	\$234,247	\$139,286	\$515,866	\$1,500,000	\$1,632,948	<b>\$4,022,347</b>
<b>Region 3</b>	\$667,765	\$355,635	\$684,900	\$2,900,000	\$2,894,110	<b>\$7,502,410</b>
<b>Region 4</b>	\$184,458	\$286,666	\$337,190	\$1,225,000	\$7,269,002 <sup>♦</sup>	<b>\$9,302,316</b>
<b>Region 5</b>	\$291,868	\$106,687	\$209,442	\$500,000	\$3,536,576	<b>\$4,644,573</b>
<b>Statewide</b>	0	\$188,561	\$565,287	0	0	<b>\$753,848</b>
<b>Totals</b>	<b>\$1,619,806</b>	<b>\$1,249,447</b>	<b>\$2,700,705</b>	<b>\$8,741,462</b>	<b>\$16,643,652</b>	<b>\$30,955,072</b>

<sup>♦</sup> This includes the \$3,922,352 Pilot Butte Piping Project (209-4034)

**Statewide  
Education Applications Reviewed by the Education/Outreach Team  
October 20, 2008 Grant Cycle**

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project name	Total Amount	Priority
209-7001	Building Council Capacity/Gathering 2009/Telling the Story Through Tours *	80,000	1
209-7002	OSU Oregon Watershed Schools	49,184	2
209-7004	Oregon Civic Science Educational Project - Phase II	49,734	3
<b>Total Education Projects Recommended for Funding by Staff to Board</b>		<b>\$129,184</b>	

\* Listed Amount Reflects Recommended Reduction

**Statewide  
Monitoring Applications Recommended for Funding by the Oregon Plan Monitoring Team  
October 20, 2008 Grant Cycle**

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project name	Total Amount	Priority
209-7000	Facilitating Improved Biological Monitoring by Watershed Organizations	31,952	1
209-7003	A Rigorous Statewide Assessment of OWEB's Restoration Projects	439,635	2
209-7005	Oregon Landscape-Management Study Network	93,700	3
<b>Total Monitoring Projects Recommended for Funding to Staff by Oregon Plan Monitoring Team</b>		<b>\$565,287</b>	
<b>Total Monitoring Projects Recommended for Funding by Staff to Board</b>		<b>\$31,952</b>	