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**NOTICE OF PROPOSED RULEMAKING**  
INCLUDING STATEMENT OF NEED & FISCAL IMPACT

CHAPTER 695  
OREGON WATERSHED ENHANCEMENT BOARD

**FILED**

03/25/2024 10:07 AM  
ARCHIVES DIVISION  
SECRETARY OF STATE

FILING CAPTION: Revisions to OWEB Small Grant Program Rules

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 05/03/2024 5:00 PM

*The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.*

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Salem, OR 97301

Filed By:  
Eric Hartstein  
Rules Coordinator

HEARING(S)

*Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.*

DATE: 04/26/2024

TIME: 9:00 AM

OFFICER: Eric Hartstein

REMOTE HEARING DETAILS

MEETING URL: [Click here to join the meeting](#)

PHONE NUMBER: 1-669-900-6833

CONFERENCE ID: 89201419584

SPECIAL INSTRUCTIONS:

Passcode: 890575

NEED FOR THE RULE(S)

The Small Grant Program is an easy-to-engage-in, competitive grant program that awards funds for on-the-ground restoration projects. The program responds to a need for local decision-making about watershed restoration opportunities on a timeline shorter than many of OWEB's other grant programs. The OWEB Board has expressed interest in broadening applicant eligibility to the grant program. This has been included in the proposed rule revisions along with other updates to the Small Grant Program.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

The July 2023 OWEB Board meeting staff report which requested board authorization to initiate rule making in the Small Grant Program is located here: <https://www.oregon.gov/oweb/Documents/2023-Jul-ItemO-Initiate-Rulemaking.pdf>

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

The rules are not expected to affect racial equity in Oregon.

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FISCAL AND ECONOMIC IMPACT:

The proposed amendments are updating rules within OWEB's existing Small Grant Program. The proposed rule revisions provide for additional access to the Small Grant Program and process improvements for administering the program. The proposed rule revisions are not expected to have a fiscal impact beyond the continued expenditure of grant funds in communities across Oregon.

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COST OF COMPLIANCE:

*(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).*

1) It is not expected that there will be a cost of compliance to state agencies, units of local government, and members of the public as the proposed administrative rule revisions are updates to a voluntary grant program.

2) a) Small businesses as defined by ORS 183.310(10) do not include eligible applicants for OWEB grants. OWEB grantees may contract with small businesses to implement activities and work within the scope of the grant agreement, but the proposed rule revisions do not dictate any element of that contractual relationship. b) The reporting, record keeping, and administrative activities required by the rules are principally borne by program grantees that are voluntarily entering the program and are not defined as small businesses. c) Similar to section b, the cost of professional services, equipment, supplies, labor, and increased administration to comply with the rules will be borne principally by program grantees that are not defined as small businesses.

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DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

As noted in "Cost of Compliance", the proposed revisions to OWEB Small Grant Program rules will not impact small businesses. However, representatives from the conservation community participated on the Rules Advisory Committee. These entities often contract with small businesses through the implementation of OWEB grants and would understand if any proposed administrative rule revisions would impact small businesses.

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WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

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RULES PROPOSED:

695-035-0010, 695-035-0015, 695-035-0020, 695-035-0030, 695-035-0040, 695-035-0050, 695-035-0060, 695-035-0070, 695-035-0080

AMEND: 695-035-0010

RULE SUMMARY: Provides overview of the purpose of the Small Grant Program.

CHANGES TO RULE:

695-035-0010  
Small Grant Program ¶¶

(1) The Oregon Watershed Enhancement Board (OWEB) may provide funding for a locally administered Small Grant Program from its Watershed Conservation Grant Fund. Funds may be allocated for the Small Grant Program in amounts and at times decided by the Board.¶¶

(2) This Division supplements the OWEB Grant Program rules under OAR 695-005 and provides specific

requirements for the Small Grant Program. In the event of any conflict between these requirements, and requirements identified in OAR 695-005, the Small Grant Program requirements in this Division take precedence.

(3) The goals of the Small Grant Program are to:

(a) Support implementation of the Oregon Plan for Salmon and Watersheds.

(b) Support projects designed to improve water quality, water quantity, and fish and wildlife habitat. Such projects include, but are not limited to, those developed to address Total Maximum Daily Loads (TMDLs), Agricultural Water Quality Management Area Plans, urban nonpoint source pollution management plans, and the Board of Forestry's Forestry Program for Oregon.

(c) Make funds available to local Small Grant Teams to address local priority resource concerns, habitat values, and watershed functions.

(d) Encourage landowner participation in watershed improvement by making funds available more quickly than is possible through OWEB's other grant programs.

(e) Treat the source of watershed health problems through technically sound projects that use proven techniques from one of the approved sources listed in OAR 695-035-0030(3), and that demonstrate benefits to aquatic species, wildlife, or watershed health across all land uses.

(f) Encourage partnerships among ~~watershed councils, soil and water conservation districts, and tribes~~ eligible grant applicants and landowners and operators.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890 - 541.969

AMEND: 695-035-0015

RULE SUMMARY: Provides definitions for Small Grant Program rules.

CHANGES TO RULE:

695-035-0015

Definitions ¶¶

(1) "Small Grant" is a grant of ~~\$15,000 or less~~ for an eligible watershed restoration project awarded by OWEB on the recommendation of a Small Grant Team. ¶¶

(2) "Small Grant Team" (Team) is composed of representatives of watershed councils, soil and water conservation districts, and tribes formed in each Small Grant Area to recommend funding for watershed restoration projects. ¶¶

(3) "Small Grant Area" is a geographic area established by the OWEB Board based upon hydrologic boundaries, existing watershed restoration partnerships, and similarities in resource concerns. ¶¶

(4) ~~"Program Grant" is a grant from OWEB to a Small Grant Team to recommend as eligible Small Grants of up to \$15,000 within the Small Grant Area. ¶¶~~

(5) ~~"Program Grant Agreement" is a grant agreement~~ "Small Grant Team Grant" is a grant between OWEB and a Small Grant Team regarding the allocation of Small Grant funds within a Small Grant Area by the Small Grant Team using OWEB funds. ¶¶

(6) "Project Evaluation Committee" (Committee) is a group of Small Grant Team members designated by vote of the Team to evaluate Small Grant Project applications received and to make Small Grant Project award recommendations based upon the Team's adopted priority watershed concerns and eligible project types. A Team may by unanimous vote decide not to designate a Committee. ¶¶

(7) ~~"Program Administration" refers to all efforts made by Teams or individual team members on behalf of applicants or the Small Grant Team prior to a project grant award recommendation. No program administration costs may be included in Small Grant project grant awards. ¶¶~~

(8) ~~The "Small Grant Fiscal Agent" is responsible for managing all expenses associated with a Small Grant Project and for reporting those expenses to OWEB in a manner consistent with OWEB fiscal reporting standards. Fiscal Agents will be councils, districts, tribes, or entities designated as eligible by the Small Grant Team in their operating procedures. A Small Grant project's eligible fiscal agent will be identified on the Small Grant Project application and in the OWEB Small Grant Project grant agreement. ¶¶~~

(9) ~~"Project Manager for the Grantee" is the individual (typically, but not necessarily, the grantee) who will shepherd the project from start to finish. This person will serve as the Team's and OWEB's main point of contact for a project. ¶¶~~

(10) "Team Contact" is OWEB's main point of contact for the Small Grant Team, and is also the person authorized by the Team to sign OWEB Small Grant Team Grant agreements.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890 - 541.969

RULE SUMMARY: Provides information on the Small Grant Teams that administer the Small Grant Program.

CHANGES TO RULE:

695-035-0020

Small Grant Program Administered by Small Grant Teams ¶

(1) The OWEB Board may award ~~progr~~Small Grant Team gGrants to eligible Small Grant Teams to enable the Teams to administer a Small Grant Program within a Small Grant Area. A Small Grant Team must submit a ~~progr~~Small Grant Team gGrant application to OWEB on a designated form at times designated by the OWEB Board to be eligible to receive a program grant to administer a Small Grant program. Only one application to administer a Small Grant Program within a Small Grant area shall be considered by OWEB. Applications shall include affirmation, or documentation of non-response, from all other councils, districts, and tribes in the Small Grant Area.¶

(2) Small Grant Program funds not used in one biennium may not be carried over by the Small Grant Team to the next biennium unless otherwise determined by the Board.¶

(3) The Board will only enter into new Small Grant Team ~~agreme~~Grants once Teams have submitted on a standard OWEB form, and to OWEB's satisfaction, the revised Team bylaws for the coming biennium, a revised list of the Team's priority watershed concerns and eligible project types, and a revised Application Evaluation Worksheet, ~~and all representatives of the Team have met OWEB reporting obligations under earlier agreements.~~¶

(4) Small Grant Teams, in coordination with OWEB, will invite in writing each soil and water conservation district and watershed council located partially or entirely within the Small Grant Area, and each federally recognized tribe in Oregon, and the Nez Perce Tribe, with reservation, tribal, ceded lands, or usual and accustom areas located partially or entirely within the Small Grant Area to appoint one representative to a Small Grant Team. Small Grant Teams shall, in coordination with OWEB, also invite in writing other eligible applicants in the Small Grant Area to participate on the Small Grant Team. Any eligible applicant that requests to participate on the Small Grant Team shall become a member of the Team. Participation on a Team is voluntary. A Small Grant Team must have at least one actively participating watershed council representative and one soil and water conservation district representative to be eligible to allocate Small Grant funds. Each eligible Team may receive a ~~progr~~Small Grant Team gGrant from OWEB to allocate Small Grant Project awards of up to ~~\$15,000~~the maximum amount adopted by the OWEB Board each biennium for eligible watershed restoration projects consistent with local priority watershed concerns and eligible project types adopted by the Team. The maximum amount adopted by the OWEB Board each biennium shall not be less than \$15,000.¶

(5) Members of each Small Grant Team are encouraged to invite individuals with expertise in a watershed restoration discipline or other watershed restoration interests to consult with the Team on its priorities, program elements, and recommendations for project grant awards.¶

(6) The OWEB Board will establish Small Grant Areas for the Small Grant Program. The boundaries of the Small Grant Areas will be drawn based upon hydrologic boundaries, existing watershed restoration partnerships, and similarities in resource concerns. Only one Small Grant Team may administer a Small Grant Program in each Small Grant Area. A copy of the Small Grant Area map is available upon request from OWEB and can also be viewed on the OWEB website.¶

(7) A Small Grant Team may petition the OWEB Board to adjust the boundaries of Small Grant Areas. If a Team has not been formed in a Small Grant Area, an organization eligible to appoint a member to a Small Grant Team may petition the Board to adjust the boundaries of Small Grant Areas. Written approval from all Small Grant Teams affected, or if a Small Grant Team has not been formed, all entities eligible to appoint a member to the Small Grant Team in that area, is required before a boundary adjustment petition may be filed with the Board.¶

(8) The OWEB Board will consider all boundary-adjustment petitions once a biennium at the time it considers reauthorizing Small Grant Program funds for the next biennium. The OWEB Board may choose to consider a boundary adjustment upon a valid motion by Board members, without petition by a Small Grant Team or organization that is an eligible Small Grant Team member. However, the OWEB Board will consult with affected Small Grant Teams, and if a Team has not been formed, eligible Team members in the area before considering the boundary adjustment. A decision by the OWEB Board to approve a boundary adjustment will consider one of the following:¶

(a) The current Small Grant Area boundaries fragment existing watershed restoration partnerships; or¶

(b) The current Small Grant Area boundaries fragment hydrologically connected areas or ecologically similar landscapes in a way that would make setting local restoration priorities difficult; or¶

(c) The current Small Grant Area boundaries encompass many different limiting factors for water quality, water

quantity, and fish and wildlife habitat. Adjusting boundaries would improve the ability of watershed restoration partners to focus their efforts on the limiting factors with which they have expertise.¶

(9) Prior to submitting a ~~progr~~Small Grant Team gGrant application to OWEB, the Small Grant Team will adopt the following program elements that will be attached as part of the ~~progr~~Small Grant Team gGrant application:¶

(a) Rules of operation for administration of the Small Grant Team and the Small Grant Program, including:¶

(A) Rules governing decision-making and membership;¶

(B) Application processing and project grant agreement procedures;¶

(C) Designation of a Team contact, and a member with authority to sign project grant agreements on behalf of the Small Grant Team;¶

(D) Record keeping;¶

(E) Processes and criteria for recommending project grant awards;¶

(F) Processes for evaluating the technical feasibility of projects;¶

(G) Processes and formats for biennial reporting;¶

(H) Entities, in addition to watershed councils, soil and water conservations districts, and tribes, designated by the Small Grant Team as being eligible fiscal agents; and¶

(I) Application acceptance windows.¶

(b) Priority watershed concerns to be addressed by the Small Grant Team;¶

(c) A list of project types most likely to effectively address the local watershed concerns adopted by the Small Grant Team. This list must be consistent with the list of eligible project types in OAR 695-035-0050(4). Teams wishing to add project types not on the list need to petition OWEB for their eligibility in their Small Grant Area.

The proposed project type needs to demonstrate to the satisfaction of the OWEB Director a clear watershed benefit for the Small Grant Area. It must also be consistent with the Team's adopted priority watershed concerns, and must be referenced to one of the approved technical guidance sources listed in OAR 695-035-0030(3).¶

(10) The program elements adopted by the Small Grant Team will be included as an attachment to the ~~progr~~Small Grant Team gGrant application to OWEB ~~from the~~ A Small Grant Team. ~~A program grant to a Small Grant Team to administer a Small Grant Program will not be awarded until the Team has adopted the required program elements.~~¶

(11) In identifying priority watershed concerns, the Small Grant Team will consider current information on the condition of the watershed and its limiting factors to support native fish and to meet water quality standards. The priority watershed concerns should be adopted with reference to documents addressing the limiting factors to:¶

(a) Clean Water Act standards as identified in Total Maximum Daily Load Water Quality Management Plans and in Agricultural Water Quality Management Area Plans; and¶

(b) Watershed assessments and action plans, other watershed analyses, the Oregon Forest Practices Act, and soil and water conservation district annual work plans and long-range business plans. Priority watershed concerns and the list of eligible project types adopted by the Small Grant Team will address the source of watershed health problems, and not the effects.¶

(12) Small Grant Teams may designate members of the Team as a Project Evaluation Committee to evaluate Small Grant Project applications in lieu of the entire Team. If established, this Committee will have equal representation from soil and water conservation district and watershed council Team members. The Team, or if designated, its Committee, will select applications to recommend for funding based on its priority watershed concerns, eligible project types, and the technical merits of the project. The Small Grant Team, or if designated, the Committee, is encouraged to invite technical experts to assist in the evaluation of proposed projects.¶

(13) Each Small Grant Team will develop application evaluation criteria that will be based on the questions asked in the application, as well as on additional evaluation considerations listed by Teams in their operating procedures. Evaluation criteria will be attached to a Team's operating procedures. Teams will make available to applicants the evaluation criteria along with the Team's list of priority watershed concerns and eligible project types.¶

(14) Small Grant Teams will establish in their operating procedures the terms by which they receive and act on applications. ~~At a minimum, Teams will establish two-week windows four times in the State fiscal year (July 1 through June 30) during which they or their designated committee will receive applications. Teams may also accept~~ If funding is available, Teams shall accept applications at any time throughout the State fiscal year when the application system is open. At a minimum, all Teams must conduct reviews on submitted applications at any time throughout the State fiscal year. All Teams must act within 30 days of receiving a complete application four times in the State fiscal year (July 1 through June 30). ¶

(15) ~~Small Grant Teams will write their own project grant agreements, using an OWEB-provided template. Teams will create one original grant agreement and secure all relevant signatures before forwarding it to OWEB for final signature. In case of discrepancy, the OWEB sign shall submit results of application review to OWEB in the required for original supersedes all other signed copies. The OWEB Director reserves the discretion to alter this arrangement as necessary.~~¶

(16) ~~OWEB has 20 working days after receipt of the application materials to verify that the approv~~ mat at the end

of each review period. OWEB shall review the recommended application ~~iss~~ for consistency with the Team's local priorities and with OWEB's statutes and administrative rules. ~~Upon verification, OWEB will return fully executed copies of the project grant agreement to the Team Contact, listed in the Team Bylaw.~~ If applications are deemed eligible, OWEB shall provide a grant agreement for signatures to the Small Grant Team Contact within 20 working days. OWEB will keep the ~~original~~ signed project grant agreement on file, and the Team Contact will be responsible for providing copies to all signatories. Signatories to the grant agreement will include the Grantee; Landowner; Team Contact; ~~and~~ a representative of OWEB; ~~and a Fiscal Agent for the Grantee, if different from the Grantee.~~ A project grant agreement is not valid until all signatories to the agreement have signed. Project grant agreements must be signed within 90 days of the first signature on the grant agreement, or they will be considered void. Work will not begin on a project until a project grant agreement is valid. ~~OWEB will make Small Grant Project award payments directly to the fiscal agent designated in the Small Grant Project agreement.~~

(176) Project maintenance and effectiveness monitoring are the responsibility of the landowner. OWEB will not pay for either, and applicants may not use any planned post-project maintenance and effectiveness monitoring as match for the OWEB project grant. However, applicants may budget for plant establishment (i.e., weeding and watering of plants over time to improve chances of successful establishment) in the Small Grant Project application, or they may put the amount estimated for plant establishment toward the required 25 percent match. OWEB will pay for no more than two years of post-project plant establishment, or up to \$1,000 for two years, which is paid for in the final payment request.

(187) The Small Grant Team will be responsible for providing the Oregon Watershed Enhancement Board ~~and the Soil and Water Conservation Commission~~ with a summary Biennial Report, due no later than 60 days after the close of each OWEB biennium that:

(a) Addresses:

(A) How the Team's funded projects demonstrated clear watershed benefit to aquatic species, wildlife, or watershed health.

(B) Which specific projects met the Team's high-priority watershed concerns that it identified for the biennium (show award amounts for each project).

(C) Which specific projects the Team awarded for other priority watershed concerns (show award amounts for these projects, as well).

(b) Evaluates the effectiveness of the Team's:

(A) External interactions with landowners, applicants, Grantees, project partners, and OWEB Small Grant Program staff (i.e., the challenges that faced the Team with each of these groups and whether the Team was successful at resolving them).

(B) Internal interactions with each other (i.e., the challenges that faced the Team and whether the Team was successful at resolving them).

(c) Attaches the following:

(A) Tracking sheets for recommended and denied applications for the current biennium.

(B) Revised operating procedures, priority watershed concerns, eligible project types for the coming biennium, and application evaluation worksheet, if any.

(198) The OWEB Director may authorize an independent performance audit of any Small Grant Team, and if the Director determines the Team is not complying with the rules of the Small Grant Program, may restrict future Team funds.

(2019) Small Grant Teams will retain meeting records for a period of five years ~~unsuccessful applications and copies of successful applications, as well as meeting records.~~

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890 - 541.969

AMEND: 695-035-0030

RULE SUMMARY: Provides information on individual Small Grant Program applications.

CHANGES TO RULE:

695-035-0030

Small Grant Program Project Application ¶

~~(1) A Small Grant applicant may be a tribe, watershed council, or soil and water conservation district. These entities may act on behalf of private landowners, not-for-profit institutions, schools, community colleges, state institutions of higher education, independent not-for-profit institutions of higher education, local agencies, state agencies, or federal agencies. ¶~~

~~(2) When reviewing applications, Team members will abide by the same conflict of interest standards that apply to Oregon's public officials, as detailed in ORS 244.020. ¶~~

~~(3) Small Grant Project applications submitted to the Small Grant Team will include a completed application form provided by OWEB, and will use technical guidance from at least one of the sources listed below in this subsection. Small Grant Project applicants will cite in the application the practice code(s), or the page number and paragraph, for the technical guidance source listed. The Small Grant Team will verify the citation. If technical guidance and standards for a project are not available from one of these sources, the project is not eligible for funding under the Small Grant Program. ¶~~

~~(a) The Natural Resources Conservation Service (NRCS) Field Office Technical Guide, and local cost share list. ¶~~

~~(b) A Guide to Placing Large Wood in Streams (Oregon Department of Fish and Wildlife and Oregon Department of Forestry, 1995). ¶~~

~~(c) The Oregon Road/Stream Crossing Restoration Guide (Oregon Department of Forestry, Spring 1999). ¶~~

~~(d) Forest Practices Technical Note No. 4: Fish Passage Guidelines for New and Replacement Stream Crossing Structures (Oregon Department of Forestry, May 10, 2002). ¶~~

~~(e) Forest Practices Technical Note No. 5: Determining the 50-Year Peak Flow and Stream Crossing Structure Size for New and Replacement Crossings Structures (Oregon Department of Forestry, May 10, 2002). ¶~~

~~(f) The Nonpoint Source Pollution Control Guidebook for Local Government (Oregon Department of Environmental Quality and Oregon Department of Land Conservation and Development, 1994). ¶~~

~~(g) Urban Subwatershed Restoration Manual Series #4: Urban Stream Repair Practices (Center for Watershed Protection, November 2004). ¶~~

~~(h) Tribal Natural Resource Plans or Water Plans on Tribal Trust Lands. ¶~~

~~(4) Only watershed councils, soil and water conservation districts, tribes, and entities designated as eligible by the Small Grant Team in their operating procedures may serve as fiscal agents for a Small Grant Project. ¶~~

~~(5) The application budget is the Small Grant applicant's statement of how OWEB funds will be spent. Should the Small Grant Team approve the application for funding, the Grantee will only be able to bill OWEB for the line items appearing in the OWEB column in the application budget. Changes in line item amounts are permissible, with the exception of Project Management, which may change only with prior approval from OWEB. Grantees wishing to add new line items must also request prior permission from OWEB. ¶~~

~~(6) The applicant, landowner, and fiscal agent will sign the application. Teams may write a separate cooperative agreement where multiple landowners are involved. Teams will keep the original cooperative landowner agreement on file, and all signatories, plus OWEB, will be provided copies. Project funds will not be released until OWEB has a signed copy of the cooperative landowner agreement.~~

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890 - 541.969



RULE SUMMARY: Provides information on individual Small Grant Program grants.

CHANGES TO RULE:

695-035-0040

Small Grant Program Project Grants ¶¶

- (1) Prior to the disbursement of any Small Grant Project funds, the Grantee must sign a Small Grant Project agreement containing such terms and conditions as may be deemed necessary by the OWEB Director to ensure that the expected benefits of the project are realized, and that applicable legal requirements and any special conditions of the Board with regard to particular grants are met.¶¶
- (2) Each Small Grant Project awarded will be limited to ~~at the maximum of \$15,000 per project, per landowner, per OWEB fiscal year, including technical assistance and fiscal administrative expenses~~ amount determined by the OWEB Board each biennium, per landowner, per OWEB fiscal year.¶¶
- (3) The Board will only enter into new Small Grant project agreements with a grantee once that grantee has addressed to OWEB's satisfaction all active Small Grants with outstanding advances and all expired Small Grants with outstanding advances.¶¶
- (4) ~~Fiscal administrative expense~~ Indirect costs included in each Small Grant Project may not exceed 10 percent of the OWEB grant amount for direct project costs. However, project grants for a total of \$2,000 or less may include ~~fiscal administrative expense~~ indirect costs up to \$200, not to exceed the total amount awarded.¶¶
- (5) ~~A change in fiscal agent requires an amendment to the original grant agreement, and must be requested in writing of the OWEB Small Grant Program.~~¶¶
- ~~(6)~~ Travel expenses directly related to project implementation are eligible for funding under the Small Grant Program, subject to OWEB review and approval. Travel expenses will be reimbursed only in accordance with rates approved by the Department of Administrative Services and which are in effect at the time the expense was incurred. The Grantee must identify the reason or purpose for all travel expense reimbursement requests. No mileage reimbursement will be paid for the use of motorcycles or mopeds. The Small Grant Program will not reimburse for meals, lodging, or out-of-state travel.¶¶
- ~~(7)~~ Equipment purchases directly related to project implementation are eligible for funding under the Small Grant Program, subject to OWEB review and approval. However, OWEB discourages the use of limited Small Grant Project funds on equipment purchases, and instead encourages Teams to work with applicants to obtain equipment through other means, such as borrowing or renting. Following project completion, equipment purchased with OWEB funds will reside with any of the following: watershed council, soil and water conservation district, tribe, local government, or a school district. These entities will make the equipment available to each other at no cost, other than nominal maintenance costs.¶¶
- ~~(8)~~ Small Grant Project award recipients must provide evidence of at least 25 percent secured match for the Small Grant Project award prior to disbursement of grant funds by including a signature of commitment from the entity(ies) providing match on the OWEB Secured Match Form. Match must be current and specific to the Small Grant Project. The same match may not be used for multi-phased projects, unless it is divided among the phases. Applicants may attach the completed match form to their application or they may submit the form with their first grant award payment request. Disbursement of the final grant award payment requires evidence of actual match contributed, shown ~~on~~ in the Actual Match FProject Completion Report. Match may include labor, volunteer time, technical assistance, materials or services provided, donated property, or cash. ~~OWEB funding may not be used as match for a Small Grant Project funded by OWEB.~~¶¶
- ~~(9)~~ All Small Grant Projects will be completed within 24 months from the date of Team approval of the application. No project completion extensions beyond 24 months will be allowed.¶¶
- ~~(10)~~ Upon project completion, the Grantee will ~~provide OWEB and the Small Grant Team with a copy of the Project Completion Report and color photographs with captions~~ submit to OWEB a Project Completion Report. Final project accounting and reporting are due no later than 60 days following the project completion date.¶¶
- ~~(11)~~ The following standards will be applied to each Small Grant Project payment:¶¶
  - (a) OWEB will not pay for activities that were not covered under the project grant agreement, or did not receive prior approval from OWEB per OAR 695-035-0030(5).¶¶
  - (b) Each Small Grant Project award will be disbursed in no more than two payments.¶¶
  - (c) The Board will retain ten percent of project funds until the final report, as required in the grant agreement, has been approved.¶¶
  - (d) The first payment may consist either of an advance of up to 60 percent of the Small Grant Project award upon presentation of a detailed estimate of expenses for a specified time period, or of a reimbursement of expenses to date upon presentation of receipts and invoices.¶¶

- (e) No funds will be released until evidence is submitted to OWEB that all required permits and licenses for the project have been granted.¶
- (f) Receipts for the full advance amount are due within 120 days of the date OWEB issues the advance check.¶
- (g) The second and final payment will not be disbursed until OWEB receives from the Grantee through the designated fiscal agent:¶
- (A) Receipts and invoices for expenditures of previous fund releases, and receipts and invoices supporting the new fund release request;¶
- (B) A spreadsheet or other report documenting all project expenses;¶
- (C) A ~~completed Actual Match Form~~ satisfactory Project Completion Report, showing all project match, which must total at least 25 percent of the amount of OWEB funds actually spent on the Small Grant Project;¶
- ~~(D) A satisfactory Project Completion Report and color photographs with captions of the project site; and¶~~
- ~~(E)~~ (D) A current Oregon Watershed Restoration Reporting Form, showing among other things, evidence of actual match contributed.¶
- (121) Two years following receipt by OWEB of the project completion report, the individual designated in the project application will provide OWEB and the local Small Grant Team with a Year-Two Status Report. Applicants may budget for this as an expense to OWEB in the application (not to exceed \$200), or they may put the amount toward the required 25 percent match funds by showing the amount in the cost share column.
- Statutory/Other Authority: ORS 541.906
- Statutes/Other Implemented: ORS 541.890 - 541.969

AMEND: 695-035-0050

RULE SUMMARY: Describes eligible projects for the Small Grant Program.

CHANGES TO RULE:

695-035-0050

#### Eligible Small Grant Projects ¶¶

(1) The Small Grant Program will fund only those projects that:¶¶

(a) Demonstrate in the Small Grant Project application a clear watershed benefit to aquatic species, wildlife, or watershed health.¶¶

(b) Are consistent with the local Small Grant Team's priority watershed concerns, as identified in their program grant agreements with OWEB.¶¶

(c) Adhere to OWEB administrative rules, OAR 695-005-0010-695-005-0060 and 695-050-0010-695-050-0050.¶¶

(d) Implement a project to restore, enhance, or protect native fish or wildlife habitat, watershed or ecosystem functions, or water quality.¶¶

(e) Are implemented in a manner that follows professionally accepted restoration approaches resulting in ecological or watershed benefits.¶¶

(f) Use and clearly identify in the small grant application technical guidance from at least one of the approved sources in OAR 695-035-0030(3), and cite in the application the practice code(s), or the page number and paragraph, for the technical guidance source listed.¶¶

(g) Where applicable, have been approved for technical sufficiency by the appropriate state agency, or by the appropriate tribal government for projects on Tribal Trust Lands.¶¶

(2) Small Grant Projects to be completed in phases on the same property are eligible for Small Grant Project funding, provided only one phase is submitted for funding consideration per OWEB fiscal year, and provided all phases occur at different locations on the property. In general, OWEB encourages multi-phased project applications to be submitted through other OWEB grant programs.¶¶

(3) Teams must select from the following list when identifying priority watershed concerns for their Small Grant Area:¶¶

(a) Instream Process and Function;¶¶

(b) Fish Passage;¶¶

(c) Urban Impact Reduction;¶¶

(d) Riparian Process and Function;¶¶

(e) Wetland Process and Function;¶¶

(f) Upland Process and Function;¶¶

(g) Water Quantity and Quality/Irrigation Efficiency;¶¶

(h) Road Impact Reduction.¶¶

(4) The following project types are eligible for funding. Teams are encouraged to be strategic in identifying eligible project types in an effort to better support salmon recovery objectives and Agricultural Water Quality Management Area Plans. Teams may petition OWEB to allow project types not appearing on the list, as described in OAR 695-035-0020(9)(c).¶¶

(a) Instream Process and Function.¶¶

(A) Improve Instream Habitat: place large wood, boulders, or salmon carcasses;¶¶

(B) Manage Erosion: bioengineer stream banks, slope stream banks, or develop water gaps, streambank barbs;¶¶

(C) Eradicate or Control Exotic Aquatic Species.¶¶

(b) Fish Passage.¶¶

(A) Remove Irrigation or Push-Up Dams: install alternatives (e.g., infiltration galleries, point-of-diversion transfers) or convert from gravity diversion to pumps;¶¶

(B) Remove and/or Replace Culverts (as a condition of funding, such projects require ODFW or ODF technical review and approval, or tribal government review and approval for projects on Tribal Trust Lands, using a standard OWEB form; and for culverts under state roads, a 50 percent ODOT match);¶¶

(C) Remove or Replace Stream Crossings (as a condition of funding, such projects require ODFW or ODF technical review and approval, or tribal government review and approval for projects on Tribal Trust Lands, using a standard OWEB form).¶¶

(c) Urban Impact Reduction.¶¶

(A) Install Stormwater Runoff Treatments (e.g., create bioswales, pervious surfaces, native plant buffers, green roofs);.¶¶

(B) Create Off-Channel Flood Storage;¶¶

~~(C) Employ Integrated Pest Management~~ Revegetate Stormwater Runoff Treatments (e.g., create bioswales, pervious surfaces, native plant buffers, green roofs) where vegetation has exceeded its design life;¶

~~(C) Employ Integrated Pest Management in conjunction with a restoration project.~~¶

(d) Riparian Process and Function.¶

(A) Manage Nutrient and Sediment Inputs through managed grazing (e.g., fencing and developing off-channel watering) and plantings;¶

(B) Manage Vegetation: plant or seed native riparian species, propagate native riparian plants, or control weeds in conjunction with a restoration project;¶

~~(C) Employ Integrated Pest Management in conjunction with a restoration project.~~¶

~~(D) Restore flood plain reconnection.~~¶

(e) Wetland Process and Function.¶

(A) Manage Nutrient and Sediment Inputs: fence out livestock or develop alternative watering sites;¶

(B) Manage Vegetation: control weeds (in conjunction with a restoration project), or plant native wetland species;¶

(C) Restore Wetlands: excavate or remove fill, or eliminate drainage structures;¶

~~(D) Employ Integrated Pest Management: in conjunction with a restoration project~~¶

(f) Upland Process and Function.¶

(A) Manage Erosion on Agricultural Lands: terrace land; employ laser leveling; create windbreaks; install water and sediment control basins (WASCBs); develop filter strips/grassed waterways; manage mud (e.g., gravel high-use areas, develop paddocks); seed bare areas (OWEB may require a grazing management plan, if appropriate, prior to release of funds. For post-fire areas, seed only where natural regeneration is unlikely - e.g., on slopes of 30 percent or more - or where it can be demonstrated that seeding would retard or prevent the spread of noxious weeds); or reduce tillage.¶

(B) Manage Nutrient and Sediment Inputs to Streams through the management of grazing, vegetation cover, or animal waste, or irrigation runoff.¶

(C) Manage Vegetation: prescribed burning, except when conducted as part of a commercial harvest; non-commercial thinning; control/remove juniper (except late-seral/old growth); plant or seed (native upland species or native beneficial mixes preferred); or control weeds (in conjunction with a restoration project). Projects for prescribed burning to reduce fuel loads require ODF technical review and approval, or tribal government review and approval for projects on Tribal Trust Lands, using a standard OWEB form.¶

(D) Manage Wildlife: install water guzzlers.¶

~~(E) Employ Integrated Pest Management: in conjunction with a restoration project~~¶

(g) Water Quantity and Quality/Irrigation Efficiency.¶

~~(A) Recharge Groundwater: roof water harvesting, such as through infiltration galleries, infiltration basins, roof water harvesting, or similar practices;~~¶

(B) Implement Irrigation Practices (e.g., pipe existing ditch, install the permanent components of drip or sprinkler systems, install automated soil moisture sensors where water and electrical savings can be documented, or recover or eliminate tail water). Such projects must either not adversely impact the current level of groundwater in a Groundwater Management Area, or for projects involving surface water must measurably reduce the diversion of water at the point of diversion. As a condition of funding, irrigation efficiency projects require local watermaster technical review and approval, or tribal government review and approval for projects on Tribal Trust Lands, using a standard OWEB form. Landowner agreements with irrigation efficiency projects require affirmation that the landowner and/or irrigation district agrees that water conserved with the project shall remain instream. For projects involving improvement of irrigation practices for the benefit of water quality, the application shall describe how sediment, nutrients, bacteria, or waste is entering a waterbody along with sediment and nutrient load calculations.¶

(h) Private Road Impact Reduction.¶

(A) Decommission Roads;¶

(B) Improve Surface Drainage: surface road drainage improvements, gravel surfacing, stream crossings.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890 - 541.969

AMEND: 695-035-0060

RULE SUMMARY: Describes projects that are ineligible for the Small Grant Program.

CHANGES TO RULE:

695-035-0060

#### Ineligible Small Grant Projects ¶¶

(1) The Small Grant Program will not fund projects that:¶¶

- (a) Do not demonstrate a clear watershed benefit to aquatic species, wildlife, or watershed health.¶¶
- (b) Are not consistent with the local Small Grant Team's priority watershed concerns, as identified in their program grant agreements with OWEB.¶¶
- (c) Do not adhere to OWEB administrative rules: OAR 695-005-0010-695-005-0060, 695-035-0010-695-035-0070, and 695-050-0010-695-050-0050.¶¶
- (d) Do not implement a project to restore, enhance, or protect native fish or wildlife habitat, watershed or ecosystem functions, or water quality.¶¶
- (e) Do not use and clearly identify in the small grant application technical guidance and standards from one of the approved sources listed in OAR 695-035-0030(3).¶¶
- (f) Are at the same location as, and are identical to, addressing the same resource concerns as projects that have already been funded, are currently being funded, or are currently being considered for funding through either the Small Grant Program or other OWEB grant programs.¶¶

(2) The following project types are ineligible for funding through the Small Grant Program:¶¶

- (a) Project planning and design not done in conjunction with the implementation of funded restoration or enhancement activities.¶¶
- (b) Routine maintenance.¶¶
- (c) Trash removal.¶¶
- (d) Fish screens and trash racks.¶¶
- (e) Tide gate removal, replacement, or installation.¶¶
- (f) Constructed stream bank armoring.¶¶
- (g) Development of off-channel watering systems not done in conjunction with fencing a riparian area or managing nutrient and sediment inputs in upland areas.¶¶
- (h) Pond cleaning and pond creation (does not include off-channel watering systems and pump-back systems).¶¶
- (i) Residential landscaping not done in conjunction with the implementation of funded riparian restoration or enhancement activities.¶¶
- (j) Weed control not done in conjunction with the implementation of funded restoration or enhancement activities.¶¶
- (k) Projects required as a condition of a local, state, or federal permit, order, or enforcement action (e.g., mitigation projects, manure storage and management projects that are required by a permit from ODA).¶¶
- (l) Irrigation practices that adversely impact the current level of groundwater in a Groundwater Management Area, or do not measurably reduce the diversion of water at the point of diversion.¶¶
- (m) Irrigation water conservation projects that propose any of the following activities:¶¶
  - (A) Irrigation system maintenance or renovation of existing pipe.¶¶
  - (B) Restoring a system that has deteriorated due to lack of maintenance and/or inadequate design.¶¶
  - (C) Portable pipe (does not include gated pipe), readily movable components, or ditch cleaning.¶¶
  - (D) Electrical costs resulting from conversion to pump from flood irrigation.¶¶
- (n) Western juniper management that involves the removal of late-seral/old growth juniper.¶¶
- (o) Reforestation or tree planting on lands following a commercial harvest.¶¶
- (p) Prescribed burning when conducted as part of a commercial operation.¶¶
- (q) Commercial thinning.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890 - 541.969

AMEND: 695-035-0070

RULE SUMMARY: Provides for OWEB review of the Small Grant Program.

CHANGES TO RULE:

695-035-0070

Periodic Review and Evaluation of the Small Grant Program ¶

~~Once a biennium, and in consultation with representatives of the Soil and Water Conservation Commission, tribes, and Small Grant Teams, OWEB will review annual reports submitted by Small Grant Teams and evaluate the need for program improvements and administrative rule changes.~~

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890 - 541.969

AMEND: 695-035-0080

RULE SUMMARY: Describes process for rule waivers in the Small Grant Program.

CHANGES TO RULE:

695-035-0080

Waiver of Rules **¶**

The Director may waive the requirements of ~~d~~Division 35, unless they are required by statute, for individual grants, when doing so will result in more efficient or effective implementation of the Board's grant program. Any waiver granted shall be in writing and included in the permanent file of the individual grant for which the waiver was granted.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.890 - 541.969