



OREGON
WATERSHED
ENHANCEMENT BOARD

Agenda Item M

Rule Revisions

Operating Capacity Grant Program

Board Meeting July 28-29, 2026



Oregon

Tina Kotek, Governor



OREGON
WATERSHED
ENHANCEMENT BOARD

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July 28-29, 2026 OWEB Board Meeting

Staff report – Agenda Item M. Operating Capacity Grant Program Rulemaking

MEMORANDUM

To: Oregon Watershed Enhancement Board
From: Eric Hartstein, Senior Policy Coordinator
Brian Wolcott, Water Acquisition and Capacity Coordinator
Eric Williams, Grant Programs Manager

Supports OWEB's Strategic Plan priority #3: Community capacity and strategic partnerships achieve healthy watersheds.

I. Introduction

This staff report provides an overview of the Watershed Council and Soil and Water Conservation District (SWCD) Operating Capacity grant program, and the engagement process that OWEB and the Oregon Department of Agriculture (ODA) led to obtain feedback on the direction of potential rulemaking in the capacity grant program. At the July 2026 meeting, staff will seek board authorization to initiate rulemaking for Operating Capacity Grants for watershed councils and SWCDs.

II. Background

Watershed council and SWCD operating capacity grants are awarded biennially and support the operations of organizations that are necessary for developing projects to protect and restore native fish or wildlife habitats and watershed functions to improve water quality or stream flows. The board last revised and adopted new administrative rules for council capacity grants (Division 40, Attachment A) in 2014. ODA has rules in place for SWCDs to fulfill their statutory requirements, but the SWCD Capacity grant program is administered through OWEB's broad grant program rules (Division 5), rather than rules specific to capacity grants.

OWEB has provided council capacity and SWCD capacity grants for more than 20 years. Watershed councils and SWCDs are located throughout the state (Attachment B and C). OWEB does not create or oversee watershed councils or SWCDs. Watershed councils are locally designated watershed restoration organizations that are often nonprofit organizations led by a board of directors. SWCDs are local governmental organizations governed by elected boards of directors that receive oversight from ODA. SWCDs and watershed councils are cited in the Oregon Plan for Salmon and Watersheds as necessary organizations engaging communities in the voluntary, collaborative processes to restore watersheds of Oregon and recover fish and wildlife populations to productive and sustainable levels.

For some time, OWEB and ODA have sought an opportunity to review rules for operating capacity grants for both watershed councils and SWCDs in order to explore several issues, including ensuring alignment with the statutory intent of the grant funds, revisiting concerns around eligibility for watershed councils, bringing SWCD capacity grants into specific capacity program rules, and incorporating general updates since watershed council rules were last revised in 2014. Agency leadership determined that the 2025-2027 biennium was the appropriate timeframe to initiate this rulemaking effort.

III. Pre-Rulemaking Engagement

Prior to requesting the board initiate rulemaking for operating capacity grants, OWEB and ODA initiated an engagement process in February 2026 to gather input from SWCDs and watershed councils regarding the current capacity grant program, what can be improved upon in the program, and ideas to consider during rulemaking. The engagement process included 11 listening sessions (including a presentation and dialogue with many of the attendees at the April Connect Conference), an online survey (with results provided in Attachment D), and several one-on-one conversations between agency staff and SWCDs and watershed councils that wished to provide individual feedback. A summary of the listening session themes along with areas lacking consensus among participants in the engagement process is provided as Attachment E. These were presented to the Partnerships and Capacity Committee at their [June 2026 meeting](#). At the meeting, committee members urged staff to incorporate discussions on eligibility and opportunities for shared services into the rulemaking process.

IV. Operating Capacity Rulemaking

Rulemaking at OWEB is initiated by the board with a draft timeline provided by staff. Following board initiating rulemaking, staff begin working on draft rule concepts and language, and develop a rulemaking advisory committee (RAC), which is made up of those that are most likely to be impacted by the proposed rules. Once developed, the RAC meets to review and discuss the proposed rules. RAC meetings are open to the public and both verbal and written comments are sought for these meetings.

At intervals, staff will update relevant board committees (and approximately halfway through the process - the full board) on rulemaking themes and progress made through the RAC meetings. When a final draft of the proposed rules has been developed, staff file a notice with the Oregon Secretary of State's Office to seek formal public comment on the rules through written comments and via a virtual public hearing. After consideration, OWEB provides a response to each comment provided, including whether the comment resulted in a change to the draft rules. The final draft rules are then brought to the board for consideration to adopt.

If the board authorizes rulemaking for operating capacity at its July 2026 meeting, staff propose following the schedule below.

Approximate Date	Rulemaking Action
July 2026	OWEB Board Authorization for Rulemaking
August-September 2026	Draft Rule Concepts/Language Developed
October 2026-March 2027	Rulemaking Advisory Committee Meetings to Vet Draft Rules and Provide Feedback*
January 2027	Rulemaking Progress Report to OWEB Board*
May 1, 2027	Draft Rules/Notice Filed with Secretary of State, agency mailing list, legislators, and posted to OWEB website
May 1 – May 31, 2027	Tribal and Public Comment Period (including virtual hearing) *
June 2027	Review Tribal and Public Comments, Provide Response, and Consider Revisions to Draft Rules
July 2027	Board Considers Approving Rules
January 2029	Effective Date of New and Revised Rules

*Opportunity for formal public comment

V. Recommendation

Staff are requesting the board initiate rulemaking for watershed council and SWCD operating capacity grants, and to provide direction on themes to explore with the RAC during the rulemaking process.

VI. Attachments

- A. Current Outcome-Based Watershed Council Operating Capacity Grants Administrative Rules (Division 40)
- B. Map of Oregon Watershed Councils
- C. Map of Oregon Soil and Water Conservation Districts
- D. Capacity Grants Survey Results
- E. Listening Sessions and Survey: Emerging Themes

DIVISION 40 - OUTCOME-BASED WATERSHED COUNCIL OPERATING CAPACITY GRANTS

695-040-0010

Purpose

(1) To guide the Oregon Watershed Enhancement Board in accepting, reviewing for eligibility and merit, and considering for funding applications for Council Capacity Grants pursuant to ORS 541.918, 541.926(1)(e), 541.923, and 541.910.

(2) To provide a grant program to help support the operations of watershed councils that engage people and communities in their watersheds to participate in the collaborative, voluntary restoration and protection of native fish or wildlife habitat, and natural watershed functions to improve water quality or stream flows.

(3) To encourage the development of high-capacity local infrastructure and continuous improvement.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

History:

OWEB 1-2014, f. & cert. ef. 8-6-14

OWEB 3-2004, f. & cert. ef. 9-20-04

695-040-0020

Definitions

(1) "OWEB" means the Oregon Watershed Enhancement Board state agency.

(2) "Board" means the Oregon Watershed Enhancement Board created under ORS 541.900.

(3) "Director" means the Executive Director of the Oregon Watershed Enhancement Board or the Executive Director's designee.

(4) "Watershed council" or "council," pursuant to ORS 541.890(15), means a voluntary local organization, designated by a local government group convened by a county governing body, to address the goal of sustaining natural resources and conducting watershed protection, restoration and enhancement within a watershed as defined in 541.890(14).

(5) "Council Action Plan" means a plan or set of plans adopted by a council or group of councils that identifies and prioritizes the ecological problems the council seeks to address, and the priority, voluntary restoration, enhancement, monitoring and/or community engagement activities the council will conduct to address those problems.

(6) "Council Capacity Grant" means an OWEB grant awarded to a watershed council or group of watershed councils under the Outcome-Based Watershed Council Operating Capacity Grant Program on or after January 1, 2015.

(7) "Watershed Council Support Grant" means an OWEB grant awarded to a watershed council or group of watershed councils prior to July 1, 2013, for the purpose of supporting the capacity of a council or group of councils to conduct the activities necessary for the watershed protection, enhancement, and restoration work of the council(s).

(8) "Council's governing body" means the group of people who have the responsibility to a) ensure that the council meets legal requirements, b) support successful achievement of the council's goals, and c) create a structure, policies, and procedures that support good governance.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

History:

OWEB 1-2014, f. & cert. ef. 8-6-14

OWEB 3-2004, f. & cert. ef. 9-20-04

OWEB 2-2004, f. 4-6-04 cert. ef. 4-12-04

695-040-0030

Eligibility Criteria

The purpose of the eligibility criteria is to define which watershed councils are eligible to apply for Council Capacity Grants. These eligibility criteria do not limit or control the existence or creation of watershed councils. A watershed council, or group of watershed councils, is eligible to apply for a Council Capacity Grant only if OWEB determines it meets the eligibility criteria.

(1) Designation as a watershed council by a local government:

(a) For watershed councils previously awarded a Watershed Council Support Grant, the council shall have been designated as a watershed council by a local government.

(b) For new or reorganized watershed councils, the council shall be designated as a watershed council by a county commission, county board, or county court.

(2) Geographic Area:

(a) A geographic area served by a council or group of councils can change. However, to be eligible, OWEB shall determine that a council or group of councils serves an area:

(A) In which a council or group of councils previously received a Watershed Council Support Grant or Council Capacity Grant; and

(B) Which is the same or larger than the geographic area served by a council or group of councils as of July 1, 2013.

(b) In addition, for the purposes of this eligibility criteria:

(A) The geographic area shall include a minimum population of 500 individuals within its designated boundary or boundaries; and

(B) No more than one applicant is eligible for the same geographic area.

(3) The council's governing body has adopted a Council Action Plan: Minimum criteria for Council Action Plans shall be determined in accordance with guidance adopted and periodically reviewed by the Board and made available to the public on the OWEB website and in Board meeting materials.

(4) The council shall demonstrate at least one of the following:

(a) It is registered with the State of Oregon;

(b) It has a written fiscal sponsorship agreement with a 501(c)(3) organization; or

(c) It has a written fiscal sponsorship agreement with a Soil and Water Conservation District, city, county, or tribal government.

(5) Organizational Structure and Business Operations: If OWEB determines a watershed council or group of councils meets the relevant eligibility criteria in sections 1 through 4 above, OWEB shall determine whether the governing documents adopted by the council or group of councils include the elements described in this section.

(a) The council's governing body has adopted bylaws or a charter that includes the following:

- (A) A declaration that the council's mission aligns with OWEB's purpose as described in the Oregon Constitution and statutes. At a minimum, the bylaws or charter shall indicate that a primary purpose of the council is to work collaboratively with communities and landowners to develop and carry out voluntary watershed protection, restoration, enhancement, and community engagement activities;
- (B) How the governing body is selected;
- (C) Titles of officers, e.g., Chair, President, Secretary, Treasurer;
- (D) How officers are selected;
- (E) Who is eligible for the governing body;
- (F) Who is eligible to be an officer;
- (G) Length of service on governing body;
- (H) Length of service for officers;
- (I) Powers of governing body;
- (J) Powers of officers;
- (K) Minimum number or frequency of governing body meetings;
- (L) Decision making process of governing body;
- (M) A statement that the council intends its governing body to include a diverse range of geographic areas and community interests in the watershed in order to engage a balance of interested and affected persons within the watershed as required by ORS 541.910(2); and
- (N) A process for amending the bylaws or charter.
- (O) If the council is a membership organization, in addition to A-N above the bylaws or charter shall include the following:
 - (i) Who is eligible for membership;
 - (ii) When membership meetings will occur;
 - (iii) The decision making role of the membership; and
 - (iv) A process to remove members or terminate the voting rights of members.
- (b) The council's governing body has adopted policies and/or procedures that include the following:
 - (A) A list of the geographic areas and community interests the council intends to include on its governing body in order to engage a balance of interested and affected persons within the watershed pursuant to ORS 541.910(2);
 - (B) A policy that the council operates as an open and inclusive organization, including inviting the public to council meetings, and, upon request, providing the public with records of its meetings and decisions;
 - (C) A policy that the council, or its fiscal sponsor, uses Generally Accepted Accounting Principles; and
 - (D) A policy that the council does not rely on litigation to compel regulatory enforcement as a means to implement its mission.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

History:

OWEB 1-2014, f. & cert. ef. 8-6-14
OWEB 3-2004, f. & cert. ef. 9-20-04
OWEB 2-2004, f. 4-6-04 cert. ef. 4-12-04

695-040-0090

Eligibility Determination

- (1) The eligibility of a watershed council or group of councils to submit an application for a Council Capacity Grant shall be determined in accordance with guidance adopted and periodically reviewed by the Board and made available to the public on the OWEB website and Board meeting materials.
- (2) If a watershed council disagrees with the determination that it is not eligible to submit an application and wishes to appeal, the council shall appeal to OWEB's Director in accordance with the appeal process contained in the guidance adopted by the Board. The Director shall make the final decision on all eligibility appeals.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

History:

OWEB 1-2014, f. & cert. ef. 8-6-14

695-040-0100

Application Requirements

Council Capacity Grant applications shall be submitted on the most current form that conforms to the requirements and process set forth in guidance and periodically reviewed by the Board and made available to the public on the OWEB website and Board meeting materials.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

History:

OWEB 1-2014, f. & cert. ef. 8-6-14

695-040-0110

Merit Evaluation

- (1) Applications shall be evaluated in accordance with the guidance adopted and periodically reviewed by the Board and made available to the public on the OWEB website and in Board meeting materials.
- (2) Through its merit evaluation, OWEB seeks to:
 - (a) Ensure strategic and accountable investment of public funds;
 - (b) Encourage continuous improvement in watershed councils' organizational management, operating structure, and functions, and the planning and implementation of on-the-ground watershed protection, restoration, enhancement, and community engagement activities; and
 - (c) Ensure watershed councils are working toward strengthening their role in watersheds through activities focusing on council resilience, leadership, collaboration, and representing a balance of interested and affected persons within the watershed as required by ORS 541.910(2).
- (3) Merit evaluation shall include reviews for:
 - (a) Prior performance;
 - (b) Progress in accomplishing council work plans that is demonstrated over time; and
 - (c) Demonstration of progress toward the objectives described in section 2 above, as set forth in guidance adopted by the Board.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

History:

OWEB 1-2014, f. & cert. ef. 8-6-14

695-040-0120

Board Action on Eligible Applications

(1) The Board may fund grants to watershed councils or a group of councils.

(2) The Board shall take action on eligible applications for Council Capacity Grants in accordance with guidance adopted by the Board and made available to the public on the OWEB website and in Board meeting materials.

(3) Individual Council Capacity Grant funding levels are within the Board's discretion based on consideration of:

(a) A watershed council's merit evaluation;

(b) The Board's determination, if any, under 695-040-0120(3)(d); and

(c) Available funding.

(d) Notwithstanding subsections (a), (b) and (c), the Board may award an individual Council Capacity Grant for a larger geographic area when the Board determines that such action will likely increase collaboration and resource sharing, inter-watershed coordination, and will likely foster organizational resilience and watershed restoration outcomes at a larger landscape scale. The Board's determination shall be made in accordance with guidance adopted and periodically reviewed by the Board and made available to the public on the OWEB website and in Board meeting materials. Such an award by the Board may include a reduction in the number of individual Council Capacity Grants within the larger geographic area and a reduction in funding levels for individual watershed councils within the larger geographic area.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

History:

OWEB 1-2014, f. & cert. ef. 8-6-14

695-040-0130

Use of Funds

A Council Capacity Grant provides funding for operations of a watershed council or group of councils.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

History:

OWEB 1-2014, f. & cert. ef. 8-6-14

695-040-0140

Grant Agreement Conditions

The Council Capacity grantee shall be required to:

(1) Submit to OWEB an annual work plan update;

(2) Submit an annual report to all local government entities that designated the council; and

(3) Obtain appropriate levels of insurance coverage commensurate with council activities.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

History:

OWEB 1-2014, f. & cert. ef. 8-6-14

695-040-0150

Waiver of Rules

The Director may waive any requirements of Division 40 for individual grant applications, not including mandatory statutory requirements, when doing so will result in more efficient or effective implementation of the Outcome-Based Watershed Council Operating Capacity Grant Program. Any waiver granted shall be in writing and included in the permanent file of the grant for which the waiver was granted.

Statutory/Other Authority: ORS 541.906

Statutes/Other Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

History:

OWEB 1-2014, f. & cert. ef. 8-6-14

Oregon Watershed Councils

Updated December 2022

Attachment B

**North Coast
Watershed Association**

NCWA Coastal Council
*a. Ecola Creek WC
NCWA River Council
*b. Nicolai-Wichiup WC
*c. Skipanon WC
*d. Youngs Bay WC

- e. Columbia Slough WC
- f. Greater Oregon City WC
- g. Johnson Creek WC
- *h. Oswego Lake WC
- *i. N. Clackamas WC
- *j. Tryon Creek WC

**Salem Keizer Area
Watershed Councils**

- *k. Claggett Creek WC
- *l. Pringle Creek WC
- *m. Mill Creek WC

*n. Spring Valley WC
*o. Rickreall WC
*p. Glenn-Gibson WC

†The North Santiam Watershed Council is also locally recognized in the Mill Creek watershed.

**Wasco County
Watershed Councils**

- *Bakeoven WC
- *Fifteenmile WC
- *Mosier WC
- *The Dalles WC
- *White River WC

*** Indicates locally recognized watershed councils that have never received their own individual Council Support Grant and are not eligible for a Council Capacity Grant.**

**For Purposes of OAR 695-040-0030(2)(a)
Geographic Eligibility Criteria: Boundaries of
Councils which received a Watershed Council
Support Grant Before July 1, 2013.**



Area with no watershed council



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Updated by Troy Wirth January 2015 using ESRI ArcMap 10.2.2 Oregon Lambert Projection, NAD 83 SRID 2992

C:\Users\PAULA\GIS C Drive\GIS Files on Z Drive\Projects\WatershedCouncil\Projects\Watershed Council Boundaries WebsiteMap 2019.mxd

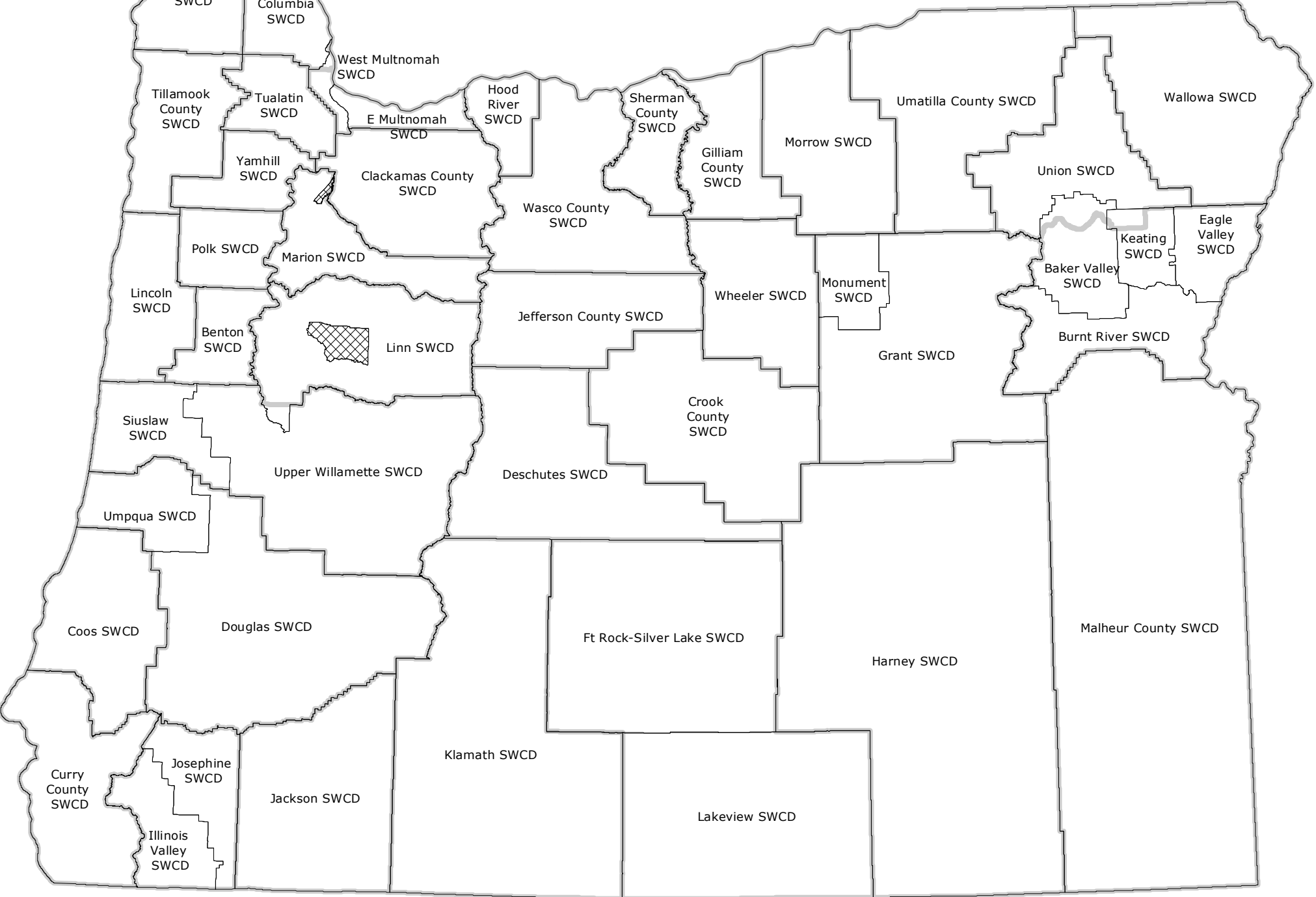
**South
Coast
Watersheds
Council**

The South Coast Watersheds Council is also locally recognized for the Chetco Basin.

*Williams Creek WC

Oregon
Soil and Water Conservation Districts

Attachment C



○ SWCD Boundary ▨ Excluded Area ○ County Boundary

Q1 How do you use your current soil and water conservation district (including the SOW tasks) or watershed council capacity funding?

Answered: 38 Skipped: 5

#	RESPONSES	DATE
1	Capacity is used for community engagement activities, administrative tasks, audits, sustaining staff wages to complete final reporting requirements if we run out of project funds, for technical assistance with community members, and for paying organizational costs if necessary (rent, utilities, accounting fees, taxes).	5/6/2026 2:28 PM
2	We use most of the funds to pay the wages of our Resource Conservationist who serves as our Ag. water quality conservation planner. This conservationist spends time attending site visits and follow up with landowners and has focused on pasture renovations and mud/manure reduction with livestock owners over the past year. We consistently take on initiatives that local farmers are interested in such as pasture management, soil health, etc.	3/30/2026 6:16 AM
3	To fund our Executive Director and Finance Manager, both hard to fund positions in typical grant applications.	3/27/2026 10:08 AM
4	We share office staffing (one person) between us, the Watershed Council, a 501c3, and the Soil & Water Conservation District, and we have one additional staff, our Executive director, who doubles as Projects Manager as well. Capacity funding helps us to exist to be able to do the conservation work that is needed.	3/26/2026 6:09 PM
5	We use the current WC capacity funding to a) collaboratively develop projects to protect or restore native fish habitat and/or wildlife habitat, b) develop projects to protect or restore natural watershed or ecosystem functions in order to improve water quality and/or stream flows, and c) engage in resource assessment, planning, design and engineering, technical assistance, monitoring and outreach activities necessary for carrying out the first two uses listed. Limited capacity has prevented our WC from making other than very limited gains in the area of acquiring from willing owners interests in land or water that will protect or restore native fish or wildlife habitats.	3/24/2026 3:45 PM
6	1. Project development pipeline (landowner engagement → design → permitting → implementation) 2. Compliance and reporting burden 3. Contracting and oversight 4. Monitoring tied to funding requirements Capacity funding is what makes implementation possible, not separate from it.	3/23/2026 11:23 AM
7	Capacity funding pays for approximately a 1/2 time position and associated overhead expenses necessary to conduct outreach, provide technical assistance and develop restoration projects.	3/18/2026 7:30 PM
8	Utilities, IT, Office Supplies, Subscriptions	3/10/2026 8:06 PM
9	We use our current funding in accordance with the Capacity Grant Agreement, which includes certain tasks and requires certain legal obligations be met. Most of what we do as a District involves providing technical assistance to landowners, performing landowner outreach, monitoring water quality, and implementing Ag water quality improvement projects as well as habitat improvement and protection projects.	3/9/2026 10:58 AM
10	We use this funding to help pay for overhead and staff salary. Staff time is typically used looking for other grants or completing administrative tasks.	3/9/2026 9:49 AM
11	Capacity funding supports the core operational functions of SWCD, including landowner outreach, project development, grant writing, and technical assistance delivery. Specific activities include watershed assessment and planning, coordination with NRCS on EQIP and CREP implementation, partnership engagement through the Partnership, and development of innovative conservation programs such as our virtual fencing initiative and process-based restoration work. Without capacity funding, the district could not maintain the staff time required to shepherd projects from initial landowner contact through grant application, design, and implementation.	3/5/2026 2:54 PM

Capacity Grants Survey 2026

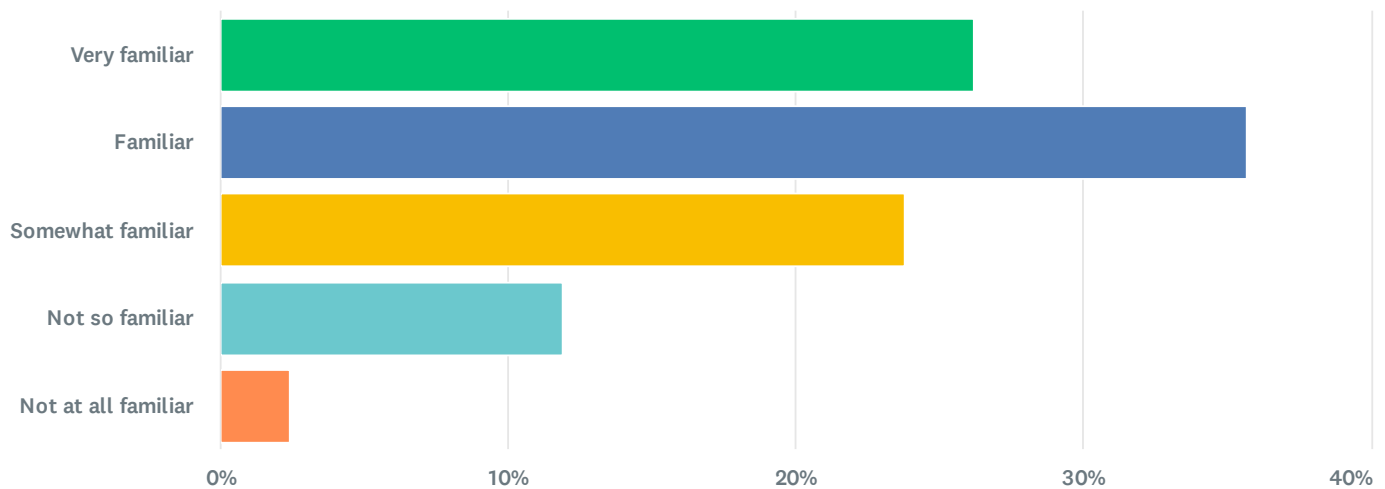
#	RESPONSES	DATE
12	Capacity for community and landowner engagement, technical assistance for landowners, supporting ag wq management area plan	3/5/2026 2:17 PM
13	We use this a base funding for all staff, which is our main source for project development with new and existing landowners that lead to on the ground restoration projects.	3/3/2026 9:17 AM
14	Staff time (technical assistance, reporting, education/outreach) Meeting supplies	3/2/2026 12:28 PM
15	Mostly for staff time for delivering technical assistance to landowners and for some workshop and materials expenses.	3/2/2026 9:31 AM
16	Helps us fund staff who assist in assessing, planning, and managing projects that protect and restore natural watershed and ecosystem function that improve water quality and maintain stream flows.	2/28/2026 1:18 PM
17	Improve access to native fish habitat.	2/28/2026 6:01 AM
18	No longer use SWCD. SOW tasks need to be more water quality, soil health, and healthy forage and forests rather than directed primarily towards fish.	2/26/2026 7:13 PM
19	To cover part of the cost of SWCD operations (staff, office, etc.)	2/26/2026 1:52 PM
20	Council utilizes capacity funding to directly support the foundational functions required to plan, secure, coordinate, and implement on-the-ground watershed restoration projects across both private and public lands within five distinct watershed basins in . As outlined in our 2025–2027 Council Capacity application, these funds primarily support contracted labor and travel for two Project Managers and a Watershed Assistant who are responsible for: Landowner outreach and relationship development Restoration project scoping and consultation Grant development and project design Stakeholder engagement and technical coordination Monitoring, reporting, and compliance Mapping, planning, and implementation support In rural, working landscapes like , restoration implementation is dependent on voluntary participation from private landowners. Capacity funding allows our council to build trust, develop projects collaboratively, and move restoration from concept to implementation in a way that aligns ecological function with agricultural productivity. Capacity funding does not exist in isolation from restoration—it is the mechanism by which restoration funding becomes actionable. Without consistent staffing and coordination support, councils would be unable to: Secure landowner agreements Navigate permitting or survey challenges Coordinate contractors Align partner funding timelines Maintain project continuity from planning through monitoring In practice, capacity funding enables the council to serve as the local delivery system for state and federal restoration investments, ensuring that funding translates into measurable outcomes such as stream and riparian treatment, upland restoration, post-wildfire recovery, and improved watershed resilience across working lands.	2/26/2026 11:52 AM
21	1. keeping the doors open 2. project funding assistance	2/26/2026 11:06 AM
22	To fund the district manager and activities	2/26/2026 9:52 AM
23	County SWCD Board member	2/26/2026 9:09 AM
24	Mostly for agricultual water quality projects	2/25/2026 6:12 PM
25	We use it to pay SWCD staff to 1) facilitate partner meetings to help provide direction to our programs, 2) develop projects that meet the eligibility criteria, and 3) develop projects that we believe meet the spirit of the ORS requirements and are recommended in the Ag WQ Management Plan but don't meet the eligibility criteria, especially related to water conservation and soil health on irrigated lands.	2/25/2026 9:59 AM
26	Staff salaries Travel to restoration projects Insurance	2/25/2026 8:56 AM
27	We do not currently receive council capacity funding. It seems we are not eligible because we were started in 2011. And our geography is smaller than many other councils.	2/24/2026 6:37 PM
28	Mostly to fund the executive director role, support administrative tasks (tax paperwork, accounting, etc) that aren't billed to a specific project.	2/18/2026 3:28 PM
29	Neither the conservation districts or the watershed council cooperate or partner with the County.	2/18/2026 3:01 PM
30	We use it to funds staff time to handle admin tasks, plan and run board meetings, develop projects and write grants, etc.	2/17/2026 1:50 PM

Capacity Grants Survey 2026

#	RESPONSES	DATE
31	conservation and water quality programs	2/17/2026 11:49 AM
32	N/A	2/17/2026 9:36 AM
33	Outreach, TA, paying for legal requirements (audits, legal notices, etc.). Grant writing (most time spent on lengthy OWEB grants), fiscal services, and partnerships. See SOW/FAAP reporting for more information. Participating in meeting and surveys such as this require SOW funding.	2/17/2026 9:05 AM
34	The funds are used to maintain staff to provide technical assistance for water quality projects. They are also used to pay for legal obligations and day to day operating costs it takes to maintain the operation.	2/16/2026 8:38 AM
35	To staff & operate our Council to a professional level.	2/14/2026 3:38 PM
36	Resource assessment, planning, design and engineering, technical assistance, monitoring and outreach activities necessary for carrying out projects to protect or restore native fish habitat or wildlife habitat, and projects to protect or restore natural watershed or ecosystem functions in order to improve water quality or stream flows.	2/14/2026 7:26 AM
37	The capacity grant is the basis for our SWCD to function. From it, our conservation tech produces 10-20 agricultural water quality enhancement projects throughout our county each biennium.	2/13/2026 5:56 PM
38	building a compost facility, cover crop	2/13/2026 5:21 PM

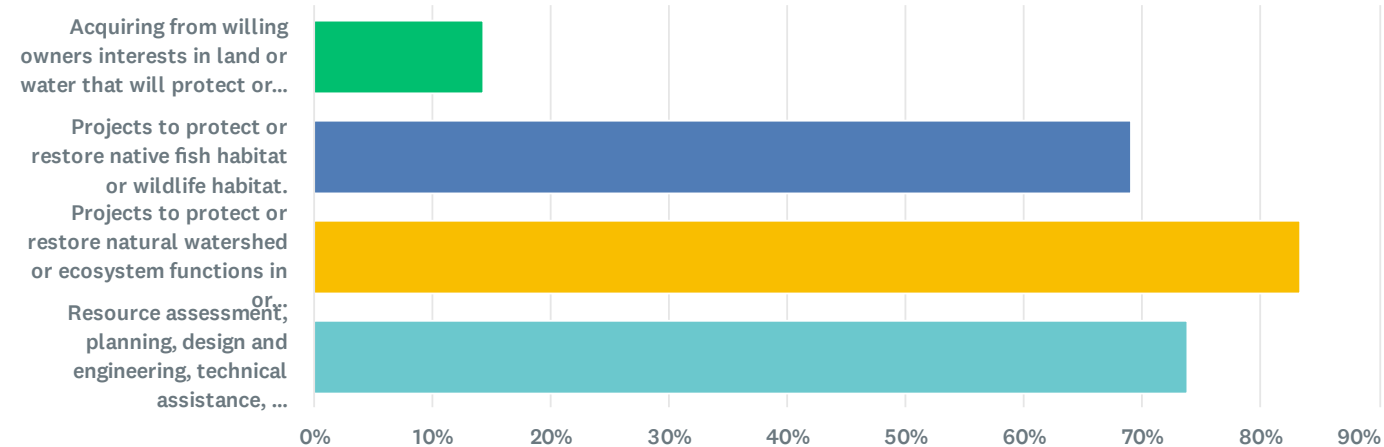
Q2 42 responses

How familiar are you with Constitutional language/ORS 541.956 requirements that allow for lottery grant funds to only be used for the following eligible activities: (1) Acquiring from willing owners interests in land or water that will protect or restore native fish or wildlife habitats. The interests may include, but need not be limited to, fee interests, conservation easements or leases. (2) Projects to protect or restore native fish habitat or wildlife habitat. (3) Projects to protect or restore natural watershed or ecosystem functions in order to improve water quality or stream flows. (4) Resource assessment, planning, design and engineering, technical assistance, monitoring and outreach activities necessary for carrying out 1-3.



Q3 42 responses

What eligible activities described in the question above does your organization spend the most time on?



Q4 Please describe what an effective watershed council or soil and water conservation district looks like to you.

Answered: 41 Skipped: 2

#	RESPONSES	DATE
1	Ability to provide effective conservation service by working with landowners and local, state, and federal agencies.	5/16/2026 2:25 PM
2	An effective Watershed Council has good engagement with their community, trust from the community, a diverse board of directors, and has the capacity (funding and staff time) to sustain the organization while developing and implementing watershed restoration/monitoring projects.	5/6/2026 2:28 PM
3	To be an effective soil and water conservation district we need to be able to have the following: open communication with the land owners is very important; provide technical assistance as well as grant funding to land owners to improve watershed health as well as information or education to prevent watershed damage and how to implement management practices; SWCDs are currently meeting reporting requirements with the Scope of Work reports to ODA, as well as our annual financial reports to the Secretary of State and that needs to continue	5/4/2026 8:24 AM
4	I think an effective SWCD is one that is emphasizing Ag Water Quality in their geography. This work is unique to SWCDs so it should always be a priority. To be effective, we need to implement a scope of work that is vetted with ODA and the Local Advisory Committee. SWCDs also need to be responsive to the interests of the population they serve. When residents are asking for wildlife habitat or urban programming, the most effective SWCDs are able to respond to that and offer assistance in those categories.	3/30/2026 6:16 AM
5	One that is well known in the community and is adaptable and flexible to the highest need at any given time.	3/27/2026 10:08 AM
6	I believe a Watershed Council should be an interdependent organization with the public community, with other watershed service organizations and bioregional groups. While our nonprofit Mission is specific and distinct, we can best serve that Mission by ongoing communication, activities and collaborative projects with those entities. I feel we also have a mandate to inspire community to own the watershed's future health. Recognition that we are interdependent with the watershed is an essential piece of that mandate.	3/26/2026 6:09 PM
7	An effective watershed council is place-based, community-rooted, and deeply trusted by the people it serves. It is staffed by individuals with long-term relationships in the watershed — people who understand the land, the water, the community's history, and the competing values at play. It operates collaboratively, earning rather than demanding participation from landowners and community members. It delivers science-based restoration outcomes while remaining accessible and accountable to the community it exists to serve. It leverages partnerships with federal, state, and local agencies to multiply its impact far beyond what its modest budget would suggest possible. And perhaps most importantly — it stays. It doesn't chase trends or follow funding away from its core mission. It is there year after year, building trust and institutional knowledge that make lasting watershed health possible. None of this is possible, however, without adequate and stable capacity funding that allows these organizations to maintain their presence, develop their people, and grow their impact over time — a need that is especially acute for watershed councils operating in rural isolated, economically distressed communities where alternative funding sources are scarce and the margin for organizational survival is razor thin.	3/24/2026 3:45 PM
8	1. Delivers restoration at scale 2. Maintains long-term partnerships 3. Navigates complex regulatory frameworks 4. Sustains staffing and institutional knowledge Stability = effectiveness	3/23/2026 11:23 AM
9	An effective watershed council would have adequate funding for staff time needed to develop and implement a strategic action plan that addresses the needs and priorities of the local watershed.	3/18/2026 7:30 PM
10	Structured, Organized, Great Leadership	3/10/2026 8:06 PM

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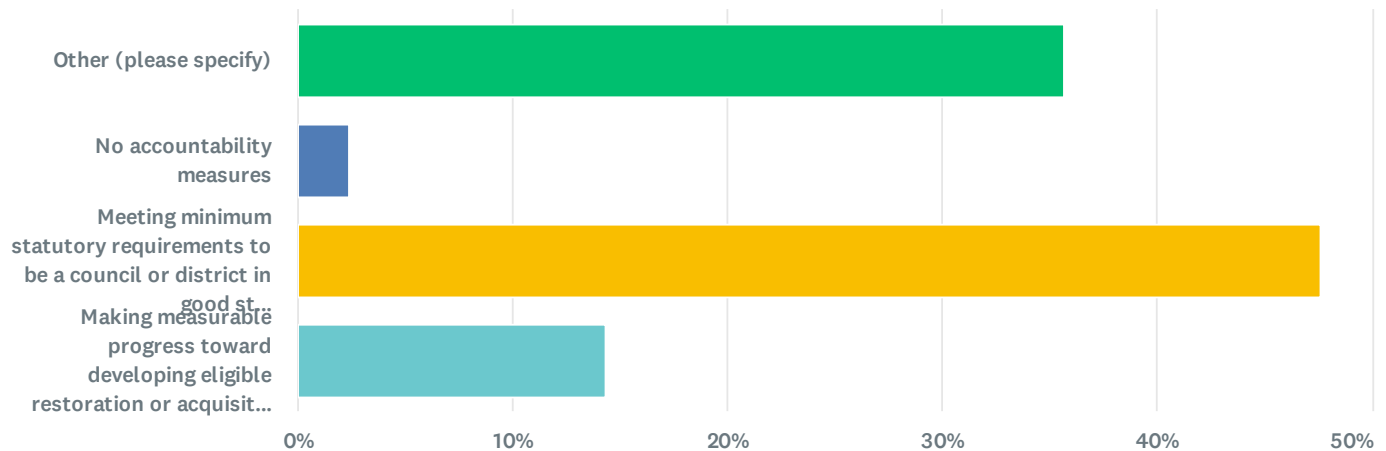
#	RESPONSES	DATE
11	This is a very broad question. At a minimum, I suppose they need to meet whatever their statutory requirements are, and to accomplish the tasks and terms of their capacity grant agreements. That usually means completing certain minimum targets of landowner engagement, projects, practices implemented, etc. Beyond that, I think it is reasonable to expect that every watershed council and SWCD meet certain minimum thresholds of function in their community. However, what those thresholds are may vary from organization to organization based on where they are located in the state, the demographics of their county, size of the organization, etc. etc.	3/9/2026 10:58 AM
12	An effective watershed council works closely with the community to identify, implement, and monitor different restoration and enhancement projects throughout their watershed.	3/9/2026 9:49 AM
13	An effective SWCD is locally driven, maintains strong landowner relationships, and translates conservation priorities into on-the-ground projects. Effectiveness is measured by the ability to move work from watershed assessment through project implementation, not just planning documents. An effective district maintains technical competence across relevant conservation practices, leverages capacity funding to attract and manage restoration grant dollars, and functions as a trusted connector between landowners, agencies, and funding sources. In rural, agricultural counties [REDACTED], effectiveness also requires cultural credibility with the farming and ranching community. Without that, landowner engagement breaks down and projects do not happen.	3/5/2026 2:54 PM
14	An effective SWCD is a trusted, local source of technical and educational expertise on natural resource topics to partners, landowners, and residents in their service area.	3/5/2026 2:17 PM
15	They are different, SWCDs focus more on Ag Management practices to protect water quality	3/4/2026 3:34 PM
16	The glue that holds together and does the difficult work of reaching consensus between local, state, tribal, and federal partners and landowner/managers.	3/3/2026 9:17 AM
17	Provides support and resources to constituents. Provide programming (workshops, classes, etc) to constituents.	3/2/2026 12:28 PM
18	One that is well known and respected by the landowners. Can point to many examples of successful, on the ground projects, as well as robust educational offerings.	3/2/2026 9:31 AM
19	One that identifies and efficiently completes projects that benefit land owners and enhance natural ecosystem function.	2/28/2026 1:18 PM
20	Do quality projects that meet the goals of the landowner and SOW using sound science.	2/26/2026 7:13 PM
21	A non-regulatory resource to landowners wishing to improve their land's soil, water or habitat.	2/26/2026 1:52 PM
22	An effective watershed council functions as a trusted, locally-based intermediary capable of translating technical restoration priorities into voluntary, community-supported implementation across jurisdictional boundaries. In geographically large and sparsely populated counties such as [REDACTED], effective councils must be: Regionally representative Landowner-engaged Technically informed Financially accountable Implementation-focused As noted in our application materials, the [REDACTED] is composed of landowner representatives from six different geographic regions within the county. This structure supports effective communication with private landowners who are essential partners in cross-boundary restoration work. Effective councils demonstrate success not only through planning and engagement, but through implementation outcomes such as: Miles of stream and riparian habitat addressed Acres of upland treatment completed Post-fire restoration activities Contractor hiring and workforce development Leveraged restoration funding secured Ultimately, an effective watershed council is one that is able to sustain long-term partnerships, maintain community trust, and consistently translate funding opportunities into durable, on-the-ground improvements in watershed function that benefit both ecological systems and working lands.	2/26/2026 11:52 AM
23	Undertakes activities that match the wishes of their constituents with science-based soil & water conservation practices/ projects.	2/26/2026 11:06 AM
24	Responsive to current events/issues. Partnerships with other local agencies and organizations	2/26/2026 9:52 AM
25	Sourcing grants and working with landowners to help improve soil and water conditions.	2/26/2026 9:09 AM
26	Strong board and staff that are recognized in the community as getting good work done and being an important technical resource to the community.	2/25/2026 6:12 PM

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#	RESPONSES	DATE
27	One where staff are actually paid a living wage and not a starvation wage that stresses people to the point of burn out living paycheck to paycheck. A 32 hour work week accounting for all the gains in worker productivity that has happened since the 40 hour work week was created over 80 years ago. Having OWEB and OACD lead the charge in creating a workplace environment that has a work life balance rather than a checkerboard map of different policies at each District and Watershed.	2/25/2026 4:56 PM
28	An effective SWCD is working with partners to effectively conserve soil and water, in addition to preserving wildlife and native fish habitat.	2/25/2026 9:59 AM
29	Broad and engaged representation across multiple sectors. Focused on priority conservation actions guided by data and assessments.	2/25/2026 8:56 AM
30	An effective watershed council has a clear mission and vision, science and community-based plans, and is working to restore salmon, water quality, and restore watershed function. An effective council builds a community ethic of watershed stewardship and care.	2/24/2026 6:37 PM
31	A liason between private landowners and conservation opportunities. A locally based hub of information, technical assistance, and connecting people interested in restoration work with funding sources and technical assistance.	2/18/2026 3:28 PM
32	Both require better, verifiable community engagement with meetings open to the public and follow Oregon meeting laws.	2/18/2026 3:01 PM
33	An effective watershed council is a highly functioning organization with efficient operations, a highly trained staff, and the ability to accomplish many different conservation projects.	2/17/2026 1:50 PM
34	Inviting to the public, providing education to the county members in both urban and rural technical areas, broadening funding authority by matching grant dollars, effective financial managers	2/17/2026 11:49 AM
35	Project management for design & construction of projects funded by grants and public agency agreements, public engagement & education opportunities, and identification of future (5 year to 50 year range) project opportunities	2/17/2026 9:36 AM
36	An effective SWCD receives stable funding to implement ORS 541.956 and other legal requirements of SWCDS and has enough stable "unregulated" funds to pursue natural resource conservation and enhancement that meet community needs.	2/17/2026 9:05 AM
37	These entities should operate within a reasonable budget, maintaining staff needed to complete the objectives and goals, paying competitive wages and other compensation to maintain staff. Being audited or reviewed yearly to ensure the correct use of public funds.	2/16/2026 8:38 AM
38	One accomplishing significant watershed restoration work.	2/14/2026 3:38 PM
39	boots on the ground, trusted organization in the community	2/14/2026 7:26 AM
40	An effective SWCD is conducting outreach and education to landowners about water quality and restoration activities. They are actively writing grants to do this and conduct on-the-ground restoration with willing landowners. The SWCD is funding their staff and overhead efficiently and maintaining the interested of the populus within their district.	2/13/2026 5:56 PM
41	Additional staff to support. Additional dollars to assist. Provide help to write grants or support for projects.	2/13/2026 5:21 PM

Q5 42 responses

Do you believe additional accountability measures should be incorporated into future watershed council and soil and water conservation district capacity grants?
If so, what accountability measures?



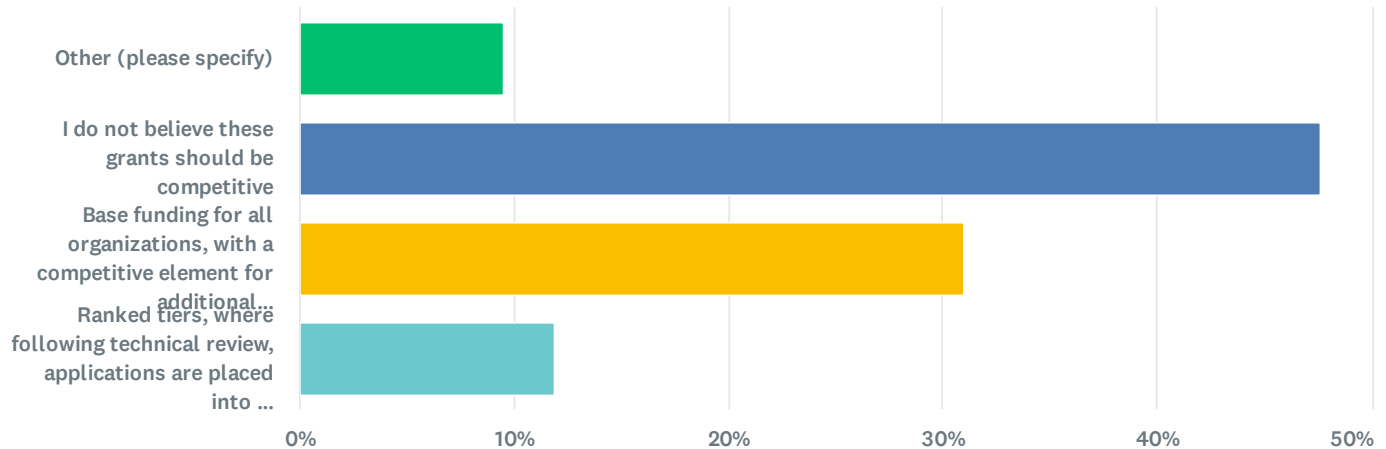
#	OTHER (PLEASE SPECIFY)	DATE
1	What criteria should be used to evaluate capacity grant applications? Stability indicators: **Community support evidenced by volunteerism, bioregional participation, organizational partners and community awareness. ** Five year plan, which includes ongoing organizational structure health, development planning and cash flow projections. ** Organizational partnerships beyond government agencies - a diverse sharing, partnering and collaborative history and list. **Evidence the organization participates in bioregional assessment and regenerative endeavors. **Succession planning if it applies. **Organizations should ALL have sustainability policies - both ecological and economic. **A mechanism for discerning what percentage of grant funding is "fixing" a capacity issue versus building capacity beyond current levels, (and why that is necessary).	3/26/2026 6:09 PM
2	I believe in maintaining the accountability measures currently in place. Requiring measurable progress toward developing eligible restoration or acquisition projects as a condition of capacity funding is fundamentally inequitable, particularly for smaller watershed councils operating in rural isolated communities. Project development timelines are subject to numerous factors entirely outside a council's control — landowner willingness, regulatory timelines, partner capacity, funding availability, and unforeseen events such as wildfire, drought, or economic disruption. Penalizing organizations for circumstances beyond their control undermines the very stability that capacity funding is designed to provide. Accountability should be measured by organizational health, community engagement, and demonstrated good-faith effort — not by project outcomes that depend on variables no single organization can control.	3/24/2026 3:45 PM
3	Yes, but the required reporting to demonstrate accountability must be met with additional funding to complete accountability reporting. Not from existing funding.	3/23/2026 11:23 AM
4	SWCD supports reasonable accountability measures for capacity grants. However, for small, rural districts with limited staff capacity, accountability requirements should be calibrated to what is necessary to meet OWEB's existing reporting needs, not layered on top of them. A three-person district serving a large, sparsely populated agricultural county cannot absorb significant additional administrative burden without diverting staff time away from the on-the-ground conservation work that capacity grants are intended to support. If OWEB's current reporting framework already captures the information needed to demonstrate eligible use of M76 funds, that should be sufficient. Any new accountability measures should be proportional to organizational size and should not create reporting requirements that effectively penalize small districts for limited administrative capacity.	3/5/2026 2:54 PM

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#	OTHER (PLEASE SPECIFY)	DATE
5	SWCD data goes to ODA every 6 months, this is accountability; yes, there should be a minimum	3/4/2026 3:34 PM
6	Ensuring that land owners are satisfied with the watershed council or SWCD.	2/28/2026 1:18 PM
7	They should be accountable to the results of the project and projects that fail to meet the goals should impact future funding.	2/26/2026 7:13 PM
8	Meeting good governance standards as developed/defined by ODA and the SWCC.	2/25/2026 9:59 AM
9	Ability to leverage outside funding sources beyond OWEB funding.	2/24/2026 6:37 PM
10	Well your "No accountability measures" option is a bit misleading because the question asks about "Additional accountability measure". I think the current system holds WCs to a very high standard, and meeting that level is already quite burdensome to smaller councils. Keeping the current effective measure in place makes a lot of sense. Overall this is a poorly written question.	2/17/2026 1:50 PM
11	Councils need to meet higher accountability statutes, more in line with districts, to protect fund. They do good work but need to have the ability to pay for more support.	2/17/2026 11:49 AM
12	Stop adding additional reporting and "accountability" measures without additional funding. OWEB is inflating the time needed for grant writing and reporting beyond any other local, state or federal agency I have encountered. If additional measures are needed, remove some of the current additional requirements that have just been added (see the new ODA Hub reporting) or make them align with your needs.	2/17/2026 9:05 AM
13	Meeting minimum guideline metrics that include the last three items in Q3.	2/14/2026 3:38 PM
14	for the numbers in question #2 report metrics for how much of each are produced. This would give OWEB an idea of what the capacity investment produces	2/14/2026 7:26 AM
15	watershed and swcd are gaining visibility but to be effective they need adequate funding and support	2/13/2026 5:21 PM

Q6 42 responses

If future watershed council and soil and water conservation district capacity grants were competitive, and performance based, how would you prefer to see it structured? Select from the following examples:



#	OTHER (PLEASE SPECIFY)	DATE
1	Base funding for all organizations, with a competitive element for additional funding, provided the competitive criteria are designed around measurable conservation outcomes rather than organizational size or administrative capacity. Criteria should reflect performance metrics such as restoration dollars leveraged per capacity dollar invested, landowner engagement rates, and eligible projects developed and implemented. Metrics should be scaled to district size and geographic context so that a high-performing small rural district can compete on equal footing with larger organizations. A well-designed competitive element rewards genuine conservation impact and creates healthy incentives across the SWCD network. A poorly designed one simply advantages larger districts with more administrative infrastructure. The criteria design will determine whether this approach is equitable and effective statewide.	3/5/2026 2:54 PM
2	Track record of successfully using the grants.	2/25/2026 6:12 PM
3	More competitive? It's already like the hunger games working for nonprofits in Oregon. People just live in fear of ever saying this to OWEB.	2/25/2026 4:56 PM
4	The grants don't need to be fully competitive, but some portion of fund could support additional financial and other accountability skills. An area to be looked at even if unpopular.s. competitiveness would be helpful to encourage entities to tighten operations and	2/17/2026 11:49 AM

Q7 What else is important for OWEB and ODA to understand before we work with a rulemaking advisory committee to draft updated capacity grant rules?

Answered: 37 Skipped: 6

#	RESPONSES	DATE
1	Rules should have flexibility for the size (small to large) and budgets for councils and districts.	5/16/2026 2:25 PM
2	Watershed Councils are unique and serve a specific function within our communities that is different from conservation districts. We should not be held to the legal standards that are currently present for SWCD's.	5/6/2026 2:28 PM
3	For the SWCDs to continue to provide technical assistance to landowners to get projects on the ground we must remain in compliance with our 5 legal requirements under ORS 568. Those should be allowable expenses as we cannot continue to operate if we are out of compliance • Financial reviews/audits should be required of any organization that is using grant funding, to ensure financial responsibility and transparency, therefore would be a basic operating function and allowable • Without SWCDs/Councils conservation doesn't get on the ground in Oregon, therefore the overhead costs to operate should be considered part of putting conservation on the ground • If we cannot operate, we cannot complete projects	5/4/2026 8:24 AM
4	For SWCDs, I think that the capacity grant is the most secure form of funding outside of property taxes which many SWCDs don't have (less than half of Districts have a local "tax base"). In our experience, our ODA Regional Water Quality specialist holds us accountable to implement a reasonable scope of work under the capacity grant. We operate with the understanding that if we don't perform, we don't continue to get the funding. I think if capacity grants become competitive, we will find that the Districts/Councils that have more resources right now will benefit the most and they will be better positioned to outcompete organizations with less financial resources to acquire the capacity grants.	3/30/2026 6:16 AM
5	Flexible/administrative funds are so hard to come by right now. Our federal dollars have been decreased significantly. If the capacity funds were make more restrictive, that would be such a blow to all watersheds and the great work we are already really struggling to accomplish.	3/27/2026 10:08 AM
6	What else is important: Recognizing that a council of individuals can do only small amounts of restoration work compared to the far greater amount that could be accomplished, the watershed future health that could be safeguarded and the economic efficiency that could be enhanced with better community engagement, is HUGE. Capacity grants can make that community integration happen and vastly increase the effectiveness of Watershed Council projects.	3/26/2026 6:09 PM

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#	RESPONSES	DATE
7	The [REDACTED] respectfully offers the following perspective as OWEB and ODA engage in this important rulemaking process. [REDACTED] has served the [REDACTED] watershed for nearly three decades as a small organization operating in one of Oregon's most geographically isolated and economically distressed communities. OWEB's capacity grant program has been central to our ability to fulfill our mission — not as one funding source among many, but as the foundational support that makes everything else possible in a region where alternative resources are scarce. We want to be candid: organizations like ours approach this engagement with some apprehension. We have watched the capacity grant landscape evolve over time in ways that have not always worked in favor of smaller watershed councils with limited staff and limited access to competing funding sources. OWEB's changes to its Small Grants program this biennium offer one recent and tangible example of a shift that has increased competition for finite funding without a corresponding increase in resources available to the organizations most dependent on them. As eligibility expands and program priorities shift, we worry that the organizations this program was originally designed to sustain — place-based, community-rooted, rurally isolated councils with proven track records — may find themselves increasingly disadvantaged in ways that are difficult to quantify but very real in their impact. Capacity grants exist to sustain the organizational infrastructure of watershed councils and soil and water conservation districts — not to reward competitive performance. Introducing competition into this program fundamentally misunderstands its purpose. Unlike restoration project grants, which fund discrete deliverables, capacity grants fund the people, relationships, and institutional knowledge that make all other work possible. These are not comparable categories and should not be treated as such. Making capacity grants competitive would disproportionately disadvantage smaller, rurally isolated organizations with limited staff time to invest in competitive application processes — precisely the organizations this program was designed to sustain. A watershed council that has faithfully served its community for decades should not have to compete for the organizational lifeline that keeps it functioning. Stable, predictable capacity funding is not a reward for performance — it is the foundation upon which performance becomes possible. Our ask is straightforward: as OWEB considers changes to the capacity grant program, we urge you to explicitly and intentionally protect the ability of smaller watershed councils in underserved regions to access stable, meaningful capacity funding. The strength of Oregon's watershed council network has always come from its roots — and in an increasingly uncertain and challenging world, those roots need not only sustained but possibly increased support to hold.	3/24/2026 3:45 PM
8	Capacity funding must reflect the true cost of delivering effective watershed restoration across large and complex service areas. Organizations like ours operate at a scale that requires substantial coordination, partnership development, regulatory compliance, and financial oversight, all of which are essential to implementing on-the-ground projects. Fixed costs such as annual audits, contracting, and reporting requirements are significant and continue to increase, yet are not always adequately supported under current structures. Any changes to capacity grant rules should ensure that stable, non-competitive base funding remains in place to support staffing and long-term program continuity, while also allowing for appropriate indirect cost coverage. Additional accountability measures should be aligned with existing requirements and paired with sufficient funding to avoid creating unfunded administrative burdens. Ultimately, updates to the program should strengthen the ability of high-performing organizations to deliver restoration outcomes, not introduce instability or reduce overall effectiveness.	3/23/2026 11:23 AM
9	Making the grants competitive would only take more staff time and resources away from developing successful projects. It would favor those organizations that receive consistent additional funding that allows them to hire additional staff.	3/18/2026 7:30 PM
10	That we are a partner with both OWEB & ODA whose objectives are in line with local community needs.	3/10/2026 8:06 PM
11	I think if there is a problem that needs to be addressed, adding additional performance measures	3/9/2026 10:58 AM
12	These grants are really the backbone for small watershed councils. Without these funds, it makes it extremely difficult to do all our administrative tasks and run the day-to-day operations. Our in-water project season and reporting only take up a fraction of the year so these funds help us to function and continue to find new projects the remainder of the year.	3/9/2026 9:49 AM

Capacity Grants Survey 2026

#	RESPONSES	DATE
13	Capacity funding produces conservation outcomes that extend well beyond direct M76-eligible activities. In rural agricultural counties [REDACTED], district staff time is the connective tissue between landowners and the full range of conservation funding available, including NRCS EQIP, CREP, OWEB restoration grants, and federal recovery programs. Without capacity-funded staff doing landowner outreach, relationship-building, and project development, that funding largely goes unleveraged. The return on capacity investment is therefore significantly larger than what current reporting captures. Any accountability framework or competitive criteria should account for this multiplier effect, not just direct M76 outputs.	3/5/2026 2:54 PM
14	SWCDs are a backbone interface of the State to Agriculture, and Ag Practice improvement that is not replicated anywhere and for which money is hard to get	3/4/2026 3:34 PM
15	Watershed Councils and SWCDs are in an incredibly difficult era with Federal funding and partnerships in tatters, with ricochet effects into every aspect of our work. Council Capacity funding is a vital base of organizational funding that is vital to keeping these organizations functioning at a high level. Losing capacity funding or having stricter rules or competition between these groups for base funding would be detrimental to the watershed council model, which has been successful for nearly 30 years now.	3/3/2026 9:17 AM
16	These funds are very important to these organizations that do so much work that supports OWEB and ODA priority objectives. It should be important to the RAC to maintain and support SWCDs and WCs into the future.	3/2/2026 12:28 PM
17	It is very difficult to have 2 agencies with different budget and grant application requirements.	3/2/2026 9:31 AM
18	Watershed Councils and SWCDs face tremendous challenges in navigating the regulatory milieu. I would like to see OWEB and ODA working toward opening up avenues that allow dedicated project managers to do their jobs without fear of failure due to the regulatory hurdles. This is not just training the project managers so they are aware of current laws, it is working with the regulatory agencies to modify Administrative Rules to streamline the work and provide clear, predictable (non-capricious) pathways to approval. Conservation work in our County has almost ground to a halt in recent years because of overwhelming regulatory pressures. Please help us so we can meet our mission and get the work done.	2/28/2026 1:18 PM
19	Understand the effect that rules may have on farms and ranch lands.	2/28/2026 6:01 AM
20	Politics should not be part of the rulemaking process. Need to select an unbiased, objective committee with 50% of members being natural resource landowners.	2/26/2026 7:13 PM
21	It is important for OWEB and ODA to recognize that capacity funding is foundational infrastructure for restoration delivery in rural communities. In counties with limited population, contractor shortages, and long travel distances between project sites, restoration work cannot occur at meaningful pace or scale without dedicated local coordination. Capacity funding provides continuity between planning cycles, implementation windows, and monitoring requirements—particularly when navigating regulatory constraints, landowner agreements, and multi-partner funding sources. Capacity investments: Increase the pace and scale of restoration Improve project readiness for implementation funding Reduce risk of landowner disengagement due to delays Support workforce development through local contractor hiring Enable councils to respond to catastrophic disturbance events such as wildfire As documented in our 2023–2025 accomplishments, council coordination supported millions of dollars in secured restoration funding and facilitated dozens of planning, implementation, and monitoring projects across both riparian and upland systems. From a rulemaking perspective, maintaining flexibility in allowable capacity expenditures—particularly related to contractor support, engagement, planning, and project management—is essential to ensuring councils can function as effective restoration partners within voluntary conservation frameworks. Updated rules should reflect the operational realities of rural watershed councils and acknowledge that sustained investment in capacity directly correlates with successful, community-supported restoration outcomes on the ground.	2/26/2026 11:52 AM

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#	RESPONSES	DATE
22	BE CAREFUL if you want cap grants to be competitive. Smaller, underfunded and understaffed districts will not have the firepower to compete with large districts who can devote targeted resources to the grant application process.	2/26/2026 11:06 AM
23	Tax bases in mostly urban counties have provided sufficient funding for expanded programs. Rural counties do not have that ability.	2/26/2026 9:52 AM
24	SWCDs and WCs need funding to cover basic overhead. Without this, very little can actually get done.	2/25/2026 6:12 PM
25	We are living in a moment in time in America where there has never been more income and wealth inequality. The top 1% has never had it so good. Meanwhile 60% of Americans are living paycheck to paycheck. It brings tears to my eyes when I think of all the kind hearted decent people I have met over the years who truly care about conservation. I am seeing people's lives fall apart because of the stress that this nonprofit, grant seeking world has created. This is the richest country on planet earth, yet that wealth rest in the hands of incredibly greedy and politically powerful few. We shouldn't have to toil away are lives in dumb labor chasing chump change. There needs to be a millionaire's tax in the state of Oregon and a billionaire's tax nationwide to fund these projects. OWEB, ODA and OACD also need to take a lead in helping to better working conditions in both Soil Distress and Watershed Councils.	2/25/2026 4:56 PM
26	The disconnect between Measure 76 requirements and the mission of SWCDs.	2/25/2026 9:59 AM
27	None	2/25/2026 8:56 AM
28	Most of Oregon has watershed councils, and many of these councils receive stable capacity funding from OWEB. However, many communities do not have a watershed council, or do not have a well-funded or active council. This results in inequitable resource allocation. All Oregonians deserve to have a stable and sustainable watershed council with capacity funds in place.	2/24/2026 6:37 PM
29	My hope for capacity grants is that they promote the good work of conservation groups by providing steady support for the administrative tasks that aren't billed to a specific project. Personally, I feel like these funds are best directed towards organizations that don't have any stable funding through a tax base. Additionally, I hope we can find a way for capacity grants to encourage capacity without inadvertently fragmenting groups or making redundant work - I think the current structure encourages as many seperate groups as possible, discouraging merging of two watersheds because then you only get 1.25x capacity instead of 2x, but meanwhile merging groups is sometimes a great way to avoid redundant nonprofit admin work, accomplish more work on the ground. The current system is discouraging that which is frustrating.	2/18/2026 3:28 PM
30	Successful projects require partnerships and community involvement. Fighting between conservation districts and watershed councils should not occur as well as in-fighting between board members.	2/18/2026 3:01 PM
31	First - though intended as an "incentive" the current consolidation rules function as a harsh penalty for councils considering consolidation. We would consolidate with a neighboring council the moment that rule is repealed. I have never understood why a consolidated council would need less capacity dollars to cover the same geographic area as two councils. This penalty should be removed, and if two councils consolidate to form one organization and they both previously got a capacity grant, the unified council should get two capacity grants. This penalty is the main reason that only one successful consolidation has happened statewide. It's not an incentive, it is a penalty. Give WCs the freedom to consolidate without the new entity losing \$60k+ per year. Especially if we rename these grants "project design and support" or something similar to better match the statute, we're saying that less projects should happen in those geographies than before, because their non-profit structure has changed? I do not see why that makes any sense. Second - I do find the issue of some WCs not receiving capacity grants, and some areas of the state being uncovered by WCs, to be an important discussion. But I do not think the answer is as simple as "every WC gets a capacity grant". I think one of the biggest challenges right now is that every WC spends so much time running itself (Statewide - 60+ boards, 60+ bylaws, 60+ Executive Directors) that it's taking time away from conservation and project implementation. I think this RAC is a chance to ask the question - how do we keep the locally focused watershed council model, while not requiring that there be a separate non-profit entity for each local group. My suggestion to change that is above (removing the consolidation penalty), but there may be better ideas to accomplish that goal.	2/17/2026 1:50 PM

Capacity Grants Survey 2026

#	RESPONSES	DATE
32	Some costs that support finance and accountability are required for districts to operate, such as fairly costly audits. Some portion of operational costs need to be included in the grant.	2/17/2026 11:49 AM
33	OWEB needs to understand how limited funding is and how adding, as OWEB always seems to do, more administrative burden is going to harm conservation across the state. The time I am spending on this survey, the meetings and discussions is all being build to SOW. It is unacceptable for OWEB to be requesting more information and participation while not funding time for staff. If you want participation, input and real collaboration put your money where your mouth is. A lack of funding/capacity/time is a major barrier to participation for non-tax based organizations.	2/17/2026 9:05 AM
34	Treat them the same. Geographically, SWCD's are County based, Watershed Councils typically sub-county level and across some county lines. So more Councils will be funded than SWCDs. That's ok. Functionally, OWEB & ODA learn pretty quick if a Council or District is having serious issues. You don't need a statutory or administrative metric to go in and fix the mess. [REDACTED] has examples both with positive outcomes.	2/14/2026 3:38 PM
35	With turnover of staff high and compensation constrained and difficult to meet agency standards, it is in all of our internet to look hard at consolidation particularly at the management level. We can do a better job if we managed the H2O Councils at the state level and delivered on the ground action locally. Specifically consolidate all; management accountability & Grand procurement at a state level and project development and implementing actions locally out of possibly six regional offices. Under this structure there would be significant savings cutting out duplicative and in many cases instances of unskilled people management.	2/14/2026 12:56 PM
36	There are very few funders that support capacity. Capacity funding is essential to develop restoration projects, and relationships with land owners/managers to be a trusted and successful organization.	2/14/2026 7:26 AM
37	My understanding is that OWEB is state supported. SWCD are county supported and not available in all counties. I am not sure how ODA is involved; I would need to learn more.	2/13/2026 5:21 PM

Themes Derived from Capacity Listening Sessions and Grantee Survey

May 26, 2026

EXECUTIVE SUMMARY

OWEB Capacity Grant Rulemaking – Statewide Listening Sessions

Integrated Statewide Themes (All Regions, All Sessions)

Listening sessions and survey results show strong agreement on the fundamental structure and purpose of capacity funding. Survey responses reinforce the same core messages:

- Stable, non-competitive base funding is essential for organizational survival.
- Flexibility remains the program’s most valued feature.
- Organizational health drives project success.
- Rising operational costs are undermining capacity.
- Reporting should be simplified and aligned across OWEB/ODA.
- Eligibility rules need modernizing so councils are not excluded due to start-date or geography.
- Equity considerations must reflect Oregon’s diverse population and landscapes.

These themes were consistently repeated across listening sessions and reinforced by qualitative survey responses.

Purpose

OWEB and ODA conducted 11 listening sessions both virtually and in-person with watershed councils (WCs), soil and water conservation districts (SWCDs), and other partners to understand experiences with the Capacity Grant Program and gather insights in advance of rulemaking. Over 150 participants represented diverse geographies, organizational structures, and watershed needs. During the listening session period from February through May 2026, a survey instrument was made available to provide those unable to attend listening sessions with the same opportunity to provide input to OWEB. The survey received 42 responses.

Across all sessions, the themes that emerged were highly consistent and reveal a shared vision for the future of the program. There were some issues where opinions diverged; these areas of policy tension are described in Appendix A.

Themes

1. Non-Competitive Base Funding Is Essential

Participants across Oregon overwhelmingly agreed that Capacity Grants must remain non-competitive. The non-competitive structure provides stability for organizations of all sizes—especially small, rural, or low-capacity groups that would otherwise struggle in competitive environments. Competitive systems were widely viewed as inequitable because organizations with stronger funding bases or larger staff would disproportionately benefit.

Base funding must remain predictable and threshold-based. Any performance-based approach is only acceptable if added as an optional tier on top of stable base funding. Competitive-only structures were universally opposed.

2. Flexibility Is the Program’s Most Important Feature

Flexible use of funds was consistently described as the single most critical aspect of the Capacity Grant Program. Organizations rely on flexibility to support:

- Staff time across planning, outreach, and administration
- Organizational health and business operations (finance, payroll, compliance)
- Travel and mileage, especially in geographically large service areas
- Equipment and vehicle use, including requests for the ability to purchase vehicles
- Rising costs of audits, insurance, and third-party financial management
- Permitting costs, which are increasingly expensive and time-intensive
- Strategic planning and long-term community engagement
- Relationship-building and technical assistance
- Costs that cannot be covered by project-specific grants

Participants emphasized that flexibility enables organizations to “be” their business so they can “do” their business—maintaining operational strength so they can successfully deliver restoration outcomes.

3. Organizational Health Drives Restoration Success

A central theme was the direct link between organizational health and ecological outcomes. Strong governance, financial integrity, compliance systems, and staff stability were repeatedly identified as prerequisites for effective project development and implementation.

Organizations noted that when structural health falters, it disrupts restoration for years. Maintaining healthy organizations is foundational for long-term watershed improvement.

4. Rising Costs Are Outpacing Funding Levels

Organizations reported that operational costs across Oregon have increased dramatically, including:

- Audit costs (sometimes exceeding \$40,000)
- Insurance premiums
- Staff retention and labor market pressures
- Inflation affecting rent, supplies, and services
- Higher permitting costs (fees and staff/consultant time)
- Fluctuating or declining federal funding

One organization cited a **26% increase in annual health insurance premiums**, exemplifying the financial pressure undermining capacity funding.

These pressures heighten the need for stable, flexible funding that supports essential operational functions.

5. Simplified and Aligned Reporting Requirements

Participants want streamlined reporting processes that reduce duplication and better align OWEB and ODA expectations. Current issues include:

- Redundant reporting through OWRI and OGMS
- Workplan requirements duplicating annual reports
- Shifting or inconsistent expectations from year to year
- Desire for a unified reporting pathway

Semi-annual reporting is preferred. Organizations want reporting to be meaningful, efficient, and supportive of actual program outcomes—not administratively burdensome.

6. Modernized and Inclusive Eligibility

Participants across regions noted that some watershed councils currently lack a viable path to eligibility. Organizations want modernized criteria that reflect today's landscape of watershed groups, demographic shifts, and restoration priorities. Eligibility should address:

- Councils not currently eligible due to 2013 program rules;
- Geographic gaps where communities lack watershed council support; and
- Maintaining stable funding for districts and councils if new councils are made eligible.

The goal is a system that ensures fairness, clarity, and sustainable long-term participation.

7. Equity Considerations Across Oregon

Partners emphasized that any formula, tier, or performance approach must account for Oregon's diversity:

- Rural vs. urban cost differences
- Watershed size vs. population
- Percentage of public land in a watershed
- Travel distances
- Organizational staffing levels
- Tax-base vs. non-tax-base districts
- Variable cost-of-living and labor markets

Equitable approaches cannot rely on a single metric such as geography or population. Organizations recommended balancing multiple contextual factors to avoid unintended disparities.

8. Balanced Interest in Performance-Based Tiers

While there is no consensus around performance-based tiers, a listening session and survey question prompted responses about a performance-based model. If such a model is implemented, many organizations are open to a hybrid model:

Base funding (non-competitive) + Optional competitive/performance tier

Participants stressed that performance indicators must:

- Be transparent, fair, and appropriate to scale
- Recognize ongoing project development work
- Account for long-term, multi-year projects
- Avoid privileging wealthier or larger organizations
- Reflect work beyond OWEB-funded projects

Measures of success should reflect both organizational health and meaningful restoration progress, not just project implementation.

9. Project Development Is Relationship-Based and Multi-Year

Organizations reiterated that project development involves sustained engagement, not just near-term project outputs. Legitimate project development activities include:

- Landowner engagement and technical assistance
- Tribal and agency partnership building

- Identification of limiting factors across watersheds
- Strategic planning
- Preliminary assessments, design scoping, and securing buy-in
- Activities that may not produce measurable outcomes for months or years

Capacity funding is the only resource that supports this long-duration work.

10. Community Trust and Local Presence Enable Restoration

Effective WCs and SWCDs are deeply rooted in their communities. Characteristics repeatedly identified as essential include:

- Local trust and name recognition
- Consistent staffing and organizational presence
- Strong administrative and business management
- Non-regulatory neutrality that builds access with landowners
- Ability to unify diverse partners and agencies around shared goals
- Engagement with Tribal governments, civic organizations, and local groups

Community relationships are at the heart of long-term restoration success.

11. SWCD Constraints Limit Organizational Health Investments

A persistent concern is the requirement that SWCDs allocate 70% of their capacity funds to agricultural water quality tasks, limiting their ability to invest in organizational health. SWCDs expressed strong interest in greater flexibility similar to current watershed council structures.

12. Mergers and Consolidation Are Complex

While some past mergers have benefited certain regions, participants noted:

- Mergers often result in losing one capacity grant allocation; some would consolidate immediately if the penalty were removed
- Post-merger implementation takes years of effort
- Governance and staffing integration require significant transition time
- Consolidation cannot be treated as a universal solution or a simple cost-efficiency measure

Participants urged thoughtful design of any merger-related incentives.

13. Stability Is Critical in a Volatile Funding Environment

Organizations noted increasing volatility across federal and state funding streams, ecological demands, regulatory complexity, and unpredictable workloads caused by wildfire and drought. Capacity Grants provide the **stable foundation** necessary to maintain continuity of operations and long-term planning.

Conclusion

The statewide listening sessions produced a unified message:

Capacity Grants must remain non-competitive, flexible, stable, and grounded in organizational health. If a performance-based tier is added, it should not penalize smaller organizations with fewer resources.

Reporting should be streamlined, eligibility modernized, and equity prioritized.

Funding must support the real work required to sustain watershed restoration in Oregon. The eligible activities “necessary for restoration or acquisition projects” should be broadly rather than narrowly prescribed.

These themes reflect the broad consensus across Oregon’s watershed councils, SWCDs, and partners and offer a strong foundation for durable, equitable capacity grant rulemaking.

Appendix A. Policy Tension Points

Areas Without Statewide Consensus

Below are the themes where participants and survey respondents did **not** express unified agreement. These represent the most important points for the Rulemaking Advisory Committee to examine closely.

1. Whether to include any performance-based or competitive funding tier

What most participants agreed on:

A non-competitive base is essential.

Where disagreement occurred:

- Some organizations liked the idea of a **second, optional competitive tier** for high performers.
- Others believed **any** competitive component risks inequity.
- Many supported the concept *in theory* but doubted it could be implemented fairly.
- Participants differed on **which performance metrics** (if any) would be valid, practical, or equitable.

Examples of disagreements included:

- Should performance measure outputs (projects completed) or effort (project development)?
- Should performance be evaluated relative to:
 - organizational size,
 - watershed context,
 - population served,
 - landowner dynamics,
 - or progress against self-defined goals?
- Would a competitive tier unintentionally reward already well-resourced groups?

No statewide consensus emerged on whether a competitive element should exist—or how it could be designed.

2. Use of formulas (population, geography, stream miles) to distribute funds

Participants had conflicting views on formula-based approaches.

Some believed a formula could:

- Bring transparency
- Allow new councils to enter the program

- Reduce perceptions of subjectivity

Others argued formulas would fail to account for:

- Unique local conditions
- Tribal relationships
- Ecological complexity
- Percent public land vs. private land
- Heavy outreach loads in some basins
- Vast travel distances in rural areas
- Cost of living and labor-market differences

Because of these tensions, **no single formula approach received broad support**, and many participants feared formulas could make inequities worse rather than better.

3. Whether SWCDs with tax bases should receive capacity funds

There was notable disagreement on the role of tax-base districts.

Some participants argued:

- Districts with a tax base should have reduced access or no access to capacity funds.
- Tax-base revenue should offset the need for state funds.

Others strongly countered that:

- Many tax bases bring in *less than* the capacity grant amount.
- Districts with tax bases still face steep operational costs and should not be excluded.
- Removing funds from tax-base districts would harm collaboration with watershed councils.

Because tax-base size varies widely, no single position dominated.

4. Mergers and consolidation

Participants were deeply split on consolidation.

Some believed:

- Mergers could improve efficiency, reduce admin burden, and strengthen funding.
- Smaller councils or districts should consider merging to reduce fragmentation.

Others emphasized:

- Mergers often result in losing a capacity grant.
- The hard work begins *after* the merger, with long, difficult integration.
- Consolidation can erode local identity and reduce community trust.
- Shared services are preferable to merging.

There was **no consensus** on whether consolidation should be encouraged, discouraged, incentivized, or left untouched.

5. Relative weighting of organizational health vs. on-the-ground progress

Everyone agreed both matter—but not **how much** each should matter.

Points of divergence included:

- Should organizational health be considered a core outcome?
- Should performance metrics prioritize ecological results, or organizational capacity?
- How should organizations be evaluated if they have strong organizational health but fewer immediate project outputs?
- Should progress on restoration be weighed equally across organizations that have vastly different capacities or watershed constraints?

There was no unified agreement across the state on how to balance these priorities.

6. Equity considerations and how they should influence funding

While everyone agreed equity matters, participants disagreed on **how to apply it**.

Conflicting ideas included:

- Should larger geographic areas get more money?
- Should more populated areas get more?
- Should public-land-heavy districts receive compensatory funding?
- Should rural orgs get extra weight due to travel costs?
- Should urban orgs get extra weight due to complexity of ecological and social systems?

Every proposed equity lens had supporters and opponents—making this one of the most complex areas without consensus.

7. Role of SWCD vs. WC structures and differences in flexibility

Participants disagreed about:

- Whether district capacity grants should have the same flexibility as watershed council grants.
- Whether statutory requirements should remain distinct between them.
- Whether WCs and SWCDs should ever share a unified rule structure or remain permanently differentiated.

Because some SWCDs want WC-like flexibility, while others value the current distinction, and some WCs worry about dilution, no unified viewpoint emerged.

8. Indirect vs. direct cost limits

Though most participants opposed an indirect-only model, opinions varied on:

- Appropriate indirect caps
- The appropriate balance between direct and indirect spending
- Whether to formalize direct/indirect structures at all

This emerged as another area without clear alignment.

9. Eligibility expansion (adding new councils)

Participants disagreed on whether the number of eligible councils should grow.

Some argued:

- New councils deserve access; eligibility rules are outdated.

Others were concerned:

- More councils would thin the funding and harm existing groups.
- Some regions already have many councils and would benefit from consolidation instead of expansion.

This tension created an area of non-consensus.

Summary: Where Consensus Did Not Exist

Across all sessions, the **highest-conflict or most mixed-support areas** are:

1. Whether to add any performance-based/competitive tier
2. Whether to use funding formulas (population, geography, stream miles)
3. Whether SWCDs with tax bases should receive capacity funds
4. Whether mergers should be incentivized or discouraged
5. How to weigh organizational health vs. on-the-ground project outputs
6. How to operationalize “equity” in funding allocation
7. How to handle indirect cost structures
8. Whether to expand eligibility to additional WCs

These represent **true policy choice points** where reasonable participants disagreed based on role, geography, organizational structure, or philosophical approach.
