

October 13, 2026

Stan Dean
1980 Colestin Rd
Ashland, Oregon 97520

Subject: Capacity Grant Rulemaking Advisory Committee (RAC), Materials for October 19, 2026

To: Oregon Watershed Enhancement Board and Capacity Grant RAC,

Following are comments pertaining to the materials to be discussed at the October 19, 2026 meeting, notably changes to OAR 695-040-0010.

Title of the Grants

The title of the grants has been changed from “Operating Capacity Grants” to “Project Development Grants.” The name change seems to point towards more restricted uses of the grant in the future governed by ORS 591.956, pertaining to the Conservation Grant Fund. It is uncertain whether such restrictions will allow the necessary overhead expenses for Watershed Councils (WCs) and Soil and Water Conservation Districts (SWCDs) to be able to “keep their doors open.” If the restrictions render WCs and SWCDs unsustainable, then other sources of funding need to be made available.

Purpose of Grants

The draft rules have new language that specifies the purpose of the grants to:

“support Watershed Councils and Soil and Water Conservation Districts 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.”

It is unclear how this purpose will affect what work and expenses can be covered by the grants. Hopefully, the RAC will discuss what can and cannot be covered. Following this discussion, the impact of this purpose statement will be better understood and should be apparent whether SWCDs and WCs may become unsustainable, need additional funding,

and/or need to stop doing work that they have done in the past. A sampling of the key questions to be addressed are as follows:

- How much overhead will be allowed under the grants?
- Does the purpose of the grants allow for monitoring programs?
- Does the purpose of the grants allow for general education programs?
- If an SWCD or WC implements a project on their own land that does not require engaging communities and people, would this be ineligible?
- Are there other significant areas of work that are done by SWCDs and WCs that could not be covered? (Examples might include water catchment and storage, groundwater programs, energy efficiency, agricultural water use efficiency, local food production, wildfire fuels reduction and defensible space, etc.)

The new language also states that “This Division supplements the OWEB Grant Program rules under OAR 695-005 and provides specific requirements for the Watershed Council and Soil and Water Conservation District Project Development Grants Program. In the event of any conflict between these requirements, and the requirements identified in OAR 695-005, the Watershed Council and Soil and Water Conservation District Project Development Grants Program in this Division take precedence.” It is notable that OAR 695-005-0010 specifically allows funds for operating capacity, but the purpose herein omits the words operating capacity and says that the requirements herein take precedence.

Definition of SWCD Project Development Grant

A new definition (OAR 695-040-10 (7)) is added for the SWCD Project Development Grant. This new definition says the grant is to “conduct the activities necessary for the watershed protection, enhancement, and restoration work of the district(s)” plus supporting “responsibilities under the Agricultural Water Quality Management Program.” As discussed above with the new purpose statement, it remains unclear what work and expense can be covered by the grants.

Watershed Council Eligibility

Proposed language for OAR 690-040-0030 (C) (iv) states that “no more than three new Watershed Councils may be approved statewide per biennium under this provision.” While this appears to prevent the proliferation of new WCs, it actually could allow many more WCs in the future. Each time a new WC is formed it is likely to dilute the resources

available to all WCs; i.e. if a new WC is formed, every existing WC may get a little less money in their next grant.

Economies of scale in administration of WCs are real and significant, and we should be encouraging the consolidation of WCs, not the proliferation. To move in the right direction, these rules should state that new WCs should only be eligible if the new area could not logically be incorporated into an existing WC based on significant differences in watershed ecology and function.

Additionally, the rules need to have clear incentives for mergers. It is understood that this will be discussed at future RAC meetings.

The proposed language for OAR 690-040-0030 (b) (A) states that "the geographic area shall include a minimum population of 500 individuals within its designated boundary." The number of people in a watershed may be important in making sure that there are sufficient human resources to actually run an effective watershed council. Having 500 individuals is unlikely to provide sufficient human capital. However, it is more important is to have a sufficiently large area with significant need for ecological improvement, so consideration should be given to adding criteria for geographic size and ecology.

SWCD Eligibility

New language is proposed for SWCD eligibility in OAR 690-040-0030 (6) and calls for ODA to certify that several statutory requirements have been met.

- The first problem with this language is that it is not clear as to which time period the requirements must be met. It would be logical to assume the prior fiscal year or biennium.
- The second problem is that there is no allowance for minor inconsistencies in compliance. If the extent of the non-compliance is minor and correction is addressed promptly, the SWCD should be eligible.
- The third problem is reliance on ODA certification. Recently, ODA has proposed a budget that largely eliminates its role in overseeing the SWCD program. If in the future ODA does not timely certify that the actions have been completed, the SWCDs should still be eligible for the grants.

Thank you for the opportunity to submit comments,

Stan Dean

