

2021-2023 Guidance for Outcome-Based Watershed Council Operating Capacity Grants: Watershed Councils funded in the 2019-2021 Biennium

How to use this Guidance

On July 29, 2014, the OWEB Board adopted 1) Oregon Administrative Rules 695-040-0010 through 0150 for Outcome-Based Watershed Council Operating Capacity Grants (Council Capacity Grants), and 2) this Guidance document. OWEB staff will use this Guidance in administering the Council Capacity Grant program.

A watershed council that wants to apply for a Council Capacity Grant should read this Guidance to determine:

- Whether the council is eligible to apply,
- How to apply,
- How the application and the council will be evaluated, and
- How funding decisions are made.

Guidance Updates

This Guidance will be periodically updated by the OWEB Board as needed. The Board delegates to OWEB staff the authority to make non-policy updates, such as deadlines for eligibility and application materials; staff contact information; website links; and correction of typos and errors.

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TABLE OF CONTENTS

Chapter 1: Background and Definitions	3
Chapter 2: How to apply for a Council Capacity Grant	4
Chapter 3: Eligibility Criteria	4
Chapter 4: Merit Evaluation	5
Chapter 5: Board Action	6
Chapter 6: Use of Funds	6
Chapter 7: Grant Agreement Conditions	7
Attachment A. Map	8
Attachment B. Merger Guidance	9

Chapter 1: Background and Definitions

Background

Operating Capacity Investments are a core element of OWEB's 2018 Strategic Plan and 2013 Long-Term Investment Strategy. Council Capacity Grants:

- Help support operating costs of effective watershed councils;
- Are performance and outcome-based; and
- Contain high standards for eligibility, reporting and accountability.

OWEB envisions a statewide watershed restoration system that is resilient, sustainable and achieves ecological outcomes. Experience gained from supporting watershed work since 1997, and studies of successful watershed groups, demonstrate this vision can be achieved with watershed councils that:

- Are strong organizations with access to diverse skillsets.
- Have broad and deep support from local and regional communities.
- Engage a balance of interested and affected people, businesses, and communities in their watershed to participate in voluntary, cooperative conservation.
- Secure diversified funding and/or build strategic collaborations with other councils and/or natural resource groups to increase collective local capacity.

Definitions

These terms are used throughout this Guidance. Additional definitions are provided in Council Capacity Grant rules OAR 695-040-0020.

1. **Coordinating council:** A council that provides support to, and coordinates the work of, multiple councils. The coordinating council's governing body includes at least one member from each council participating in the coordinating council.
2. **Membership organization:** An organization with a defined group of individuals who play a role in the governance of the organization (i.e., by voting for a board of directors or other governing body that is responsible for the governance of the council).
3. **Local government:** Defined in ORS 174.116(1)(a) as all cities, counties and local service districts located in this state, and all administrative subdivisions of those cities, counties and local service districts.
4. **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.
5. **On-the-ground watershed restoration:** Means projects intended to 1) protect or restore native fish or wildlife habitats and 2) projects to protect or restore natural watershed functions to improve water quality or stream flows.
6. **Organizational development and management:** Activities with the objective of improving the council's organizational effectiveness and health.

7. **Progress (as used in merit criteria 2-4):** Means actions that demonstrate forward movement toward an overarching goal or objective. Progress is not measured by the number of actions, but by demonstrated forward movement on the identified actions.
8. **Stakeholder engagement:** Activities with the purpose to communicate and build ongoing, permanent relationships with landowners, organizations, and the community in the watershed for the purposes of carrying out eligible restoration and acquisition projects, or programs that lead to development of eligible projects.

Chapter 2: How to Apply

APPLICATION WINDOW

December 21, 2020 – March 11, 2021, 5:00pm.

Applications are only accepted through OWEB's Online Application System.

Online Application: <https://apps.wrd.state.or.us/apps/oweb/oa/>

Guidance to help you fill out the application is always available in the top navigation bar of the online application. An application template is also available after you log in and choose "Create a New Application."

Chapter 3: Eligibility Criteria and Review

Purpose of Eligibility Criteria

Eligibility criteria define how OWEB will determine whether a watershed council is eligible to apply for a Council Capacity Grant. The eligibility criteria do not limit or control the existence or creation of watershed councils. Watershed councils may form according to ORS 541.910 and 541.890(15); however, OWEB shall not review an application for a Council Capacity Grant unless OWEB determines the council or group of councils meets the eligibility criteria.

Eligibility criteria seek to ensure that OWEB's council capacity investment:

- Is an effective and accountable use of public funds;
- Supports councils that meet the intent of Oregon statutes defining watershed councils; and
- Encourages strategic collaboration to build collective local capacity for watershed restoration.

OWEB Eligibility Review

For the 2021-2023 Council Capacity application cycle, councils will not be required to submit materials for the eligibility review. OWEB staff will use the results of the 2019-2021 eligibility review to determine applicant eligibility.

Chapter 4: Merit Criteria and Evaluation

Goals of OWEB's Merit Evaluation

- Ensure strategic and accountable investment of public funds;
- 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 stakeholder engagement activities; and
- Ensure watershed councils are working toward strengthening their role in their 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).

Information Considered in Merit Review

The four merit criteria below guide OWEB's evaluation of a council's progress and performance. OWEB will consider:

- The Council Capacity Grant application.
- OWEB staff's knowledge of council performance, including information gained through the council's OWEB project grants and OWEB staff's firsthand knowledge of council activities.
- Any supplemental information provided by the council in response to OWEB's request.
- If requested by OWEB, interviews with council officers and staff.

Merit Criteria

Merit Criterion #1: Effective Governance and Management

The council has effective bylaws or charter and policies and procedures, and follows them. The council includes a balance of interested and affected persons from the watershed on its governing body. The council regularly, but at least every three years, evaluates and takes action to improve its organization including bylaws, operations and policies and procedures.

The governing body takes action to ensure the council meets legal obligations and requirements; support successful achievement of the council's goals; and create organizational structure, policies, and procedures to support good governance. The council's governing body provides effective oversight of staff and contractors.

Merit Criterion #2: Progress in Planning

In planning its priority work, the council makes progress in engaging a balance of interested and affected persons in the watershed. The council uses its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and stakeholder engagement projects. The council regularly evaluates its action plan and work plans and makes adjustments to respond to changes and challenges.

Merit Criterion #3: Progress in On-the-Ground Watershed Restoration

The council's actions result in progress in completing priority, on-the-ground watershed restoration work.

Merit Criterion #4: Progress in Stakeholder Engagement for Watershed Restoration Purposes

The council's actions result in progress in achieving specific stakeholder engagement objectives.

Merit Evaluation

Review

Application materials will be reviewed using a streamlined process that will only include OWEB staff.

OWEB staff will meet to evaluate merit by considering:

- The Council Capacity Grant application;
- OWEB staff's knowledge of the council, including but not limited to the council's history of performance on project and Council Capacity Grants.

Chapter 5: Board Action

Funding recommendations and Board awards

Staff funding recommendations will be based

- The merit evaluation,
- Available funding, and
- Merger Funding Policy (see attachment A).

Staff funding recommendations and Board awards

1. All councils that received council capacity grant funding in the 2019-2021 biennium will be recommended for the same, full funding level.
2. Merger Funding for 2 or more councils that have merged.

If two or more councils successfully complete a merger, they may receive merger funding in addition to the base capacity grant award. The details of this policy and implementation process can be found in attachment A.

Chapter 6: Use of Funds

Council Capacity Grants help fund staff, contractors and other costs of watershed councils. All eligible costs described within OWEB's Budget Categories Definitions and Policy document are eligible under Council Capacity Grants. If a council chooses to use council capacity grants funds for any aspect of a restoration project, it is the grantees responsibility to ensure they secure and provide to OWEB the appropriate landowner agreements, land use forms and/or permits in advance of implementing on-the-ground work.

Outreach Activities

Measure 76 and ORS 541.956 authorize OWEB to make grants available for outreach activities that are necessary for carrying out eligible restoration and acquisition projects that protect or restore native fish or wildlife habitat or that protect or restore natural watershed or ecosystem functions in order to improve water quality or stream flows. To qualify as necessary for restoration or acquisition, the project must be tied to a specific geography, address clearly articulated habitat or watershed or ecosystem function goals for that geography, and identify a clear path toward achieving the restoration or acquisition measurable outcomes within a reasonable and specific timeframe. PROJECTS WHOSE PRIMARY PURPOSE ARE EDUCATION ARE NOT ELIGIBLE.

Chapter 7: Grant Agreement Conditions

Grant agreement conditions for all Council Capacity Grants

Send all watershed council meeting announcements to the OWEB Project Manager.

Upload the Summary Chart generated at completion of the assessment with the Council Capacity grant project completion report.

Submit a progress report to OWEB by June 30, 2022. The progress report must include:

- Documentation that the council submitted an annual report to all local government entities that designated the council. Documentation can include a meeting agenda if the report was presented in person or a copy of a sent email if the report was submitted electronically.
- The annual report that was submitted.

All councils that are placed in the reduced funding merit category will be required to submit a progress report every six months.

Other Conditions

Grant agreements may include additional conditions to support increased communication between OWEB Project Managers and the grantees when appropriate. Possible conditions include:

- Regular progress reports linked to requests for funds.
- Annual meetings between OWEB staff and the council staff and board officers to discuss progress.

Oregon Watershed Councils

North Coast Watershed Association

- *a. Ecola Creek WC
- *b. Nicolai-Wickiup WC
- *c. Skipanon WC
- *d. Youngs Bay WC

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

Salem Keizer Area Watershed Councils

- *k. Claggett Creek WC
- †The North Santiam Watershed Council is also locally recognized in the Mill Creek and Pringle watersheds.

- *l. Spring Valley WC
- *m. Rickreall WC
- *n. Glenn-Gibson WC

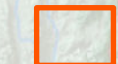
**The MidCoast Watersheds Council is also locally recognized in the Alsea Basin and Salmon Drift.

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



South Coast Watershed Council

- *Floras Cr./New River WC
- *Elk/Sixes River WC
- *Port Orford WC
- *Euchre Creek WC
- *Hunter Cr./Pistol River WC
- *Chetco River WC
- *Winchuck River WC



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Updated by Paula Willis August 2017 using ESRI ArcMap 10.3.1 Oregon Lambert Projection, NAD 83 SRID 2992

Sources: Esri, DeLorme, NAVTEQ, USGS, NRCAN, METI, IPC, TomTom

Guidance for Merger Funding

Background

In 2013 the Board awarded its first Organizational Collaboration grants, one of which supported the merger of four watershed councils in the Rogue Basin. At the same time, the Board recognized the real costs associated with post-merger life and created the merger implementation grant offering. These grant funds can be used for strategic planning, board and staff development, and other real costs of merging multiple organizations. The goal of both the Organizational Collaboration and the Merger Implementation grant programs is to build capacity and support strategic collaborations in order to build resilient, sustainable, local organizations that achieve ecological outcomes and engage local communities.

Mergers in general are not common, and OWEB is in a unique situation as an agency which funds both mergers and ongoing operating costs of organizations. In addition, the agency believes that more organizations may consider merging in the future, and OWEB wants to support organizations in that process.

Merger Funding Approach

Pre-merger funding

Continue to provide Organizational Collaboration grants. Applicants requesting merger funding must include direct and clear measures of success for the merger process. The final project completion report must report on direct measures of success and methods for evaluating the new organization's post-merger progress toward integration.

Post-Merger Funding

Individual councils apply for a council capacity grant each biennium. If a group of councils is interested in merging they can apply for an organizational collaboration grant to help cover the costs of the merger process. The descriptions of funding options below are what two or more merged councils can apply for after the merger process is complete. The funding amount available is different when two, three, or four or more councils merge. The funding available reduces between the first biennium after the merger and the second biennium, reducing again in the third biennium. The explanation and proposed amounts are below. All council capacity grant award amounts are from the 2017-2019 biennium and are examples. Actual award amounts would be calculated on actual council capacity award amounts.

Four or more watershed councils

When developing the numbers below, staff took into consideration what four or more watershed councils would be eligible to receive if they had not merged. For example, in 2017-2019, that would be at least \$473,300 for a biennium.

In biennium 1 and 2 after the merger, in addition to their council capacity grant, the council could apply for merger implementation funding. Merger implementation funding in biennium 1 would be \$236,850, which is the council capacity grant award, \$118,425 x 2. In biennium 2 merger implementation funding would be \$207,243, which is the council capacity grant award, \$118,425 x 1.75. Beginning in biennium 3, and in all future biennia, the merged council would be eligible to receive additional merger funding of \$177,637, \$118,425x1.5.

Table 1 shows the distribution of funding across three biennia for a new organization where four or more watershed councils merged.

Table 1

	Council Capacity	Merger Funding	Total
Biennium 0 (pre-merger, four councils)	\$473,300	\$0	\$473,300
Biennium 1	\$118,425	\$236,850 (\$118,425x2)	\$355,275
Biennium 2	\$118,425	\$207,243 (\$118,425x1.75)	\$306,425
Biennium 3 and in all future biennia	\$118,425	\$177,637 (\$118,425x1.5)	\$296,062

Three watershed councils merge

When developing the numbers below, staff took into consideration what three watershed councils would be eligible to receive if they had not merged, in 2017-2019, that would be \$355,275 for the biennium.

In biennium 1 and 2 post merger, in addition to their council capacity grant, the council could apply for merger implementation funding. Merger implementation funding in biennium 1 would be \$207,243, which is the council capacity grant award, \$118,425x1.75. In biennium 2 merger implementation funding would be \$177,637, which is the council capacity grant award, \$118,425x1.5. Beginning in biennium 3, and in all future biennia, the merged council would be eligible to receive additional merger funding of \$148,031, \$118,425x1.25.

Table 2 shows the distribution of funding across three biennia for a new organization where three watershed councils merged.

Table 2

	Council Capacity	Merger Funding	Total
Biennium 0 (pre-merger)	\$355,275	\$0	\$355,275
Biennium 1	\$118,425	\$207,243 (\$118,425x1.75)	\$325,668
Biennium 2	\$118,425	\$177,637 (\$118,425x1.5)	\$296,062
Biennium 3 and in all future biennia	\$118,425	\$148,031 (\$118,425x1.25)	\$266,456

Two watershed councils merge

When developing the numbers below, staff took into consideration what two watershed councils would be eligible to receive if they had not merged, in 2017-2019 that would be \$236,850 for the biennium.

In biennium 1 and 2 post merger, the council could apply for merger implementation funding in addition to their council capacity grant. Merger implementation funding in biennium 1 would be \$88,818, which is the council capacity grant award, 118,425 x .75. In biennium 2 merger implementation funding would be \$59,212, which is the council capacity grant award, \$118,425 x .5. Beginning in biennium 3, and in all future biennia, the merged council would be eligible to receive additional merger funding of .25x the base award (\$118,425x.25=\$29,606).

Table 3 shows the distribution of funding across three biennia for a new organization where two watershed councils merged.

Table 3

	Council Capacity	Merger Funding	Total
Biennium 0 (per-merger)	\$236,850	\$0	236,850
Biennium 1	\$118,425	\$88,818 (118,425x .75)	\$207,243
Biennium 2	\$118,425	\$59,212 (\$118,425x .5)	\$177,637
Biennium 3 and in all future biennia	\$118,425	\$29,606 (\$118,425x .25)	\$148,031