Oregon
Kate Brown, Governor

Water Resources Department
North Mall Office Building
725 Summer St NE, Suite A
Salem, OR 97301
Phone (503) 986-0900
Fax (503) 986-0904
www.Oregon.gov/OWRD

MEMORANDUM

TO: Water Resources Commission

FROM: Douglas E. Woodcock, Acting Director

SUBJECT: Agenda Item D, November 17, 2022
Water Resources Commission Meeting

Water Project Grant and Loan Award Funding Recommendations

I. Introduction

This report contains two action items for Commission consideration. The first request is for the Commission to award funds for the 2022 Water Project Grants and Loans funding cycle. The second request is for the Commission to consider a request to increase funding for a project awarded funding in December 2021 in order to address inflationary cost increases.

PART I: 2022 Water Project Grants and Loans Funding Cycle

II. Background on Request #1: 2022 Water Project Grants and Loans Funding Cycle

Recommended Action 13.E of the Integrated Water Resources Strategy calls for investing in implementation of water resources projects. In 2013, the Oregon Legislature passed Senate Bill 839, establishing the Water Project Grants and Loans funding opportunity, which provides funding for water projects that have economic, social, and environmental public benefits. After adoption of rules in June 2015, the Commission has awarded grants each year (Table 1).

Table 1 - Number of Grants and Total Funds Awarded to Date

Year Awarded	Number of Grants	Total Awarded
2016	9	$8,891,118
2017	4	$6,282,232
2018	8	$6,297,755
2019	4	$2,471,120
2020	3	$4,800,000
2021	6	$7,549,376
Total	**34**	**$36,291,601**

In 2021, the Legislature authorized $30 million in Lottery Revenue Bonds for project funding: $15 million was sold in May 2022 and the remaining $15 million is to be sold in June 2023. A portion of the May 2022 Lottery Revenue Bonds were obligated to the Water Project Grants and Loans projects provisionally awarded by the Commission in December 2021. There is currently $10,667,372 in unobligated funds available for the Commission to award.

The application deadline for the 2022 Water Project Grants and Loans funding cycle was April 27, 2022. The Department received four eligible and complete applications requesting a total of $7,362,656 in grant funding, with individual grant requests ranging from $719,911 to $3,819,750 (see Attachment 1).

The Department solicited written comments on complete applications during a 60-day public comment period from May 23 through July 22, 2022. The Department received no public comments.

The Department contacted affected Tribes directly to solicit comments on complete applications where project work would be conducted on lands where the Tribe may have an interest. Affected Tribes were invited to serve as members of the Technical Review Team (TRT), submit comments for consideration by the TRT, or submit comments for consideration by the Department and Commission. The Department received no comments from Tribes.

III. Grant Application Review Process

TRT Review

A multi-agency TRT evaluated the applications and developed funding recommendations for the Commission. The TRT consisted of staff from the Departments of Environmental Quality, Fish and Wildlife, Business Development, Agriculture and Water Resources, as well as Regional Solutions and the Oregon Health Authority. See Attachment 1 for the TRT project ranking and funding recommendations.

The TRT convened on July 27 to discuss the public benefits of each project, consider the public comments, and score each application. Scoring was based on the potential economic, environmental, and social/cultural public benefits described in the applications, and the comments received. The TRT scored applications during the meeting and assessed the outcomes, which afforded the TRT members the opportunity to discuss the merits of the project proposals and ensure consistent application of the criteria.

Scoring Criteria

A maximum score of 72 points is available in each of the three public benefit categories, economic, environmental, and social/cultural, for a total of 216 points. A proposed project can receive up to 24 additional preference points: up to 12 points for legally protecting water instream and up to 12 points for collaboration (both listed in the "Other" category). Therefore, the maximum public benefit score is 240 points. See Attachment 2 for applicable rules on public benefit scoring and Attachment 3 for the Department's Scoring Criteria document.

To promote funding projects with the greatest likelihood of achieving public benefits, the Department has set a minimum score for an application to be recommended for funding. Specifically, projects must achieve a minimum score of seven in each category, demonstrating that, at a minimum, moderate public benefits are likely to be achieved.

Ranking, Recommendations, and Public Comment

The Department calculated a combined public benefit score for each project and prepared a draft ranking in order of greatest public benefit. The TRT then reviewed the draft ranking and made a final funding recommendation. See Attachment 1 for all complete applications received and the TRT project ranking, evaluation summaries, and funding recommendations.

The TRT rankings and recommendations were published on the Department's website and distributed via the funding opportunity listserv for a 30-day public comment period, which took place from August 11 through September 12, 2022. No public comments were received. The Department also provided a second opportunity for Tribes to comment and received no comments.

IV. 2022 Funding Award Recommendations

Based on the TRT ranking and staff review, the Department recommends funding the three applications that received scores meeting the funding criteria (Table 2). This funding recommendation considers the public benefits provided by these applications and statutory provisions to review applications annually. If approved by the Commission, staff will work with recipients to develop grant agreements. Release of grant funds is contingent on applicants obtaining all applicable local, state, and federal permits and regulatory approvals, as well as meeting match fund requirements.

Table 2 - 2022 Funding Recommendation

Project Name	*Project Type*	*Funding Request*	*Total Cost of Project*	*Funding Recommendation*
Deschutes Basin Flow Restoration – Group 4	Conservation, Water Infrastructure, Flow Restoration and Protection	$2,000,000	$ 8,706,808	$2,000,000
East Fork Irrigation District Sublateral Modernization Project	Conservation, Water Infrastructure, Flow Restoration & Protection	$822,995	$1,878,295	$822,995
Mill Creek Park Aquifer Storage and Recovery Project	Below-Ground Storage	$3,819,750	$5,093,000	$3,819,750
Total		**$6,642,745**	**$15,678,103**	**$6,642,745**

V. Summary of Action Item #1: 2022 Funding Recommendations

The funding recommendation includes the applications that demonstrated the greatest public benefits. As recommended, this would result in three grant awards totaling $6,642,745. With current funding, this would leave approximately $4,024,627 for the 2023 funding cycle.

VI. Action Item #1 Alternatives: 2022 Water Project Grants and Loans funding cycle:

The Commission may consider the following alternatives:

1. Adopt the funding recommendation contained in Table 2 of this report to fund three applications for a total award of $6,642,745.
2. Adopt a modified funding recommendation.
3. Direct the Department to further evaluate the applications and return with a revised recommendation.

VII. Action Item #1: Funding Recommendation

1. The Acting Director recommends Alternative 1, to adopt the staff funding recommendations contained in Table 2 of this report to fund three applications for a total award of $6,642,745.

PART II: Fitzpatrick Conservation Project Budget Increase

VIII. Discussion of the Fitzpatrick Conservation Project Budget Request

In December 2021, the Commission awarded $529,840 to Trout Unlimited and the Rocking M Cattle Company, LLC for the Fitzpatrick Conservation Project. Following the May 2022 bond sale, the Department entered into a grant agreement with Trout Unlimited and the Rocking M Cattle Company, LLC for the project (together, referred to as the "grantee"). The project will pipe an open irrigation ditch and convert 127 acres from flood to center pivot irrigation. The grantee will install three pivots on the currently irrigated acres with a fourth pivot installed to irrigate former dryland acres as allowed through the Allocation of Conserved Water Program. One hundred percent of the water conserved by the irrigation upgrade will be protected instream through the Allocation of Conserved Water Program.

In September 2022, the grantee requested that the Department increase their grant award by $68,064 to help cover the increased cost of materials. Since the project was proposed in April 2021, the cost of materials has increased more than anticipated due to inflation. The additional funds would only be used for material costs and would not be used for any additional administrative costs. The landowner has committed to contributing an additional $22,688 in cash match to meet the program's 25% match requirement. The grantee noted that without the additional funds, the scope of the approved project would be reduced, and a pivot would need to be eliminated from the project.

The Department evaluated the request and considered the available program budget, the availability of funds for future grant cycles, the grant compliance of the grantee, and the justification for the requested increase. Based on this evaluation, the Department recommends awarding the additional funds to the grantee (Table 3).

Table 3 - Fitzpatrick Conservation Project Funding Recommendation

Project Name	*Current Funding*	*Additional Funding Request*	*Total Cost of Project*	*Funding Recommendation*
Fitzpatrick Conservation	$529,840	$68,064	$797,205	$68,064

IX. Action Item #2 Alternatives: Increase Funding for Fitzpatrick Conservation Project

The Commission may consider the following alternatives:

1. Adopt the funding recommendation contained in Table 3 of this report to increase the Fitzpatrick Conservation Project grant award by $68,064.
2. Adopt a modified funding recommendation.
3. Decline to increase the grant award for the Fitzpatrick Conservation Project.

X. Action Item #2: Funding Recommendation

1. The Acting Director recommends Alternative 1, to adopt the staff funding recommendation contained in Table 3 of this report to increase the Fitzpatrick Conservation Project grant award by $68,064.

Attachments:

1. TRT Ranking and Funding Recommendation
2. Excerpt from Division 93 Rules on Scoring
3. Scoring Criteria Document

Adair Muth, Grant Coordinator
(971) 301-0718

Racquel Rancier, Deputy Director, Strategy and Administration
(503) 302-9235

Water Project Grants and Loans Applications

Evaluation Summaries – 2022 Funding Cycle

August 11, 2022

Background

In 2013, the Oregon Legislature passed Senate Bill 839, establishing the Water Supply Development Account to provide grants and loans for water projects that have economic, environmental, and social/cultural benefits. The 2022 application deadline was April 27, 2022. The Department received 4 complete applications requesting a total of $7,362,656 in grant funding.

Document Description

The following are evaluation summaries for complete grant applications received for the 2022 Water Project Grants and Loans funding cycle. The multi-agency Technical Review Team (TRT) provided comments on each application, scored applications based on the criteria identified within the Scoring Criteria document, and made a funding recommendation to the Water Resources Commission (Commission) based on that evaluation and available funds. The following evaluation summaries highlight TRT comments gathered by the Department during the application evaluation process and are prepared for the Commission's consideration and review. Applicants are encouraged to contact the Grant Program Coordinator to request a review meeting and receive additional evaluation feedback. The evaluation summaries are listed in order of the TRT ranking.

The evaluation summary includes a combined public benefit score, which the TRT used to rank proposed projects. A table is also provided that shows a breakdown of the application score by category. An application could score up to 72 points in each of the economic, environmental, and social/cultural public benefit categories. A proposed project could receive up to 24 additional preference points; up to 12 points for legally protecting water instream and up to 12 points for collaboration (these are listed in the "Other" category). There is a maximum public benefit score of 240 points.

Next Steps

The Department is soliciting public comment on the TRT ranking and funding recommendation through 5:00 pm on September 12, 2022. Information on how to submit a public comment is available here. Public comments submitted on the TRT ranking and funding recommendation will be presented to the Commission who will make a funding decision. The tentative date for the Commission to make its funding decision is November 17-18, 2022.

More Information

If you have questions please contact Grant Program Coordinator, Adair Muth, at 971-301-0718 or WRD_DL_waterprojects@water.oregon.gov.

2022 Applications

Deschutes Basin Flow Restoration – Group 4

TRT Recommendation: Recommended for Funding

Project Information (adapted from application)

Applicant Name: Tumalo Irrigation District

County: Deschutes

Funding Requested: $2,000,000 Grant

Total Project Cost: $8,706,808

Project Summary: The proposed project would restore 2.24 cubic feet per second (CFS) of water to Tumalo Creek during the irrigation season and Crescent Creek in the winter by enclosing 58,919 feet of open canal and laterals in HDPE piping. The conserved water would be protected instream through the Allocation of Conserved Water Program and would provide improved temperature conditions and water quantity for Endangered Species Act-listed species and native fish and wildlife. This portion of the project includes the West Branch Columbia Southern West Canal, Beasley Lateral, North Spaulding Lateral, and Spaulding Lateral. The pipe follows the existing canal alignment and would be installed in a compacted trench with 3 feet of cover to protect the pipe from freezing and damage. The surface would be restored with topsoil and seeding where appropriate.

Technical Review Team Score and Comments

Combined Public Benefit Score: 96

Public Benefit Category Score Breakdown

Economic	Environmental	Social/Cultural	Other
31	33	20	12

Economic: The application clearly described the proposed project's improvements in efficiency by enclosing the delivery system and energy savings by eliminating pumping costs. Crop productivity and agricultural resiliency are anticipated to improve with a more reliable water supply. The application could have been improved by including the direct increases in economic activity and property values resulting from the proposed project.

Environmental: The project proposes to legally protect 100 percent of the conserved water instream through the Department's Allocation of Conserved Water (ACW) Program. The project would support high-quality cold-water habitat and improve flows important for fish recovery and the Oregon Spotted frog in Tumalo Creek. The application could have been improved by providing additional information to support the claims regarding conserving water during the winter in Crescent Lake.

Social/Cultural: Outcomes of the proposed project include eliminating the public safety risks associated with open canals in urban and residential areas. The application would have been improved with supporting information regarding efforts to engage tribal communities and other traditionally underserved and underrepresented communities.

Summary: The proposed project is likely to achieve high economic, environmental, and social/cultural benefits. The review team noted that at times it was difficult to separate the benefits of this proposed project from past and future phases of piping district canals.

East Fork Irrigation District Sublateral Modernization Project

TRT Recommendation: Recommended for Funding

Project Information (adapted from application)

Applicant Name: East Fork Irrigation District

County: Hood River

Funding Requested: $822,995 Grant

Total Project Cost: $1,878,295

Project Summary: The proposed project would install 15 pressure reducing stations, remove 14 waterboxes, and replace 11,200 feet of non-pressure rated pipe with pressure-rated pipe. This would eliminate overflows at the existing water boxes and allow East Fork Irrigation District to pressurize nine sub-laterals of the Eastside Lateral system and two sub-laterals on the Central Lateral system. The primary goals of this project are to increase summer stream flows for threatened salmon and steelhead and increase long-term irrigation water reliability. The project would legally protect a portion of the conserved water instream through the Allocation of Conserved Water program.

Technical Review Team Score and Comments

Combined Public Benefit Score: 76

Public Benefit Category Score Breakdown

Economic	Environmental	Social/Cultural	Other
18	24	22	12

Economic: The application provided a clear explanation of the short and long-term economic benefits of the proposed project. The project enhances irrigation efficiency with an increase in automation and reduces the annual costs for the labor and equipment currently needed to monitor, adjust, and repair the sub-laterals. The application provided information regarding enhancement of agricultural yield in the Eastside Lateral, but the application could have been improved by providing information on the specific duration for the estimate.

Environmental: The project proposes to legally protect 100 percent of the conserved water instream through the Department's Allocation of Conserved Water (ACW) Program. Improved summer flows provided by the proposed project are identified as methods to improve habitat in the Final ESA Recovery Plan. The application provided clear information regarding how the proposed project could contribute to ecosystem resiliency to climate change.

Social/Cultural: The application describes a high level of collaborative planning in the basin and the proposed project's role in supporting state and local priorities, including the Integrated Water Resources Strategy. The Confederated Tribes of the Warm Springs offered support for the proposed project, noting its importance for benefiting threatened anadromous fish populations in the Hood River Basin. The application would have been improved by supporting the claimed benefits to the Hispanic communities and describing community engagement opportunities.

Summary: The application provided sufficient information to demonstrate the likelihood of achieving a high standard of environmental and social/cultural public benefits. The review team anticipates moderate economic benefits resulting from the proposed project.

Mill Creek Park Aquifer Storage and Recovery Project

TRT Recommendation: Recommended for Funding

Project Information (adapted from application)

Applicant Name: City of Stayton

County: Marion

Funding Requested: $3,819,750 Grant

Total Project Cost: $5,093,000

Project Summary: The proposed project would develop an aquifer storage and recovery (ASR) system at Mill Creek Park to store approximately 480 acre feet (156 million gallons) of drinking water for the City of Stayton. The project would provide a redundant water source to improve municipal water security and drought resilience, enabling the City to meet peak seasonal demands and deliver water without interruption when the primary North Santiam River surface water supply is unavailable. The City is currently limited to approximately three days of stored water when their primary drinking water source is unavailable. Proposed activities include permitting, design, and construction of an ASR well, and associated water system improvements.

Technical Review Team Score and Comments

Combined Public Benefit Score: 37

Public Benefit Category Score Breakdown

Economic	Environmental	Social/Cultural	Other
10	8	16	3

Economic: The proposed project is an innovative approach to help diversify the City's water supply and would prevent economic loss by providing a stable drinking water supply. The application would have been improved by providing more details about the claimed increase in jobs anticipated from the proposed project.

Environmental: The proposed project is located within the Stayton-Sublimity Groundwater Limited Area (OAR 690-502-0180), where basalt aquifers are classified for exempt uses only. The project would inject water into the basalt aquifer and carry over water is likely to moderately enhance groundwater levels. The injected water would be of drinking water quality, which could lead to a benefit in groundwater quality, but quantitative benefits would have strengthened the claim. The applicant is not proposing to legally protect the water instream. The proposed project would require the development of a Seasonally Varying Flow (SVF) through the Water Resources Department.

Social/Cultural: The application provided clear information and details regarding critical public health and safety benefits of the project and the potential impacts should the project not occur. The proposed project is in alignment with the goals of the drought contingency plan, which was a collaborative basin planning effort, and provided linkage to recommended actions in the Integrated Water Resources Strategy. The application would have been improved by describing community engagement opportunities.

Summary: The application provided a clear description of the City's need for a redundant drinking water source. The review team anticipates moderate economic, environmental, and social/cultural benefits resulting from the proposed project.

Klamath Irrigation District Supervisory Control and Data Acquisition (SCADA) and Automation Improvements

TRT Recommendation: Not Recommended for Funding at this time

Project Information (adapted from application)

Applicant Name: Klamath Irrigation District

County: Klamath

Funding Requested: $719,911 Grant

Total Project Cost: $1,179,281

Project Summary: The proposed project would install Supervisory Control and Data Acquisition and Automation (SCADA) components to provide data on flow rates, water elevations, and control device structures at Klamath Irrigation District's existing canals and pump stations. The SCADA system would also include automation components to allow for the remote operation of delivery system gates. The goals of this project are to better inform current operations and on-going planning efforts; improve the irrigation delivery system, water savings, and operational efficiency; and reduce operational spills, over-deliveries, and seepage.

Technical Review Team Score and Comments

Combined Public Benefit Score: 27

Public Benefit Category Score Breakdown

Economic	Environmental	Social/Cultural	Other
18	5	4	0

Economic: The application clearly described the improvements the SCADA components would provide both in efficiency by reducing waste and in energy savings by reducing pumping costs. The proposed project would provide needed improvement to the irrigation district's infrastructure and allow the irrigation district to extend the irrigation season. The application would have been strengthened by providing supporting information for the claims of increased economic activity.

Environmental: The proposed project would provide moderate improvement to water quality by reducing the amount of poor-quality water that flows from the Klamath Straits Drain to the Klamath River. The proposed project does not appear to result in water conservation but shift the use by reducing waste and extending the irrigation season. The application would have been improved by providing evidence or information to support claims of benefits to groundwater levels and referencing limiting factors in recovery plans.

Social/Cultural: The application clearly linked the proposed project to the Integrated Water Resources Strategy recommended actions. The application did not provide information regarding efforts to engage tribal communities and other traditionally underserved and underrepresented communities. The application would have been improved with more details on how the project would promote collecting scientific data and explaining how that information would be shared publicly.

Summary: The review team's evaluation assessed minor environmental and social/cultural public benefits resulting from the proposed project as described in the application. The review team observed that, in general, the application would have been strengthened with additional information and a more detailed description to explain how the claimed benefits would be achieved as a result of the project. To be funded, projects must achieve a minimum score of seven in each category indicating public benefits beyond those of a minor quality would be achieved.

Excerpt from Division 93 Rules on Scoring
Water Project Grants and Loans

OAR 690-093-0090

Scoring and Ranking; funding decisions

(1) The primary elements in the process of scoring and ranking of applications include the following:
- (a) Initial review for completeness by the Department;
- (b) Public comment;
- (c) The Technical Review Team conducts the initial scoring and ranking for the projects, considers comments from applicants and the public and makes loan and grant funding recommendations to the Commission; and
- (d) The Commission determines the final scoring and ranking of projects, provides for additional public comment, and makes the final decision regarding which projects are awarded loans or grants from the account.

(2) The Technical Review Team scoring methodology shall rank applications based upon the public benefits of the project and additional considerations set forth in ORS 541.677 subsection (1)(b), (1)(d) and (1)(e). The Technical Review Team shall use a score sheet provided by the Department. Each of the three public benefit categories shall be given equal importance in the evaluation and will have scoring sublevels including but not limited to the following:
- (a) The evaluation of economic benefits for a project based on the changes in economic conditions expected to result from the project related to:
  - (A) Job creation or retention;
  - (B) Increases in economic activity;
  - (C) Increases in efficiency or innovation;
  - (D) Enhancement of infrastructure, farmland, public resource lands, industrial lands, commercial lands or lands having other key uses;
  - (E) Enhanced economic value associated with tourism or recreational or commercial fishing, with fisheries involving native fish of cultural significance to Indian tribes or with other economic values resulting from restoring or protecting water in-stream; and
  - (F) Increases in irrigated land for agriculture.
- (b) The evaluation of environmental benefits for a project based on the changes in environmental conditions expected to result from the project related to:
  - (A) A measurable improvement in protected streamflows that:
    - (i) Supports the natural hydrograph;
    - (ii) Improves floodplain function;
    - (iii) Supports state or federally listed sensitive, threatened or endangered fish species;
    - (iv) Supports native fish species of cultural importance to Indian tribes; or
    - (v) Supports riparian habitat important for wildlife;
  - (B) A measurable improvement in groundwater levels that enhances environmental conditions in groundwater restricted areas or other areas;
  - (C) A measurable improvement in the quality of surface water or groundwater;
  - (D) Water conservation;
  - (E) Increased ecosystem resiliency to climate change impacts; and
  - (F) Improvements that address one or more limiting ecological factors in the project watershed.
- (c) The evaluation of the social or cultural benefits for a project based on the changes in social or cultural conditions expected to result from the project related to:
  - (A) The promotion of public health and safety and of local food systems;
  - (B) A measurable improvement in conditions for members of minority or low-income communities, economically distressed rural communities, tribal communities or other communities traditionally underrepresented in public processes;
  - (C) The promotion of recreation and scenic values;

(D) Contribution to the body of scientific data publicly available in this state;
(E) The promotion of state or local priorities, including but not limited to the restoration and protection of native fish species of cultural significance to Indian tribes; and
(F) The promotion of collaborative basin planning efforts, including but not limited to efforts under the state Integrated Water Resources Strategy.

(3) Scoring sublevels shall have a numeric point scale that accounts for positive and negative effects of the project. Sublevel scores shall be summed to a public benefit category level. The Department shall set a minimum score for the application to proceed.

(4) The Technical Review Team will use the total score from the score sheet provided by the Department to rank all applications and make loan and grant funding recommendations to the Commission.

(5) The Commission shall determine the final scoring and ranking of projects and make the final decision regarding which projects are awarded loans or grants from the account based on criteria in OAR 690-093-0100.

(6) The Department shall document the ranking of all applications and make the application ranking publicly available after the funding decisions by the Commission have been published.

WATER PROJECT GRANTS AND LOANS

SCORING CRITERIA

New center pivot in Wallowa County


Piping in Deschutes County


Instream water transfer in Klamath County

OREGON
WATER RESOURCES DEPARTMENT

[This page is intentionally blank]

Scoring Criteria – Water Project Grants and Loans

Document Purpose

The scoring criteria for applications to the Water Projects Grants and Loans funding opportunity are based solely on the public benefits a project is likely to achieve. This document provides an overview of each of the public benefits, describes how the Technical Review Team (TRT) will score the public benefits, and provides recommendations for what information an application should include.

Overview of Application Scoring

Projects funded are those which are likely to achieve the greatest public benefits.

Projects funded are those which are likely to achieve the greatest public benefits. The change in conditions anticipated to result in public benefits must be described and explained in the project application. When evaluating an application, the TRT examines public benefits in three categories: economic, environmental, and social/cultural. To be funded, projects must achieve a minimum score of seven in each category. As discussed below, this is a competitive funding opportunity where projects are ranked according to public benefits, therefore achieving a minimum score does not guarantee funding.

When applicants describe the project's public benefits in their application, they should include a description of the conditions prior to and following project implementation, and clearly demonstrate the extent to which the project is expected to result in a change in conditions that will provide a public benefit. When possible, applicants should quantify the project's public benefits. The TRT will only consider public benefits derived from the tasks and project scope contained within the application and the likelihood of achieving those benefits. Public benefits related to future phases (beyond the scope of the proposed project) or unrelated activities will not be scored and should not be included in the application. Likewise public benefits related to past activities will not be considered.

Each category contains six specific public benefits for a total of 18 possible public benefits project must provide some benefit in each of the three categories in order to be eligible for funding. Each of the three public benefit categories is given equal importance in the evaluation. Projects do not need to score in all six benefits within a category but must provide benefit in each of the three categories.

Overview of Application Review Process

After receiving an application, the Oregon Water Resources Department reviews the application to ensure it is complete. Complete applications are posted online for a 60-day public comment period. Next, the TRT, a panel of inter-agency representatives, evaluates the applications based on the economic, environmental and social/cultural public benefits the project would achieve, and reviews the public comments. The TRT develops a project ranking and funding recommendation, which is posted for a 30-day public comment period. Finally, the Department presents the ranking, public comments, and funding recommendation to the Water Resources Commission for a funding decision. Loans will undergo an additional separate financial review.

When making a funding decision, the Water Resources Commission (Commission) considers: 1) the public benefits as evaluated by the TRT; 2) public comments received on the TRT ranking; and 3) funding projects of diverse sizes, types and geographic locations. As outlined in statute, the Commission also considers three preferences: 1) a preference for partnerships and collaborative projects; 2) a preference for projects that provide a measurable improvement in protected streamflow, if a project proposes to divert water; and 3) a

preference for projects that provide a measurable increased efficiency of water use, if a project proposes to increase efficiency.

Contact

If you have any questions, please contact us at WRD_DL_waterprojects@oregon.gov or at 503-986-0869.

Scale Used in Evaluation of Public Benefits

Each of the public benefits will be scored according to the scale described below.

Exceptional public benefit: 12 points (pts)

- The project is likely to achieve benefits of an exceptionally high standard or quality.
- The outcomes are very significant, measurable, and represent a key or critical advancement.
- The application includes supporting information and evidence describing the anticipated change in conditions as a result of the project.
- The application includes all necessary information to document a high likelihood of success to achieve the public benefit.

High public benefit: 6 points

- The project is likely to achieve public benefits meeting a high standard of quality.
- The outcomes are significant or represent an important advancement.
- The application includes supporting information and evidence describing the anticipated change in conditions as a result of the project.
- The application includes sufficient information to achieve the anticipated public benefit.

Medium public benefit: 3 points

- The project is likely to achieve moderate public benefit.
- The outcomes are likely to achieve an improvement in conditions.
- The application includes supporting information and evidence describing the anticipated change in conditions as a result of the project.

Minor public benefit: 1 point

- The project may achieve minor public benefits.
- The claims of public benefits are unsupported or unquantified.

No benefit: 0 points

- The project is not likely to achieve a public benefit.
- No positive or negative impact related to the public benefit. No change.

Minor negative impact or detriment: -1 point

- The project may have a minor negative effect or impact to this category.

Medium negative impact or detriment: -3 points

- The project is likely to cause moderate harm and have a negative impact to this category.

Category 1. Economic benefits

The evaluation of economic benefits of a project is based on the change in economic conditions expected to result from the project as demonstrated in the application.

1a. Does the project create or retain jobs?

Job creation means the project would result in new jobs. Retention means the project would prevent the loss of jobs. Job creation and retention benefits may include direct effects within the organization that owns or operates the project, or it may include indirect effects on retail customers or consumers of the project. Temporary jobs resulting from the project will not receive as high of a score as permanent jobs.

Application tip*: Quantify the number and identify the type of jobs to be created or retained as a result of the project. Describe the value of the increase or retention of jobs to the local economy.*

Exceptional: 12 pts	*Exceptional* increases in the creation or retention of permanent jobs which provide key or critical benefit in the geographic area or employment sector
High: 6 pts	Increases in the creation or retention of permanent jobs which provide an important benefit in the geographic area or employment sector
Medium: 3 pts	*Moderate* increase in the creation or retention of permanent jobs, or seasonal jobs important to the geographic area or employment sector
Minor: 1 pt	*Minor* increase in jobs, temporary jobs, or job retention, *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	The project is not likely to achieve new jobs or impact job retention
Minor detriment: -1 pt	Potential for *minor job losses*
Medium detriment: -3 pts	*Moderate* job losses or a decrease in jobs is likely

1b. Does the project increase economic activity?

Economic activity is associated with the production, distribution, and consumption of goods and services. Such economic activity could occur within one or more entities/businesses and includes an increase in production, gross sales, or net revenue compared to the year preceding project completion. It also includes but is not limited to the arrival of new firms, renewed contracts, and increased orders.

Application tip: *Include information citing economic development plans or other economic activity which would be made possible or supported by the proposed project. If the proposed project protects or maintains current economic activity, demonstrate the degree to which economic activity would decline if the proposed project were not completed and why.*

Exceptional: 12 pts	*Exceptional (five or more years)* increase in long-term economic activity of vital, or key importance are likely to occur
High: 6 pts	Increases in long-term economic activity with the potential to support future activity important to the area/sector
Medium: 3 pts	*Moderate* (*one to four years)* increase in economic activity
Minor: 1 pt	*Minor, short-term (less than one year)* increase in economic activity, *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	Increased economic activity *not likely* to occur
Minor detriment: -1 pt	Potential for *minor losses or decreases* in economic activity
Medium detriment: -3 pts	*Moderate losses or decreases* in economic activity are likely

1c. Does the project increase efficiency or innovation?

Increase in efficiency means the project would make improvements in performance or functionality resulting in less effort or waste. Increase in innovation means that new, creative solutions and ideas would be implemented. Examples of increases in efficiency and innovation include water system efficiencies such as system redundancy (back-up, inter-ties), eliminating leakage, innovative production techniques, energy savings (e.g., the energy required to move, treat, or heat water), and time savings.

Exceptional: 12 pts	*Exceptional* increase in efficiency and innovation
High: 6 pts	*High* Increases in efficiency or innovation
Medium: 3 pts	*Moderate* increases in performance
Minor: 1 pt	*Minor* increases *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	Increased efficiency or innovation not likely
Minor detriment: -1 pt	Potential for *minor decreases* in efficiency or innovation
Medium detriment: -3 pts	*Moderate decreases* in efficiency or innovation are likely

1d. Does the project enhance infrastructure, farmland, public resource lands, industrial lands, commercial lands or lands having other key uses?

Enhancement of infrastructure, including municipal infrastructure, farmland, public resource lands, industrial lands, commercial lands and other lands means that the value, effectiveness, or reliability of such infrastructure or lands would increase as a result of project implementation. This includes an increase in the re-sale or rental value of the land or improvements, including: maintained, repaired, or upgraded infrastructure; maintained or buffered riparian areas; and maintained or improved soils.

Exceptional: 12 pts	*Exceptional* enhancements of infrastructure or land
High: 6 pts	*High* quality of enhancements to infrastructure or land
Medium: 3 pts	*Moderate* enhancements
Minor: 1 pt	*Minor* enhancements, *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	Enhancements *not likely*
Minor detriment: -1 pt	Potential that infrastructure or lands will be *degraded or removed* from productive uses (minor negative change)
Medium detriment:-3 pts	Infrastructure or lands that are *degraded or removed* from productive uses (moderate negative change)

1e. Does the project enhance the economic value associated with: tourism, recreation, fishing (recreational or commercial), fisheries involving native fish of cultural significance to Indian tribes, or other economic values resulting from restoring or protecting water instream?

Examples of enhancement of these economic values include increases in: daily park fees, tour guide revenues, boat or gear rentals, fishing licenses, or hospitality and lodging.

Exceptional: 12 pts	*Exceptional* increased value of tourism, recreation, fishing, fisheries involving native fish of cultural significance to Indian tribes, or other economic values resulting from restoring or protecting water instream are likely
High: 6 pts	A *high* quality of increased value is likely
Medium: 3 pts	*Moderate* increased value
Minor: 1 pt	*Minor* increased value, *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	Enhanced values *not likely*
Minor detriment: -1 pt	Potential for *minor decreases* in the economic value of tourism, recreation, fishing, fisheries involving native fish of cultural significance to Indian tribes, or other economic values resulting from restoring or protecting water instream
Medium detriment: -3 pts	*Moderate decreases* in the economic value of tourism, recreation, fishing, fisheries involving native fish of cultural significance to Indian tribes, or other economic values resulting from restoring or protecting water instream

1f. Does the project result in increases in irrigated land for agriculture? (which may include increasing irrigated acres, agricultural economic value, or productivity of irrigated land)

Increases in irrigated land for agriculture mean that the numbers of acres (acreage) to be irrigated after project completion would be greater than what could previously be irrigated, or that the agricultural economic value or productivity of current irrigated land would increase. Acreage can include lands that were never historically in production or lands that were historically in production but were taken out of production as a result of insufficient water supply.

Application tip: *Highlight the amount of land currently in production in the area, identify the quantity of additional acreage to be irrigated, and calculate the percentage increase in irrigated acreage that would result from the project. Cite scientific articles, reports, or studies and estimate the percentage increase in irrigated crop's economic value or productivity.*

Exceptional: 12 pts	*Exceptional increase* in irrigated acreage, or agricultural economic value or productivity
High: 6 pts	*High* increase in irrigated acreage, or agricultural economic value or productivity
Medium: 3 pts	*Moderate* increase in irrigated acreage or agricultural economic value or productivity
Minor: 1 pt	*Minor* increase, *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	Increased irrigated land or increased value or productivity *not likely*
Minor detriment: -1 pt	Potential for *minor decreases* in agricultural economic value or productivity or irrigated land for agriculture
Medium detriment: -3 pts	*Moderate decreases* irrigated land for agriculture or agricultural economic value or productivity are likely

Category 2. Environmental benefits

The evaluation of the environmental benefits of a project is based on the change in environmental conditions expected to result from the project as demonstrated in the application.

2a. Does the project result in measurable improvements in protected streamflows?

Protected streamflow means water that remains in or is released into the natural channel ***and*** is legally protected by the State in order to achieve one or more of the following:

(A) Supports the natural hydrograph;
(B) Improves floodplain function;
(C) Supports state- or federally-listed sensitive, threatened or endangered fish species;
(D) Supports native fish species of cultural importance to Indian tribes; **or**
(E) Supports riparian habitat important for wildlife.

Application tip: *To score in this category an application **must** describe the legal means by which water would be protected by the State, as well as the quality, timing, duration, or other value this streamflow would contribute. The application must also describe how the legally protected water will achieve (A) through (E) listed above (e.g., how water transferred instream through the Allocation of Conserved Water will support, enhance, or improve riparian habitat for wildlife and the extent to which that water will achieve that benefit).*

Identifying which water rights will be protected instream, in situations where the project involves multiple water rights, will provide clarifying information for the evaluation.

Exceptional: 12 pts	Project water (or equivalent volume) is legally protected instream by the State and streamflow supports *exceptional* achievement **in each criteria** (A) through (E)
High: 6 pts	Project water (or equivalent volume) is legally protected instream by the State and streamflow supports achievements of a *high quality* in a combination of criteria (A) through (E)
Medium: 3 pts	Project water (or equivalent volume) is legally protected instream by the State and streamflow supports *moderate* achievement in a combination of (A) through (E)
Minor: 1 pt	Project water (or equivalent volume) is legally protected instream by the State and streamflow supports *minor* achievement in a combination of (A) through (E), *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	Improvements in protected streamflow *unlikely, OR streamflow would not be legally protected by the State*
Minor detriment: -1 pt	Potential *minor decreases* to protected streamflow
Medium detriment: -3 pts	*Moderate decreases* protected streamflow (e.g., proposes to reverse an instream lease)

2b. Does the project result in water conservation?

Water conservation is reducing water use to achieve the same outcomes by modifying the technology or method of diverting, transporting, applying, or recovering water.

Application tip: *Identify the quantity of water reduction, by comparing what water would be needed to accomplish the task after project completion with what was previously used to achieve the same task.*

Exceptional: 12 pts	*40 percent or more* reduction in water use to achieve the same outcomes
High: 6 pts	*21-40 percent* reduction in water use to achieve the same outcomes
Medium: 3 pts	*11-20 percent* reduction
Minor: 1 pt	*Minor (<10 percent)* reduction, *OR* claims are *unsupported or unquantified*
No benefit: 0 pts	Water conservation *not likely*

Minor detriment: -1 pt	*Potential for additional water used* to achieve the same outcomes (e.g., sacrificing water efficiency for energy/pumping efficiency)
Medium detriment: -3 pts	*Additional water used* to achieve the same outcomes (e.g., sacrificing water efficiency for energy/pumping efficiency)

2c. Does the project result in measurable improvements in groundwater levels that enhance environmental conditions in groundwater restricted areas or other areas?

Measurable improvements in groundwater levels mean that groundwater declines would be reduced or eliminated and/or groundwater levels would increase. Stabilization or improvements in groundwater levels could come from aquifer storage and recovery, artificial recharge projects, natural recharge, or discontinued / reduced groundwater use.

Application tip: *Cite and use quantitative measurements to indicate current levels, and method and frequency that improvements would be measured. If applicable, indicate if these improvements would occur in groundwater restricted area.*

Exceptional: 12 pts	*Exceptional* improvements in groundwater levels
High: 6 pts	*High* quality of improvements
Medium: 3 pts	*Moderate* improvements
Minor: 1 pt	*Minor* improvement to groundwater levels, *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	Improved groundwater levels *not likely*
Minor detriment: -1 pt	*Potential for minor groundwater declines*
Medium detriment: -3 pts	Moderate groundwater declines are likely

2d. Does the project result in measurable improvements in the quality of surface water or groundwater?

Water quality parameters include but are not limited to: temperature, dissolved oxygen, contaminated sediments, toxic substances, bacteria, or nutrients. Improvements could result from a higher quality of water discharged to surface water or injected into groundwater, from increased flow, from treatment or filtration of water already in the environment, or removal of a known contaminant.

Application tip: *Any improvement must be measurable or quantifiable. One must be able to measure or determine the change in quality before and after project implementation. Cite and use currently available baseline water quality data. Include a water quality monitoring proposal for the post project completion period.*

Exceptional: 12 pts	*Exceptional, measurable* improvements in water quality
High: 6 pts	*High quality* of measurable improvements
Medium: 3 pts	*Moderate, measurable* improvements
Minor: 1 pt	*Minor* improvements, *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	Improved water quality *not likely*
Minor detriment: -1 pt	*Potential minor negative impacts to water quality*
Medium detriment: -3 pts	*Moderate negative impacts to* water quality are likely

2e. Does the project increase ecosystem resiliency to climate change impacts?

Ecosystem resiliency to climate change means increasing the ecosystems ability to adapt to changes in climate or positively respond to the impacts of climate change. This includes: increasing streamflow during critical months, increasing natural storage (e.g., wetlands, upland meadows), decreasing water temperature during critical months, protecting or enhancing cold-water habitat, restoring floodplain connectivity and backwater habitats, restoring stream buffers, decreasing coastal erosion and inundation, or decreasing risk of drought, fire occurrence (not fire response), plant disease, or invasive species outbreak. This public benefit is centered on ecosystem resilience, not community resilience. Improvements to a community's resilience to climate change should be addressed in the social/cultural benefit category.

Exceptional: 12 pts	*Exceptional* improvements in multiple areas in ecosystem resiliency to climate change
High: 6 pts	*High* quality improvements in ecosystem resiliency to climate change
Medium: 3 pts	*Moderate* improvements
Minor: 1 pt	*Minor* improvements, *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	Improvements in ecosystem resiliency to climate change *not likely*
Minor detriment: -1 pt	*Minor decreases* in ecosystem resiliency to climate change may occur
Medium detriment: -3 pts	*Moderate decreases* in ecosystem resiliency to climate change are expected

2f. Does the project result in improvements that address one or more limiting ecological factors in the project watershed?

A limiting ecological factor is an environmental condition that limits the growth, abundance, or distribution of an organism or a population of organisms in the project watershed. Cite the limiting ecological factor(s) in your application and how the project may result in improvements

Examples of limiting factors may include, but are not limited to: barriers to fish passage, lack of high quality habitat for sensitive, threatened and endangered species, low water quality, or low streamflow. .

Application tip: *To score in this category an application must include citation of public reports, peer reviewed scientific studies, or other substantiating documentation from a state or federal agency to verify the limiting ecological factor's presence in the watershed.*

Exceptional: 12 pts	*Exceptional* progress towards removing limiting ecological factors or making improvements which address multiple limiting ecological factors
High: 6 pts	Important progress making improvements of a *high* quality which address limiting ecological factors
Medium: 3 pts	*Moderate* progress which address some limiting ecological factors
Minor: 1 pt	*Minor* progress, *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	*Not likely* to address limiting ecological factors in the project watershed *OR documentation verifying limiting ecological factor not included*
Minor detriment: -1 pt	*Potential minor worsening of some* limiting ecological factors in the project watershed
Medium detriment: -3 pts	*Exacerbates* limiting ecological factors in the project watershed

Category 3. Social or Cultural benefits

The evaluation of the social/cultural benefits of a project is based on the change in social or cultural conditions expected to result from the project as demonstrated in the application.

3a. Does the project promote public health, public safety, and local food systems?

This public benefit includes: protection of drinking water sources, repair of septic systems/field, maintenance and repair of other water infrastructure, treatment and protection of drinking water itself, improved emergency response and advisory systems (e.g., WARN network, fish consumption advisories, water contact advisories, etc.), improved or protected water quality for human consumption and human contact (e.g., removal or prevention of toxics, contaminants of concern, bacteria), and the promotion of self-reliant and resilient food networks that connect food producers and food consumers in the same geographic region.

Exceptional: 12 pts	*Exceptional* promotion of public health, public safety or local food systems vital to the community
High: 6 pts	*High* quality of promotion of public health, public safety or local food systems
Medium: 3 pts	*Moderate* promotion
Minor: 1 pt	*Minor* promotion of public health, public safety or local food systems, *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	Promotion of public health, public safety or local food systems *not likely*
Minor detriment: -1 pt	Potential for *minor negative impact* to public health, public safety, or local food systems
Medium detriment: -3 pts	*Degrades* public health, public safety or local food systems

3b. Does the project result in measurable improvements in conditions for Oregon's environmental justice communities (e.g., minority or low-income communities, economically distressed rural communities, tribal communities, or other communities traditionally underrepresented in public processes)?

Environmental justice communities in Oregon are minority or low-income communities, economically distressed rural communities, tribal communities, or other communities traditionally underrepresented in public processes. Engagement could include outreach efforts to listen and involve environmental justice communities, solicit feedback on conditions in need of improvement, or communicate project description and anticipated outcomes.

Application tip: *Identify which of those communities would benefit from the project and quantify these benefits. Demonstrate that project-siting decisions have been examined and approved by affected landowners and affected environmental justice communities.*

Exceptional: 12 pts	*Exceptional* measurable improvements in conditions for environmental justice communities, and environmental justice communities were engaged in the process of developing projects
High: 6 pts	Improvements are of a *high* quality and environmental justice communities were consulted or provided meaningful opportunity to engage
Medium: 3 pts	*Moderate* improvements and environmental justice communities were provided meaningful opportunity to engage
Minor: 1 pt	*Minor* improvements, *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	Improved conditions *not likely*

Minor detriment: -1 pt	Likely to result in *minor detriment* in conditions for environmental justice communities
Medium detriment: -3 pts	*Worse conditions* for environmental justice communities are likely

3c. Does the project promote recreation and scenic values?

Recreation and scenic values include recreational fishing, motorized boating, non-motorized boating, and other forms of water-based recreation, swimming, fishing, hunting, wildlife viewing, sightseeing, hiking, photography, and aesthetic values. To promote those values means the project would improve the quality of or access to the examples identified.

Application tip: *Evidence to support this benefit can be provided in the form of qualitative information, which may include interviews, professional opinion, or surveys.*

Exceptional: 12 pts	Exceptional promotion of recreation or scenic values, improving access and quality
High: 6 pts	*High quality of* promotion, improving access and quality
Medium: 3 pts	*Moderate* promotion, improving access or quality
Minor: 1 pt	*Minor* promotion, *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	Benefit to recreation and scenic values *not likely*
Minor detriment: -1 pt	Potential to detract from recreation and scenic values (minor detraction)
Medium detriment: -3 pts	Moderate detractions from recreation and scenic values

3d. Does this project contribute to the body of scientific data publicly available in this state?

Contributing to the body of scientific data means collecting new scientific information *and* making it available to the public. For example, data could be collected from water quality or habitat monitoring; groundwater studies or other investigations; new stream gages; or new monitoring wells. Contributions could also come from conducting a Seasonally Varying Flow analysis. Collection of scientific data is not sufficient to achieve this public benefit---the data must be made publicly available.

Application tip: *Describe the equipment and/or methods that would be used and whether the data would be made available to the public. Note how the new data supplies information of particular significance to the project area that is not already required or monitored.*

Exceptional: 12 pts	Exceptional contributions of new data to the body of scientific data publicly available in the state
High: 6 pts	High quality of data contributions
Medium: 3 pts	*Moderate* contributions
Minor: 1 pt	*Minor* contributions, *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	Contributions are unlikely or would occur regardless of the project
Minor detriment: -1 pt	Not applicable
Medium detriment: -3 pts	Not applicable

3e. Does this project promote state or local priorities, including but not limited to the restoration and protection of native fish species of cultural significance to Indian tribes?

A state or local priority is one that is identified in a plan, strategy, or study such as Oregon's Integrated Water Resources Strategy, a place-based integrated water resources plan, the Oregon Plan for Salmon and Watersheds, state and local water quality plans, species and habitat conservation or recovery plans/strategies, forestry plans, regional solutions priorities, local economic development plans, state or local hazard mitigation plans, etc. The Oregon Department of Fish and Wildlife maintains a list of native fish species: http://www.dfw.state.or.us/fish/crp/freshwater.asp.

Exceptional: 12 pts	Exceptional role supporting a state and local priority
High: 6 pts	*High* quality role in supporting a state or local priority
Medium: 3 pts	*Moderate* role
Minor: 1 pt	*Minor* role, *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	No promotion of state or local priorities
Minor detriment: -1 pt	May be counter to state or local priorities
Medium detriment: -3 pts	Runs counter to state or local priorities

3f. Does this project promote collaborative basin planning efforts, including but not limited to efforts under the state Integrated Water Resources Strategy?

Collaborative basin planning efforts incorporate public processes that are transparent and inclusive of diverse interests.

Application tip: *Demonstration of a collaborative planning effort may include publicly noticed meetings, posting agendas and decisions so they were publicly available, the inclusion of multiple types of water users represented in the process (e.g., instream interests, agricultural, municipal, domestic and industrial users), evidence that the project is supported by the community, and evidence that the project was identified in a Place-Based Integrated Water Resources Plan or another collaboratively developed strategic plan.*

Exceptional: 12 pts	Project was identified in a collaboratively developed plan that is supported by all basin interests and where the public had meaningful opportunities to engage
High: 6 pts	Project was identified by a collaborative group that includes representation of multiple interests, where the public had meaningful opportunities to provide input
Medium: 3 pts	The project promotes the goals of a collaborative basin planning effort
Minor: 1 pt	An effort was made to engage and elicit input from the public, *OR* benefit claims are *unsupported or unquantified*
No benefit: 0 pts	*No change/impact*
Minor detriment: -1 pt	Stakeholders with differing perspectives and/or the public (as appropriate) were *not consulted* about the project and did not have opportunities to provide input
Medium detriment: -3 pts	Stakeholders with differing perspectives and/or the public (as appropriate) were *excluded* during project development