

# **Water Supply Development Account Budget Increase Authority**

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Administrator**

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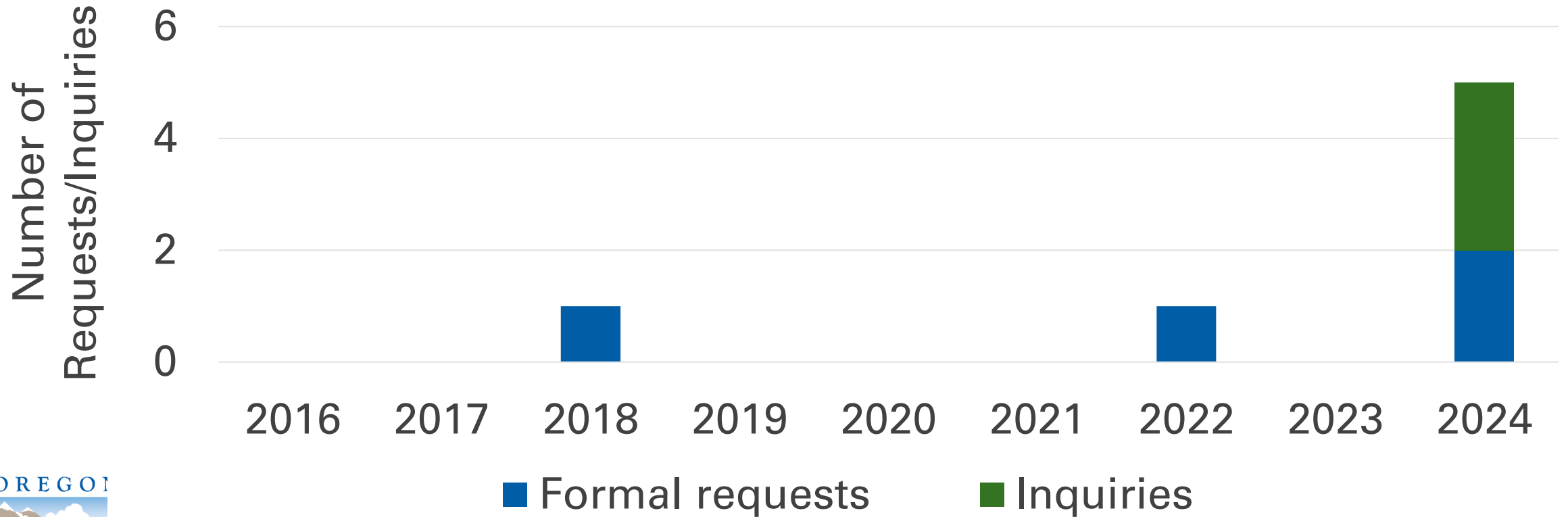


# Water Supply Development Account

- Established 2013
- Types of funding through the Account
  - Water Project Grants and Loans
  - Irrigation Modernization Funding
  - Direct Appropriations
  - Funding to support federal studies

# The Issue

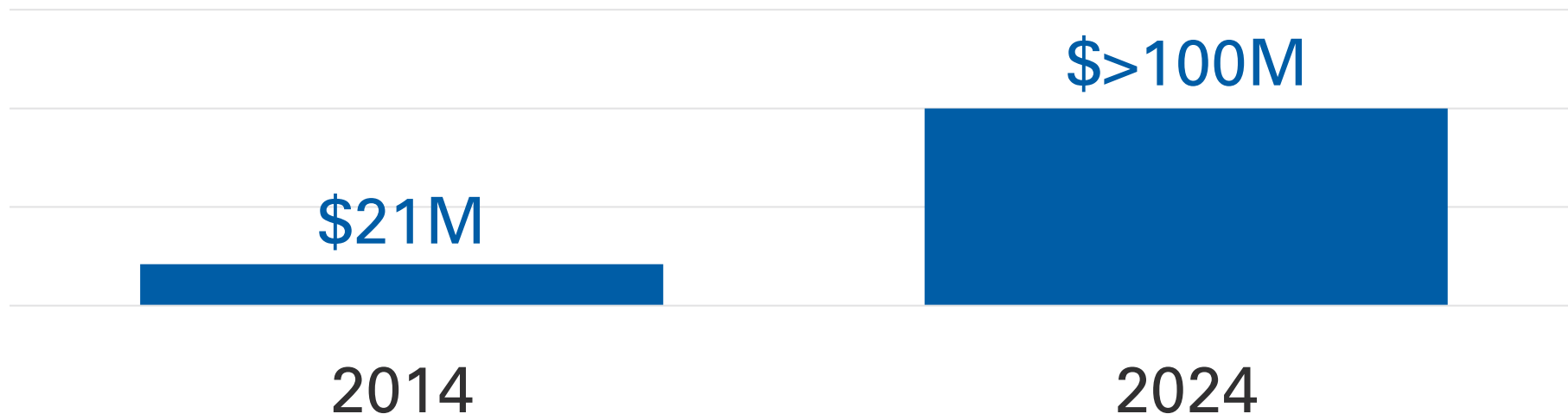
## Grant Budget Increase Requests



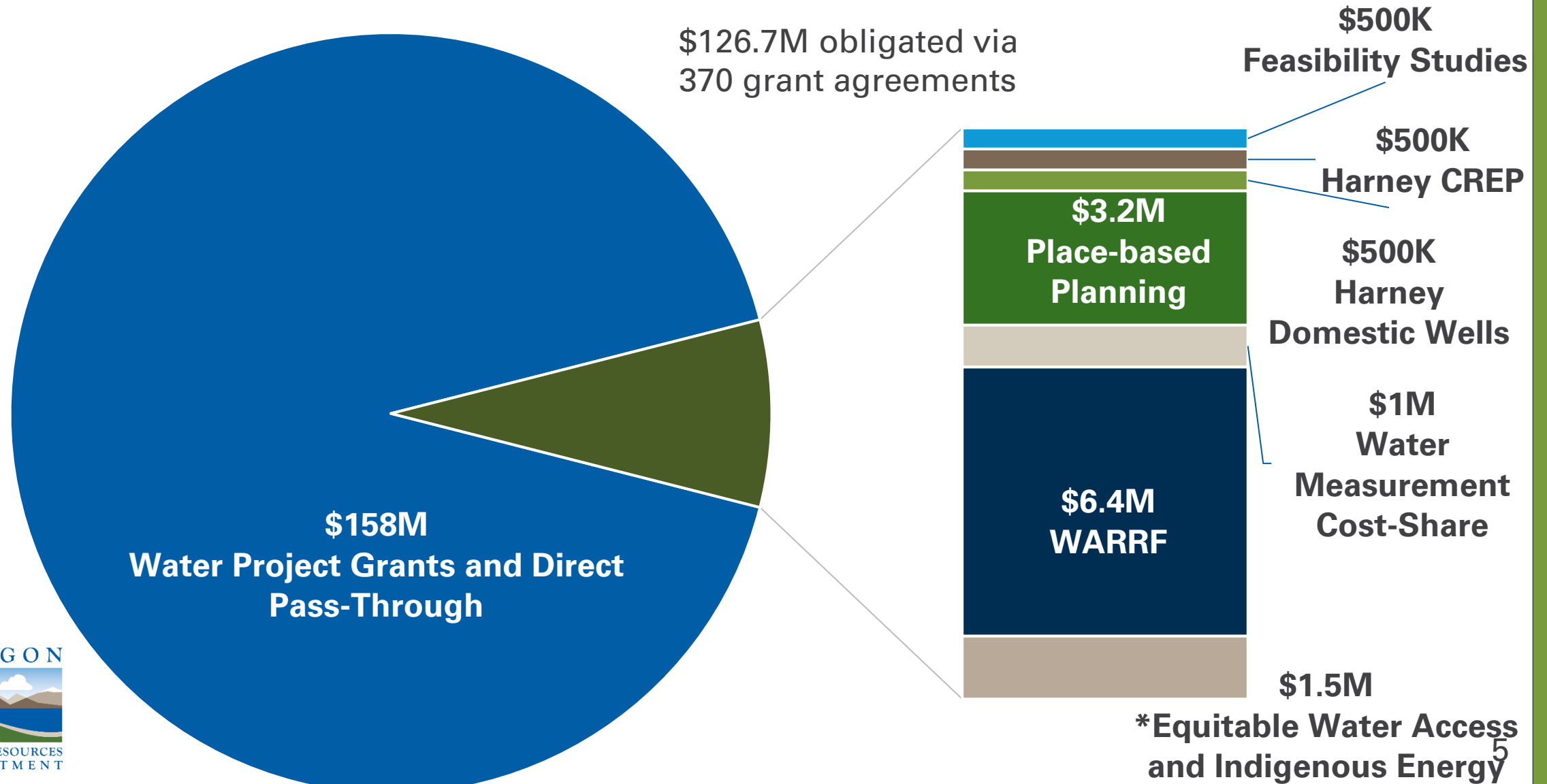
# Reasons for This Issue

- Increased number of grants and grant dollars
- Higher rates of inflation and other cost increases

## Grant Dollars Managed



# Legislatively Approved Grant Funding 2021-2024 - \$171.6 Million Total Funds



\*Equitable Water Access and Indigenous Energy<sup>5</sup>

# Solutions To Date



Advise applicants to include potential cost increases in application



Communicate budget issues early



Evaluate reducing scope



Provide letters of support to grantees



Reallocate funds with project budget

# Proposal

- Seeking delegation of authority from the Commission to increase grant budgets for projects that were previously awarded funds by the Commission.
- ORS 536.025(2) allows for the Commission to delegate authority to the Water Resources Director “...*the exercise or discharge in the commission’s name of any power, duty or function of whatever character, vested in or imposed by the law upon the commission.*”

# Reasoning

- Overall Goals:
  - Help grantees successfully implement projects and achieve public benefits
  - Wisely manage public dollars to achieve program goals
- Solution then must:
  - Provide sufficient funds to address cost increases
  - Balance needs of current grantees and future applicants





# Proposal Options

Option/Alternative	Reasoning
Up to <b>20%</b> of the initial grant award but not to exceed <b>\$500,000</b> .	OWRD grants often pay material costs which have seen significant cost increases
Up to <b>10%</b> of the initial grant award but not to exceed <b>\$250,000</b> .	10% increases are common in other funding opportunities

# Commission Alternatives

## Commission may consider:

1. Authorize the Director or their designee to increase grant budgets for projects previously awarded funds by the Commission from the Water Supply Development Account of up to **20%** of the initial grant award but not to exceed **\$500,000**.
2. Authorize the Director or their designee to increase grant budgets for projects previously awarded funds by the Commission from the Water Supply Development Account of up to **10%** of the initial grant award but not to exceed **\$250,000**.
3. Decline to act, and have the Department continue to bring grant increases to the Commission for its consideration.



# Recommendation

## The Director Recommends Alternative 1

1. Authorize the Director or their designee to increase grant budgets for projects previously awarded funds by the Commission from the Water Supply Development Account of up to **20%** of the initial grant award but not to exceed **\$500,000**.

2. Authorize the Director or their designee to increase grant budgets for projects previously awarded funds by the Commission from the Water Supply Development Account of up to **10%** of the initial grant award but not to exceed **\$250,000**.

3. Decline to act, and have the Department continue to bring grant increases to the Commission for its consideration.



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# Thank you!

**Adair Muth**

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