



MEMORANDUM

TO: Water Resources Commission

FROM: *KFO* Kim Fritz-Ogren, Manager, Water Resources Development Program
BW Becky Williams, Grant Program Coordinator

SUBJECT: Agenda Item I, November 21, 2019
Water Resources Commission Meeting

Water Project Grants and Loans and Feasibility Study Grants Assessment Update

I. Introduction

In this informational item, the Department will update the Commission on the progress made to date to assess the Feasibility Study Grants and Water Project Grants and Loans funding opportunities to identify what is working and where improvements can be made.

II. Background

As shown in Table 1, Water Projects Grants and Loans (WPGL) and Feasibility Study Grants (FSG) were authorized separately several years ago. It is best practice to periodically review and update program offerings. In order to identify and implement improvements, the Department is conducting a combined and comprehensive assessment of the two funding opportunities. In part, this combined assessment approach is intended to inform how the Water Resources Development Program can create a supporting pathway and trajectory for water resource projects and solutions that address instream and out-of-stream needs. Place-Based Planning, the Water Resources Development Program’s third funding opportunity will be reviewed as part of a separate assessment.

Table 1. Overview of Water Resources Development Program Offerings Authorization

Program Offering	Place-Based Planning	Feasibility Study Grants	Water Project Grants and Loans
Authorizing Legislation	2015 – SB 266 2019 – HB 1084*	2008 – SB 1069	2013 – SB 839
Statute	ORS 536.220 Note Sec. 2 & 3	ORS 541.561-541.581	ORS 541.651-541.696
Rules	N/A	OAR 690-600 (2008)	OAR 690-93 (2015)

*SB 266 authorized Place-Based Planning with a 2019 sunset. HB 1084 extended the sunset to 2023.

The assessment will help determine what is working, what is not working and where improvements can be made in statute, rule and program policy and function. The strategy for the

funding opportunity assessment consists of three phases: an internal assessment, external assessment, and evaluation of findings.

III. Internal Assessment

The first phase assessed FSG and WPGL based on internal experience and identified opportunities for improvement. It included a review by a project team of Water Resources Development Program staff, interviews with staff from other divisions, and meetings with two Commissioners at a time. This phase was primarily conducted between February and May 2019; however, Commission engagement is ongoing.

IV. External Assessment

The purpose of the external phase of the assessment is to provide the Department with external feedback on the funding opportunities, which will then be considered in the development of recommendations and SMART (Specific, Measurable, Attainable, Realistic/Relevant, and Time-based) goals. This phase, which started in late May and will conclude in early December includes:

- Surveys sent to grantees and applicants (Attachments 1 and 2).
- Surveys sent to review team members (Attachment 3).
- Policy member focus groups including water users and conservation interests (Attachment 4).
- Practitioner focus groups including grantees, applicants, and interests representing local government, agriculture, and conservation communities.
- Tribal engagement (Attachment 5).

V. Next Steps – Evaluation of Findings

Once the internal and external phase of the assessments are both complete, the Department will organize and identify themes, refine potential recommendations, and develop SMART goals. The Department will return at a later date to update the Commission on the assessment findings and recommendations.

Attachments:

1. Feasibility Study Grantee Survey and Water Project Grant and Loan Grantee Survey
2. Water Project Grant and Loan Applicant Survey and Feasibility Study Grant Applicant Survey
3. Technical Review Team Survey and Application Review Team Survey
4. Policy Focus Group Handout
5. Tribal Engagement Handout

Kim Fritz-Ogren, Manager, Water Resources Development Program
503-986-0873

Becky Williams, Grant Program Coordinator
503-986-0869

Water Project Grant & Loan Grantee Survey

Oregon Water Resources Department Survey

The Department is surveying current and past recipients of Water Project Grants & Loans, as part of an assessment of the funding opportunity. Survey results will be used to assess what is working and where improvements could be made.

1. Indicate the degree to which you agree or disagree with the following statements:

	Strongly Agree	Somewhat Agree	Neither agree nor Disagree	Somewhat Disagree	Strongly Disagree
The application form was clear and easy to understand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The application form provided a place to say everything about my proposal that I wanted to explain.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Request for Release of Funds form was/is easy to use.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Progress Report form was/is easy to use.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Final Report form was easy to use.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Oregon Water Resources Department staff answered my questions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. If you disagreed to strongly disagreed with any of the statements above. Please explain why and offer suggested improvements.

3. What additional guidance or assistance would you have used if it were available to you as a grantee?

Check all that apply.

Online video tutorials for filling out forms

Ability to submit online grant forms

Grantee workshop

4. What type of project did you receive a grant for? Check all that apply.

Reuse

Below-ground Storage

Conservation

Water Infrastructure

Above-ground Storage

Flow Restoration and Protection

Other (please specify)

5. Did you participate in a pre-application conference prior to submitting your application?

Yes

No

6. In what year was your grant awarded?

2016

2017

2018

7. Would you apply again in the future?

Yes

No

If No, why? (please specify)

8. Is there anything about the grant program, application or process you would like to tell us?



Feasibility Study Grantee Survey

Oregon Water Resources Department Survey

The Department is surveying current and past recipients of Feasibility Study Grants, as part of an assessment of the funding opportunity. Survey results will be used to assess what is working and where improvements could be made.

1. Indicate the degree to which you agree or disagree with the following statements:

	Strongly Agree	Somewhat Agree	Neither Agree nor Disagree	Somewhat Disagree	Strongly Disagree	N/A
The application form was clear and easy to understand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The application form provided a place to say everything about my proposal that I wanted to explain.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Request for Release of Funds form was/is easy to use.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Progress Report form was/is easy to use.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Final Report form was easy to use .	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The Grant Budget Procedures and Allowable Costs document was a helpful reference.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Oregon Water Resources Department staff answered my questions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. If you disagreed or strongly disagreed with any of the statements above. Please explain why and offer suggested improvements.

3. What additional guidance or assistance would you have used if it were available to you as a grantee?

Check all that apply.

- Online video tutorials for filling out forms
- Ability to submit online grant forms
- Grantee workshop

4. What type of project did you receive a grant to study/investigate? Check all that apply.

- Reuse
- Conservation
- Above-ground Storage
- Below-ground Storage

5. What aspects of feasibility did you study/investigate? Check all that apply.

- Financial
- Technical
- Legal
- Design

Other (please specify)

6. What conclusions did your feasibility study reach? Check all that apply.

- Identified a preferred alternative
- Project is feasible
- Project is not feasible
- Identified need for further study

Other (please specify)

7. Did you implement the project investigated with the Feasibility Study Grant?

- Yes
- No

If No, why? (please specify)

8. In what year was your grant awarded?

- 2016
- 2017
- 2018

9. Did you participate in a pre-application conference prior to submitting your application?

- Yes
- No

10. Would you apply again in the future?

- Yes
- No

If No, why not? (please specify)

11. Is there anything about the grant program, application or process you would like to tell us?

Water Project Grants and Loans Applicant Survey

Oregon Water Resources Department Survey

The Department is conducting a survey of past applicants to the Water Project Grant and Loan funding opportunity. Survey results will be used in an assessment of the funding opportunity to identify what is working and where improvement could be made.

1. Indicate the degree to which you agree or disagree with the following statements:

	Strongly Agree	Somewhat Agree	Neither Agree nor Disagree	Somewhat Disagree	Strongly Disagree	N/A
The application form was clear and easy to understand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The application form provided a place to say everything about my proposal that I wanted to explain.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The online guidance documents provided the help I needed.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The pre-application conference was helpful.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Oregon Water Resources Department staff answered my questions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. If you disagreed, or strongly disagreed, with any of the statements above. Please explain why and/or offer suggested improvements.

3. What additional guidance or assistance would you have used if it were available to when drafting your application? Check all that apply.

- Applicant workshop
- Online video tutorials for filling out an application
- Live webinars with advice on drafting an application and ability to ask questions

Other (please specify)

4. What type of project did you seek funding for? Check all that apply.

- Reuse
- Below-ground Storage
- Conservation
- Water Infrastructure
- Above-ground Storage
- Flow Restoration and Protection

Other (please specify)

5. Did your proposal include legal protection of streamflow?

- Yes
- No

6. In what year did you apply? If you applied multiple years, check all years that apply.

- 2016
- 2017
- 2018
- 2019

7. Did you participate in a pre-application conference prior to submitting your application?

- Yes
- No

8. Will you apply again in the future?

- Yes
- No
- Uncertain

If your answer was "No" or "Uncertain", why?

9. Is there anything about the grant program, application or process you would like to tell us?



Copy of Feasibility Study Grant Applicant Survey

Oregon Water Resources Department survey of applicants

The Department is conducting a survey of past applicants to the Feasibility Study Grant funding opportunity. Survey results will be used in an assessment of the funding opportunity to identify what is working and where improvement could be made.

1. Indicate the degree to which you agree or disagree with the following statements:

	Strongly Agree	Somewhat Agree	Neither Agree nor Disagree	Somewhat Disagree	Strongly Disagree	N/A
The application form was clear and easy to understand.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The application form provided a place to say everything about my proposal that I wanted to explain.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The online guidance documents provided the help I needed.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The pre-application conference was helpful.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Oregon Water Resources Department staff answered my questions.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

2. If you disagreed or strongly disagreed with any of the statements above. Please explain why and/or offer suggested improvements.

3. What additional guidance or assistance would you have liked to have had available when drafting your application? (check all that apply)

- | | |
|---|--|
| <input type="checkbox"/> Guidance on what analysis to include in a storage feasibility study | <input type="checkbox"/> In-person applicant workshop |
| <input type="checkbox"/> Guidance on what analysis to include in a conservation feasibility study | <input type="checkbox"/> Online video tutorials for filling out an application |
| <input type="checkbox"/> Guidance on what analysis to include a reuse feasibility study | <input type="checkbox"/> Live webinars with advice on drafting an application and ability to ask questions |
| <input type="checkbox"/> Guidance on how to conduct different analyses to determine project feasibility | |

Other (please specify)

4. Is there anything about the grant program, application, or process you would like to tell us? What works well or could be improved?

5. In what year did you apply? If you applied multiple years, check all years that apply.

- | | |
|--------------------------------------|-------------------------------|
| <input type="checkbox"/> 2008 - 2010 | <input type="checkbox"/> 2016 |
| <input type="checkbox"/> 2011 - 2013 | <input type="checkbox"/> 2017 |
| <input type="checkbox"/> 2014 - 2015 | <input type="checkbox"/> 2018 |

6. What type of project did you propose to study? (Check all that apply)

- Reuse
- Conservation
- Above-ground storage
- Below-ground storage

7. What aspects of feasibility did you investigate? (check all that apply)

- Financial
- Technical
- Legal
- Design

Other (please specify)

8. Did you participate in a pre-application conference prior to submitting your application?

Yes

No

9. Will you apply again in the future?

Yes

No. I have no study in mind

No. The funding opportunity is not workable for me. (please describe)

Technical Review Team Survey

Water Projects Grants and Loans

The Department is conducting a survey of the Technical Review Team on the evaluation and review of project applications as part of an assessment of the funding opportunity. The survey results will be used to assess what is working and where improvements are needed.

1. Was the format of the application conducive for your review?

2. If you could make any changes to the application, what would you change?

3. Which public benefit questions are most difficult to evaluate and why?

4. Is the Guidance on the Evaluation of Public Benefits the Department provides helpful? Why or why not?

5. Is there anything you wish you could incorporate in your scoring that is not currently represented?

6. What in the review process is working well?

7. What could be done to improve the review process?

8. In what years did you participate in the review? Check all that apply.

2016

2017

2018

2019

9. Optional: What did you wish applicants knew or did?



Application Review Team Survey

Feasibility Study Grants

The Department is conducting a survey of the Application Review Team on the evaluation and review of proposed study applications, as part of an assessment of the funding opportunity. Survey results will be used in an assessment of the funding opportunity to identify what is working and where improvement could be made.

1. Is the format of the application conducive for your review?

2. If you could make any change to the application format, what would you change?

3. Is there anything you wish you could incorporate in your evaluation that is not currently represented?

4. What in the review process is working well?

5. What in the review process could be improved?

6. In what years did you participate in the review? Check all that apply.

2015

2016

2017

2018

7. Optional: What did you wish applicants knew or did?

Policy Focus Group

Water Project Grants & Loans and Feasibility Study Grant Program Assessment

Background

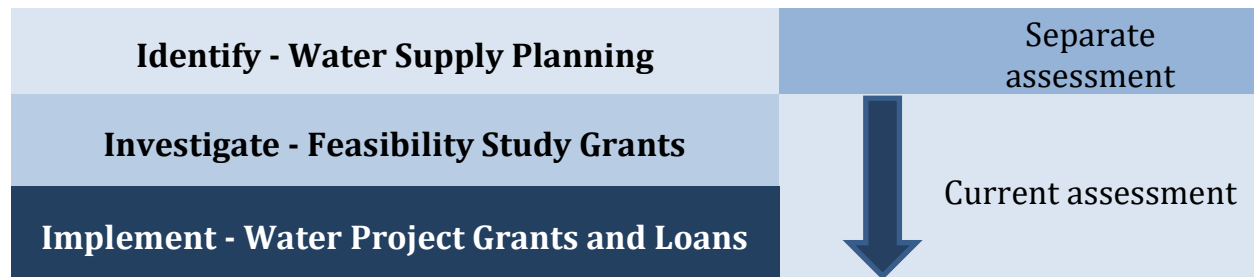
The Department is conducting an assessment of the Feasibility Study Grant (FSG) and Water Project Grant & Loan (WPGL) funding opportunities. The assessment will help determine what is working, what is not working, and where improvements can be made in statute, rule, and program procedures and function. The effort includes internal and external assessments, the results from which will be used to develop recommended actions.

The External Assessment includes:

- Surveys sent to grantees, applicants, and review team members.
- Practitioner focus groups including grantees, applicants, and interests representing local government, agriculture, and conservation communities.
- Policy member focus groups including water users and conservation interests.
- Indian tribe focus groups

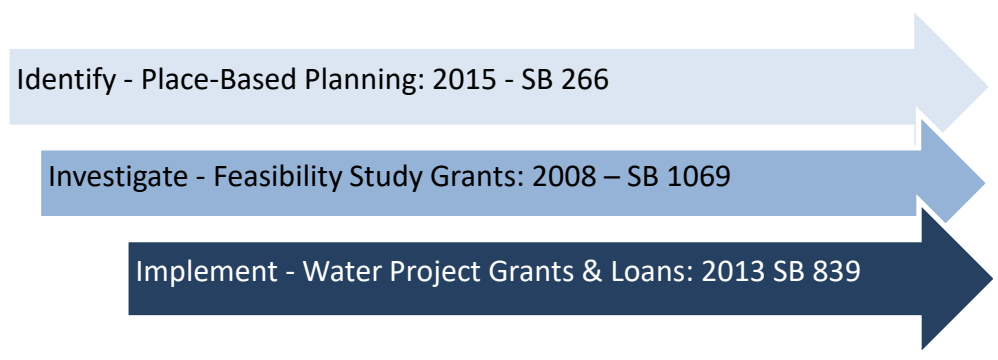
Purpose

To provide the Department with external feedback on the FSG and WPGL funding opportunities, which will then be considered as part of developing recommended actions. A separate assessment of the Place-Based Planning Pilot will be conducted in the future.



Identify, Investigate, Implement

The Water Resources Development Program currently includes three components to help address Oregonian’s water resource needs. The three components, together create a supporting pathway and trajectory for water resource projects.



Aligning the funding opportunities

The funding opportunities have differences that may affect:

- Accessibility for potential applicants
- Functionality for potential applicants
- Investment outcomes
- Public benefits

The Department is considering how it might integrate and connect the two funding opportunities to facilitate the trajectory of moving from a water solution idea to implementation.

- Do you see value in aligning the purposes of the funding opportunities?
- If yes, what common purpose would you recommend for investing in water supply projects?
- If no, how do you suggest aligning the funding opportunities?

Funding opportunity elements

The Department would like your feedback on a number of specific aspects of the funding opportunities that have emerged as areas for improvement. As we walk through the questions below, refer to the side-by-side overview for the current list of eligible project types, target outcomes, funding requirements, and evaluation criteria.

1. **Eligible project types** – What project types may receive funds

- What are the appropriate projects types for Water Project Grants and Loans?
- What are the appropriate project types for Feasibility Study Grants?

2. **Target outcomes** – The measurable intended change or achievement of the investment

- What do you think of the Water Project Grants and Loans target outcomes?
- What outcomes should Water Project Grants and Loans have? What outcomes would be important to your constituents?
- What target outcomes should Feasibility Study Grants have? What outcomes would be important to your constituents?

3. **Requirements** – Items required to apply for or receive funding

- What are the positive and negative effects of the funding opportunity requirements for the two funding opportunities?

4. **Evaluation Criteria** – How applications are evaluated

- Do the public benefit sub-levels, shown on page 6, support achieving the purpose of Water Project Grants and Loans? How so or why not?

5. **Other concerns or feedback?**

- Is there other input or feedback you would like to share with the Department for inclusion in the assessment of the funding opportunities?

OWRD Funding Opportunities

A side by side overview

The overview exhibits components of the FSG and WPGL funding opportunities as they currently exist in statute, rule and practice. We will review these components to understand the similarities and differences of each funding opportunity. Coordination and connections between the funding opportunities impact functionality and potential outcomes of the supporting trajectory.

	Feasibility Study Grants	Water Projects Grants and Loans
Purpose	Funding studies to evaluate the feasibility of developing a water conservation, reuse or storage project (ORS 541.561)	Funding development of water resource projects that result in economic, environmental and community benefits (ORS 541.653)
Project types	Water conservation, reuse or storage projects (ORS 541.561(1))	Instream and out-of-stream water development projects (ORS 541.656(2))
Target Outcomes	None	5 target outcomes identified in statute (ORS 541.677); see next page
Funding type	Grants and Payment for Direct Services* (ORS 541.561(1) & (2))	Grants and Loans (ORS 541.656(2))
Funding limit	\$500,000 per project (ORS 541.561(3))	No limit
Eligible recipients	Defined in ORS 541.561 as: a local government (ORS 174.116), Indian Tribe (ORS 391.802), or person (ORS 536.007)	Defined in ORS 541.659 as: Persons (ORS 536.007), Indian Tribes (ORS 391.802) and non-profit organizations
Cost match requirements	50% cost match of total project costs from another source (ORS 541.561(3))	Grants require 25% in-kind and cash cost match (ORS 541.666(12))
WMCP requirements	Not required prior to application	WMCP submission and approval required for application if applicant is required to have one (ORS 541.659)
Other requirements*	Storage Specific Study Requirements for certain storage projects (ORS 541.566)	<ul style="list-style-type: none"> • Dedication of 25% of newly developed water instream for certain above-ground projects (ORS 541.681) • Seasonally varying flows for certain storage projects (ORS 541.689)
Review Process	Multi-agency review team evaluates, scores and recommends; Commission makes final decision	Multi-agency review team evaluates, scores and recommends; Commission makes final decision
Public Comment	Post application summaries within 10 days of determining an application is eligible/complete and a 30-day comment period on funding recommendation (OAR 690-600-0060)	60-day public comment period on applications (ORS 541.669(2)) and one additional opportunity prior to Commission Decision (ORS 541.669(3)), traditionally another 30-day comment period
Scoring criteria	Generalized based on the goal, need, community and technical preparedness	Statutorily required scoring based on three public benefit categories and 18 public benefits (ORS 541.669, 673)

*The Department has the statutory authority to pay the cost of providing direct services for an eligible study

*Statute and/or rule include a series of other conditions for grant/loan agreements (e.g., recipient must have all applicable permits before release of funds)

Target Outcomes

Water Projects Grants and Loans	Feasibility Study Grants
<p>There are 5 target outcomes identified in statute (ORS 541.677).</p> <p>(1)The Water Resources Commission shall design the minimum criteria for the project scoring and ranking system described in ORS 541.669 to achieve the following outcomes:</p> <ul style="list-style-type: none"> a) The issuance of grants or loans only to projects that provide benefits in each of the three categories of public benefit described in ORS 541.673; b) Preference for partnerships and collaborative projects; c) The funding of projects of diverse sizes, types and geographic locations; d) If a project proposes to divert water, preference for projects that provide a measurable improvement in protected streamflows; e) If a project proposes to increase efficiency, preference for projects that provide a measurable increased efficiency of water use. 	<p>No identified target outcomes in statute or rule.</p>

Select Requirements

Feasibility Study Grants Storage Specific Study Requirements (ORS 541.541.566(2)): A proposal for a storage study and if the project proposes any one of the following actions:

- (a) Impound surface water on a perennial stream;
- (b) Divert water from a stream that supports sensitive, threatened, or endangered fish species; OR
- (c) Divert more than 500 acre-feet of surface water annually.

The study must then contain:

- Analyses of by-pass, optimum peak, flushing and other ecological flows;
- Comparative analyses of alternative means of supplying water;
- Analyses of environmental harm or impacts from the proposed storage project;
- Evaluation of the need for and feasibility of using stored water to augment instream flows; and
- For a proposed storage project that is for municipal use, analysis of local and regional water demand and the proposed storage project's relationship to existing and planned water supply projects

Water Project Grants and Loans Seasonally Varying Flows (ORS 541.689): The project will need a Seasonally Varying Flow (SVF) Prescription, if the proposed project requires newly developed water storage or aquifer recharge permit or limited license for the storage of water outside of the official irrigation season and meets the same criteria listed above (see for Feasibility Study Grants as the storage-specific study requirements). The SVF Prescription determines the duration, timing, frequency and volume of flows (including ecological base flow), necessary for protection and maintenance of biological, ecological, and physical functions outside of the official irrigation season. The Department establishes the SVF Prescription after funding is awarded.

Water Project Grants and Loans Protection Dedication of 25% Newly Developed Water Instream (ORS 541.681): If the grant is for the development of a new or expanded above-ground storage facility that meets the same criteria as the storage-specific study requirements for Feasibility Study Grants listed above.

Then twenty-five percent of the newly developed water from the project must be dedicated to in-stream use. The grant recipient may include water dedicated to in-stream use as a result of the conditions of federal, state or local permits for the project. The water may come from the newly developed water or from other sources and may be put in-stream at other locations in the tributary if the Department determines no injury would occur and in consultation with ODFW determines that the alternate location would be provide greater or equal to environmental benefit.

Public Benefits for Water Projects Grants and Loans

Economic - ORS 541.673(2)

1. Job creation or retention
2. Increases in economic activity
3. Increases in efficiency or innovation
4. Enhancement of infrastructure, farmland, public resource lands, industrial lands, commercial lands or lands having other key uses
5. 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 instream
6. Increases in irrigated land for agriculture

Environmental - ORS 541.673(3)

1. A measurable improvement in protected streamflows. Describe the legal means by which the water will be permanently dedicated instream and protected by the Oregon Water Resources Department.
Describe how the protected streamflows accomplish 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:
2. A measurable improvement in groundwater levels that enhances environmental conditions in groundwater restricted areas or other areas
3. A measurable improvement in the quality of surface water or groundwater
4. Water conservation
Identify the legal means and portion of conserved water that will be permanently dedicated
5. Increased ecosystem resiliency to climate change impacts
6. Improvements that address one or more limiting ecological factors in the project watershed

Social/Cultural - ORS 541.673(4)

1. The promotion of public health and safety and of local food systems
2. 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
3. The promotion of recreation and scenic values
4. Contribution to the body of scientific data publicly available in this state
5. 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
6. The promotion of collaborative basin planning efforts, including but not limited to efforts under Oregon's Integrated Water Resources Strategy

Tribal Engagement

Water Project Grants & Loans and Feasibility Study Grant Program Assessment

Request

The Oregon Water Resources Department (Department) kindly asks for your feedback on the way the Department engages Oregon Tribes in participation in the review of funding applications, and aspects of our funding opportunities of interest to affected tribes.

Background

The Water Resources Development Program currently includes three components to help address water resource needs:

- Place-Based Planning: Pilot for place-based collaborative water planning efforts
- Feasibility Study Grants: Funding to evaluate the feasibility of developing water conservation, reuse, and storage projects
- Water Project Grants and Loans: Funding for implementation of water supply projects which meet instream and out-of-stream needs

The Department is conducting an assessment of the Feasibility Study Grant (FSG) and Water Project Grant & Loan (WPGL) funding opportunities. The FSG and WPGL assessment will help determine what is working, what is not working, and where improvements can be made in statute, rule, and program procedures and function. The effort includes internal and external assessments, the results from which will be used to develop recommended actions. Place-Based Planning will be included in a separate assessment.

Purpose

As part of the funding opportunity assessment, we would like to engage Tribes on the categories listed below. Your input is important to us.

1. Feedback on the process to engage Tribes in participation in the review of applications seeking funding
2. Feedback on the funding opportunities

Overview of Materials

On the following page, is a description of the current process used to engage tribes on review of WPGL funding applications and a list of questions we would like to ask for your feedback.

Understanding that you may or may not be familiar with these two funding opportunities, we have provided a number of documents with background information. On page 3, please see a side-by-side overview of various components of the FSG and WPGL funding opportunities as they currently exist in statute, rule and practice. Select requirements of the funding opportunities are listed in more detail on page 5 of this document. The information is for your use to better understand the similarities and differences of each funding opportunity and the various components.

Additionally, on page 6 you will see the current statutory language for the public benefits which are the basis for scoring the WPGL funding applications. Several of the public benefits mention Indian tribes. Once again this information is included for your consideration and to help identify what feedback would you would like to provide to the Department.

Current engagement process –WPGL

The current process for each funding cycle entails the Department contacting the Legislative Commission on Indian Services (LCIS) and asking LCIS to identify which applications may be of interest to each tribe based on the project location. The Department then contacts each tribe identified by LCIS and provides relevant information regarding the project proposal(s) and access to the application(s). This includes: project type, project summary, the county, nearest city, and a link to the application where applicants list all ground disturbing activity by tax lot.

The Department offers a number of ways that Tribes may participate in the review process:

- Provide government-to-government comments for consideration by TRT during scoring
- Provide comment during the initial 60-day public comment period on applications
- Serve as a member of the Technical Review Team (TRT) to review, score, and rank applications
- Provide government-to-government comments for consideration by Department and Commission on funding recommendation
- Provide comment during the 30-day public comment period on the TRT ranking and funding recommendations

The Department would like your feedback on the current engagement process:

1. What feedback do you have on the current process?
2. Are you interested in participating on the TRT?
3. Do you want to be engaged on applications seeking Feasibility Study Grants? If so, what engagement would you recommend?

Funding opportunity feedback

The Department would like your feedback on a number of specific aspects of the funding opportunities:

1. Evaluation Criteria – How WPGL applications are evaluated

- What do you think of the public benefit sub-levels which reference Indian tribes? Are they appropriate, or are there ways they could be improved?
- Do you have feedback on other public benefit sub-levels?

2. Requirements – Items required to apply for or receive funding

- What do you think about the requirements for the two funding opportunities? Is this set of requirements appropriate, limiting, sufficient, etc.?

3. Other concerns or feedback?

- Is there other input or feedback you would like to share with the Department for inclusion in the assessment of the funding opportunities?

OWRD Funding Opportunities

A side-by-side overview

	Feasibility Study Grants	Water Projects Grants and Loans
Purpose	Funding studies to evaluate the feasibility of developing a water conservation, reuse or storage project (ORS 541.561)	Funding development of water resource projects that result in economic, environmental and community benefits (ORS 541.653)
Project types	Water conservation, reuse or storage projects (ORS 541.561(1))	Instream and out-of-stream water development projects (ORS 541.656(2))
Target Outcomes	None	5 target outcomes identified in statute (ORS 541.677); see next page
Funding type	Grants and Payment for Direct Services* (ORS 541.561(1) & (2))	Grants and Loans (ORS 541.656(2))
Funding limit	\$500,000 per project (ORS 541.561(3))	No limit
Eligible recipients	Defined in ORS 541.561 as: a local government (ORS 174.116), Indian Tribe (ORS 391.802), or person (ORS 536.007)	Defined in ORS 541.659 as: Persons (ORS 536.007), Indian Tribes (ORS 391.802) and non-profit organizations
Cycle timing	Annual awards; application deadline in <i>fall</i> with awards in <i>spring</i>	Annual awards; application deadline in <i>spring</i> with awards in <i>fall</i>
Cost match requirements	50% cost match of total project costs from another source (ORS 541.561(3))	Grants require 25% in-kind and cash cost match (ORS 541.666(12))
Water Management and Conservation Plan requirements	Not required prior to application	WMCP submission and approval required for application if applicant is required to have one (ORS 541.659)
Other requirements*	Storage Specific Study Requirements for certain storage projects (ORS 541.566) (see page 4)	<ul style="list-style-type: none"> • Dedication of 25% of newly developed water instream for certain above-ground projects (ORS 541.681) • Seasonally varying flows for certain storage projects (ORS 541.689) (see page 4)
Review Process	Multi-agency review team evaluates, scores and recommends; Commission makes final decision	Multi-agency review team evaluates, scores and recommends; Commission makes final decision
Public Comment	Post application summaries within 10 days of determining an application is eligible/complete and a 30-day comment period on funding recommendation (OAR 690-600-0060)	60-day public comment period on applications (ORS 541.669(2)) and one additional opportunity prior to Commission Decision (ORS 541.669(3)), traditionally another 30-day comment period
Scoring criteria	Generalized based on the goal, need, community and technical preparedness	Statutorily required scoring based on three public benefit categories and 18 public benefits (ORS 541.669, 673) (see page 5)

*The Department has the statutory authority to pay the cost of providing direct services for an eligible study

*Statute and/or rule include a series of other conditions for grant/loan agreements (e.g., recipient must have all applicable permits before release of funds)

Select Requirements

Feasibility Study Grants Storage Specific Study Requirements (ORS 541.541.566(2)): A proposal for a storage study and if the project proposes any one of the following actions:

- (a) Impound surface water on a perennial stream;
- (b) Divert water from a stream that supports sensitive, threatened, or endangered fish species; OR
- (c) Divert more than 500 acre-feet of surface water annually.

The study must then contain:

- Analyses of by-pass, optimum peak, flushing and other ecological flows;
- Comparative analyses of alternative means of supplying water;
- Analyses of environmental harm or impacts from the proposed storage project;
- Evaluation of the need for and feasibility of using stored water to augment instream flows; and
- For a proposed storage project that is for municipal use, analysis of local and regional water demand and the proposed storage project's relationship to existing and planned water supply projects

Water Project Grants and Loans Seasonally Varying Flows (ORS 541.689): The project will need a Seasonally Varying Flow (SVF) Prescription, if the proposed project requires newly developed water storage or aquifer recharge permit or limited license for the storage of water outside of the official irrigation season and meets the same criteria listed above (see for Feasibility Study Grants as the storage-specific study requirements). The SVF Prescription determines the duration, timing, frequency and volume of flows (including ecological base flow), necessary for protection and maintenance of biological, ecological, and physical functions outside of the official irrigation season. The Department establishes the SVF Prescription after funding is awarded.

Water Project Grants and Loans Protection Dedication of 25% Newly Developed Water Instream (ORS 541.681): If the grant is for the development of a new or expanded above-ground storage facility that meets the same criteria as the storage-specific study requirements for Feasibility Study Grants listed above.

Then twenty-five percent of the newly developed water from the project must be dedicated to in-stream use. The grant recipient may include water dedicated to in-stream use as a result of the conditions of federal, state or local permits for the project. The water may come from the newly developed water or from other sources and may be put in-stream at other locations in the tributary if the Department determines no injury would occur and in consultation with ODFW determines that the alternate location would be provide greater or equal to environmental benefit.

Public Benefits for Water Projects Grants and Loans

Economic - ORS 541.673(2)

1. Job creation or retention
2. Increases in economic activity
3. Increases in efficiency or innovation
4. Enhancement of infrastructure, farmland, public resource lands, industrial lands, commercial lands or lands having other key uses
5. 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 instream
6. Increases in irrigated land for agriculture

Environmental - ORS 541.673(3)

1. A measurable improvement in protected streamflows. Describe the legal means by which the water will be permanently dedicated instream and protected by the Oregon Water Resources Department.
Describe how the protected streamflows accomplish 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:
2. A measurable improvement in groundwater levels that enhances environmental conditions in groundwater restricted areas or other areas
3. A measurable improvement in the quality of surface water or groundwater
4. Water conservation
Identify the legal means and portion of conserved water that will be permanently dedicated
5. Increased ecosystem resiliency to climate change impacts
6. Improvements that address one or more limiting ecological factors in the project watershed

Social/Cultural - ORS 541.673(4)

1. The promotion of public health and safety and of local food systems
2. 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
3. The promotion of recreation and scenic values
4. Contribution to the body of scientific data publicly available in this state
5. 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
6. The promotion of collaborative basin planning efforts, including but not limited to efforts under Oregon's Integrated Water Resources Strategy