

OREGON



WATER RESOURCES
DEPARTMENT

Allocation of Funding 2020 and 2021 Water Project Grants and Loans

Becky Williams, Grant Program Coordinator
Water Resources Development Program
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Help Address Oregon's Instream and Out-of-Stream Water Needs



Placed-Based Planning

Plan & identify
actions



Feasibility Study Grants

Investigate
feasibility



Water Project Grants & Loans

Implement

Water Project Grants and Loans

Statutory Purpose ORS 541.653

Support for water resource projects having economic, environmental and community benefits.

Water Supply Development Account ORS 541.656

Instream and out-of-stream water development projects.

Funding History

Year	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
Total	25	\$23,942,225

Funding for Water Projects

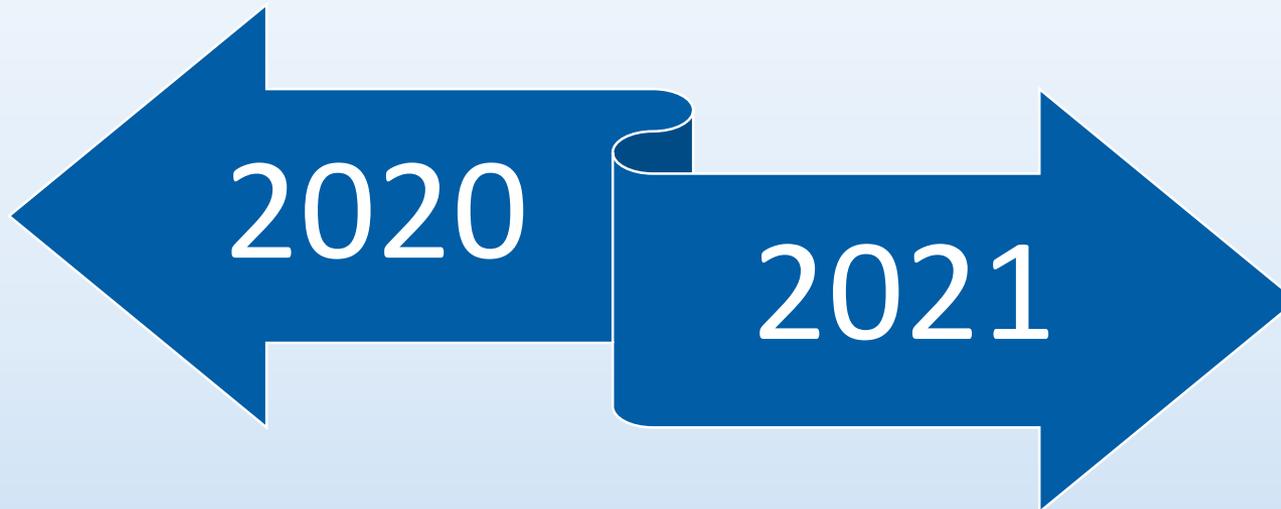
Currently Available	Approximately \$8 million
Authorized in 2019 Legislative Session	Additional \$15 million
Original Lottery Revenue Bonds Schedule	Spring of 2021

Impacts of the coronavirus pandemic

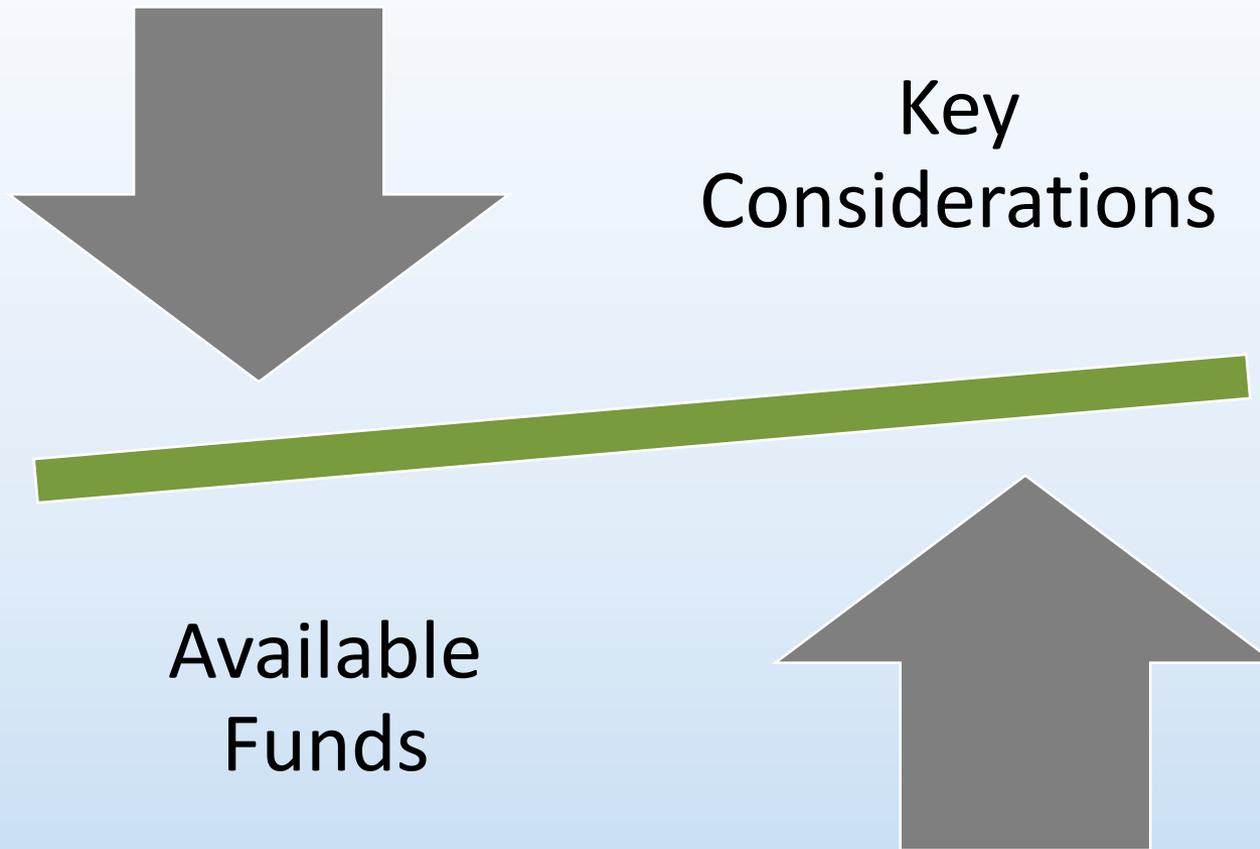
- Application deadline extended from April 29 to May 28
- Lottery Revenues decreased
- Lottery Revenue Bonds (\$15M) will not be issued in 2021
- \$8M available for the next two cycles

Decision Before Commission

The Department requests a decision on how to allocate the available funding between the two funding cycles.



Allocation of Funding



Priorities

Project Success	Department Goal
<p>Provide funding to grantees to implement projects which result in the greatest public benefits.</p>	<p>Promote responsible water management by providing funding to water supply projects that meet instream and out-of-stream water needs and produce public benefits.</p>

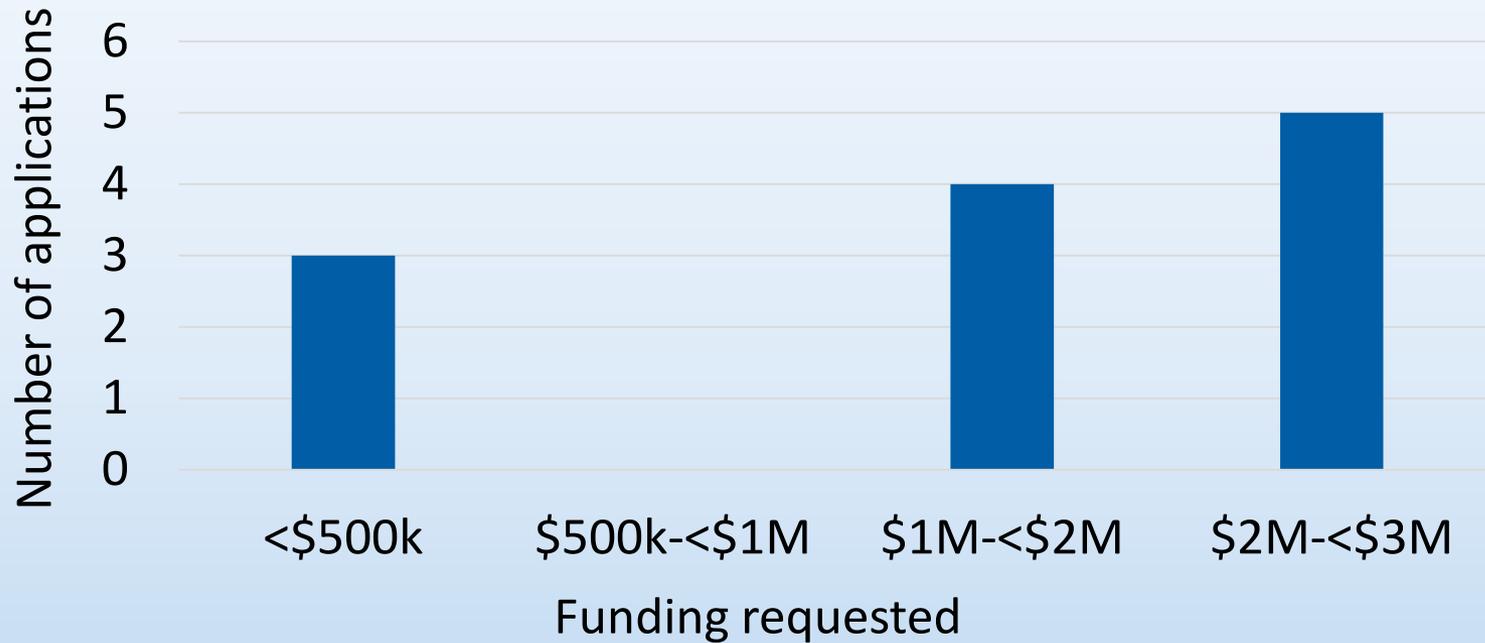
Key Considerations

- Commission will fund projects of diverse sizes, types, and geographic locations
- Reliable annual cycles support the continuity of project planning
- Grantees value clear communication and expectations as they plan project timelines and budgets
- Funding “shovel ready” projects supports communities during the current economic crisis
- A majority of the 2020 applications have secured all of their match funding

Overview of 2020 Applications

Twelve complete applications received requesting a total of nearly \$19M

2020 Breakdown of Funds Requested



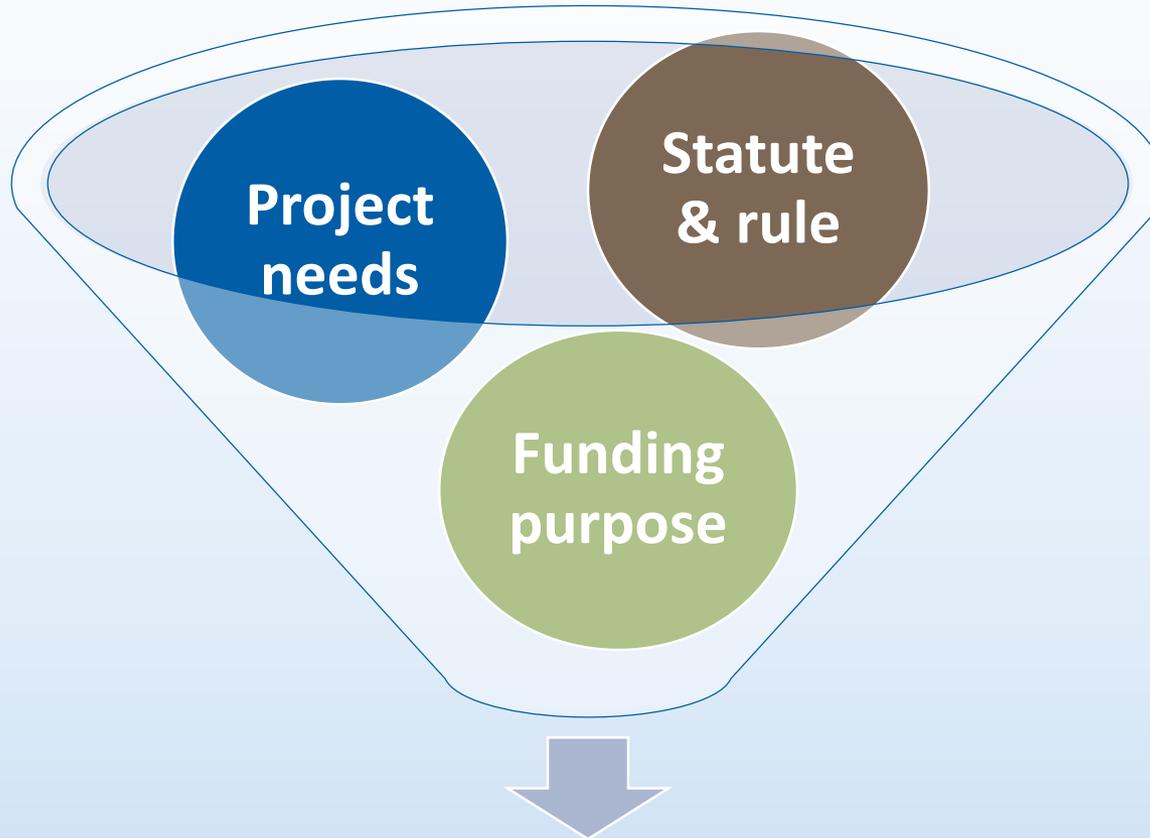
2020 Application Details

Status of match funds for 2020 applications

- 7 of 12 application have all match secured
- 3 of 12 applications have secured the majority of matching funds needed
- 2 of 12 applications indicate that the majority of match funds are pending between late 2020 to 2021

Options for Commission Consideration

Many Options Analyzed



Options for consideration today

Option I

- Divide the available funds between the 2020 and 2021 funding cycles
- 2020 – No maximum award. Fully fund projects to the extent of the funds allocated for 2020
- 2021 – Set a maximum award (option - \$500k maximum)

Recommended for consideration

Option I - Analysis

Supports project success and Department goal

- Promotes project success for 2020 applicants and secured match funding
- Achieves reliability and continuity of annual funding cycles
- Provides early notice to 2021 applicants
- Distributes funds to more projects
- May achieve Diversity in size, type and geographic locations
- May delay “shovel ready” projects

Option II

- Divide the available funds between the 2020 and 2021 funding cycles
- 2020 and 2021 - No maximum award in either year

Recommended for consideration

Option II - Analysis

Supports project success and Department goal

- Promotes project success for 2020 applicants and secured match funding
- Achieves reliability and continuity of annual funding cycles
- Does not promote wider distribution of funds
- Does not promote diversity in size, type and geographic locations
- May delay “shovel ready” projects

Option III

- Divide the available funds between the 2020 and 2021 funding cycles
- 2020 and 2021 - Set a maximum award (Option - \$500k maximum)

Not recommended

Option III - Analysis

Does not promote project success

- Changes course mid-cycle for 2020 applicants
- Places project completion and funding at risk
- Achieves continuity of annual funding cycles
- Distributes funds to more projects
- May achieve diversity in size, type and geographic locations in 2021
- May cause project delays

Option IV

- Fully fund all recommended projects in 2020, up to the amount available in Water Supply Development account
- 2021 cycle is held only if there are remaining funds

Not recommended

Option IV - Analysis

Promotes project success for 2020 applicants

Does not support Department goal

- Disrupts the reliability and continuity of annual funding cycles
- Does not promote wider distribution of funds
- Does not promote diversity in size, type and geographic locations
- Supports project success in near-term but not long-term

Recap of Options Recommended

Option I

Divide the available funds between the 2020 and 2021 funding cycles

- 2020 – No maximum award. Fully fund projects to the extent of the funds allocated for 2020
- 2021 – Set a maximum award (option - \$500k maximum)

Department preferred

Option II

Divide the available funds between the 2020 and 2021 funding cycles

- 2020 and 2021 - No maximum award in either year

Commission Alternatives:

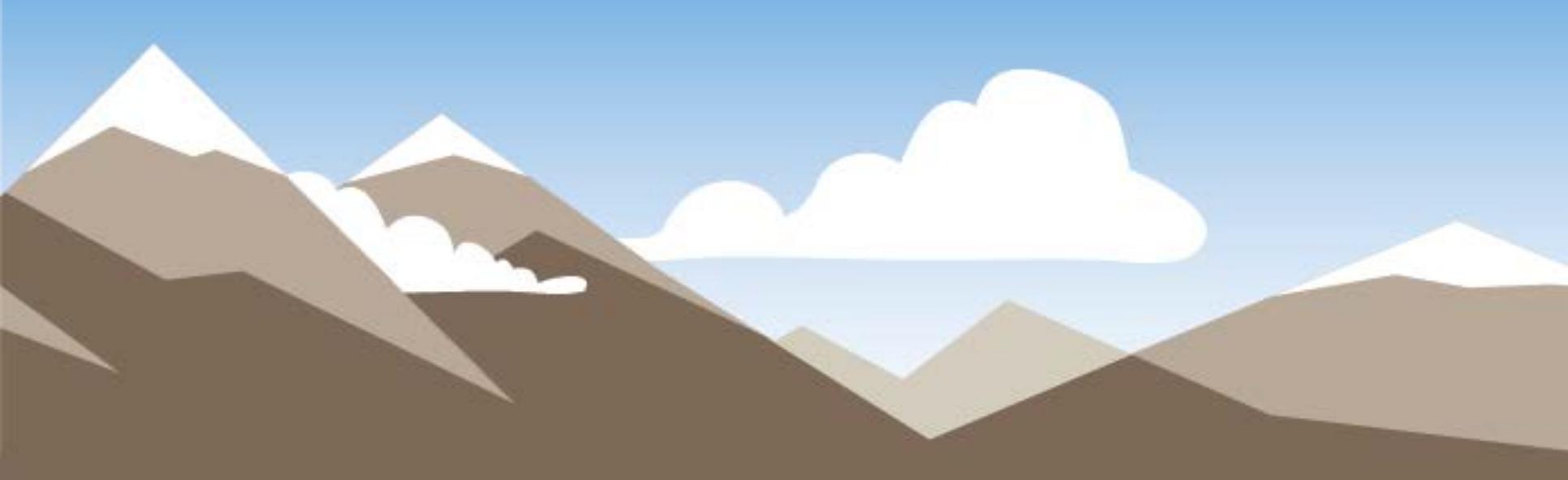
The Commission may consider the following alternatives:

1. Adopt the recommended funding allocation between the 2020 and 2021 funding cycles of Water Project Grants and Loans as described in Section V of this report.
2. Adopt a modified funding allocation.

Recommendation

The Director recommends Alternative #1

1. Adopt the recommended funding allocation between the 2020 and 2021 funding cycles of Water Project Grants and Loans as described in Section V of this report.
2. Adopt a modified funding recommendation.



Thank you.
Questions?

