

August 31, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

**SUBJECT: Agenda Item H: Local Capacity Funding
September 18-19, 2007 OWEB Board Meeting**

I. Introduction

This report seeks Board approval of additional non-capital funding to support local capacity, including funding for watershed councils, soil and water conservation districts, the Network of Oregon Watershed Councils (Network), and the Oregon Association of Conservation Districts (OACD).

II. Background

On December 15, 2006, OWEB received 60 applications for Watershed Council Support grants requesting a total of \$7.9 million. Applications were sent to the Council Support Advisory Committee (CSAC) to review the applications. After pre-scoring them, the CSAC met developed consensus scores for each application. Staff then conducted an extensive review of the comments and scores generated by the CSAC and made minor adjustments. Staff then prepared written summaries of the evaluations that were sent to the Board and applicants.

OWEB staff recommended funding for watersheds councils based on base awards established by five categories: "Excellent, Very Good, Good, Satisfactory, and Needs Improvement." Staff recommended that the type "a, b, and a and b" umbrella councils receive an additional 18, 9, and 22 percent, respectively, of their base award. This amount is commensurate with the umbrella awards for 2005-2007. Staff developed four funding alternatives based on the total amount of funding available. At the May 2007 Board meeting, staff recommended and the Board approved watershed council support awards totaling \$5 million. The Board also signaled its intent to consider awarding additional funding if funding were available in OWEB's 2007-2009 Legislatively Adopted Budget.

OWEB's budget was approved by the Joint Ways and Means Committee on June 1, 2007. The committee approved budget included \$5 million for watershed council support grants and \$5 million for soil and water conservation district support. OWEB's budget was approved by the Legislature in June and signed by the Governor on June 28, 2007.

The amount of funding available for non-capital purposes and the staff proposed spending plan are described in Agenda Item D.

III. Local Capacity Grants

Board members have long recognized the important role of watershed councils and soil and water conservation districts in carrying out cooperative conservation actions. These groups are key players in developing and implementing local restoration projects with landowners, and improving community awareness of and interest in watershed health. Councils and districts account for approximately two-thirds of OWEB grant awards.

In recent years, the Board has indicated that additional funding to increase the organizational capacity and effectiveness of our local partners is a high priority. The 2007 Legislature has provided funding for councils and districts at \$5 million each, the first increase since 1999. However, from our evaluation of watershed council support, we know that their capacity needs exceed what we have been able to provide in the past, and in this biennium. We understand districts would benefit from additional funding for similar reasons.

With significantly increasing capital funds and a seven-year window for Measure 66 grant investments ahead of us, staff believe this is the appropriate time to distribute additional resources to councils and districts. As described in Agenda Item D, staff propose the Board allocate an additional \$1 million each for councils and districts. It is important to note that councils and districts should not consider the additional funding as part of their base budgets for the 2009-2011 biennium. The Legislature's appropriation of \$5 million each for councils and districts will serve as the base budget level as we prepare the OWEB budget next year for the 2009-2011 biennium.

A. Watershed Council Support

OWEB evaluated watershed council needs through the competitive, merit-based council support evaluation process conducted this past spring. Staff developed a \$6 million funding alternative as part of its May 2007 staff report. Staff propose approximately \$1 million be allocated to councils in accordance with that alternative. Attachment A is a table showing the current funding award, the proposed addition, and the total biennial award for each council support recipient.

Given the additional funding proposed in this report and the increased funding allocated to councils by the Legislature, OWEB urges councils to work to improve their operations in the following areas:

- Enhancing community outreach/awareness.
- Strengthening communications with county and other local governments.
- Renewing and expanding council membership and local volunteer participation.

B. Soil and Water Conservation District Capacity

Soil and water conservation district (district) needs and the uses for the additional \$1 million have been determined by the Oregon Department of Agriculture (ODA) and the Soil and Water Conservation Commission. Based on recommendations from the Soil and Water Conservation Commission, the first priority for the additional funding will be targeted to provide technical assistance and outreach for establishing riparian buffers and other practices that support implementation of the Agricultural Water Quality Area Management Plans. This means:

- Funding existing Conservation Reserve Enhancement Program (CREP) positions as the first budget priority, and

- Allocating additional funds to other areas where there is landowner interest and demand in riparian buffers or other water quality work.

Approximately 10 percent of the funding will be used to support training and capacity building for districts, and to cover a portion of ODA's cost of administering the additional funding (e.g., develop agreements, coordinate training of riparian specialists and other technical staff, coordinate efforts with the U.S. Department of Agriculture, report on results of activities produced with additional funding, etc.). ODA staff are working with districts to identify a budget for continuing existing CREP positions. Staff will provide additional detail about the district allocation at the September meeting. The additional recommended funding will be distributed to ODA who will enter into agreements with the districts.

IV. Capacity Enhancements

OWEB's support last biennium for the Network of Oregon Watersheds Councils (Network) and the Oregon Association of Conservation Districts (OACD) provided benefits for OWEB, councils, and districts. The coordination and cooperation between OACD and the Network was a big part of why councils and districts received additional funding from the Legislature last session.

The Network and OACD wish to continue their efforts this biennium and are currently preparing proposals, including work plans, to submit to staff and the Board by the September meeting. The Network and OACD will also submit a final report for the 2006-2007 Partnership Effort that describes the results of the previous Board investment. Staff will also provide the Board with a copy of this report.

Staff propose the Board allocate funds to support the OACD and the Network proposals. The work of these organizations will directly complement the additional funding for councils and districts. The increased funding for councils and districts will raise expectations regarding their achievements over the coming two years. The Network and OACD will help their respective groups perform at a high level and communicate their successes.

V. Recommendation

Staff recommend the Board:

- A. Approve an additional \$986,066 for Watershed Council Support grants as reflected in Attachment A.
- B. Allocate \$1,000,000 for Soil and Water Conservation District capacity as described in Section III of this report.
- C. Allocate \$100,000 to the Network of Oregon Watersheds Councils and \$100,000 to the Oregon Association of Conservation Districts as described in Section IV of this report.

Attachments

- A. 2007-2009 Watershed Council Support Awards

2007-2009 Watershed Council Support Awards

	App #	Applicant	May 2007 Award	Sept 2007 Award	Total Award*
Excellent	208-010	Coos Watershed Association	\$ 96,000	\$ 18,000	\$ 114,000
	208-041	Crooked River WSC (b)	\$ 104,640	\$ 19,620	\$ 124,260
	208-049	Grande Ronde Model WS (b)	\$ 104,640	\$ 19,620	\$ 124,260
	208-043	Hood River WS Group	\$ 94,100	\$ -	\$ 94,100
	208-026	Johnson Creek WSC	\$ 96,000	\$ 18,000	\$ 114,000
	208-027	Long Tom WSC	\$ 96,000	\$ 18,000	\$ 114,000
	208-028	Marys River WSC	\$ 96,000	\$ 18,000	\$ 114,000
	208-038	McKenzie WSC	\$ 96,000	\$ 18,000	\$ 114,000
	208-003	Midcoast (a)	\$ 113,280	\$ 21,240	\$ 134,520
	208-004	Nehalem WSC (a)	\$ 113,280	\$ 21,240	\$ 134,520
	208-016	Southcoast (a)	\$ 113,280	\$ 21,240	\$ 134,520
	208-017	Tenmile Lakes Basin Partnership	\$ 96,000	\$ 1,980	\$ 97,980
	208-047	Upper Deschutes WSC	\$ 96,000	\$ 18,000	\$ 114,000
	208-054	Walla Walla Basin WSC	\$ 96,000	\$ 18,000	\$ 114,000
208-039	Yamhill Basin WSC	\$ 96,000	\$ 18,000	\$ 114,000	
Very Good	208-008	Applegate River WSC	\$ 86,000	\$ 18,000	\$ 104,000
	208-022	Calapooia WSC	\$ 86,000	\$ 18,000	\$ 104,000
	208-023	Clackamas River Basin Council	\$ 86,000	\$ 18,000	\$ 104,000
	208-024	Coast Fork Willamette WSC	\$ 86,000	\$ 7,462	\$ 93,462
	208-025	Columbia Slough WSC	\$ 86,000	\$ 18,000	\$ 104,000
	208-011	Coquille Watershed Association	\$ 86,000	\$ 18,000	\$ 104,000
	208-012	Illinois Valley WSC	\$ 86,000	\$ 13,211	\$ 99,211
	208-045	Lake County WSC (a)	\$ 101,480	\$ 21,240	\$ 122,720
	208-014	Lower Rogue WSC	\$ 86,000	\$ 8,331	\$ 94,331
	208-058	Luckiamute WSC	\$ 86,000	\$ 18,000	\$ 104,000
	208-029	Middle Fork Willamette WSC	\$ 86,000	\$ 18,000	\$ 104,000
	208-015	Middle Rogue WSC	\$ 86,000	\$ 18,000	\$ 104,000
	208-001	North Coast WSC (a)	\$ 101,480	\$ 21,240	\$ 122,720
	208-056	Owyhee WSC (b)	\$ 93,740	\$ 19,620	\$ 113,360
	208-018	Partnership for the Umpqua (b)	\$ 93,740	\$ 19,620	\$ 113,360
	208-034	Sandy River Basin WSC	\$ 86,000	\$ 18,000	\$ 104,000
	208-035	Scappoose Bay WSC	\$ 86,000	\$ 18,000	\$ 104,000
	208-006	Siuslaw WSC	\$ 86,000	\$ 18,000	\$ 104,000
208-007	Tillamook Bay WSC	\$ 86,000	\$ 18,000	\$ 104,000	
208-037	Tualatin River WSC	\$ 86,000	\$ 18,000	\$ 104,000	
Good	208-009	Bear Creek WSC	\$ 76,000	\$ 15,880	\$ 91,880
	208-021	Elk Creek WSC	\$ 76,000	\$ 18,000	\$ 94,000
	208-050	Harney County WSC (b)	\$ 82,840	\$ 1,442	\$ 84,282
	208-040	Klamath WSC (a/b)	\$ 92,720	\$ 21,960	\$ 114,680
	208-002	Lower Columbia River WSC	\$ 76,000	\$ 1,820	\$ 77,820
	208-051	Malheur WSC (a/b)	\$ 92,720	\$ 21,960	\$ 114,680
	208-052	North Fork John Day WSC	\$ 76,000	\$ 18,000	\$ 94,000
	208-030	North Santiam WSC	\$ 76,000	\$ 18,000	\$ 94,000
	208-057	Powder Basin WSC (b)	\$ 82,840	\$ 19,620	\$ 102,460
	208-032	Rickreall & Glenn-Gibson Cr WSCs	\$ 76,000	\$ 18,000	\$ 94,000
	208-020	Seven Basins WSC	\$ 76,000	\$ 18,000	\$ 94,000
	208-036	South Santiam WSC	\$ 76,000	\$ 18,000	\$ 94,000
	208-053	Umatilla Basin WSC	\$ 76,000	\$ 18,000	\$ 94,000
	208-048	Wasco Area WSCs	\$ 76,000	\$ 18,000	\$ 94,000
Satisfactory	208-013	Little Butte Creek WSC	\$ 63,000	\$ 17,000	\$ 80,000
	208-044	Middle Deschutes WS Councils	\$ 63,000	\$ 17,000	\$ 80,000
	208-005	Nestucca-Neskowin WSC	\$ 63,000	\$ 17,000	\$ 80,000
	208-031	Pudding River WSC	\$ 63,000	\$ 17,000	\$ 80,000
	208-046	Sherman County WS Councils	\$ 63,000	\$ 17,000	\$ 80,000
	208-019	Upper Rogue WS Assn	\$ 63,000	\$ 17,000	\$ 80,000
	208-055	Wheeler County WS Groups	\$ 63,000	\$ 17,000	\$ 80,000
Needs Improvement	208-042	Gilliam-East John Day WSC	\$ 50,250	\$ 13,220	\$ 63,470
	208-059	Greater Oregon City WSC	\$ 37,500	\$ -	\$ 37,500
	208-033	Salem Keizer WSCs	\$ 50,250	\$ 16,750	\$ 67,000
	208-060	Smith River WSC	\$ 50,250	\$ 16,750	\$ 67,000
	Total	\$ 5,014,030	\$ 986,066	\$ 6,000,096	

*Amounts in bold are the amount requested by the applicant and are lower than the base award for the merit category.