

Rules Advisory Committee Meeting #3: Place-Based Water Planning Fund

Place-Based Planning Statute and Related Draft Rules – Updated on 10/3/2024

The place-based planning (PBP) Rules outline how OWRD will implement the Department’s PBP statutory authority ([ORS 537.872 - 537.873](#)). The Department is also working on updating PBP Guidance, which will clarify statutory interpretation and explain the application and enforcement of the rule. The table below compares the statute on the left and the corresponding draft PBP rules on the right. This is intended to show how different sections of the statute are addressed in the draft rule. This table has been updated with the Draft Rules version 10/3/2024.

Statute: ORS 537.872	Related Draft Rules (Version 10/3/2024)
<p>The Place-Based Water Planning Fund is established in the State Treasury, separate and distinct from the General Fund. Interest earned by the Place-Based Water Planning Fund shall be credited to the fund. The fund consists of moneys appropriated to the fund by the Legislative Assembly and federal, public or private moneys designated for deposit in the fund. Moneys in the fund are continuously appropriated to the Water Resources Department for the purpose of carrying out the provisions of ORS 537.873. [2023 c.606 §15].</p>	<p>None</p>
Statute: ORS 537.873	Related Draft Rules (Version 10/3/2024)
<p>(1) As used in this section:</p> <ul style="list-style-type: none"> (a) “Eligible implementation coordination costs”: <ul style="list-style-type: none"> (A) Means costs associated with actions taken to coordinate the implementation of a state-recognized place-based integrated water resources plan. (B) Does not include the costs of implementing a project. (b) “Environmental justice community” has the meaning given that term in ORS 182.535. (c) “Indian tribe” means a federally recognized Indian tribe in Oregon that has members residing on a reservation or tribal trust lands in Oregon. (d) “Person” has the meaning given that term in ORS 536.007. (e) “Place-based integrated water resources plan” means a plan that: <ul style="list-style-type: none"> (A) Is developed for a planning area associated with waters from sources within a shared hydrologic boundary; (B) Is developed in collaboration with a balanced representation of interests; (C) Addresses current and future in-stream and out-of-stream needs; 	<p>The following statutory definitions are referenced in OAR 690-602-0002:</p> <p><i>Definitions:</i></p> <ul style="list-style-type: none"> • “Environmental Justice Community” • “Place-based integrated water resources planning” • “Place-based integrated water resources plan” • “State-recognized place-based integrated water resources plan”

- (D) Includes the development of actions that are consistent with the state water resources policy and other state laws concerning the water resources of this state;
 - (E) Is developed using an open, equitable and transparent process that fosters public participation and meaningful engagement with environmental justice communities, consistent with the requirements of ORS 182.545;
 - (F) Is developed in consultation with the Water Resources Department and other relevant state agencies;
 - (G) Facilitates implementation of local water resources solutions and supports the knowledge and relationships needed to implement the solutions;
 - (H) Assesses actions that are compatible with local comprehensive plans;
 - (I) Strives to integrate solutions to cost-effectively achieve multiple benefits;
 - (J) Is consistent with the guiding principles of the integrated state water resources strategy; and
 - (K) Complies with the rules of the Water Resources Commission, including any rules regarding the development of place-based integrated water resources plans.
- (f) "Place-based integrated water resources planning" means a collaborative and inclusive process that is designed to:
- (A) Gather information to develop a shared understanding of water resources and identify critical issues and knowledge gaps;
 - (B) Examine the existing and future in-stream and out-of-stream water needs for people, the economy and the environment;
 - (C) Identify and prioritize strategic, integrated solutions to understand and meet in-stream and out-of-stream water needs; and
 - (D) Develop, implement and update a place-based integrated water resources plan.
- (g) "Public body" has the meaning given that term in ORS 174.109.
- (h) "Situation assessment" means an assessment conducted for the purpose of understanding the status of an issue, stakeholder perspectives and the needs and conditions that potentially affect the feasibility and design of a collaborative process to develop and implement a place-based integrated water resources plan.

Statute: ORS 537.873	Related Draft Rules (Version 10/3/2024)
<p>(i) “State-recognized place-based integrated water resources plan” means a place-based integrated water resources plan that has been reviewed by the Water Resources Commission and recognized by a commission resolution stating that the completed place-based integrated water resources plan adheres to applicable requirements.</p>	
<p>(2) The Water Resources Director may award grants with moneys from the Place-Based Water Planning Fund established in ORS 537.872 to fund the costs of actions supporting place-based integrated water resources planning, including costs of:</p> <ul style="list-style-type: none"> (a) Filling gaps in state, tribal and local capacity, knowledge and skill sets. (b) Developing data and associated analyses tailored to the area of a place-based integrated water resources plan. (c) Assessing critical issues within the planning area. (d) Building knowledge and relationships among state agencies, organizations with ties to or an interest in the planning area and people who live in, work in or are interested in the planning area. (e) Assisting groups with preparing and assessing readiness to engage in relevant planning. (f) Assisting with building the capacity of a community to engage in relevant planning. (g) Facilitating and managing a collaborative process to support relevant planning. (h) Developing, or supporting development of, a place-based integrated water resources plan. (i) Facilitating associated public participation, including participation by members of environmental justice communities, through education, outreach, financial support and other activities. (j) Updating a state-recognized place-based integrated water resources plan. (k) Eligible implementation coordination costs. 	<p>690-602-0003</p> <p>Grant Application Process</p> <ul style="list-style-type: none"> (1) The Department shall periodically announce deadlines for submitting applications for grant funding, dependent upon the availability of Place-Based Water Planning funds and state agency capacity to support grantees and planning processes. (2) Match requirements shall be included in the announcement for each grant offering. Match requirements shall not exceed 50% of the application request. (3) Applications shall be submitted on the most current form provided by the Department. (4) The Department may use an application review team to review applications based on the evaluation criteria in 690-602-0006. (5) The Department shall provide an opportunity for public comment on funding recommendations prior to the Directors funding decision. (6) The Director may make grant funding decisions based on the recommendations of the application review team, availability of fund resources, Department capacity to support grantees, and received public comments. <p>690-602-0004</p> <p>Eligible Grant Types</p> <p>The Place-Based Water Planning Fund may fund the costs of any action supporting place-based integrated water resources planning as outlined in ORS 537.873(2) through the administration of Planning Readiness Evaluation and Preparation Grants, Planning Grants, Post Plan Coordination Grants, and Plan Update Grants.</p> <ul style="list-style-type: none"> (1) Eligible Planning Readiness Evaluation and Preparation Grants must prepare for or assess a community's readiness to engage in Place-

Based Integrated Water Resources Planning for a proposed planning area.

- (2) Eligible Plan Development Grants must:
 - (a) Develop a shared governance agreement adopted by the collaborative; and
 - (b) Develop a place-based integrated water resources plan for a planning area.
- (3) Eligible Post Plan Coordination Grants must support implementation coordination of a state-recognized place-based integrated water resources plan.
- (4) Eligible Plan Update Grants must support updates to a state-recognized place-based integrated water resources plan.

690-602-0008

Grant Agreement and Conditions

- (1) The Director or designee shall establish conditions for each grant agreement.
- (2) The Department shall only enter into new agreements or amendments to existing agreements with prior grantees of the Place-Based Water Planning Fund if all reporting obligations and conditions under existing or earlier grant agreements from this Fund have been met.
- (3) No geographic area may be served by more than one grant from the Fund at a time.
- (4) The Grantee must:
 - (a) Submit a report every 6 months to the Department on a form provided by the Department that provides information regarding the expenditure of program and match funds, progress toward completion, compliance with special conditions and requirements in the grant agreement and any other information required by the Department.
 - (b) Comply with all federal, state, and local laws and ordinances applicable to the work to be done under the grant agreement.
 - (c) Account for funds distributed by the Department, using expense forms provided by the Department.
 - (d) Pursue state-recognition of any Plan or Plan update resulting from the collaborative's work.

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	<p>(5) Upon notice by the Department to the Grantee in writing, the Director may terminate funding for collaboratives not complying with the grant agreement conditions. The money allocated to the collaborative but not used may be available for reallocation by the Department.</p> <p>690-602-0010 Distribution of Funds</p> <p>(1) The Director may withhold payments to a Grantee if the Grantee is not in compliance with grant agreement requirements and conditions.</p> <p>(2) Prior to disbursement of Department funds, the Grantee must provide the Department satisfactory proof that the required match, based on the total award, has been secured.</p>
<p>(3) In awarding grants, the department may require cost matching by applicants.</p>	<p>690-602-0003 Grant Application Process</p> <p>(2) Match requirements shall be included in the announcement for each grant offering. Match requirements shall not exceed 50% of the application request.</p> <p>690-602-0005 Grant Application Requirements</p> <p>(1) All applicants must demonstrate the required matching contribution has been secured or is being sought at the time of application. Department funding may not be released prior to secured commitment of the other funds. Pending commitments of funding must be secured within 12 months from the date of the award.</p> <p>(2) Match contributions may include:</p> <ul style="list-style-type: none"> (a) Associated and documented expenditures that were incurred prior to an award and approved by the Department for match purposes; (b) Cash on hand; (c) Secured funding commitments from other sources; (d) Pending commitments of funding from other sources; or (e) The value of in-kind labor, equipment rental and materials essential to the planning process, based on local market rates.
<p>(4) The grants may be awarded to persons, public bodies, Indian tribes and nonprofit organizations.</p>	<p>None</p>

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<p>(5) The grants may be awarded as cost sharing with other programs that support place-based integrated water resources planning.</p>	None
<p>(6) In addition to disbursing moneys in the fund as described in subsection (2) of this section, the Water Resources Director may use moneys in the fund to further place-based integrated water resources planning by entering into agreements or contracting for the following:</p> <ul style="list-style-type: none"> (a) Efforts related to interagency coordination. (b) Situation assessments. (c) The collection or development of data, data inventories or other technical information necessary for planning. (d) Technical assistance. (e) The development of guidelines and best practices. (f) Providing opportunities for public participation. (g) The development or provision of training and learning opportunities. (h) Holding events and gatherings. (i) Evaluations to identify lessons learned and areas for improvement. (j) Consultation with Indian tribes. (k) Other actions in support of place-based integrated water resources planning that benefit a specific area in this state or the state as a whole 	None
<p>(7) Before issuing funding under subsection (2) or (6) of this section, the Water Resources Director shall consult with the Department of Environmental Quality, Department of Land Conservation and Development, Oregon Health Authority, Oregon Watershed Enhancement Board, State Department of Agriculture and State Department of Fish and Wildlife to understand agency capacity to:</p> <ul style="list-style-type: none"> (a) Participate in place-based integrated water resources planning. (b) Provide information and assistance described in subsection (9) of this section. 	None
<p>(8) Before issuing funding under subsection (2) of this section, the Water Resources Director shall notify county and tribal governments within the proposed planning boundary of an application.</p>	<p>690-602-0009 Public Notice and Comment</p> <ul style="list-style-type: none"> (1) Prior to the award of Place-Based Water Planning funding, the Department shall provide notice as follows: <ul style="list-style-type: none"> (a) Public notice with a minimum 30-day public comment period. (b) Written notice to county and tribal governments within the proposed planning boundary of an application.

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	(2) Prior to state recognition of a plan, the Department shall provide public notice with a minimum 30-day public comment period.
<p>(9) The Water Resources Department, Department of Environmental Quality, Department of Land Conservation and Development, Oregon Health Authority, Oregon Watershed Enhancement Board, State Department of Agriculture and State Department of Fish and Wildlife may provide technical information and assistance to, and enter into contracts or agreements with, a person, public body, Indian tribe or nonprofit organization to facilitate implementation of this section.</p>	None
<p>(10) The Water Resources Commission shall consider state-recognized place-based integrated water resources plans when updating the integrated state water resources strategy.</p>	<p>690-602-0007 State Recognition of Plans (6) Plans that achieve state recognition before the Department begins updating the state’s next Integrated Water Resources Strategy shall be considered in the update. The Department shall identify and may incorporate common themes or strategies emerging from state-recognized Plans into updates and any associated workplans, as appropriate to the Department’s mission, authorities, and priorities, and as capacity allows.</p>
<p>(11) The commission may adopt rules to implement this section, including rules that:</p> <ul style="list-style-type: none"> (a) Further clarify the expenditures that may be funded by the grants. (b) Prioritize the issuance of funding for purposes described in this section and establish a system for scoring and ranking projects that includes consideration of groups’ readiness for planning and projects’ alignment with strategic priorities determined by state water laws and relevant state agencies. (c) Establish requirements for promoting public participation and engaging environmental justice communities. (d) Establish criteria and a process for state recognition of a place-based integrated water resources plan. (e) Describe how the implementation of actions outlined in a state-recognized place-based integrated water resources plan may be considered and supported. 	<p>690-602-0006 Grant Evaluation Criteria</p> <ul style="list-style-type: none"> (1) Planning Readiness Evaluation and Preparation Grants shall be evaluated on: <ul style="list-style-type: none"> (a) The expected ability of the grantee to effectively engage a balance of instream and out-of-stream water interests on place-based water resources issues; (b) The need for the community to assess its readiness or prepare for place-based water planning ; (c) The proposed approach to public participation and engagement of environmental justice communities; and (d) Strategic priorities determined by the Director. (2) Plan Development Grants shall be evaluated on: <ul style="list-style-type: none"> (a) The convener and potential collaborative members ability to meaningfully engage and collaborate in a neutral process over multiple years with a balanced representation of instream and

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<p>(f) Establish reporting and other requirements necessary to maintain the status of a state-recognized place-based integrated water resources plan, including requirements concerning:</p> <p>(A) Progress on implementing a place-based integrated water resources plan.</p> <p>(B) How strategies and actions outlined in a place-based integrated water resources plan must continue to represent a balance of in-stream and out-of-stream water interests.</p> <p>(C) How the planning process continues to demonstrate a commitment to collaboration and adherence to principles of place-based integrated water resources planning and the integrated state water resources strategy described in ORS 536.220.</p>	<p>out-of-stream water interests, the public, Tribes, local governments, and state agencies;</p> <p>(b) The proposed data, technical information, and planning tools that would support planning in the area;</p> <p>(c) The proposed approach to public participation and engagement of environmental justice communities;</p> <p>(d) Strategic priorities determined by the Director;</p> <p>(e) The value of place-based integrated water resources planning in the planning area and the demonstration of a clear need for a Plan; and</p> <p>(f) State agency capacity to support the proposed planning process.</p> <p>(3) Post Plan Coordination Grants shall be evaluated on:</p> <p>(a) If a Collaborative’s Plan has received state-recognition for the first time within the last 2 years and it has not received a Post Recognition Grant previously, its application may be given priority by the application review team.</p> <p>(b) If the Collaborative’s Plan received state-recognition two or more years before the application deadline, its application shall be evaluated on:</p> <p>A. Demonstration of the pursuit of Plan strategies and actions that continue to represent a balance of instream and out-of-stream water interests and a commitment to collaboration and place-based planning principles; and</p> <p>B. Progress made towards Plan implementation, including how progress aligns with the Plan’s implementation strategies and continues to represent a balance of in-stream and out-of-stream water interests.;</p> <p>C. The proposed approach to public participation and engagement of environmental justice communities; and</p> <p>D. Strategic priorities determined by the Director.</p> <p>(4) Plan Update Grants shall be evaluated on:</p> <p>(a) Demonstration of the pursuit of Plan strategies and actions that continue to represent a balance of instream and out-of-stream water interests and a commitment to collaboration and place-based planning principles;</p> <p>(b) Demonstration of a need to update or develop new planning strategies and/or demonstration of significant changes in local</p>

- conditions, data availability, or climate change information that would impact the Plan;
- (c) The proposed approach to public participation and engagement of environmental justice communities; and .
- (d) Strategic priorities determined by the Director.
- (5) Additional evaluation criteria for Place-Based Water Planning grants may be added to reflect lessons learned by the Department through the administration of the grant program. Fund solicitation and application materials must reflect any new evaluation criteria before the commencement of a grant application cycle.

[690-602-0007](#)

State Recognition of Plans

- (1) A collaborative is eligible to apply for state-recognition of their Plan after it is adopted by the collaborative through consensus as defined in the collaborative’s shared governance agreement.
- (2) The Plan Review team shall review the Plan according to the evaluation metrics provided by the Department and make a recommendation to the Director about state recognition of the Plan within 120 days of plan submission. If the Plan Review Team requires changes to recommend the Plan for state recognition, the Collaborative will be given an opportunity to amend its plan before a final recommendation is made.
- (3) A Plan may be recognized by the Commission if it meets the definition of a place-based integrated water resources plan in ORS 537.873(1)(e) and upon recommendation by the Director.
- (4) To maintain Plan state recognition, the collaborative must submit biennial reports on progress made towards Plan implementation on a form provided by the Department. Plans may lose state recognition if:
 - (a) Reporting requirements are not met;
 - (b) Reporting or other information received by the Department indicates that progress made towards implementation does not align with the Plan’s implementation strategies or represent a balance of in-stream and out-of-stream water interests; or

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	<p>(c) The Collaborative is no longer demonstrating a commitment to collaboration and adherence to principles of place-based integrated water resources planning and the state's Integrated Water Resources Strategy.</p> <p>(5) The Department, in consultation with other relevant state agencies, shall support implementation of state-recognized Plans appropriate to their mission, authorities, and priorities, as capacity allows. The Department shall document and communicate to collaboratives which Plan strategies may be supported by the Department according to the Department's mission, authorities, priorities, and capacity.</p>
<p>(12) In developing rules described in subsection (11) of this section, the commission shall consult with the agencies described in subsection (7) of this section and other affected agencies.</p>	<p>None (agencies consulted in rule development and invited to serve on RAC)</p>