

September 1, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations
Region 4, Central Oregon
September 19-20, 2006 OWEB Board Meeting**

I. Introduction

This staff report describes the Central Oregon Regional Review Team recommendations, special issues, and staff recommendations for funding.

II. Background

The table attached to the Overview report contains the numbers and types of applications received and of dollar amounts requested. The Central Oregon Regional Review Team (RRT) met at the ODOT office in Bend on July 19, 2006, to review the applications received in this grant cycle. All applications were reviewed for technical merit and a fund/no fund recommendation was made by the RRT. The RRT then prioritized the applications recommended for funding.

III. Regional Review Team Recommendations

The Region 4 RRT recommended twelve restoration projects totaling \$3,510,174 for funding. Special conditions were suggested for four of the projects.

The RRT recommended four technical assistance projects totaling \$144,488 for funding. Special conditions were suggested for three of the projects and one was reduced in amount.

IV. Special Issues

The outstanding projects from a dollar standpoint are 207-107, the EFID Central Canal Pipeline Project (\$1.4 million), and 207-096, the Middle Deschutes Streamflow Restoration Project (\$850,000).

The EFID Project will increase late season flows in the East Fork of Hood River by 50 percent, will improve access to nearly five miles of salmonid habitat, and will restore water quality in 7.5 miles of Neal Creek. The Middle Deschutes Streamflow Project will pipe over five miles of open ditch to prevent 50 percent of the water from being lost to seepage and evaporation. The result will be about 20 cubic feet per second (cfs) of flow retained in the river rather than diverted into the old leaky ditch. For the reasons described in the Overview report, staff

recommend an award of \$900,000 for the ERID Project at this time, with the remaining \$500,000 reserved from the 2007-2009 *capital* funds for the Board to award at the September 2007 meeting. Staff will request the applicant report to the Board on the progress made to implement the project before Board action on the reserved funding.

Another notable project is 207-101, the Chiloquin Dam Removal (\$329,610), which will eliminate this major impediment to fish passage on the Sprague River in the Klamath Basin.

Once again in this cycle, the Region 4 RRT was presented with several proposals relating to reducing, controlling, or catching soil erosion from dryland wheat farming. One project (207-111) would underwrite the implementation of no-till techniques. Another project (207-099) would install new sediment catching terraces and Water and Sediment Control Basins (WASCOBs). A third (207-110) would pay for bulldozer time to clean off the accumulated sediment from miles of old terrace. Staff will organize a discussion with applicants and the RRT members on how best to contribute to sediment control on dryland wheat areas while also adhering to fundamental OWEB preferences for projects that address the causes (farming practices) rather than the symptoms (accumulating erosion). The goal is to develop a better understanding of OWEB's role in funding soil erosion projects. This will provide greater consistency of RRT review for these types of projects and a clearer target for future applicants.

As this report was being finalized, staff learned that two of the "do fund" projects might be partly or entirely withdrawn due to the availability of funding for those projects from other sources. These projects are 207-105, the McKenzie Canyon Black Butte/Association Canals Pipeline (\$320,000), and 207-106, the East Fork Hood River Culvert Removal and Replacement (\$49,500). Staff may address this matter at the Board meeting during this agenda item.

V. Staff Recommendations for Project Funding

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as "do fund" to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff "do fund" recommendations to the Board. For some "do fund" projects, the amount shown in the table is the staff funding recommendation rather than the RRT's recommendation.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Attachments

- A. Projects Recommended for Funding
- B. Projects Not Recommended for Funding

Region 4 – Central Oregon
Restoration Projects Recommended for Funding by the RRT
April 24, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
207-100	Bowman Dam Bypass Flow Enhancement		78,000	78,000	1
207-107	EFID Central Canal Pipeline Project – Lower Phase❖		900,000	900,000	2
207-097	Drews Creek Fish Passage/Screening		9,831	9,831	3
207-095	North Fork Mill Creek Culvert Removal		58,743	58,743	4
207-105	McKenzie Canyon Black Butte/Association Canals Pipeline – Phases III & IV		320,000	320,000	5
207-101	Chiloquin Dam Removal **		329,610	329,610	6
207-098	Deschutes River Riparian Restoration at Riverbend Park	1,800	39,390	41,190	7
207-096	Middle Deschutes Streamflow Restoration Project Phase I **		850,000	850,000	8
207-106	East Fork Hood River Culvert Removal and Replacement		49,500	49,500	9
207-111	Direct Seed/No-Till Incentive Program **		114,566	114,566	10
207-102	Bullard Canyon Education and Restoration		29,000	29,000	11
207-099	Sediment Control in Sherman County **		229,734	229,734	12
Total Capital Projects Recommended for Funding to Staff by the RRT		\$1,800	\$3,008,374	\$3,010,174	
Total Capital Projects Recommended for Funding by Staff to the Board		\$1,800	\$2,749,640	\$2,751,440	

* * Fund with Conditions

❖ Total amount is \$1,400,000. Staged award with \$900,000 recommended now and \$500,000 to be awarded from 2007-09 funds in September 2007.

Region 4 – Central Oregon
Technical Assistance Projects Recommended for Funding by the RRT
April 24, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-032	Sycan River Weir 2 Design **	27,500	1
207-034	Rock Creek Pressurized Pipeline and Hydropower Design **	50,000	2
207-031	Thomas Creek Design	41,988	3
207-033	Stream Channel Restoration Design at Rimrock Ranch (Whychus Creek) */**	25,000	4
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		\$144,488	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		\$119,488	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 4 – Central Oregon
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
April 24, 2006 Grant Cycle

Project #	Project Name	Total Amount
207-093	North Fork Sprague Channel Stability	6,380
207-094	Upper Sprague Riparian Enhancement Initiative: Livestock Access Management Phase	23,908
207-103	Barnhart Tract	82,095
207-104	Irrigation Water Management to Restore Stream Flow	50,000
207-108	Farmers Irrigation District's Lowline Water Conservation	300,000
207-109	Coe Branch Diversion	250,000
207-110	Anderson Erosion Control Improvement	79,462
207-112	Watkins Sprague River Channel and Wetland Restoration	55,685
207-113	Hale Ridge Solar Watering System	18,563

Region 4 – Central Oregon
Technical Assistance Not Recommended for Funding by the RRT and OWEB Staff
April 24, 2006 Grant Cycle

Project #	Project Name	Total Amount
207-035	Hay Creek/Scott Canyon Action Plan	32,612
207-036	Sprague River Tailwater Wetlands Initiative Phase I: Site Prioritization	15,125