

September 1, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations
Region 5, Eastern Oregon
September 19-20, 2006 OWEB Board Meeting**

I. Introduction

This staff report describes the Eastern Oregon Regional Review Team recommendations, any special issues, land acquisition grant applications 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 Eastern Oregon Regional Review Team (RRT) met at Big Sarvis Corral near Service Creek on July 11 and 12, 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 5 RRT recommended twenty-two restoration projects totaling \$4,261,409 for funding. Special conditions were suggested for six of the projects, six were reduced in amount, and two were increased in amount.

The RRT recommended three technical assistance projects totaling \$76,347 for funding. Two projects were increased in amount.

IV. Special Issues

Staff recommend funding one Technical Assistance proposal that the RRT did not – #207-040, the Sumpter Valley Dredge Tailings Floodplain Restoration Action Plan. The proposal will use Light Detection and Ranging (LIDAR) technology to map the contours of the dredge tailings to within a few centimeters of accuracy, and then use the data to guide development of engineering plans for reshaping at least a portion of the dredge tailings area so as to re-establish more normal floodplain connectivity and functioning. The RRT noted that many other inventories and assessments of the area have been done and they weren't convinced that the LIDAR approach was necessary. Staff disagree, believing that the potential re-shaping of the tailings will require a mapping and engineering precision not provided by any other existing data set.

The Willow Creek Restoration (207-138) is an extraordinary package of improvements to an irrigation system that still relies on open main line ditches and flood irrigation – and thus results in excessive soil erosion and water quality problems (sediment, nutrients, and bacteria). This is another project that has been a long time coming, and that now claims strong support from landowners throughout the valley, many of whom have signed up for the program. More than just an irrigation project, Willow Creek also will address wetland and riparian restoration, rangeland restoration, and other land management issues. Being complex and expensive, this project may require the additional scrutiny of an oversight committee during implementation, and several members of the RRT already have volunteered. For the reasons described in the Overview report, staff recommend an award of \$1,050,568 for Willow Creek at this time, with the remaining \$900,000 reserved from the 2007-2009 *capital* funds for the Board to award in September 2007. Staff will request the applicant report to the Board on the progress made to implement the project before Board action on the reserved funding.

While a strong project in most ways, Willow Creek does not include a mechanism to formally protect the water conserved from the improved irrigation system efficiency. This raises a long-standing question about whether OWEB should require such formal protections of instream flow as a condition of funding such projects. Staff will pursue this topic in the months ahead.

V. Acquisitions

A. Zumwalt Prairie (207-114)

The Nature Conservancy has withdrawn its land acquisition application.

B. Pilcher Creek (z206-339)

The Rocky Mountain Elk Foundation is requesting \$250,000 toward purchase of a conservation easement on a 138-acre parcel on Pilcher Creek in the North Powder River Watershed. At the March 2006 and May 2006 Board meetings, the Board deferred consideration of this application pending review of due diligence materials. Due diligence materials have not been received. Staff and the Board subcommittee recommend that the Board continue to defer this application pending due diligence review.

VI. 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 tables also indicate, 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 A also shows the Technical Assistance project (207-040) not recommended for funding by the RRT, but recommended for funding by staff as explained in Section IV above.

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

Attachments

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

**Region 5 – Eastern 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
207-138	Willow Creek Restoration Phase I❖		1,050,568	1,050,568	1
207-129	McDaniel II, Wallowa River Channel Relocation *		104,156	104,156	2
207-130	Choir Boys Constructed Wetland **		219,599	219,599	3
207-125	Marching Down the Malheur – Range & Riparian Restoration *		98,400	98,400	4
207-126	Private Forests Precommercial Thinning		208,400	208,400	5
207-117	North Fork Malheur River Geographic Management Area Restoration □		308,230	308,230	6
207-121	Andersen Ranches Riparian Area	100	18,320	18,420	7
207-133	Service Creek Bridge *		48,000	48,000	8
207-135	Chicken Creek Juniper Removal □		72,396	72,396	9
207-136	Ring Around the Feedlot **		55,380	55,380	10
207-118	Cow Hollow Water Quality */**		328,505	328,505	11
207-131	Burnt River Early Intervention Juniper Control & Riprap Project II		64,675	64,675	12
207-115	Bear Creek Juniper Removal		48,261	48,261	13
207-120	Four County Medusahead Containment & Strategic Treatment **		252,948	252,948	14
207-127	Lower Burnt River Rangeland Improvement □		114,170	114,170	15
207-137	Greenfield Erosion Control and Water Conservation		50,666	50,666	16
207-123	Mountain Creek Ditch Conversion Phase II *		58,266	58,266	17
207-132	Carney Place Rangeland Restoration */**		19,000	19,000	18
207-119	Doe and Summit Creek Culvert Removal		144,000	144,000	19
207-134	Variable Rate Fertilizer Application in Umatilla County		50,309	50,309	20
207-116	Johnson Creek Reconnection **	300	24,735	25,035	21
207-122	Lower McKay Creek Erosion Control	500	21,525	22,025	22
Total Restoration Projects Recommended for Funding to Staff by the RRT		\$900	\$3,360,509	\$3,361,409	
Total Restoration Projects Recommended for Funding by Staff to the Board		\$100	\$2,624,890	\$2,624,990	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions □ Listed Amount Reflects Recommended Increase

❖ Total amount is \$1,950,568. Staged award with \$1,050,568 recommended now and \$900,000 to be awarded from 2007-09 funds in September 2007.

**Region 5 – Eastern 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
207-037	Sell Constructed Wetland Design □	8,035	1
207-038	Jordan Creek Erosion Control and Fishery Engineering □	20,000	2
207-039	Bridge Creek Riparian Restoration & Archaeological Resource Engineering and Design	48,312	3
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		\$76,347	
Total Technical Assistance Projects Recommended for Funding by RRT & Staff to Board		\$76,347	

□ Listed Amount Reflects Recommended Increase

**Region 5 – Eastern Oregon
 Technical Assistance Not Recommended by the RRT, but Recommended for Funding by OWEB Staff
 April 24, 2006 Grant Cycle**

Project #	Project Name	Total Amount	Priority
207-040	Sumpter Valley Dredge Tailings – Floodplains Restoration Action Plan	20,900	Na

Total Technical Assistance Projects Recommended for Funding by Staff to the Board		\$97,247	
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**Region 5 – Eastern Oregon
 Acquisition Project Receiving a Positive Rating for Ecological Merit
 by the RRT and Recommended for Deferral by OWEB Staff**

Project #	Project Name	Amount
z206-339	Pilcher Creek (10-24-05 Grant Cycle)	\$250,000
Total Acquisition Projects Recommended for Deferral by Staff to Board		\$250,000

**Region 5 – Eastern Oregon
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
April 24, 2006 Grant Cycle**

Project #	Project Name	Total Amount
207-124	Marching Down the Malheur – 3 Miles of Malheur River Restoration	224,690
207-128	Harper Ranch Irrigation Improvement [WITHDRAWN BY APPLICANT]	[29,431]

**Region 5 – Eastern Oregon
Technical Assistance Not Recommended for Funding by the RRT and OWEB Staff
April 24, 2006 Grant Cycle**

Project #	Project Name	Total Amount
207-041	Powder River Basin Water and Stream Health Analysis	11,238

**Region 5 – Eastern Oregon
Acquisition Project Withdrawn By Applicant**

Project #	Project Name	Amount
207-114	Zumwalt Prairie Acquisition of 6,065 acres	\$1,200,000