



Oregon

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Oregon Watershed Enhancement Board

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August 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item K-3: Special Investment Partnership Progress
September 16-17, 2008 OWEB Board Meeting**

I. Introduction

This report provides the Board a brief update of the progress being made on the two geographic Special Investment Partnership (SIP) fund allocations.

II. Background

The Board adopted Special Investment Partnership (SIP) programs for the Upper Deschutes at the January 2008 meeting, and for the Willamette at the March 2008 meeting. The goal of SIP is the same as that of OWEB overall – to help create and maintain healthy watersheds and natural habitats that support thriving communities and strong economies. SIP is a tool that OWEB may elect to use in situations where an important and extremely beneficial project (or group of related projects) requires an interaction or funding mechanism different than those provided by OWEB's grant programs. For both SIPs, daily progress continues on project design details, technical reviews, effectiveness monitoring plans, grant agreements, and the whole range of activities associated with implementation or immediate pre-implementation.

III. SIP Status

Partners in the Deschutes and Willamette basins are working hard to implement efforts approved by the Board. The status of each SIP is described in the sections below.

A. Deschutes SIP

The Deschutes SIP focuses on habitat restoration that will contribute to re-establish anadromous fish runs and to enhancement of resident fish populations in the main stem and in tributary streams on both the eastside and the westside of the Deschutes, including the Crooked River Subbasin. The Deschutes Basin partners were allocated \$4 million at the January 17, 2008, Board meeting in Astoria. The allocation was associated with a specific list of projects that had been identified and prioritized by the partners.

The OWEB Executive Director signed a partnership agreement with the Upper Deschutes Watershed Council, Deschutes River Conservancy, Deschutes Land Trust, and Crooked River Watershed Council to implement the SIP. OWEB has funded six SIP projects and has six projects in the pipeline for review and funding approval.

In the Crooked River Basin, two restoration projects have received funding and a new application for fish passage structures, at the Crooked River Central (RM 44) and People's Irrigation (RM 50) diversion dams on the Crooked River, is pending review. The approved projects include screening the Crooked River Pumping Plant diversion near Terrebonne to protect reintroduced anadromous fish and a restoration project along 3/8 mile of Ochoco Creek at a former mill site in Prineville to enhance floodplain connectivity and stream function.

Restoration projects in the Whychus and Lake Creek watersheds have focused on conserving instream flow, restoring fish passage and restoring floodplain connectivity. Two piping projects on Whychus Creek have been approved and will protect 2.4 cubic feet per second (cfs) of water for instream use and replace 25,875 feet of diversion ditch with 36-inch diameter piping. A multi-partner project at Camp Polk meadow, northwest of Sisters, will plug an incised, straightened channel and reconnect the historic channel to Whychus Creek while recreating 35 acres of wetland. A culvert and road crossing on Lake Creek, a tributary of the Metolius River, will be removed to allow fish passage. Projects pending review and approval include an acquisition along Lower Lake Creek and technical assistance to investigate the feasibility of piping the Three Sisters Irrigation District's main canal to return 6 cfs of water for instream use.

The following table lists the status of projects in the Deschutes SIP. The Deschutes SIP partners are on schedule to allocate the full \$4 million this biennium.

Deschutes SIP Projects Funded by OWEB

	Upper Deschutes Watershed Council	Deschutes River Conservancy	Deschutes Land Trust	Crooked River Watershed Council	Total
Proposals Reviewed	4	2	0	2	8
Incoming Applications	1	1	1	1	4
Awards Made	3	1		2	6
Agreements Signed (includes EM* splits)	4	1		2	7
Projects Started	3	0		1	4
Award Sums	\$979,388	\$333,266	0	\$629,346	\$1,942,000
Awards Pending	\$22,000	\$323,000	0	0	\$345,000
Headed for Review		\$50,000	~\$500,000	\$681,980	\$1,231,980
Total	\$1,001,388	\$706,266	~\$500,000	\$1,311,326	\$3,518,980

*EM means effectiveness monitoring.

The Deschutes SIP partners met in Bend on Thursday, August 21, 2008, to discuss priorities for the next biennium. The partners have identified nearly \$14 million in projects for the next biennium. They realize that OWEB continuation of the Deschutes SIP will not likely be able to fund all the work and recognize that bringing in additional funding partners will be an important priority.

A Deschutes SIP Reintroduction Steering Committee meeting to review progress and discuss future projects is proposed for September. The committee and partners will be exploring, among other topics, how to “tell the story” of the successful partnership and significant achievements possible from the partnership.

B. Willamette SIP

The main objectives of the Willamette SIP are to engage local partners to a) re-establish channel complexity, and b) re-connect flood plains in the historic meander corridor of the Willamette main stem and the major tributaries. These objectives will restore aquatic and riparian habitats for a wide variety of species, and also will contribute significantly to restoration of river processes that contribute to good water quality.

The Board allocated \$6 million to the purposes of the Willamette SIP at the March 19, 2008, Board Meeting in Medford. The allocation was associated with a suite of project concepts that were not as well developed as the Deschutes SIP projects. Staff have been working with partners to develop specific projects for implementation. The Executive Director has signed a partnership agreement with the state agency partners and is working with the Meyer Memorial Trust to finalize a partnership agreement that expresses the shared commitment of Meyer and OWEB to collaborate on mutual objectives in the Willamette.

On August 15, 2008, the Willamette SIP review team met to discuss three projects and formulate approaches to both evaluate projects and evaluate progress of the SIP. Attachment A describes a concept that may be used to document the changes brought about as a result of the SIP investments. The review team recommended going ahead with the three projects reviewed. They also had suggestions about how OWEB should solicit and evaluate potential projects. The conversation helped to identify some of the efforts necessary to provide guidance and focus for potential project developers.

Willamette SIP Projects Funded by OWEB

	Willamette Riverkeeper	City of Portland	Green Belt Land Trust	Friends of Buford Park	Total
Proposals Reviewed	1	1	0	1	3
Incoming Applications	1	2	1	0	4
Awards Made	0	0	0	0	0
Awards Pending	\$106,480	\$200,000	0	\$182,315	\$488,795
Application Sums	\$1,000,000	\$200,000	\$600,000	0	\$1,800,000
Total	\$1,106,480	\$400,000	\$600,000	\$182,315	\$2,288,795

In addition to the projects in the table, OWEB staff have had discussions with Scappoose Bay Watershed Council, Metro, Department of Geology and Mineral Industries, and others about potential projects. As much as \$1 million in additional projects are likely to be ready for review by the end of the calendar year.

The partnership with the Meyer Memorial Trust has significantly matured. The Trust has formally adopted funding for the Willamette River Basin Restoration Initiative (see <http://www.mmt.org/initiatives/river/>) as one of three major initiatives the Trust is undertaking. They have a long term commitment to making the partnership work.

Staffing for the program is a critical issue for OWEB. With the loss of a key staff member, recruiting and employing new staff is a critical priority. For the near term the Deputy Director will take a more active role in the direction and development of the SIP effort.

IV. Recommendation

This is an informational item. No Board action is requested at this time.

Attachment

- A. Willamette SIP Concept

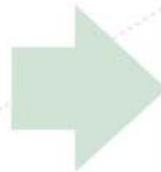
Attachment A

River Network Extent

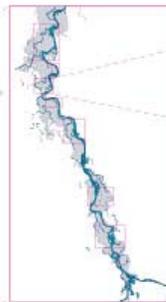


*Reach Extent
Example Selection Criteria*

1. Unconstrained Channel Morphology.
2. Potential for Floodplain Forest Recovery.
3. Low Population Density and Few Structures.
4. Potential for Recovery of Channel Complexity.
5. Potential for Increased Natural Flood Storage.

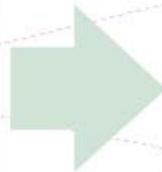


Reach Extent



*Focal Area
Example Selection Criteria*

1. Willing Land Owners.
2. Low Density of Capital-Intensive Investments.
3. Presence of Public Land.
4. Low Population Density.
5. Potential for Recovery of Native Floodplain Forest and Channel Complexity.
6. Few Revetments.
7. Flood Storage Potential.

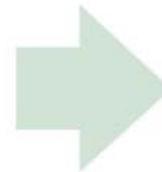


Focal Area Extent



*Focal Area
Example Ranking Criteria*

1. Willing Land Owners.
2. Ratio of Predicted Forest Area and Channel Complexity Increase to Cost of Restoration.
3. Availability of Incentives for Stewardship of Private Lands.



Site or Project Extent



Green Island Example

	Crescent Lake		Old McKenzie Channel		Nexus	
	Plan A	Plan B	Plan A	Plan B	Plan A	Plan B
Flood-water storage						
Channel complexity						
Forested floodplain						
Others ?						