



Oregon

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Oregon Watershed Enhancement Board

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March 6, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Karen Leiendecker, Eastern Oregon Regional Program Representative
Miriam Hulst, Acquisitions Specialist

SUBJECT: Agenda Item G: OWEB Grant Award Recommendations
Region 5, Eastern Oregon
March 18-19, 2009 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 and Summary

Applicants submitted 47 applications for a total request of \$4,644,573 including \$500,000 for one Acquisition. The Regional Review Team (RRT) recommended 31 applications for approximately \$2.2 million, and reviewed the Acquisition application. Staff recommend 24 applications for a total award of \$1,836,395: \$1,517,178 for Restoration; \$67,409 for Education/Outreach; \$145,790 for Monitoring; and \$106,018 for Technical Assistance.

III. Regional Review Team Recommendations

The Eastern Oregon Regional Review Team (RRT) met in Boardman in December 2008 to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The RRT recommended special conditions for seven Restoration applications and one Monitoring application. Staff concur with these recommendations. In addition, staff recommends special conditions for Restoration application 209-5086; funds should not be released until the applicant confirms that the project includes a water measuring device as expected by the RRT.

The RRT recommended minor to moderate budget reductions for three Restoration applications and one Monitoring application. Staff concur with these recommendations.

Application 209-5093 (Smith Ditch Water Delivery Improvement Project) is a Technical Assistance proposal to design alternatives to improve an 18-mile irrigation ditch. The goals are

to reduce erosion and sediment pollution to the Powder River while improving irrigation efficiency and fish passage. The RRT recommended reducing the hourly rate for stakeholder meetings, a reduction of \$5,000 with which staff agree. The RRT also recommended significant budget reductions to Restoration application 209-5075 (Lookout Mountain Sage Grouse Project), which has ecological merit but fell below the recommended funding line.

IV. Acquisitions

One land acquisition application was received from Region 5 this grant cycle.

A. Trackwell Ranch Acquisition (209-107)

Western Horizons Conservation Society (WHCS) requests \$500,000 for the purchase a 7,820-acre cattle ranch in Wallowa County, near Imnaha. The property contains approximately eight miles of Imnaha River frontage. A 75,000-acre U.S. Forest Service grazing lease is appurtenant to the property.

1. Ecological Benefits

The application states that the proposed property contains OWEB priority ecological systems, including foothill and canyon dry grasslands and riparian woodland and shrubland. The application does not provide information about the presence of OWEB priority plant communities on the property. However, the application does state that the project will benefit Chinook salmon, steelhead, and bull trout, all of which are OWEB priority species. The application also states that the project is consistent with two of OWEB's conservation principles for land acquisition: protecting a large, intact area and securing an area that is in transition from undeveloped to developed conditions.

The application states that the property's agricultural zoning makes it possible to subdivide the property into 160-acre parcels without administrative approval. The application also states that the property is for sale and is being advertised as "extremely suitable for commercial development." Conservation acquisition will prevent all commercial development and restrict the use of the property to its current uses, which the application states are agricultural and recreational activities. The property is adjacent to Zumwalt Prairie, purchased in 2003 by the Nature Conservancy with the assistance of OWEB funding.

The RRT felt the project, if well implemented, could be beneficial for Chinook salmon and bull trout. The RRT agreed that the degree of development threat is quite low and 160-acre parcels do not constitute a threat of high-impact development. The RRT also felt that the property's ecological systems and conservation values are not unique, and do not have local or regional importance. As a result, the RRT concluded that the project has low ecological merit.

2. Capacity to Sustain the Ecological Benefits

The application provided little information about Western Horizons Conservation Society, other than that the organization's board consists of retired professionals experienced in business matters. The application states that a land manager would be hired specifically for the purpose of managing the property. After the application was received, OWEB staff learned that WHCS was incorporated as a non-profit, registered in Delaware, on October 15, 2008. The articles of incorporation state that "the mission of

WHCS is to identify, preserve and protect plants, animals, and natural communities that represent the diversity of life on Earth by protecting the lands and water and all other resources they need to survive.”

3. Education Benefits

The application states that WHCS intends to partner with educational institutions and other education and conservation-oriented non-profit organizations to conduct a series of educational programs on the property. The RRT felt that the project is not well enough developed to allow for a full assessment of its educational value, however the members agreed that the site’s remote location would pose logistical challenges for educational programs.

4. Partners, Project Support, and Community Effects

The application states that the project is too early in development to have partners, a budget, or match funding. According to the application, property taxes (\$2,500) will continue to be paid and that the project is expected to have no adverse economic or social effects.

5. Legal and Financial Terms

The application states that Western Horizons Conservation Society reached an informal agreement with the current property owner on October 17, 2008 to purchase the ranch for \$9,000,000. WHCS, which registered as a non-profit several days before it reached an agreement with the landowner, then submitted the OWEB application and also began applying for loans from private foundations. The application states that the requested OWEB funds will be used either for the purchase of the property or to repay loans taken for the purchase of the property. WHCS intends to submit subsequent annual applications to OWEB for funds to repay the loans. The application states that WHCS intends to hold title to the property. However, supporting materials indicate that WHCS might intend to transfer the property to the U.S. Forest Service, the state, or Wallowa County.

6. Conclusion

In November 2008, the Acquisitions Subcommittee decided not to proceed with a due diligence review because it felt that WHCS does not have a track record of acquiring and managing conservation lands that demonstrates the capacity to successfully implement the proposed project. The Acquisitions Subcommittee also felt that the project lacks sufficient partners, community support, and certainty about the final fee title holder of the property. The RRT agreed, and determined that as a result of these deficiencies, the project has low ecological and educational merit. Staff and the Acquisitions Subcommittee do not recommend funding for the Trackwell Ranch Acquisition application.

V. Staff Recommendation

Staff recommend funding 16 of the 19 Restoration applications, two of the three Education/Outreach applications, three of the four Monitoring applications, and three of the four Technical Assistance applications recommended by the RRT. Staff do not recommend funding for the one Acquisition application.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended for funding 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 projects, the amount shown in the table is the staff funding recommendation rather than the applicant amount.

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

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

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

Region 5 - Eastern Oregon
Restoration Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
209-5087	Middle John Day/North Fork Project Implementation Phase II	169,840		169,840	1
209-5066	Malheur Experiment Station Pump Back System	16,951		16,951	2
209-5090	Silvies River Water Quality and Grazing Management Project **	156,221		156,221	3
209-5055	Upper Middle Fork Allotment Improvements	89,096		89,096	4
209-5076	West Camp Creek Juniper Management and Aspen Restoration */**	195,944		195,944	5
209-5054	Rock Creek Aspen Restoration	35,650	500	36,150	6
209-5096	Eagle Creek Restoration Project Phase II *	154,200		154,200	7
209-5092	Upper Grande Ronde Invasive Weed Control	39,167	833	40,000	8
209-5080	White Butte Juniper Control & Aspen Protection **	29,730		29,730	9
209-5086	Gable Creek Irrigation Efficiency/Fish Passage **	70,293		70,293	10
209-5057	Strip Tillage in Malheur and Owyhee Watersheds	38,883	3,700	42,583	11
209-5091	Little Muddy Creek Range & Habitat Restoration **	124,596		124,596	12
209-5097	Patton Pivot/Culvert	32,414		32,414	13
209-5098	Big Bend Ditch Pipeline **	139,263		139,263	14
209-5083	Knox Place Water System	56,104		56,104	15
209-5064	Hermiston Irrigation District I - Line Conversion Project *	163,793		163,793	16
209-5065	Butler Ranches Juniper Control	137,830		137,830	17
209-5075	Lookout Mountain Sage Grouse Project */**	71,385		71,385	18
209-5078	West Camp Creek Push Up Dam Removal **	73,830		73,830	19
Total Restoration Projects Recommended for Funding to Staff by RRT		1,795,190	5,033	\$1,800,223	
Total Restoration Projects Recommended for Funding by Staff to Board		1,512,145	5,033	1,517,178	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 5 - Eastern Oregon
Education Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-5094	STELLAR	18,557	1
209-5063	Clean Water Neighborhood Project Management	48,852	2
209-5068	South Eastern Oregon Watershed Education	39,278	3
Total Education Projects Recommended for Funding to Staff by RRT		106,687	
Total Education Projects Recommended for Funding by Staff to Board		67,409	

Region 5 - Eastern Oregon
Monitoring Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-5067	Willow Creek Effectiveness Monitoring */Δ	61,839	1
209-5061	East Birch Creek Streamflow Restoration	14,420	2
209-5082	Snake River/Hells Canyon TMDL Agriculture Drain Monitoring Phase 3 **	69,531	3
209-5077	Dry Gulch Ditch Measuring Flume	3,410	4
Total Monitoring Projects Recommended for Funding to Staff by RRT		149,200	
Total Monitoring Projects Recommended for Funding by Staff to Board		145,790	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions ΔFund with Capital

Region 5 - Eastern Oregon
Technical Assistance Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-5093	Smith Ditch Water Delivery Improvement Project *	41,700	1
209-5053	Harney Basin Groundwater Study Landowner Outreach	17,347	2
209-5059	Upper Wallowa River Stream Bank Stabilization	46,971	3
209-5074	Cusick Creek Project	34,050	4
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		140,068	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		106,018	

* Listed Amount Reflects Recommended Reduction

Region 5 - Eastern Oregon
Monitoring Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-5095	Harney Basin Groundwater Study Phase II	71,500

Region 5 - Eastern Oregon
Technical Assistance Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-5052	Fox Creek Assessment	50,000
209-5060	Lower Umatilla River Reach Study	50,000
209-5072	Keating Water Conservation Assessment	46,000

Region 5 - Eastern Oregon
Acquisition Application NOT Receiving a Positive Rating for Ecological Merit by the RRT
And NOT Recommended for Funding by OWEB Staff
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-107	Trackwell Ranch Aquisition	500,000

Region 5 - Eastern Oregon
Restoration Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-5056	Willow Creek Landowners Water Quality Restoration - Phase II	668,477
209-5058	Powder River Kirkway Reach Restoration	315,900
209-5062	Irish Spring Fire Reseeding Fence	16,883
209-5069	Lochart Juniper Control	76,451
209-5070	Bunker Water Quality Control Project	131,421
209-5071	Bingham Restoration Project	37,405
209-5079	Lostine River Fish Passage Improvement Project	58,242
209-5081	Kopp Water Development	38,471
209-5084	Bologna Creek Restoration	29,084
209-5085	Schoolhouse Hill Restoration	28,887
209-5088	Opal Butte	37,560
209-5089	Moon Hill RX-North Steens Ecosystem Restoration Project Phase II	222,525