

August 21, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Karen Leiendecker, Eastern Oregon Regional Program Representative

**SUBJECT: Agenda Item L: OWEB Grant Award Recommendations
Region 5, Eastern Oregon
September 15-16, 2009 OWEB Board Meeting**

I. Introduction

This staff report describes the Eastern Oregon Regional Review Team recommendations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 34 applications for a total request of nearly \$4.3 million. The Eastern Oregon Regional Review Team (RRT) recommended 19 applications for approximately \$1.6 million. Staff recommend funding 15 applications for a total award of \$1,422,549: \$1,333,499 for Restoration and \$89,050 for Technical Assistance. One Acquisition application was submitted in Region 5.

III. Regional Review Team Recommendations

The Eastern Oregon RRT met in LaGrande on June 23 and 24, 2009, 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. The RRT then prioritized the applications recommended for funding.

The Region 5 RRT recommended for funding 15 Restoration applications, many with conditions and several with budget reductions. Significant conditions and reductions are discussed below. Staff agree with the conditions and budget reductions and added a condition for three applications, as discussed in Section III.C. The RRT recommended for funding four Technical Assistance applications, three of which included conditions, with which staff concur. Staff also added a condition for one of the Technical Assistance applications, as discussed in Section III.C.

A. Willow Creek 210-5021

The RRT recommended funding more than \$644,000 for 210-5021, Willow Creek Water Quality Improvement Phase II. This application focuses on 30,000 acres below Brogan Canyon to the confluence with the Malheur, where intensive agriculture and feedlots are

located. The Willow Creek Working Group (WCWG) has already piped over 17 miles of irrigation laterals, 3.3 miles of buried mainline, and 6,800 feet of pipe near feedlots to prevent contamination of drain water. WCWG has also implemented 1.75 miles of fencing and many individual projects to improve water quality, reduce runoff and improve efficiency.

This application continues WCWG's previous efforts by proposing to install eight pumpbacks to eliminate return flow on 880 acres; install eight sprinklers on 462 acres; pipe 9,720 feet of open drain and irrigation ditches on four separate properties treating 698 acres; and install 2,800 feet of exclusion fence on an irrigation canal and 6,000 feet of fence on 3,000 feet of Willow Creek to exclude cattle. Watershed benefits include elimination of return flow and run-off on 2,155 acres and preventing 42,000 to 57,000 tons of sediment and millions of E.coli colonies from entering Willow Creek. Water quality will be substantially improved as a result of decreased sediment, nutrient, and bacteria levels. WCWG used the following criteria to evaluate individual projects: the proximity to Willow Creek, ability to connect to a pipe lateral; current cropping and irrigation; the size of the irrigated parcel, and the potential for riparian protection.

The RRT did not recommend funding one of the individual projects in the application, since the watershed benefits were not substantiated thoroughly. Staff concur with the RRT recommendation to delete that project from the award.

The RRT had a robust discussion of whether the irrigation district could consider leaving a minimum pool in Beulah Reservoir, which could potentially improve bull trout habitat. As more of these projects are implemented and efficiency increases, leaving a minimum pool would be more feasible, but might be problematic in low-flow years. The RRT noted that the main emphasis for this project is water quality, but there was interest in looking into potential water quantity benefits as well.

The RRT recommended funding the application at a reduced level of \$644,284, with the condition that the final project report include a preliminary discussion about addressing the ability to leave a minimum pool for bull trout in Beulah Reservoir.

Staff concur with the funding recommendation and the condition, and also recommend the funding be provided through a staged award (similar to how the Board has awarded previous big-ticket projects) which provides partial funding in September and the remainder of the funding in March 2010.

Staff recommend that application 210-5021 be funded at a reduced level of \$644,284; however, for the reasons described in the Overview report, staff recommend an award of \$322,142 at this time, with the remaining \$322,142 reserved from 2009-2011 *capital* funds for the Board to award in March 2010. Staff will request the applicant report to the Board on the progress made to implement the project before Board action on the reserved funding.

B. Powder River Restoration – Kirkway Reach, 210-5007

This project is located in the stretch of the Powder River between five different Governor's Watershed Enhancement Board and OWEB funded projects that addressed bank stabilization

and water quality enhancement. This proposal is the result of an OWEB Technical Assistance grant that funded development of a design for streambank stabilization with the purpose of reducing the significant erosion and resulting sedimentation that is occurring as well as reducing property damage to landowners and Baker City.

The RRT recommended reducing this request by more than \$107,000 as a result of the RRT's site visit with the watershed council and engineer. During that visit, the RRT suggested reducing the scope of the project on the west bank. The engineer revised the plans to follow the RRT suggestion, reducing the budget substantially.

C. Other Budget Changes and Special Conditions

The RRT also recommended a moderate budget reduction for 210-5019, Butler Ranches Juniper Control, and a moderate budget increase for 210-5015, Lower Owyhee River Restoration, with which staff concur.

The RRT recommended special conditions for eight of the applications for which staff is recommending funding. Staff agree with these conditions. Of particular note, the RRT is conditioning juniper control projects (such as 210-5019, Butler Ranches Juniper Control) with a requirement for the final project report to include plans for how the landowners and grantees will address long-term juniper maintenance. The RRT also conditioned weed control projects (such as 210-5011, Jordan Valley Weed Restoration Phase II) by requiring the final project reports to include a comparative map that includes the type of weeds treated and location, with results depicted visually at landscape-scale, and background data with site-specific monitoring confirming the effects that treatment and seeding has on vegetative species diversity, composition, and distribution. The RRT and staff want to understand how investment of funds to control juniper and weeds can be sustained over time to continue to deliver watershed benefits.

Staff also recommend additional special conditions for four irrigation efficiency applications (one Technical Assistance and three Restoration), 210-5012, 210-5013, 210-5014 and 210-5015. While the primary purpose of these applications is to reduce water pollution, thereby improving water quality, reviewers and staff are interested in whether efficiency projects can result in more quantifiable, long-term instream protected water. The condition for each of these projects is that the final project completion report must discuss opportunities and barriers, if any, to permanent conservation of saved water instream.

IV. Acquisitions - Pocket Ranch Conservation Easement (210-104)

The Nature Conservancy (TNC) submitted an application to purchase a conservation easement on 5,817 acres of prairie and canyon lands in the southeast corner of Zumwalt Prairie in Wallowa County. TNC subsequently withdrew the application.

V. Staff Recommendations

A. Capital Applications

- *Restoration.* Staff recommend funding 12 of the 15 RRT- recommended Restoration applications, with the budget changes and conditions summarized in Section III of this report.

B. Non-Capital Applications

- *Technical Assistance.* Staff recommend funding three of the four RRT-recommended Technical Assistance applications, with the budget changes and conditions summarized in Section III of this report.

Attachment A shows the applications, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff recommendations to the Board. For some applications, the amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

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. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 5 - Eastern Oregon
Technical Assistance Projects Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
210-5015	Lower Owyhee River Restoration Phase I**^	18,000	1
210-5006	Cussick Creek Project	34,050	2
210-5001	Harney Basin Groundwater Study - Data gathering^	37,000	3
210-5024	Powder Valley Systems Optimization Review^	26,871	4
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$115,921	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$89,050	

**Listed Amount Reflects Recommended Increase ^Fund with Conditions

Region 5 - Eastern Oregon
Restoration Projects Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
210-5014	Stringer Irrigation Efficiency Project ^{^*}	52,134		52,134	1
210-5013	Roche Farm Irrigation Efficiency Project [^]	62,859		62,859	2
210-5021	Willow Creek Water Quality Improvement - Phase IIa ^{*^#}	322,142		322,142	3
210-5009	Wallowa Canyonlands Weed Partnership [^]	39,500	500	40,000	4
210-5011	Jordan Valley Weed Restoration Phase II [^]	77,370	1,200	78,570	5
210-5012	Hawk Irrigation Enhancement Phase II [^]	34,679		34,679	6
210-5019	Butler Ranches Juniper Control ^{*^}	134,374		134,374	7
210-5017	Youngfield Subdivision/Jordan Creek Protection Project II [^]	5,398		5,398	8
210-5022	Moon Hill RX-North Steens Ecosystem Restoration Project - Phase II [^]	208,112		208,112	9
210-5007	Powder River Restoration - Kirkway Reach [*]	156,055	150	156,205	10
210-5018	Lockhart Juniper Control [^]	75,925		75,925	11
210-5026	Malheur River Bank Stabilization and Riparian Restoration - Phase 2 [^]	163,101		163,101	12
210-5004	West Camp Creek Push Up Dam Removal	73,830		73,830	13
210-5031	Bingham Riparian Fencing & Off Channel Water Development [^]	47,549		47,549	14
210-5025	Medicine Creek Bank and Headcut Stabilization [^]	42,656		42,656	15
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,495,684	\$1,850	\$1,497,534	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,331,649	\$1,850	\$1,333,499	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions

#Total amount is \$644,284 staged award with \$322,142 recommended now and \$322,142 to be awarded in March 2010

Region 5 - Eastern Oregon
Technical Assistance Projects NOT Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Project #	Project name	Total Amount Requested
210-5016	Luther Meander	7,649
210-5032	Closed Lakes Basin Historic Wetland Mapping and Restoration Tool	50,000

Region 5 - Eastern Oregon
Acquisition Projects Withdrawn by Applicant
April 20, 2009 Grant Cycle

Project #	Project name	Total Amount Requested
210-104	Pocket Ranch Conservation Easement	1,500,000

Region 5 - Eastern Oregon
Restoration Projects Withdrawn by Applicant
April 20, 2009 Grant Cycle

Project #	Project name	Total Amount Requested
210-5000	Wallowa River/Cross-Country Canal Diversion Replacement	104,610

Region 5 - Eastern Oregon
Restoration Projects NOT Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Project #	Project name	Total Amount Requested
210-5002	McEwen Diversion Replacement & Fish Passage Restoration	65,100
210-5003	North Powder River Push Up Dam Removal	44,526
210-5005	Lone Pine Stream Stabilization	19,498
210-5008	Not Dry Gulch Offstream Watering Project	31,902
210-5010	Napton Sediment Reduction Project	31,214
210-5020	Wilson Family Ranches Habitat Restoration	88,666
210-5023	Hughes/Owsley Stream Restoration	20,804
210-5027	Foothill Return Flow Elimination & Drain Restoration	54,458
210-5028	Cottonwood Creek Diversion Improvement	127,758
210-5029	Wheaton Creek Alternative Water System	28,462
210-5030	Bunker Water Quality Enhancement Project	71,188