

## Willamette Headwaters Place-based Planning Letter of Interest

**A. Cover Page****Applicant:**

Lane Council of Governments (LCOG), on behalf of regional partners and stakeholders

Contact: Denise Kalakay, LCOG Principal Planner, 541-682-7415, [dkalakay@lcog.org](mailto:dkalakay@lcog.org)

**Location:**

The project's geography includes the three "headwaters" sub-basins of the Willamette River Basin: The Coast Fork, Middle Fork, and McKenzie Watersheds. The three watersheds constitute 2.2 million acres (3,372 square miles), 5,260 miles of perennial streams, and eight of 11 large reservoirs in the Willamette Basin. The region includes the Eugene/Springfield Metro area, five small cities, and numerous unincorporated areas in Lane County. (Attachment 1)

**Key Partners and Stakeholders:**

Oregon Departments of Fish and Wildlife (ODFW), Water Resources (WRD), Land Conservation and Development (DLCD), State Lands( DSL), Agriculture (ODA), Environmental Quality (DEQ), Oregon Health Authority (OHA); United States Forest Service (USFS), Army Corp of Engineers (ACE), Environmental Protection Agency (EPA); Lane County, Eugene/Springfield metro area, five small cities, unincorporated communities, three Watershed Councils, tribes, utilities, agriculture, forestry, fish and wildlife, residential, recreation, industry, commercial.

**Executive Summary:**

Our region is eager to initiate place-based planning to effectively address the unique combination of factors and interests in the Willamette River headwaters. We are ready to undertake such a process because: there is a common understanding that water is and will be a primary concern of the region; the region has a growing population, heavily water dependent economy and majority of federally held forest lands; and project participants have a proven track record of innovation and collaboration. This project initiates a dialogue and integrated planning process to understand resource complexities and address regional water resources issues. The proposed work involves a broad foundation of interested parties working towards the common purpose of maintaining healthy water resources. Current water supplies, water quality and the status of ecosystem health will be assessed and described acknowledging the interrelated nature of water resources and creating a common starting point for discussions about issues and their resolutions.

Place-based planning addresses our local challenges by providing a context-specific venue through which to analyze cumulative effects and opportunities. This results in multiple objective designs across agency/stakeholder efforts achieving efficiencies and ensuring effectiveness. Stakeholders will articulate mutual interests, address issues of common concern, and identify near and long term solutions for the benefit of multiple entities and programs (drinking water, TMDL, agriculture, floodplain, etc.). The resulting Integrated Water Resource Plan will address groundwater and surface water quality, supply, wiser use, increased resiliency to climate change as well as serve as a model for others.

## **B. Description of the Convener**

Lane Council of Governments (LCOG) will be the convener of this project located in the Willamette Basin headwaters including the McKenzie, Middle Fork, and Coast Fork watersheds. Created in 1945, LCOG is a voluntary association of local governments dedicated to solving area wide problems. LCOG is established and supported by its members to coordinate and provide high quality public services in pursuit of common goals. It carries out this mission by: engaging in collaborative planning and program development activities; providing information to public agencies, businesses, and citizens to facilitate decision-making; managing programs or public services on behalf of one or more governments; providing a venue for sharing and exploring intergovernmental issues; and providing specialized professional expertise.

LCOG serves as a regional planning, coordination, program development, and service delivery organization. We are in an extraordinary position to coordinate and support this effort given our experience as a membership organization of local jurisdictions, relationships with state and federal agencies, and skill with stakeholder involvement. Regional coordination is the crux of our charge. We share information across project boundaries to develop successful strategies, maximize efficiency, and encourage a systems approach to environmental issues.

LCOG has been, is currently, and will continue to be involved in numerous regional water resource planning efforts (see Attachment 2). In the late 1990s, LCOG worked with multiple state agency partners (DEQ, OHA, WRD, ODA, etc.) to convene stakeholders and develop model drinking water protection plans. These plans are used to this day by others to address their water supply issues. Since that time, we have assisted many other jurisdictions in source water protection, including facilitated work sessions with representatives from the 240 water systems in Lane, Linn, and Benton Counties to explore and implement county-wide mechanisms that will protect all systems.

LCOG coordinated a regional Total Maximum Daily Load (TMDL) planning process with 10 Designated Management Agencies in Lane County. Plans emerging from that process provided templates for cities and counties throughout the Willamette Basin. LCOG led a multi-faceted upper Willamette Basin wetland inventory, assessment and protection planning process with 8 cities and three counties in the Multi-County/City Wetland Resource Assessment Project (MCWRAP). A cornerstone of the project was to integrate cross-program benefits into analysis and policy development. Emerging from the original MCWRAP work, we are applying our expertise with multiple state and federal agencies to develop a wetland assessment tool for local planning that from the start integrates multiple program benefits (ESA, floodplain, drinking water, TMDLs, recharge, etc.). We will be assisting the DSL in rulemaking by coordinating and convening stakeholder input into the process. For the past 12 years we have been a lead partner in the 230 square mile Southern Willamette Groundwater Management Area (GWMA), convening a stakeholder based Committee, which developed and is now implementing an Action Plan to address nitrate and other potential contamination risks in groundwater. The proposed project is part of our overall approach to water resource issues.

### **C. Integration, Partnerships and Stakeholder Engagement**

LCOG is well positioned to coordinate this effort given our experience in similar natural resource projects and our relationships with various stakeholders, agencies, and land use groups. Project partners include state and federal agencies, cities, utilities, the county, watershed councils, tribes, business, and academia. Attachment 3 depicts partners and stakeholders, water related issues and programs, and the project role of each partner. LCOG welcomes technical assistance from WRD on the full range of issues to be examined. Other agency participation comes from DSL, DLCD, DEQ, OHA, ODA, ODFW, EPA, ACE, BLM, USFS, NRCS, and OSU Extension. Representatives from these agencies will form the Technical Advisory Pool providing technical expertise and guiding the planning process as appropriate. Participants include water users in the region (farmers, rural and urban residents, businesses, etc.). (Letters of Support submitted with supplemental memo.)

We will meaningfully engage and collaborate with stakeholders and ensure transparency by inviting key leaders within each “interest group” to participate. We will routinely “check-in”, informally (phone, in person, e-mail) with those individuals, and formally meet as a broader group on a quarterly basis. All meetings will be open to the public. A project web site will post relevant materials such as data collected, meeting materials, agendas and minutes, and project products. Our long history of stakeholder engagement and public involvement positions us well in terms of skill and relationships to generate meaningful participation in the development of an Integrated Water Resource Plan (IRWP).

This proposal builds on and moves forward prior and current work of LCOG and project partners. Concurrent projects allow us to work across environmental mediums in a cross-disciplinary watershed approach. This project allows agencies, jurisdictions, and entities within the region to understand the overlapping nature of water resource issues and realize efficiencies in integrating issues and solutions. Such collaborative work generates benefits to multiple programs (stormwater, TMDLs, groundwater recharge, ESA, etc.) and to multiple users (agriculture, municipal water supply, fish and wildlife, etc.) The headwaters project also supports and builds on work by the Willamette 2100 project and the ACE Willamette Basin Review.

The Southern Willamette GWMA is a prime example of an LCOG project with varied partners, stakeholders, and significant public outreach. This project has been extremely successful due to a core partnership between DEQ, OSU Extension, ODA, OHA, EPA, NRCS, and LCOG with generous involvement and support from 15 other partners. In the past 12 years, LCOG has built a solid reputation and successful record as a lead organization coordinating the activities of the stakeholder Committee and staff advisory team. Initial work resulted in the declaration of the GWMA along with generating support among communities and key stakeholders to begin resolving issues of groundwater contamination. After 11 years of meeting, the Committee has most of the original members and 45-50 people are often in attendance. Extensive public and public official review and work sessions provide clear indications of a high level of support and readiness to continue implementing the Action Plan. The process used and Action Plan produced provide models now replicated by other GWMA's in the state and elsewhere.

## D. Statement of Need

The Willamette Basin is the largest river basin in Oregon and holds over 70 percent of the state's population. The headwaters of the Willamette River are contained within the Coast Fork, Middle Fork, and McKenzie sub-basins. As with all ecoregions in Oregon, multiple and varied water "users" are wrestling with questions of both water quantity and quality. According to the Myer Memorial Trust "*Willamette River Report Card, 2015*" the upper portion of the Willamette is in relatively good shape (grade B) compared to the lower portion (grade C). We need to maintain and improve its condition to avoid costly and timely "catch-up" work in the future. Decisions made in the headwaters region have an impact on the entire Willamette Basin.

Water providers have a responsibility to provide a safe and reliable water supply to meet basic needs for human consumption, sanitation, fire protection, and economic development. Farmers in the area's fertile valleys need surface or groundwater for crops critical to generating food and other commodities. Local emerging markets such as microbreweries are dependent on high quality and high volumes of water. Lane County's timber industry and public forests require water for healthy trees/forests and fire suppression. Instream water and groundwater are crucial for sustaining the region's water dependent ecosystems and preserving ecological functions related to water quality. A changing climate, dried up streams, contaminants in groundwater and surface water, and increasing water temperatures are tipping our systems out of balance.

Future water needs can only be met through conservation of existing sources or new sources. Within the region there are few options for new sources. Surface water is not available for new water rights from most sources. Many municipalities are directed to storage projects (reservoirs) to obtain water. Managers of reservoirs have restrictions limiting the amount of water which can be released. Groundwater availability can be limited because of water quality concerns and lack of adequate supply. Water features such as wetlands, streams, and rivers continue to be threatened by significant growth and resulting land use and resource pressures (Lane County grew by 24% between 1990 and 2010 (Census Bureau data)).

Lane County, like many regions in Oregon has had challenges instituting water resource programs. Programs have been criticized as being relatively shallow and lacking involvement from affected parties. Lane County (an O& C county) has severe capacity limitations; local, state, and federal agency budgets have been drastically reduced. Many if not most of these agencies (see Attachment 3) are undertaking studies and plans focused on their individual areas of interest with limited ability to interrelate those interests with other water managers/users. An IWRP and planning process can provide essential added capacity at a critical point in time.

Collaboration forms the foundation for education and political movement to support priorities in the interest of near- and long-term public and ecological health. Those responsible for water use in its many forms must proactively plan to meet future water needs within an integrated, non-siloed context. The future hydrology of the Willamette River headwaters region depends on human management of water resources in a warming climate with increasing demand.

## E. Proposed Approach

The approach presented by the Willamette Headwaters team is based on Place-Based Planning Guidelines. The project goal is improving understanding of Oregon's in-stream and out-of-stream water resources within the context of today's and tomorrow's pressures. The approach also addresses meeting Oregon's in-stream and out-of-stream water resource needs. Some of the "critical issues" to be addressed include: ensuring healthy ecosystems, maintaining public health, addressing climate and population change, increasing our understanding of the relationship between water and land use, increasing our understanding of water management institutions and establishing opportunities for funding of meaningful water resource projects.

Tasks that the Willamette Headwaters team will undertake are based on the five Planning Steps recommended in WRD's Place-Based Planning Guidelines (a more detailed work plan is included as Attachment 4):

1. Building a collaborative process with all interested parties in the headwaters region of the Willamette Basin. The headwaters region has numerous interested parties. The earliest steps are geared to further affirm the commitment of stakeholders and form a stakeholder committee. A technical advisory pool (TAP) consisting of agency staff will be formed for technical input throughout the process. The shared goals of increasing understanding of water quality issues and water use and needs will be the starting place. Working groups (e.g. metro area, small cities, forestry, agriculture, etc.) comprised of staff, committee members, and other interested parties will explore water resource issues of common interests and initiate ideas and recommendations for the broader stakeholder forum to consider.  
Time Frame: Quarters 1 & 2
2. Characterize current water resources and identify challenges, gaps, and opportunities. Some challenges and opportunities facing water users and providers lie in the complexity of understanding the layered and parallel issues of water supply, water quality, and status of ecosystem health. Such complexity often makes a comprehensive characterization of challenges, gaps and opportunities a practical impossibility. All stakeholders within the region can benefit from improved access to information regarding water, from its sources to its uses. Task 2 includes working with Oregon Freshwater Simulations Company to generate headwaters region-specific data and maps originating from the Willamette 2100 project. Willamette 2100 is finalizing its five million dollar, National Science Foundation funded study evaluating how climate change, population growth and economic growth will alter the availability and the use of water in the Willamette River Basin. Our proposal also includes support tools such as a matrix summarizing how state, federal and local programs overlap in their regulations and administration and identify opportunities for greater efficiency. The project also creates a repository of information with a centralized access point (e.g. a regional water resources website).  
Time Frame: Quarter 3 & 4

## Willamette Headwaters Place-based Planning Letter of Interest

3. Quantify instream and out of stream need, and account for increasing pressures. Task 3 uses existing data and modeling to identify and describe the relationship between current and future (25-50 years) water demand and supply. Data will be gathered from relevant state agencies as well as from projects such as the ACE Willamette Basin Review Study. Factors for consideration will include at a minimum the hydrological, geological, biological, climatic, socio-economic, cultural, legal and political conditions of the region. To facilitate understanding of these relationships stakeholders and partners will characterize a baseline scenario and develop 4-5 potential future scenarios depicting potential watershed management dynamics and approaches. These scenarios will highlight elements of high vulnerability to decreased water quality and quantity. The project will use the ENVISION model, a GIS-based tool for scenario-based regional integrated planning. It provides a robust platform for integrating a variety of spatially explicit models of landscape changes for conducting alternative futures analyses.  
Time Frame: Quarters 4-7
4. Develop solutions for meeting near term and long term needs. Based on scenario development and results partners will undertake a highly collaborative process to refine and strengthen the shared vision and develop integrated solutions. This process will take place through quarterly meetings, special work sessions and/or open houses. Working groups comprised of agency staff, stakeholder committee members, and other interested parties will bring recommendations forward to the broader stakeholder committee for discussion. The stakeholder committee will identify strategies and regionally beneficial projects, including priorities for implementation and funding as well as potential agency roles and responsibilities. Strategies will allow the region to more successfully prevent, mitigate or adapt to water scarcity, including approaches addressing built and natural infrastructure (dams, wetlands, upland recharge, land management).  
Time Frame: Quarters 6 - 8
5. Create an integrated water resource plan considering groundwater and surface water supply issues (quantity and quality). This task will capture the region's efforts to better understand, communicate and prepare for improved water quality, wiser water use, and increased floodplain/storm storage to meet or exceed regulatory requirements and increase resiliency to climate change. With LCOG and partner agency support the stakeholder group will develop and receive local governing body approval of a formal Integrated Water Resources Plan including goals, objectives, strategies and projects. The plan will outline roles and responsibilities and will include an action plan for local outreach and dissemination. The plan will serve as a model/template for other place-based planning projects. Task 5 will include an evaluation and report on place-based planning including: successes and challenges, a demonstration of the local and state-wide benefits, and highlighting tools and processes that best support place-based efforts.  
Time Frame: Quarter 8- 10

## Willamette Headwaters Place-based Planning Letter of Interest

**F. Anticipated Results**

Place-based planning is essentially the only way to solve water resource challenges within the headwaters region. As noted, meeting future water needs is dependent on the conservation of existing sources. Those who are stewards of water in all its forms must plan to meet future water needs within an integrated context. The future hydrology of the Willamette River headwaters region can be preserved only through coordinated human management based on local knowledge, commitment and accountability.

Project results extend beyond characterizing water quality and how water is used currently and in the future. The project identifies what enables and constrains effective water resources management within the region (and elsewhere). Such information, tools and processes will outline how local jurisdictions, organizations, and agencies can best support place-based water resource planning. The primary deliverable, an action and implementation plan, includes possible actions each stakeholder can take to improve their own management of water resources and to facilitate better management amongst other stakeholders (e.g. by sharing data or coordinating decisions more broadly). The plan will include areas of agreement and identified roles. The headwaters project is a unique opportunity to demonstrate local and state-wide benefits from investing in place-based water planning.

Refining outcomes, goals, objectives and metrics will be part of the planning process, however we anticipate the following short term (ST) and long term (LT) outcomes:

<b>Outcome #1 (ST): Improved Understanding of Regional Water Quality and Quantity Issues</b>
<ul style="list-style-type: none"> <li>• Goal-Accurate picture of current and projected water supply and demand.</li> <li>• Goal-Increased understanding amongst stakeholders of each other's issues and regional opportunities.</li> <li>• Goal-Collaborative rapport amongst stakeholders.</li> </ul>
<b>Outcome #2 (ST &amp; LT): High Quality Water</b>
<ul style="list-style-type: none"> <li>• Goal-Regional water quality projects and efforts are coordinated and maximize multiple, objective approaches to the largest degree possible.</li> <li>• Goal-Participant resources for water quality efforts are maintained or improved through collaboration, resource sharing, generation of new resources (grants, shared positions) and/or similar means.</li> </ul>
<b>Outcome #3 (LT): Balanced Water Supply &amp; Demand</b>
<ul style="list-style-type: none"> <li>• Goal-Regional support for IWRP obtained.</li> <li>• Goal-Every level of jurisdiction participating in implementation (local, state, federal, tribal).</li> </ul>

We anticipate results to have statewide impact as lessons from the project will provide opportunities to consider how something identical or similar can be implemented on various scales. Results will be disseminated widely based on a comprehensive dissemination strategy, including a dedicated website, to ensure communities throughout Oregon will have access to the lessons learned.

## Willamette Headwaters Place-based Planning Letter of Interest

**G. Request for Department Resources**

LCOG requests three types of WRD assistance, 1) financial, 2) technical and 3) information assistance. As the budget summary below and the attached detailed budget show (Attachment 5), LCOG and its partners are requesting a total of \$269,400 in funds to complete the proposed work program. LCOG also requests WRD assistance in the form of collaboration and advice throughout the process as well as in the form of tailored information requested from the headwaters partnership.

The requested \$269,400 will support the work of LCOG natural resource planning, facilitation, GIS staff, and three watershed councils' staff. The amount of requested funds for the tasks and activities identified in the scope of work are based on our best professional judgement of the amount of time it will take for each task and sub-task over a 2.5 year period. We also are requesting funds for data and modeling expertise from Oregon Freshwater Simulations Company (OFSC) which has been working with the Willamette 2100 Project conducting data analysis and scenario modeling for the entire Willamette Basin. OFSC will conduct similar work for the headwaters specific region. If funded we will apply for a University of Oregon Resource Assistance for Rural Environments (RARE) Program participant. The mission of the RARE Program is to increase the capacity of rural communities to improve their economic, social and environmental conditions through the assistance of trained, graduate-level participants from across the US. The RARE position is not included in the budget due to the uncertainty of getting a participant placement. Funding for the position (~ \$20,000) would come from the LCOG portion of the budget and add "extra value" throughout the project.

WRD's assistance is built into the entirety of the project. LCOG anticipates calling on WRD for technical assistance, especially assistance with identifying additional data sources and scenario planning and for tailored reports. LCOG hopes to use WRD assistance in the form of stakeholder coordination and outreach, especially to interested state and federal agencies. Early in the project LCOG will work with WRD to identify additional stakeholders who should be included in the place based planning process. WRD assistance is not included in match calculations. LCOG's experience on similar projects suggests interests such as agriculture and forest land owners should be included, along with larger groups such as rural residents and recreational water users. LCOG will use its experience and ties to the area, along with the suggestions of other stakeholders, to recruit individuals who can serve as representatives of these stakeholder interests.

Several other state agencies, including DEQ, DSL, OHA, DLCD, and ODA have expressed interest in participating and providing in-kind match. Federal agencies including the EPA, ACE, USFS and BLM also will comprise a portion of the expected match. LCOG also expects match will come from the participation of local partners. LCOG has reached out to the cities within the project

## Willamette Headwaters Place-based Planning Letter of Interest

boundary and has received pledges of participation in the planning process. The major utilities in the region, EWEB and SUB, have also pledged to participate.

If the project is funded as requested and designed, LCOG expects to conclude the project having utilized in-kind donations of stakeholder time for a total contribution estimated at \$105,120 (valuing donated time in the range of \$25 to \$40 an hour). The state agencies and cities have, at the least, committed to a basic level of participation and have agreed to make timely commitments to increase their participation if the project is funded as planned. Cash match comes from EWEB committing \$15,000 and we expect an additional \$5,000 cash match from Springfield.

LCOG has been conservative on its match estimate and fully expects to meet or exceed it, based on our relationships, past experience, and acknowledged interest (see Attachment 3). The value of work already performed for the basins, such as ACE studies, provides a high level of certainty for participation/contribution (particularly in-kind). Match from a variety of other stakeholder such as agriculture, timber and other water dependent industries and users (recreation) will assure we meet or exceed the minimum required 25 percent match.

A more detailed budget is attached (Attachment 5). In summary the budget is:

<b>Planning Tasks and Activities</b>	<b>Term months 1-30</b>	<b>OWRD Funding Request</b>	<b>Estimated Match</b>	<b>Total estimated cost</b>
1. Build collaborative process with all interested parties	1-30	\$62,640	\$45,200	\$107,840
2. Characterize current water resources and identify challenges, gaps, and opportunities.	4-30	\$73,660	\$25,920	\$99,580
3. Quantify instream and out of stream need, accounting for coming pressure	12-26	\$54,200	\$12,000	\$62,200
4. Develop solutions for meeting near term and long term needs	18-27	\$46,200	\$11,600	\$57,800
5. Create an integrated water resource plan.	24-30	\$32,700	\$10,400	\$43,100
<b>Totals</b>	<b>30</b>	<b>\$269,400</b>	<b>\$105,120</b>	<b>\$375,200</b>
<b>Percent Match</b>		<b>39% of funding request</b>		<b>28% of total estimated cost</b>