

PUDDING RIVER WATERSHED PLACE-BASED PLANNING GROUP

OWRD Place-based Integrated Water Resources Planning Grant Letter of Interest

Section A. Cover Page**Applicant and Convener**

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Co-Applicant

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Location:

The location for the place-based planning effort is focused on the extent of the Pudding River watershed. The 528 square mile watershed is located on the east side of the middle Willamette Valley. The headwaters of the Pudding River are located in the foothills of the western flank of the Cascade Mountains. The Pudding River's confluence with the Molalla River is one mile upstream from the main stem of the Willamette River. The cities encompassed by the watershed are Aurora, Brooks, Gervais, Hubbard, Molalla, Mt. Angel, and Silverton. The watershed extends into two counties; Clackamas and Marion.

Executive Summary:

The Partners of the Pudding River Watershed Planning Group (PRWPG) are committed to working together to develop a place-based integrated water resources plan. The PRWPG was established in the Fall of 2015 in response to increasing concerns and need for collaboration on water resources in the basin. This voluntary collaborative partnership is seeking technical assistance funding from the Oregon Water Resources Department for the purpose of further defining the scope of the place-based plan, assessing water resources within the Pudding River watershed, and implementing a planning strategy with feasible solutions that achieve multiple water resources objectives.

The PRWPG is a diverse collective of community organizations committed to achieving consensus solutions addressing water quantity (in-stream and out-of-stream), water quality, and ecological health. The PRWPG believes that these issues and opportunities are not mutually exclusive and through collaboration and coordination our organizations can better serve the Pudding River Watershed and its stakeholders. Individual partners offer decades of studies, plans, and programs that can be built upon in this process to better address water needs of the basin in an open collaborative venue. The Partners are eager for the next steps toward future collaboration. As a first product of the PRWPG, the Partners have worked collaboratively to draft this Letter of Interest for funding place-based planning.

Current Partners:

The following partners have committed to this process: Marion County, City of Silverton, City of Mt. Angel, Clackamas Soil and Water Conservation District, East Valley Water District, Marion Soil and Water Conservation District and Pudding River Watershed Council. As the PRWPG moves forward, we anticipate adding new partners within our watershed. Contact information for all our partners can be found on Attachment A.

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Section B. Description of the Convener

The Pudding River Watershed is a sub-basin of the Willamette River straddling the boundaries of Marion and Clackamas counties. The 528 square mile watershed is located on the east side of the middle Willamette Valley. The headwaters of the Pudding River are located in the foothills of the western flank of the Cascade Mountains. The Pudding River's confluence with the Molalla River is one mile upstream from the main stem of the Willamette River. The cities encompassed by the watershed are Aurora, Brooks, Gervais, Hubbard, Molalla, Mt. Angel, and Silverton.

Several stakeholders within the basin have identified long term water quality and quantity needs and have organized as the Pudding River Watershed Place-based Planning Group (PRWPG) to address these opportunities comprehensively and collaboratively. Individually, the partners in the PRWPG represent a wide range of interests, thus the convener of the process must not only be aware of the breadth of issues but also be able to represent the partnership and its stakeholders fairly. Thus, the PRWPG decided unanimously to reach out to Marion County Commissioner Sam Brentano as the convener of the Place-based Planning Process; and Commissioner Brentano has agreed to take on the convening role.

Commissioner Brentano has deep connections with organizations and individuals in the basin and has a strong interest in diverse various interests working together to meet the agricultural, municipal and environmental needs of the basin. He is a valuable and willing convener for this process. In addition to Commissioner Brentano's ability to be the convener, the City of Silverton is the co-applicant providing administrative resources as required to the PRWPG.

Section C. Integration, Partnerships & Stakeholder Engagement

A Collaborative Governance Process will be used to bring together the diverse interests within the Pudding River Watershed (PRW) in order to develop consensus based water resources objectives and solutions with the end goal being the implementation of integrated water resources projects that will benefit all PRWPG stakeholders.

The current partners of the PRWPG represent a diverse foundation of interests in the PRW including municipalities, natural resources councils, agriculture and local governments. Each brings unique expertise and resources to be further defined and utilized during the first planning step. The stakeholders currently committed to the success of Place-Based Integrated Water Resources Planning in the PRW include:

- Marion County (MC) – Convener
- City of Silverton (COS) – Co-applicant
- City of Mount Angel (COMA)
- Clackamas Soil and Water Conservation District
- East Valley Water District
- Marion Soil and Water Conservation District
- Pudding River Watershed Council

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In addition to the current partners, the PRWPG anticipates inviting additional stakeholders throughout the process. Potential partners include:

- Clackamas County
- City of Woodburn
- City of Aurora
- City of Hubbard
- In-stream flow advocates (The Freshwater Trust, Nature Conservancy)
- Oregon State Parks (Silver Falls State Park)
- Timber Interests
- U.S. Bureau of Land Management

How will this effort integrated with and build on other plans, projects and processes?

The PRWPG will build on studies and information that have already been developed for the PRW including:

- Silverton Water Master Plan (completed by Keller Associates in August 2011)
- Mt. Angel Water Master Plan (completed by Murray Smith & Associates in August 2010)
- Municipal and County Capital Improvement Plans
- Pudding River Watershed Assessment and Fishery Studies (completed by PRWC March 2006 & 2015)
- Agricultural Water Quality Area Management Plan (completed by Marion SWCD in January 2002)
- Drift Creek Water and Environmental Resources Studies (completed by EVWD 2008 – 2015)
- City of Silverton Water Supply Analysis (completed by Tetra Tech/KCM in May 2001)
- Silverton Water Master Plan (completed by Keller Associates in August 2011)

As the PRWPG moves forward with planning step one, more plans and studies may emerge that will be helpful to developing a place-based watershed plan.

The PRWPG is committed to looking for areas of integration between individual efforts of the partners. City of Silverton and City of Mt. Angel have already shown their commitment to integration through previous efforts addressing water supply and water quality for the two cities. East Valley Water District is currently working to identify instream benefits that could be provided through the creation of storage. The Marion and Clackamas Soil and Water Conservations Districts actively partners with the Pudding River Watershed Council to reach more landowners in the Pudding River watershed to improve our natural resources in the basin. By integrating these efforts, the PRWPG has opportunity to achieve a better triple-bottom-line for the PRW; achieving objectives for our people, our natural resources, and our economy.

How do we plan to meaningfully engage and collaborate with a balanced representation of water interests? How will we ensure a transparent and open process?

The PRWPG Collaborative Governance Process will be founded on the principles of transparency, accountability, equity, inclusiveness, forum neutrality and consensus-based decision making. In January

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2016, the PRWPG will conduct an assessment that will document the context, history and dynamics of the PRW as well as potential obstacles to collaboration to overcome. An assessment report will be prepared by the neutral facilitator that will include options for proceeding with the Collaborative Governance Process for the PRW and recommendations for how to design a successful process that accounts for findings of the assessment. Marion County (Convener) would then proceed with securing a neutral facilitator that would then assist the Convener and PRWPG with establishing equitable, inclusive membership, objectives, ground rules and a PRWPG Governance Agreement that would be signed by all PRWPG partners.

An example of how you have worked with varied partners and conducted public outreach successfully in the past.

The partners within Pudding River Watershed have worked together on past efforts on a very limited basis. The Pudding River Watershed Council has membership representing broad interests including municipalities, counties, farmers, residents and natural resource interests. The Marion and Clackamas Soil and Water Conservation Districts actively partner with both the Pudding River Watershed Council and residents in the watershed to help landowners recognize the need to conserve natural resources and restore habitat through erosion control, invasive species control. Nutrient management, pesticide reduction, riparian restoration and improved upland conservation practices.

The Oregon Water Resources Department's Place-based Planning program provides a tremendous opportunity for the PRW to form a coalition with the charge to better integrate efforts already occurring in the watershed. The PRWPG was able to commit seven willing partners in less than a month to support this effort. With support from OWRD, this group has a remarkable amount of potential to improve the PRW and become a pilot example of collaboration and place-based planning in Oregon.

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Section D. Statement of Need

The Pudding River Watershed has diverse water interests and needs. The watershed hosts two groundwater limited areas as well as a strained surface water source. Improvements to water quality and ecological health also need to be addressed. The PRWPG believe that these issues and opportunities are not mutually exclusive, and through collaboration and coordination our organizations can better serve the PRW and our stakeholders.

Agriculture and food processing are vital to the economy of the PRW; Marion County boasts the highest value of agricultural production in Oregon¹. In addition to booming agriculture production, it is anticipated that Marion and Clackamas Counties can expect population growth of more than seven percent in the next decade². However, with strained water resources the future of agriculture and municipal water supply in the watershed is uncertain. East Valley Water District has spent over two decades studying water supply development to meet multiple purposes including irrigation water supply. The cities of Silverton and Mt. Angel have demonstrated long-term concern about water as recently 2014 with a proposal to investigate Aquifer Storage and Recovery as an option to address water supply and water quality. In addition to out-of-stream uses of water supply, watershed stakeholders are interested in providing adequate instream flows for instream uses including ecological health and recreation. A collaborative approach to balancing in-stream and out-of-stream water supply needs is a principal charge of this partnership, and a paramount need of the Pudding River Watershed.

Water quality has also been identified as an area of concern for the watershed; both municipal and instream water quality have been identified by the partners as improvement opportunities. Frequent complaints of bad taste, pressure, clarity and potential for interruption by municipal customers is concerning to Mt. Angel. Water temperature in several of the streams and tributaries in the watershed has also been identified as a major issue by natural resources agencies and watershed stakeholders. The Mollala-Pudding Subbasin TMDL (2008) documents the water quality violations and concerns in the Basin. Marion and Clackamas Soil and Water Conservation Districts have worked with their stakeholders to improve awareness and provide technical support. Integrating water quality needs into future planning is important to the quality of life for watershed residents as well as the ecological health of the basin.

Overall ecological health is vitally important to the future of the Pudding River Watershed. In addition to identify instream water quality and quantity needs, it will be important to identify appropriate habitat and conservation opportunities to improve the health and vitality of fish, wildlife and plants in the basin. Studies performed by the Pudding River Watershed Council as well as East Valley Water District, Marion Soil and Water Conservation District, and Clackamas Soil and Water Conservation District have shown degraded low-quality habitat and the need to re-establish riparian areas of the watershed. Future basin planning should identify opportunities for improving ecological health through habitat restoration.

¹ Oregon State University Extension Service, Marion County

² *Long Term Oregon State's County Population Forecast, 2010 – 2050: State of Oregon Office on Economic Analysis (2013)*

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Section E. Proposed Approach

The partners of the Pudding River Watershed Planning Group (PRWPG) have never coordinated nor collaborated in this capacity; and are forming to create a venue for better short and long-term planning for our stakeholders. Thus, a substantial amount of time will be spent developing the collaborative process and forming the tenants of participation for the PRWPG.

The first six to ten months of this process will be focused on laying the groundwork to ensure the PRWPG has the necessary tools to be successful. As a first step, a neutral facilitator that works in conjunction with our conveners will be hired to guide the PRWPG through a Partnership Assessment and Working Agreement. The Assessment will identify the major issues and opportunities facing the PRPG including organizational relationships and resources. The drafting of the document should also ensure that all necessary parties are identified and are given an opportunity to sit at the table for the process. This document will not identify individual water resources wants and needs; instead it will serve as a guidance document that identifies the charge of the PRWPG as well as ground rules for working together in a collaborative environment. This document will serve as a solid foundation to define our study and develop the work plan. The goal of this task is to develop a participation process that each partner organization can confidently sign and commit resources to further place-based planning efforts for the Pudding River Watershed. This initial task is expected to take at least four months and up to six months.

Once the solid foundation is formed through a Partnership Assessment and Working Agreement; the PRWPG will develop a detailed Work Plan that addresses the major issues identified in the assessment. Developing the work plan will require the partners to define and agree-upon a planning scale, identify major tasks that can be achieved by the PRWPG, identify resources each partnership can offer, and develop a schedule for completion. Development of the Work Plan is expected to take at least 2 months and up to four months. The completion of the Partnership Assessment and Working Agreement as well as the Work Plan will mark a major milestone for the PRWPG and for watershed stakeholders.

The Work Plan will identify the steps and resources necessary to complete Tasks #2 - #5 in the *Integrated Water Resources Strategy* and *Place-based Planning Guidelines* outlined by the Oregon Water Resources Department. The tasks include:

Task #1: Collaborative Process Development, Facilitation And Participation (6-10 months)

- Conduct an assessment (preliminary analysis of the issues, partner relationships and partner resources)
- Hire a neutral facilitator to convene & initiate the collaborative process
- Define the planning scale for the PRW Place-Based Planning efforts
- Develop the Work Plan (scope of work, resources and schedule) for the development of the PRW Integrated Water Resources Plan

Task #2: Problem Definition, Data Collection and Analysis (4-6 months)

- Compile and analyze the existing Pudding River Watershed (PRW) studies and data
- Identify and fill (to the extent practical) critical information gaps
- Identify strategies to fill additional data gaps

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- Characterize PRW water quantity, water quality and ecological issues

Task #3: Assess Current and Future Water Demands/Needs (6 months)

- Quantify the existing and future PRW water demands/needs
- Assess the PRW vulnerabilities and limiting factors

Task #4: Develop and Prioritize Integrated Solutions (12 months)

- Collaboratively develop integrated water solutions for meeting long-term water demands/needs
- Identify and select alternatives for addressing needs
- Prioritize actions and develop a long-term strategy

Task #5: Develop, Approve and Initiate Implementation of Integrated Water Resources Plan (12-18 months with ongoing updates)

- Develop the PRW Integrated Water Resources Plan
- Partner Agencies to Approve the PRW Integrated Water Resources Plan
- Present the PRW Integrated Water Resources Plan for OWRD approval
- Initiate implementation of the PRW Integrated Water Resources Plan

Section F. Anticipated Results

How place-based planning will help to solve water challenges in your area of interest.

Due to the multiple water interests in the Pudding River Watershed and past practice of individual agencies working alone to meet their needs, the potential exists for future conflict, especially as water resources become scarcer. Place-based planning will allow the different needs in the basin to be considered together. The PRWPG looks forward to creating a venue to coordinate and collaborate on current and future water resources needs in the basin. It is anticipated that the results of this process will ebb and flow with the needs of the basin; with better outcomes due to consistent communication between the partners. Possible outcomes can include prioritized or staged projects, joint projects, or innovative approaches involving multiple stakeholder agencies.

The anticipated short-term and long-term outcomes or benefits to your community that are expected to result from the proposed process.

Anticipated Short-Term Outcomes and Benefits for the Pudding River Watershed that are expected to result from the PRW Integrated Water Resources Planning effort:

- Building working relationships and trust among PRWPG partners
- Information sharing among PRW Partners, State and Federal Agencies
- Developing a shared understanding of the integrated water quantity, quality and ecological needs of the PRW.

Anticipated Long-Term Outcomes and Benefits for the Pudding River Watershed that are expected to result from the PRW Integrated Water Resources Planning effort:

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- Clear prioritized implementation plan to meet long-term water needs and demands
- Strong partnership among PRWPG partners to meet the long-term needs of the PRW
- Better coordinate and collaborate on water resources needs and improvements in the PRW
- Better understanding between partners and the general public of the PRW and how it works
- Improved strategies for managing surface and limited groundwater supplies for multiple uses

The formation and operation of the PRWPG is anticipated to give the PRW a better tool for resolving water resources issues and opportunities now and well into the future. The PRWPG creates a venue for committed relationships of a diverse range parties; giving an opportunity to leverage and balance resources between partners that may not have been in concert prior to PRWPG planning.

Section G. Request for Department Resources

Assumptions:

1. Three years of Collaborative Water Resources Planning (36 months)
2. Pudding River Watershed Partners will consist of 8 local partners, 4 state partners (OWRD, ODFW, ODA, OPRD), 2 federal partners (NMFS & NRCS)
3. Pudding River Watershed Partners will meet once per month for 4 hours
4. OWRD Grant funds will be used for 2 potential consultants: neutral facilitator and water resources consultant
5. For the purposes of calculating the monetary value for each category above the following hourly rates were used:
 - a. Partners, State and Federal representatives is \$100 per hour
 - b. Convener (Marion County Commissioner) is \$150 per hour
 - c. Neutral Facilitator is \$80 per hour
 - d. Water Resources Consultant is \$125 per hour

In-Kind contribution for participation and technical assistance by the Partners, Other State and Federal Agencies is estimate to be \$1,017,200.

Technical Assistance from OWRD is estimate to be \$82,500.

OWRD Place-Based Integrated Water Resources Planning Grant Request is estimated to be \$ 300,000.

Based on the Proposed Approach and Anticipated Results outlined in section e. and f. the following resources and funding needs for anticipated for the Pudding River Watershed Place-Based Integrated Water Resources Planning Efforts.:

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Resource	Partner Contribution (in-kind)	Other State & Federal Participation (in-kind)	OWRD Technical Assistance	OWRD Grant	Totals
Planning Step #1: Collaborative Process Development, Facilitation And Participation					
Neutral Facilitator (Process Development & Implementation)	\$0	\$0	\$0	\$45,000	\$45,000
Convener (Leadership)	\$46,800	\$0	\$0	\$0	\$46,800
Sponsor (Administration)	\$16,800	\$0	\$0	\$0	\$16,800
Collaborative Process Participation	\$404,000	\$45,000	\$16,400	\$80,000	\$545,400
Work Plan Development	\$12,000	\$5,000	\$2,400	\$5,000	\$24,400
Step #1 Totals	\$479,600	\$50,000	\$18,800	\$130,000	\$678,400
Planning Step #2: Problem Definition, Data Collection and Analysis					
Problem Definition	\$60,000	\$5,000	\$12,000	\$17,000	\$94,000
Data Compilation and Analysis	\$60,000	\$5,000	\$12,000	\$17,000	\$94,000
Step #2 Totals	\$120,000	\$10,000	\$24,000	\$34,000	\$188,000
Planning Step #3: Assess Current and Future Water Demands/Needs					
Quantification & Summarization of Demands/Needs	\$28,000	\$10,000	\$7,000	\$13,000	\$58,000
Vulnerabilities Assessment	\$4,000	\$2,000	\$1,000	\$3,000	\$10,000
Step #3 Totals	\$32,000	\$12,000	\$8,000	\$16,000	\$68,000
Planning Step #4: Develop and Prioritize Integrated Solutions					
Collaborative Development of Integrated Solutions	\$24,000	\$8,000	\$12,000	\$45,000	\$89,000
Prioritization of Integrated Solutions	\$8,000	\$4,000	\$4,000	\$15,000	\$31,000
Step #4 Totals	\$32,000	\$12,000	\$16,000	\$60,000	\$120,000
Planning Step #5: Develop, Approve and Initiate Implementation of Integrated Water Resources Plan					
Develop Implementation Strategies	\$40,000	\$20,000	\$12,000	\$20,000	\$92,000
Document and Approve Integrated Water Resources Plan	\$50,000	\$20,000	\$4,000	\$40,000	\$114,000
Step #5 Totals	\$90,000	\$40,000	\$16,000	\$60,000	\$206,000
TOTAL RESOURCES	\$753,600	\$124,000	\$82,800	\$300,000	\$1,260,400