

August 31, 2006

## **MEMORANDUM**

**TO:** Oregon Watershed Enhancement Board

**FROM:** Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations  
Region 3, Willamette Basin  
September 19-20, 2006 OWEB Board Meeting**

### **I. Introduction**

This staff report describes the Willamette Basin Regional Review Team recommendations, special issues, land acquisition grant applications, and staff recommendations for funding.

### **II. Background**

The table attached to the Overview report contains the numbers and types of applications received and of dollar amounts requested. The Willamette Basin Regional Review Team (RRT) met at the Roth's Hospitality Center in Salem on July 13, 2006, to review the applications received in this grant cycle. All applications were reviewed for technical merit and a fund/no fund recommendation was made by the RRT. The RRT then prioritized the applications recommended for funding.

### **III. Regional Review Team Recommendations**

The Willamette Basin RRT recommended twelve restoration projects totaling \$2,675,506 for funding. Special conditions were recommended for four of the projects, and two were recommended at a reduced amount.

The RRT recommended seven technical assistance projects totaling \$222,482 for funding. There were no special conditions for the projects and one was reduced in amount.

The RRT found that the Sandy River acquisition and McKenzie Oxbow Conservation acquisition proposals both had positive ratings for ecological merit. Additional discussion of these applications is included in Section V.

### **IV. Special Issues**

The "do-funds" in this grant cycle include projects to remove (all or in part) two dams on the Calapooia River – the Sodom and Brownsville Dams (projects 207-087 and 207-091). The combined total sought from OWEB for the two projects is \$1,713,513. Located at river miles 28 (Sodom) and 36 (Brownsville), these dams are the only impediments to fish passage on the mainstem Calapooia River. Eliminating the barriers will open up 45 miles of high quality spawning and rearing habitat in the upper river system for species including spring Chinook

salmon and summer steelhead. The applicants, public and agencies have spent considerable time in preparing these projects. The Brownsville Dam project has gained broad community support from citizens and public agencies. The Sodom Dam project has reached the best solution to address very complicated ecological, social and political issues. The positive effect from these projects on the community, the river, and the watershed will be of historic proportions.

## **V. Acquisitions**

### **A. McKenzie Oxbow (207-073)**

The McKenzie River Trust has withdrawn its land acquisition application.

### **B. Sandy River (207-072)**

The Western Rivers Conservancy (WRC) is requesting \$727,500 (\$970,000 total project cost) to purchase fee simple title to 30 acres along the Sandy River near ZigZag. The WRC proposes to purchase the property and transfer ownership to the City of Portland Bureau of Water Works (Bureau of Water Works) to manage the property.

#### **1. Ecological Benefits**

The application states that about 18 acres of the property include priority ecological systems, including riparian forest and shrublands, freshwater aquatic beds, natural riparian areas and wetlands. The parcel contains nearly ½ mile of Sandy River frontage. According to the application, rare or at-risk plant communities include big-leaf maple-red alder/sword fern-fringecup, black cottonwood-red alder/salmonberry and Pacific willow/stinging nettle. This reach of the Sandy River is a low-gradient, unconfined channel and had been designated as primary anchor habitat for winter steelhead and spring Chinook by the Sandy River Basin Partners. Priority species that are expected to benefit from protection and restoration of this site include coastal cutthroat trout, Coho salmon, steelhead trout, olive-sided flycatcher, willow flycatcher, Cope's giant salamander, red-legged frog and Townsend's big-eared bat. The application states that four of OWEB's seven conservation principles are addressed by the project. These include protecting a large intact area, securing a transition area protecting it from development, improving connectivity of habitat and complementing an existing network of sites in the basin.

The RRT concluded that the property has unique attributes for a rural residential environment and provides valuable and rare habitat for winter steelhead and spring Chinook. The low gradient nature of this reach of the Sandy River provides off channel habitat and floodplain connection that will benefit a variety of species. They confirmed that the habitats on the site could support the extensive list of species cited in the application. The regional RRT did not confirm the existence of the priority ecological systems or rare or at-risk plant communities. The RRT thought the project also met three of the four conservation principles listed in the application, including securing a transition area protecting it from development, improving connectivity of habitat, and complementing an existing network of sites in the basin.

The Board Acquisition Subcommittee asked the RRT to address how future recreational use of the property may affect the ecological values of the parcel. The RRT noted that there is currently little evidence of recreational use, except for foot trails on the parcel.

They recommend that the management plan include provisions to address future public access and a plan to monitor public use.

## **2. Capacity to Sustain the Ecological Benefits**

Once the parcel is acquired, WRC will transfer title of the parcel to the City of Portland Bureau of Water Works. The Bureau of Water Works owns and manages thousands of acres of forest and riverfront land in the nearby Bull Run River watershed. Management responsibilities will be shared by the Bureau of Water Works, the Sandy River Basin Watershed Council (SRBWC) and the local neighborhood association. Management expenses will be secured through foundation grants and individual donors.

## **3. Educational Benefits**

The property will not be closed to the public, but there will be no signs or other methods to encourage public use. The SRBWC may use the site for demonstration purposes. The RRT evaluated the educational benefits of the project. They concluded that the site could serve as an excellent example of a variety of habitats and features that benefit fish and wildlife. Association with the SRBWC will provide many opportunities for watershed education.

## **4. Partners, Project Support & Community Effects**

Partners for the project include the Bureau of Water Works, the SRBWC, the neighborhood association and the Sandy River Basin Partners. The Sandy River Basin Partners includes representatives from Portland General Electric (PGE), NOAA Fisheries, U.S. Fish and Wildlife Service (USFWS), U.S. Forest Service (USFS), Oregon Department of Fish and Wildlife (ODFW), METRO, Multnomah County, Clackamas County, Northwest Steelheaders, Department of Environmental Quality (DEQ), and the Bureau of Land Management (BLM).

Letters of support were received from USFS, Oregon Trout, Mt. Hood National Forest, Water Environment Services, BLM, ODFW, Oregon Natural Resources Council and the SRBWC.

The property is zoned RR (recreational resort). Taxes for 2005-2006 totaled \$1,541.36. The property will be exempt from taxes after the acquisition. WRC and the Bureau of Water Works plan to exercise their tax exempt status and not pay taxes on the property.

## **5. Legal and Financial Terms**

OWEB funds are requested for 75% of the purchase price of the property. WRC is currently working with Bureau of Water Works and the Sandy River Basin Partners to secure match funding (decisions due late 2006).

At the time of this staff report, due diligence materials had not been received.

## **6. Conclusion**

The Willamette Basin RRT concluded that the project has high ecological and educational benefit and meets three of OWEB's conservation principles. At a meeting on August 14, 2006, the Board Subcommittee recommended that the project proceed to due

diligence. Staff and the Board Subcommittee recommend that the Board defer consideration of this application pending completion of the due diligence review.

## **VI. Staff Recommendations for Project Funding**

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff “do fund” recommendations to the Board. For some “do fund” projects, the amount shown in the table is the staff funding recommendation rather than the RRT’s recommendation.

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

### Attachments

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

**Region 3 – Willamette Basin**  
**Restoration Projects Recommended for Funding by the RRT**  
**April 24, 2006 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
207-087	Sodom Dam Project		1,036,803	1,036,803	1
207-091	Brownsville Dam Removal & Restoration of the Calapooia River	4,410	672,300	676,710	2
207-089	Upper Maxfield Creek Restoration	150	132,655	132,805	3
207-074	Haws Oregon Chub Enhancement **		36,787	36,787	4
207-086	Deer Creek Park Prairie Restoration **	100	35,774	35,874	5
207-084	Clear Creek Barrier Removal		133,605	133,605	6
207-077	Columbia Sedge Meadow Restoration */**	5,050	52,850	57,900	7
207-088	Buck Creek Fish Passage Culvert Replacement and Habitat Restoration		260,000	260,000	8
207-079	Sandland Floodplain Riparian Restoration *		40,000	40,000	9
207-083	Garden Lake Riparian Restoration **		95,352	95,352	10
207-082	Wiley Creek Fish Passage Improvement		47,530	47,530	11
207-092	Tryon Creek State Natural Area: Iron Mountain Stream and Wetland Restoration	2,000	120,140	122,140	12
<b>Total Restoration Projects Recommended for Funding to Staff by the RRT</b>		<b>\$11,710</b>	<b>\$2,663,796</b>	<b>\$2,675,506</b>	
<b>Total Restoration Projects Recommended for Funding by Staff to the Board</b>		<b>\$11,710</b>	<b>\$2,663,796</b>	<b>\$2,675,506</b>	

\* Listed Amount Reflects Recommended Reduction \*\* Fund with Conditions

**Region 3 – Willamette Basin**  
**Technical Assistance Projects Recommended for Funding by the RRT**  
**April 24, 2006 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount</b>	<b>Priority</b>
207-023	Silverton Water Supply Dam Fish Passage Alternatives	49,997	1
207-024	Villwock's Ford Fish Passage Design	47,300	2
207-029	Luckiamute Watershed Steelhead Passage Barrier Survey and Action Plan	13,532	3
207-019	Stroda Fish Passage Analysis and Design	30,104	4
207-028	Willow Creek Confluence Restoration Scoping and Budgeting	36,099	5
207-022	Crystal Springs Stream Design and Permit Project – Eastmoreland Golf Course *	23,280	6
207-021	Sauvie Island Drainage & Irrigation Canal Water Quality, Functions, Plant and Wildlife Improvement	22,170	7
<b>Total Technical Assistance Projects Recommended for Funding to Staff by the RRT</b>		<b>\$222,482</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to the Board</b>		<b>\$110,829</b>	

\* Listed Amount Reflects Recommended Reduction

**Region 3 – Willamette Basin**  
**Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT**  
**and Recommended for Deferral by OWEB Staff**

<b>Project #</b>	<b>Project Name</b>	<b>Amount</b>
207-072	Sandy River Conservation Acquisition	\$727,500
<b>Total Acquisition Projects Recommended for Deferral by Staff to Board</b>		<b>\$727,500</b>

**Region 3 – Willamette Basin  
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff  
April 24, 2006 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount</b>
207-075	Round Lake Wetland Restoration	89,750
207-076	Lower McKenzie Islands Floodplain Restoration	488,840
207-078	Northern Tributaries of Calapooia River Fish Passage	98,760
207-080	Mohawk River Watershed Enhancement	131,760
207-081	Tualatin River NWR Riparian Restoration	168,682
207-085	Hogan Ranch Restoration	84,370
207-090	Holomb Creek and Arrah Wanna Side Channel Bridges	169,932

**Region 3 – Willamette Basin  
Technical Assistance Projects Not Recommended for Funding by the RRT and OWEB Staff  
April 24, 2006 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount</b>
207-020	Cardwell Hills Landowners – Project Planning and Management Plan Development	135,411
207-025	Beaver Creek Culvert Improvement Design	35,000
207-026	Lower Beaver Creek Pre-Design and Conceptual Planning	40,671
207-027	City of Scappoose Greenway Action Plan	49,500
207-030	Mid-Willamette Tributaries Floodplain Workshops and Landowner Planning	45,606

**Region 3 – Willamette Basin  
Acquisition Project Withdrawn By Applicant**

<b>Project #</b>	<b>Project Name</b>	<b>Amount</b>
207-073	McKenzie Oxbow Acquisition	\$129,000