

March 1, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Karen Leiendecker, Eastern Oregon Regional Program Representative

**SUBJECT: Agenda Item F: OWEB Grant Award Recommendations
Region 5, Eastern Oregon
March 14-15, 2007 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

The table attached to the Overview report contains the numbers and types of applications received and dollar amounts requested. The Eastern Oregon Regional Review Team (RRT) met in Pendleton on January 8 and 9, 2007, 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.

III. Regional Review Team Recommendations

The Region 5 RRT recommended for funding seven Technical Assistance applications totaling \$222,185. They also recommended for funding two Education/Outreach (both were reduced), three Monitoring (one was reduced), and three Assessment (one with conditions and reduced) applications.

The RRT also recommended for funding 23 Restoration applications totaling \$1,858,966. Special conditions were suggested for two and four were reduced in amount.

IV. Acquisitions

A. Lostine River (207-324)

The Wallowa Land Trust (WLT) requests \$516,000 toward purchase of a conservation easement on 175 acres of riparian habitat in Wallowa County. The parcel is located near the confluence of the Lostine and Wallowa Rivers. The acquisition is a first step toward future restoration of the riparian and wetland areas on the parcel, which is a key motivation for the conservation easement.

1. Ecological Benefits

There are approximately 70 acres of freshwater emergent marsh and lowland riparian forest and scrubland on the property. Future restoration activities entail converting the remainder of the parcel to these priority ecological systems. Approximately 4,800 feet of the Lostine River runs through the property and the parcel fronts about 4,800 feet of the southern bank of the Wallowa River. There is about 500 feet of Spring Branch creek that provides off-channel salmon habitat. The Eastern Oregon RRT confirmed the presence of priority ecological systems on the site.

The application states that the following rare or at-risk plant communities occupy or historically occupied the area: Basin wildrye bottomlands, Black cottonwood/black hawthorn, Black cottonwood/coyote willow, Black hawthorn-common snowberry, Black hawthorn-woods rose, Mockorange, and Scouler willow. It is unclear from the application if these plant assemblages currently exist on the site, but there are plans to establish these rare or at-risk plant communities through restoration activities.

The following species have been identified as occurring or potentially occurring on the parcel: Inland redband trout, Steelhead, Chinook salmon, Bull trout, Ferruginous hawk, Sharp-tailed grouse, and Willow flycatcher have been documented on the property. The property provides habitat conditions for the Bobolink, Long-billed curlew, Wilson's phalarope, Columbia spotted frog, Western small-footed bat, and Oregon Semaphore grass. The RRT confirmed that the project will benefit these priority species. The area near the confluence of the Lostine and Wallowa Rivers provides an excellent opportunity to improve backwater habitat for fish.

The RRT thought the project could meet three of OWEB's conservation principles: Stabilize an area on the brink of ecological collapse, require active restoration to achieve its conservation purpose that would not occur without a change in ownership and complement an existing network of sites in the basin or region.

The applicant plans to enhance about 80 acres of degraded wetland on the parcel, enhance riparian habitat to improve about 1 mile of the habitat of both rivers, and implement a grazing management plan to enhance the habitats that support the species listed above while maintaining a working landscape. This area is a collection point for return irrigation water and restoration of the wetlands could have a significant effect on water quality for the region. Once the conservation easement is obtained, restoration activities can be initiated. According to the applicant, grazing within the easement area will be allowed only to enhance the conservation values according the management plan. The RRT concluded that the ecological benefits of the acquisition are dependent on the details of the future management plan especially as it pertains to water use and grazing.

2. Capacity to Sustain the Ecological Benefits

WLT will hold the conservation easement, with OWEB having third party right of enforcement. WLT was established in 2004 and is dedicated to conservation of lands in Wallowa County. They operate with a six member Board. WLT has one full time staff person, a large volunteer base, and access to consultants who specialize in acquisition and land management. WLT is currently working on transactions involving 5 donated

easements. They are working toward Land Trust Alliance Certification and plan to manage the site according to LTA standards.

WLT is planning on obtaining additional funds through other grant programs. The budget lists a \$20,000 stewardship endowment to be provided by the landowner.

3. Educational Benefits

The applicant plans to feature this site in the organization's educational materials and workshop activities. They will provide tours and hope to install an educational kiosk along the highway, where the project is located. The property owner currently allows agencies to use the site for field trips and other educational purposes. The RRT confirmed the potential educational benefits due to the project's proximity to the highway.

4. Partners, Project Support & Community Effects

The applicant has applied for funds from the Federal Wetland and Endangered Species Habitat Protection and Stewardship Program and the Federal Farm and Ranchland Protection Programs. The Grande Ronde Model Watershed Foundation will be managing the future restoration activities, but only if the property is placed under easement. They hope to partner with the Nez Perce Tribe and Wallowa Resources to assist them with the terrestrial restoration work.

The property is zoned EFU. The annual property taxes are approximately \$625 and the property will remain on the tax rolls. The application asserts that keeping the property in production, while conserving sensitive areas provides essential balance in an area undergoing transition.

5. Legal and Financial Terms

WLT will hold the easement with an OWEB third party right of enforcement. The proposed easement incorporates OWEB's required language. The total cost of the project is estimated at \$612,500, but an appraisal of the conservation easement has not been conducted yet.

6. Conclusion

Staff requested due diligence materials in November of 2006; they have not yet been received. Staff and the Board Subcommittee recommend that the Board defer consideration of this acquisition project pending receipt and review of due diligence materials.

B. Deferred Acquisitions-Pilcher Creek (206-339)

The Rocky Mountain Elk Foundation submitted an application on October 24, 2005 requesting \$250,000 toward purchase of a conservation easement on a 138-acre parcel on Pilcher Creek in the North Powder River Watershed. The Board has deferred consideration of this application pending review of due diligence materials at the March 2006, September 2006, and January 2007 Board meetings. Due diligence materials have not been submitted. Staff and the Board Subcommittee recommend the Board continue to defer this acquisition project.

V. Staff Recommendation

Staff recommend funding all but three of the RRT recommended Restoration applications. Two of the three applications not recommended by staff are weed eradication projects. Given current OWEB funding limitations, and because of the potential for additional funding to the Department of Agriculture for weed eradication program in the 2007-2009 biennium, OWEB staff do not recommend funding these projects at this time.

Staff also recommend funding only three of the seven RRT recommended Technical Assistance and two of the three RRT recommended Assessment applications for funding due to the limited non-capital funds available.

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
Technical Assistance Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-187	Little Walla Walla Assessment and Initial Action Plan	16,180	1
207-183	Engineering Bank Stability on the Middle Fork Malheur	45,640	2
207-184	Lostine River Fish Passage Enhancement	49,000	3
207-186	Malheur River Bank Stabilization Design	36,125	4
207-188	Kirkway Collaborative Project for Powder River Restoration	14,850	5
207-181	Eagle Creek Reach Analysis	43,950	6
207-180	Umatilla River at Horseshoe Curve	22,440	7
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		\$222,185	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		\$110,820	

Region 5 – Eastern Oregon
Education Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-218	STELLAR*	16,164	1
207-219	Wildlands Juniper Management Interpretive Project*	35,000	2
Total Education Projects Recommended for Funding to Staff by the RRT		\$51,164	
Total Education Projects Recommended for Funding by Staff to the Board		\$51,164	

*Listed Amount Reflects Recommended Reduction

**Region 5 – Eastern Oregon
Monitoring Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-245	Snake River/Hells Canyon TMDL Agriculture Drain Monitoring Project	65,193	1
207-246	Grande Ronde Basin Gauging Stations Operation	49,229	2
207-244	Wallowa Mountains Bull Trout Redd Monitoring 2007-2008 *	13,075	3
Total Monitoring Projects Recommended for Funding to Staff by the RRT		\$127,497	
Total Monitoring Projects Recommended for Funding by Staff to the Board		\$127,497	

*Listed Amount Reflects Recommended Reduction

**Region 5 – Eastern Oregon
Assessment Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-258	Malheur Co. Irrigated Ag Conservation Inventory & Analysis */**	80,000	1
207-257	Guano & Thousand Virgin Subbasin Watershed Assessment	54,230	2
207-256	Upper Owyhee Assessment	88,460	3
Total Assessment Projects Recommended for Funding to Staff by the RRT		\$222,690	
Total Assessment Projects Recommended for Funding by Staff to the Board		\$134,230	

*Listed Amount Reflects Recommended Reduction ** Fund with Conditions

**Region 5 – Eastern Oregon
October 16, 2006 Acquisition Project Receiving a Positive Rating for Ecological Merit
by the RRT and Recommended for Deferral by OWEB Staff**

Project #	Project Name	Amount
207-324	Lostine River Wetlands Protection Conservation Easement	516,000
Total Acquisition Projects Recommended for Deferral by Staff to Board		\$516,000

Region 5 – Eastern Oregon
Restoration Projects Recommended for Funding by the RRT
April 26, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
207-330	Middle John Day/North Fork Project		195,375	195,375	1
207-329	Catherine Creek - State Diversion Fish Passage *		90,720	90,720	2
207-346	Mill Creek Push-Up Dam Elimination		13,950	13,950	3
207-354	Orodell Diversion Fish Passage Project		188,965	188,965	4
207-356	Bear Creek Riparian Fencing		12,282	12,282	5
207-342	TNC and Boulder Creek Ranch Aquatics *		249,430	249,430	6
207-344	2007 Upper Joseph Creek Restoration		35,200	35,200	7
207-339	Roberts Creek Ditch Improvements		60,960	60,960	8
207-347	Dry Creek Bank Stabilization & Habitat		33,888	33,888	9
207-349	Wildcat Bridge Replacement *		155,895	155,895	10
207-325	Lower Burnt River Rangeland Improvement **		109,570	109,570	11
207-331	Wallowa Co Fuels Treatment and Forest Restoration		82,235	82,235	12
207-334	Butte Creek Culvert Replacement		67,650	67,650	13
207-345	Doe Creek Culvert Removal		102,500	102,500	14
207-327	Carney Canyon Rangeland Restoration		19,080	19,080	15
207-348	Williams Dairy Corral Restoration	500	46,645	47,145	16
207-353	Jordan Valley Weed Restoration Project		61,100	61,100	17
207-350	Mountain Creek Ditch Conversion Phase II		75,556	75,556	18
207-351	County Fair Wash Rack Solution		10,334	10,334	19
207-326	Branham Irrigation Conversion Project **		9,040	9,040	20
207-335	Monument's Attack on Medusahead	150	76,402	76,552	21
207-341	Wheeler Co Medusahead Containment & Treatment		110,959	110,959	22
207-338	Ridley Creek Improvement and Spring Dvpt *		50,580	50,580	23
Total Restoration Projects Recommended for Funding to Staff by the RRT		650	1,858,316	\$1,858,966	
Total Restoration Projects Recommended for Funding by Staff to the Board		\$500	\$1,620,375	\$1,620,875	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 5 – Eastern Oregon
Projects Not Recommended for Funding by the RRT and OWEB Staff
October 16, 2006 Grant Cycle

Project #	Project Type	Project Name	Amount Requested
207-182	Technical Assistance	Campbell Springs Wetlands	16,600
207-185	Technical Assistance	Pine Creek Free Span Bridge	50,000
207-328	Restoration	Vansycle Animal Feeding Relocation	95,442
207-332	Restoration	Bridge Creek Animal Feeding Relocation	88,461
207-333	Restoration	Myrtle Canyon Eagle Roost	77,000
207-336	Restoration	Rudio Creek Restoration	43,347
207-337	Restoration	Milk Ranch Final Restoration Phase	22,383
207-340	Restoration	Five Point Ditch Diversion Improvement Project	78,100
207-343	Restoration	Medicine Creek Bank and Headcut Stabilization	28,258
207-352	Restoration	Alkali Canal Irrigation Enhancement Project	78,242
207-355	Restoration	Malheur River Stream Restoration Project	17,840