

February 28, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item J: OWEB Grant Award Recommendations
Region 5, Eastern Oregon
March 15-16, 2006 OWEB Board Meeting**

I. Background

A total of 59 applications were received from Eastern Oregon, resulting in a total request of \$4,253,882. The breakout by type of grant is shown in an attachment to the Overview Report. The Eastern Oregon Regional Review Team (RRT) met in La Grande on January 17 and 18, 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.

II. Regional Review Team Recommendations

Attachment A shows the *capital* projects and Attachment C the *non-capital* projects recommended and ranked for funding by the RRT. They also indicate which projects were recommended for funding with special conditions or at reduced amounts. The shading indicates the projects recommended by staff for funding by the Board.

Remarks pertinent to particular grant types and project applications are noted below.

III. Restoration Projects

Projects of special note include Fletcher Dike Removal (z206-347); Ladd Creek Marsh Restoration (z206-350); and Clear Creek Floodplain Restoration (z206-376). Karen Leiendecker, Eastern Oregon Regional Program Representative, will briefly highlight these projects at the Board meeting.

One road-related project, z206-348, the Mahogany Culvert Replacement project, has been selected to receive \$41,204 in Salmon License Plate funding.

The recommended amount for project z206-357, Middle Fork Malheur Bank Stabilization, has been increased as a result of the RRT's evaluation of the project and subsequent design modifications.

IV. Acquisition Projects

A. Pilcher Creek (z206-339)

Rocky Mountain Elk Foundation (RMEF) requests \$250,000 toward purchase of a conservation easement on a 138-acre parcel on Pilcher Creek in the North Powder River Watershed. The property is owned by Chris and Donna Heffernan, who also own the adjoining 2,000 acre parcel (North Slope Ranch). The property is adjacent to the Elkhorn Wildlife Management Area and the Wallowa-Whitman National Forest. The easement proposes to balance protection of priority habitats and species with continued use as a working ranch. The objectives of the conservation easement project are to remove the dwelling permit, maintain and enhance plant and wildlife species, fence off 30 acres of ponds and riparian areas to prevent grazing, promote big game and other species habitat, protect shrubs for bird habitat, apply additional stored water for wildlife and livestock use, and maintain a healthy forest and wetland ecosystem.

1. Ecological Benefits

Four priority habitats are involved in the project: Foothill and lower montane riparian woodland, big sagebrush steppe, lowland riparian forest and shrubland, and freshwater emergent marsh. The entire parcel contains some the priority habitats and species. Of particular interest is approximately 30 acres of beaver complex, where numerous beavers have created and maintained multiple wetlands. This is relatively rare in eastern Oregon.

Rare or at risk plant communities on the parcel include black cottonwood-white alder, black cottonwood/black hawthorn, black cottonwood/pacific willow riparian, mock orange, ponderosa pine/black hawthorn, tufted hairgrass-Douglas' sedge alkaline prairie, western birch-creek dogwood, western birch-mock orange and white alder/mock orange. The property is host to priority species such as Columbia spotted frog and Lewis' woodpecker. The proposed conservation easement will benefit other species such as the bald eagle, yellow billed cuckoo, tailed frog, harlequin duck, mountain quail, northern goshawk, white headed woodpecker, pileated woodpecker and common nighthawk.

The application asserts that creating a conservation easement for the site supports four of OWEB's conservation principles including securing a transition area and protecting it from development, protecting a site with exceptional biodiversity value, improving connectivity of habitat and completing or complementing an existing network of sites in the basin or region.

The Eastern Oregon Regional Review Team confirmed the presence of priority habitats and species and found that the project was consistent with the four conservation principles. According to the reviewers, the property has high ecological values for eastern Oregon. Although the bottomlands have the greatest biodiversity, the uplands are necessarily part of the project and will provide for protection of the bottomlands.

2. Capacity to Sustain the Ecological Benefits

RMEF will hold the conservation easement. RMEF has been in the business of protecting natural resources since 1985. They hold many conservation easements nationwide. RMEF has 150 full time employees including field representatives who and

routinely monitor sites for compliance with conservation easements and consult with landowners on restoration and enhancement activities.

RMEF will work closely with the Heffernan Family Trust to manage the property. It is anticipated that regular management costs will be incorporated into the Heffernan's current ranch budget. Funding for conservation projects, such as fencing, is being sought through other conservation groups. The application references a \$10,000 stewardship endowment.

The Heffernan's have been operating the adjacent ranch according to a Stewardship Plan updated in 2004, which would serve as a basis to develop a management plan for the conservation easement property. A separate plan for upland grazing and forestry management on this property has not been developed yet. The Board Subcommittee identified a need for an augmented forestry and grazing management plan to ensure an appropriate balance between conservation and production is achieved.

Plans for restoration activities are not part of the project. The property is unique in that it would require minimal to no rehabilitation efforts.

3. Educational Benefits

The Heffernan's have hosted many educational tours on their properties and will continue to support opportunities for public access. According to the application and the RRT review, the property owners are active in education and outreach programs with OSU extension, Oregon Department of Fish and Wildlife (ODFW) and Oregon Department of Forestry (ODF). The Heffernan's have hosted many tours and workshops on their properties, including the "Youth Hunt" workshops conducted by ODFW and Stewardship workshops conducted by ODF. It is anticipated that this tradition of making the property available for these types of education and outreach activities continue.

4. Partners, Project Support, and Community Effects

Letters of support for the conservation easement project were received by the Oregon Department of Fish and Wildlife, Oregon Department of Forestry, OSU Extension, U.S. Fish and Wildlife Service, Powder Basin Watershed Council, and The Nature Conservancy.

The property will remain on the tax rolls and there will be no loss of tax base revenue. This project is an excellent example of conservation under private ownership and may serve as a model to encourage other landowners to participate in conservation efforts. This is significant, especially in an area where there is so much land in public ownership.

5. Legal and Financial Terms

OWEB funds are requested for 75 percent of the anticipated market value for the purchase of a conservation easement. An appraisal to determine the value of the conservation easement is forthcoming.

On February 2, 2006, the Board Subcommittee recommended proceeding with due diligence review of this application after the RRT's evaluation of the ecological and

education merits of the project. Staff have requested due diligence materials from the applicant.

6. Conclusion

The Pilcher Creek conservation easement project received high marks for ecological and educational values and was found to be consistent with four of OWEB's conservation principles. Because the due diligence review has just started, the Board Subcommittee and staff recommend the Board defer consideration of the application until that evaluation is complete.

V. Education Projects

The RRT recommended funding for three of four Education applications.

VI. Monitoring Projects

The RRT recommended funding for six projects, four ongoing and two new projects. Although the sixth ranked project is an ongoing monitoring project, the Oregon Plan Monitoring Team concluded that the project has a low benefit to the Oregon Plan and low certainty of success. Therefore staff are not recommending project z206-258 for funding and is only recommending funding for three of the four ongoing projects.

VII. Staff Recommendations for Project Funding

Attachments A and C show the proposals, funding amounts, conditions (if any), and priority rankings recommended as "do fund" 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 "do fund" projects, the amount shown in the table may be the staff funding recommendation rather than the RRT recommendation. In Attachment A, the table shows that in some cases, the "Total Amount" for a restoration project is comprised of both *capital* and *non-capital* funds.

Attachments B and D show those applications not recommended for funding at this time by either the RRT or by OWEB staff.

Attachments

- A. Capital Projects Recommended for Funding
- B. Capital Projects Not Recommended for Funding
- C. Non-Capital Projects Recommended for Funding
- D. Non-Capital Projects Not Recommended for Funding

**Region 5 – Eastern Oregon
Restoration Projects Recommended for Funding by the RRT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
z206-347	Fletcher Dike Removal	0	17,875	17,875	1
z206-352	Eastside Pushup Dam Replacement	0	34,890	34,890	2
z206-376	Clear Cr Floodplain Restoration (Years 1 & 2 of 3)	0	174,986	174,986	3
z206-359	Upper Bridge Cr Fish Passage/Irrigation Improvement	0	118,558	118,558	4
z206-350	Ladd Cr/Ladd Marsh Wildlife Area Channel Reconstruction*	0	81,793	81,793	5
z206-348	Mahogany Culvert Replacement*/**/□	0	41,204	41,204	6
z206-360	Mountain Cr Diversion Improvement	0	34,370	34,370	7
z206-344	Wallowa Canyonlands Weed Partnership	450	68,435	68,885	8
z206-341	Starkey Ponds	0	105,333	105,333	9
z206-357	Middle Fork Malheur R Bank Stabilization***	0	52,000	52,000	10
z206-346	Cochran Cr Ranch Grazing System Improvements	0	66,034	66,034	11
z206-349	Cottonwood Cr Restoration	0	41,527	41,527	12
z206-343	Woody Grazing Management*/**	500	64,912	65,412	13
z206-355	Little Hill Farm Irrigation Efficiency	0	11,340	11,340	14
z206-380	Baker Valley Early Intervention Juniper Control	0	67,701	67,701	15
z206-365	Willow Cr Fish Passage**	0	55,300	55,300	16
z206-373	Lower Umatilla R @ Echo Steambank Stabilization & Riparian Buffer	0	48,560	48,560	17
z206-358	Upton Mountain Range & Riparian Improvement	0	41,128	41,128	18
z206-371	Monument SWCD Juniper Treatment	50	43,289	43,339	19
z206-351	NE Oregon Forests Fish Passage & Sediment Improvement	0	99,000	99,000	20
z206-363	Hudson Bay Aquifer-Spring Restoration Phase II & III*	0	196,925	196,925	21
z206-361	Butte Cr Diversion/Irrigation Improvement*	0	37,387	37,387	22
z206-377	Malheur R Water Quality Improvement	0	32,471	32,471	23
z206-378	Creatively Controlling Cropland Weeds	3,000	100,280	103,280	24
z206-362	Snake R Irrigation Erosion Control	300	317,558	317,858	25
z206-342	Emerson Habitat Improvement	0	45,712	45,712	26
z206-369	MB E-coli Reduction/Irrigation Pump-back System	0	50,160	50,160	27
z206-366	Willow Cr Double Your Fun Pump Back Systems**	0	39,705	39,705	28
Total Restoration Projects Recommended for Funding to Staff by the RRT		\$4,300	\$2,088,433	\$2,092,733	
Total Restoration Projects Recommended for Funding by Staff to the Board		\$4,300	\$2,088,433	\$2,092,733	

*Listed Amount Reflects a Recommended Reduction ** Fund with Conditions ***Listed Amount Reflects a Recommended Increase □ Capital Funds from Salmon Plate Money

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

Project #	Project Name	Total Amount
z206-339	Pilcher Cr	250,000
Total Acquisition Projects Recommended for Deferral by Staff to the Board		\$250,000

Region 5 – Eastern Oregon
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
October 24, 2005 Grant Cycle

Project #	Project Name	Amount Requested
z206-340	Sullivan Resource Management	18,124
z206-345	Oxbow Culvert Replacement	126,500
z206-353	Combating Leafy Spurge in the Walla Walla Basin	38,500
z206-354	Westland Alluvial Recharge/Flow Enhancement	256,100
z206-356	Doe & Summit Cr Culvert Removal	144,000
z206-364	Service Creek Bridge	47,050
z206-367	Choir Boys Constructed Wetland	227,763
z206-368	Youngfield Subdivision/Jordan Cr Protection	60,847
z206-370	Beyond Words Juniper Removal-Phase 1	59,200
z206-372	Grassland Restoration at the Boardman Conservation Area	41,192
z206-374	Antelope Peak Habitat Enhancement Phase I	51,600
z206-375	Dry Gulch Off-Stream Watering & Water Quality Improvement	156,536
z206-379	Williams Dairy Heifer Raising Relocation	81,943

Region 5 – Eastern Oregon
Education Projects Recommended for Funding by the RRT
October 24, 2005 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
z206-226	STELLAR	12,190	1
z206-227	Community-Based Water Solutions	35,090	2
z206-228	2007 Annual WS Field Days	24,382	3
Total Education Projects Recommended for Funding to Staff by the RRT		\$71,662	
Total Education Projects Recommended for Funding by Staff to the Board		\$71,662	

Region 5 – Eastern Oregon
Monitoring Projects Recommended for Funding by the RRT/OPMT
October 24, 2005 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority	OPMT Rating
z206-257	Wallowa County Stream Flow Gaging Stations	40,800	1	H/H
z206-253	Surface-Groundwater Monitoring-Water Quality & Species Recovery	51,480	2	H/H
z206-256	Grande Ronde Basin Gauging Station Monitoring (Water Yr 2006-07)	12,210	3	L/M
z206-254	North & Middle Forks Research, Monitoring & Evaluation	46,980	4	H/M
z206-255	Umatilla TMDL & Wildhorse Nitrate/BMP Monitoring*	57,471	5	H/M
z206-258	Malheur Basin Water Quality Monitoring	17,200	6	L/L
Total Monitoring Projects Recommended for Funding to Staff by the RRT		\$226,141		
Total Monitoring Projects Recommended for Funding by Staff to the Board		\$149,751		

*Listed Amount Reflects Recommended Reduction **Fund with Conditions
Benefit to the Oregon Plan/Certainty of Success—H=High, M=Moderate, L=Low

Region 5 – Eastern Oregon
Education Projects Not Recommended for Funding by the RRT and OWEB Staff
October 24, 2005 Grant Cycle

Project #	Project Name	Total Amount
z206-225	Upper Grande Ronde Pond Development Demonstration~	10,300

Region 5 – Eastern Oregon
Monitoring Projects Not Recommended for Funding by the RRT/OPMT and OWEB Staff
October 24, 2005 Grant Cycle

Project #	Project Name	Total Amount
z206-252	OWT Monitoring Program	29,115