

December 26, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Special Projects Manager

**SUBJECT: Agenda Item K: Restoration Priorities Adoption
Deschutes and Malheur Basins
January 24-25, 2007 OWEB Board Meeting**

I. Introduction

This staff report asks the Board to adopt the format and approach to regional priorities for restoration projects for the Deschutes and Malheur basins and provides an update on other Columbia Basin restoration priorities. The priorities are intended to be used as guidance by OWEB in the review of grant applications and to help ensure a clear and strategic approach to prioritizing the funding of projects. Formal administrative rules will be proposed to define how the priorities will be used when priorities are completed for the whole state.

II. Background

The Board has identified the development of funding priorities as a significant need for project review and evaluation in OWEB's grant program. The development of regional restoration priorities also comes from statutory direction. ORS 541.371(c) states that OWEB: "*Shall establish statewide and regional goals and priorities that shall become the basis for funding decisions by the board. In adopting such goals and priorities, the board shall adopt priorities for grant funding based on the Oregon Plan and on measurable goals. In carrying out this function, the board shall consider local economic and social impacts among the criteria.*"

In September 2002, the Board authorized staff to contract for the facilitation of efforts to develop restoration priorities in two pilot basins, the Lower Columbia and the Hood-Fifteenmile basins.

In January 2004, staff presented to the Board a report on the principles for restoration prioritization. The five restoration principles are:

1. Restore watershed connectivity limiting key fish and wildlife populations;
2. Restore watershed processes impacting the aquatic system, water quality-limited streams, and wildlife habitat;
3. Restore key habitats and water quality for ESA-listed species;
4. Reduce or eliminate human impacts and inputs into watersheds from land use activities in the basin; and
5. Address the symptoms of disturbance that impact fish and wildlife populations and water quality-limited streams.

The ultimate goal is to establish investment priorities for each of the 15 Oregon Plan reporting basins in the state using information from subbasin planning and recovery planning and the principles developed for the Board. As discussed in previous meetings, these priorities will help focus the review of grant applications for restoration projects and assist in informing funding recommendations.

The Board allocated funding in May 2004 to coordinate OWEB regional priorities with subbasin plans in the Columbia Basin and complete regional priorities in the remainder of the state. Since that time, OWEB staff have contracted for the development of priorities in the Rogue, South Coast, John Day, Willamette, Malheur, Imnaha, Umatilla, Grande Ronde, and Powder basins.

In January and September 2006 staff reported on the process for developing priorities. In each basin, a local working group has been meeting and developing proposed priorities with the assistance of a consultant. Each working group has developed a list of limiting factors and has identified priorities for watershed geography, typically at the watershed (“5th field” Hydrologic Unit Code or HUC) scale.

III. Status and Approach

The Deschutes and Malheur basins restoration priorities project was contracted to Watershed Professionals Network, which has reviewed the subbasin plans for each of the drainages in the basins and has developed a crosswalk between the Ecosystem Diagnosis and Treatment (EDT) analysis and the proposed restoration priorities. The EDT is a stream-based approach to modeling limiting factors for target salmon species. The crosswalk helps to broaden the range of priorities and specifically include upland habitat priorities.

Attachment A shows the Limiting Factors matrix for the Deschutes Basin and Attachment B shows the matrix for the Malheur Basin. Summary Limiting Factors matrices are also available on the OWEB web site at www.oregon.gov/OWEB/restoration_priorities.shtml.

IV. Columbia Basin Next Steps

The approach and content of the most recent two restoration priorities for the Columbia Basin are part of a series of products proposed for use from subbasin plans developed by the Northwest Power and Conservation Council. OWEB staff have contracted with a consultant to take the analysis used in the development of subbasin plans and systematically convert the information into restoration priorities. The delivery schedule below identifies the approximate times that draft products will be available. OWEB staff will review the draft products with local watershed councils and soil and water conservation districts before bringing them to the Board. All of those listed below are expected to be ready for Board consideration at the March 2007 meeting.

Delivery Schedule for Remaining Restoration Priority Products

Delivery Date	Basin
December 2006	Imnaha
December 2006	Umatilla
December 2006	John Day
December 2006	Grande Ronde
December 2006	Powder
December 2006	Hood (update)

V. Recommendation

Staff request the Board approve the approach and content of the Deschutes and Malheur basins regional restoration priorities.

Attachments

- A. Deschutes Basin Limiting Factors Matrix
- B. Malheur Basin Limiting Factors Matrix