

April 25, 2007

## **MEMORANDUM**

**TO:** Oregon Watershed Enhancement Board

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

**SUBJECT: Agenda Item Q: Other Business  
Willow Creek Restoration Phase I (207-138)  
May 15-16, 2007, OWEB Board Meeting**

### **I. Introduction**

This report provides an update on the status of the Willow Creek Restoration Phase I project and seeks Board authorization to allocate reserved funding to the project.

### **II. Background**

The Board awarded a grant to the Lower Willow Creek Working Group for Willow Creek Restoration Phase I project (207-138) at the September 2006 meeting. The grant application was ranked number 1 of 22 restoration projects from Eastern Oregon in the April 2006 grant cycle. The application requested \$1,950,568 to address water quality issues on nearly 30,000 acres of the Willow Creek watershed in Malheur County. The Board awarded \$1,050,568 at the September 2006 meeting with the expectation that the Working Group would come to the September 2007 Board meeting to report on progress and be awarded the remaining funds.

The project is proceeding on schedule; however the Working Group is facing significant cost issues associated with rising petroleum costs. The cost of pipe has fluctuated significantly associated with petroleum costs. The Working Group estimates that they can save an estimated \$250,000 if funds were available to purchase pipe earlier than September. (Attachment A)

### **III. Discussion**

The Lower Willow Creek Working Group is requesting Board approval of the remaining \$900,000 from the 2007-2009 biennium capital funds when the budget for OWEB is approved by the Legislature rather than waiting until September.

The Board approval of the application in September of 2006 was done with the full expectation that the remaining \$900,000 would be approved at the September 2007 Board meeting. The Working Group has made significant progress on implementing the project. (Attachments A and B) The source of funds is the same as discussed in September of 2006, and there is a possibility of overall cost savings if the funds are made available in July rather than September.

#### **IV. Recommendation**

Staff request the Board authorize staff to amend grant agreement 207-138 and add \$900,000 of capital funds upon legislative approval of the OWEB budget.

#### Attachments

- A. Letter from Malheur Watershed Council
- B. Project photographs

# MALHEUR WATERSHED COUNCIL

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*Leading the effort to conserve, protect, and enhance all watershed resources for optimum economic and environmental benefits within the Malheur watershed.*

April 20, 2007

OWEB

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

Re: Willow Creek Restoration – Phase I  
207-138-5240

The Lower Willow Creek Working Group is requesting the early withdrawal of the additional \$900,000 that was to be dispersed in the 2007-2009 biennium. We are requesting that it be available July 1, 2007.

Pipe prices have fluctuated greatly over the last few years and it is difficult to predict what future prices will be. We have seen a significant drop in prices early this year followed by a gradual rise. Historically pipe prices have risen in proportion to gas prices. Since pipe has not yet risen in comparison to fuel, we have an opportunity to take advantage of these reduced pipe prices before they significantly increase. Given the enormous quantity of pipe Vale Oregon Irrigation District needs to purchase for this project, even a few cents per foot can make a substantial difference in OWEB's cost.

After comparing the prices from January 2007 and now, we determined OWEB could have saved an estimated \$300,000 in total costs had we been able to purchase the pipe at that time. If price trends continue as they are right now, we could still expect a significant savings for OWEB if we are able to purchase in July (perhaps as much as \$250,000+).

Included here is the status of individual practices within the Willow Creek Restoration – Phase I. Those who have not yet started are either waiting on the permitting process through Oregon Water Resources Board, or waiting until Vale Oregon Irrigation District finishes piping Lateral #280 (for which we are requesting these funds).

<u>Project</u>	<u>% Complete</u>	<u>Estimated Completion Date</u>
Willow Creek #1	25%	10-1-07
Silver Creek #1	15%	10-1-07
Willow Creek #2	Cancelled	
Silver Creek #2		10-1-07
Pozzi's Wetland 1,2,3		11-1-07
Pat's Wetland		7-1-07
Harmon Wetland		11-1-07
Ryan's Wetland		10-1-07
Fulwyler Wetland	90%	7-1-07
Dean Mainline	85%	11-1-07
Harmon Pivot	80%	5-1-07
Andrew's Pumpback		11-15-07
DeVos Pivot	100%	3-1-07
Fulwyler Mainline	100%	3-1-07
Cook Pivot #1	20%	11-15-07
Cook Pivot #2	20%	11-15-07
Hiatt Pumpback		11-15-07
Sheep Pasture		11-15-07
Campbel Pivot	Cancelled	
Ryan Bradford Mainline	100%	4-20-07
Rod Bradford Mainline	95%	4-25-07
Robertson Mainline		11-1-07
Dan's Pumpback		7-1-07
Lateral Piping – VOID		3-1-08
Fulwyler Feedlot	75%	5-1-07
Jensen Feedlot		11-15-07
Warren's Drain		11-1-07
Pat's Drain		7-1-07
Bradford Seeding & Cross-fence	30%	10-15-07

The total amount of pipe and wiring installed to date is 23,953 feet.  
The total amount of excavation for pipe and wiring to date is 21,953 feet.

If you have any questions, please call Kelly Weideman or Jerry Erstrom at 541-881-1417.



**FULWYLER'S FEEDLOT**



Before: water from drain runs through feedlot and collects animal waste.



After: water will now be captured in this pipeline being installed and bypass the feedlot.

**FULWYLER'S MAINLINE**



Before: 80 acres flood irrigated



After: 2,800 feet of buried mainline for sprinklers.

**DEVOS PIVOT**



Before: 70 acres flood irrigated



After: 2,000 ft of buried mainline & pivot.

**RYAN BRADFORD MAINLINE**



Before: 60 acres of flood irrigation



After: 2,700 feet of buried mainline and sprinklers.