



# Irrigation Modernization Funding Recommendations

Kim Fritz-Ogren, Manager  
Adair Muth, Grant Coordinator  
Planning, Collaboration & Investments  
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# Integrated Water Resources Strategy (IWRS)

## Recommended Action: 13.E - Invest in Implementation of Water Resources Projects



# Planning, Collaboration, & Investments Section

Builds partnerships and incentivizes Oregonians to pursue integrated and innovative solutions for complex water challenges and an uncertain water future.



Strategic  
Investments



Adaptive  
Planning



Cooperative  
Partnerships



Accessible  
Information



Effective  
Coordination

# Planning, Collaboration, & Investments Section



## Placed-Based Planning

Plan & identify actions



## Feasibility Study Grants

Investigate feasibility



## Water Project Grants & Loans

Implement

- Well Abandonment, Repair, and Replacement Fund
- Harney Domestic Well Remediation Fund
- Water Measurement Cost Share Program
- Irrigation Modernization Funding
- Direct Appropriations



# Irrigation Modernization Funding History

HB 5030 – \$50M to Water Supply  
**2023** — Development Account to issue grants for Irrigation Modernization projects

## Legislative Intent:

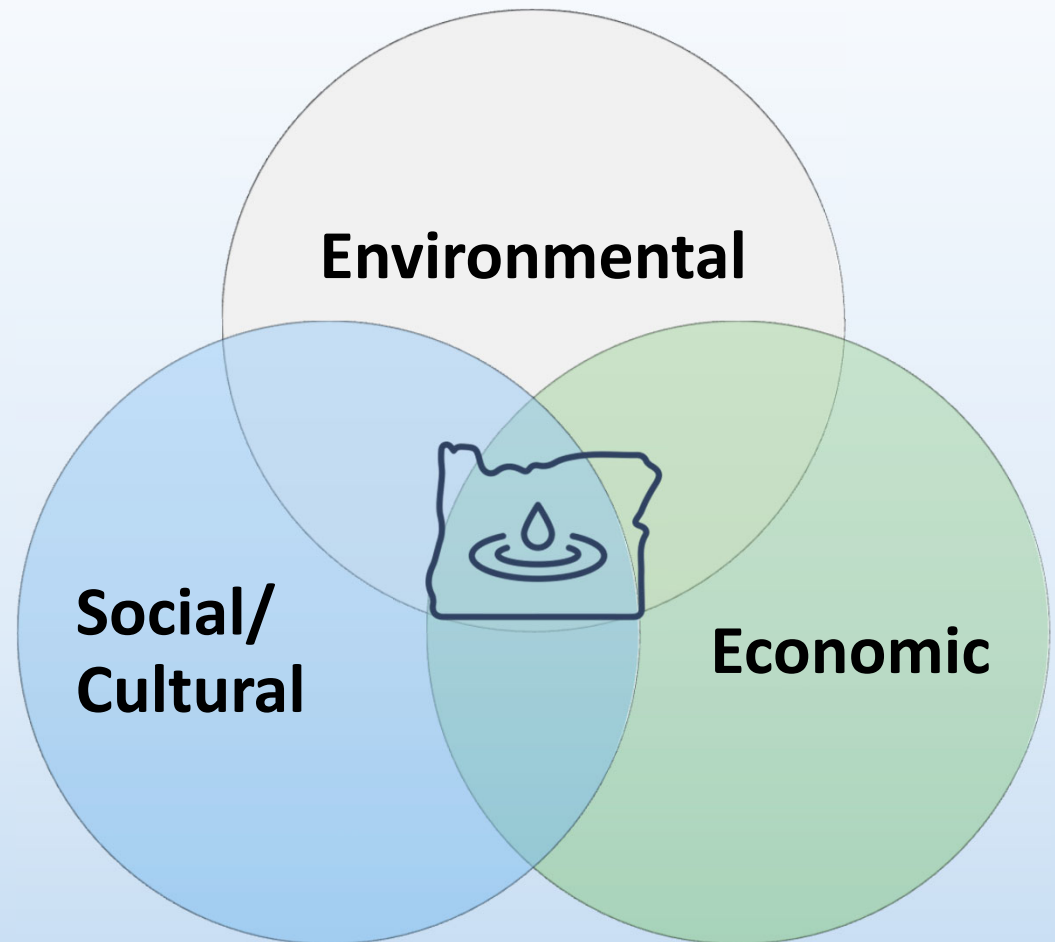
- Provide **state match** needed to access federal funding available for irrigation modernization projects.
- Use **existing grant program (Water Project Grants and Loans)** for efficiency and to award funds as quickly as possible to meet need.

# Irrigation Modernization Funding

## Purpose

Provide funding for Water Supply projects that:

- Improve water use efficiency of irrigation systems on currently irrigated agricultural lands
- Achieve Public Benefits in three categories



# Key Differences: WPGL & Irrigation Modernization Funding

	Water Project Grants & Loans	Irrigation Modernization
<b>Project Types</b>	Conservation, Reuse, Flow Restoration & Protection, Above or Below-ground Storage, Water Infrastructure	Irrigation Modernization
<b>Match Required</b>	25%, cash or in-kind	Federal match: NRCS, USBR or EPA
<b>Project Scoring</b>	Preference points for legally protecting streamflow and collaboration	Additional preference points for legally protecting streamflow commensurate with amount required ORS 537.470

# Fund Stand Up

- OWRD consulted water user and conservation communities
- Attachment 1 provides summary of feedback shared and OWRD response and decision on:
  - Definitions
  - Timing of funding cycles
  - Requirements
  - Prioritization
  - Other





# Funding Cycles and Availability

- WPGI and Irrigation Modernization funding cycles run concurrently for efficiency
- 2 funding cycles per year

## *Fund Availability:*

Funding Program	Unobligated in Account	March 2025 Bond Sale*
Irrigation Modernization	\$24,972,118	\$25M
Water Project Grants & Loans	~\$7.7M	\$5M

*\*Funds must be spent within 3 years of bond sale*

# Review Process

Applications submitted – reviewed for eligibility and completeness



Affected Tribes contacted



60-day public comment period



Multi-agency Technical Review Team



3-week public comment period



Commission awards funding

# 2024 Funding Cycle 1

- Application deadline: January 17, 2024
- Received 10 Irrigation Modernization applications
  - Funding requested: \$25,900,067
  - Funding available: \$24,972,118
- Received no complete WPGI applications

# Public Comments on Applications

- 60-day public comment period: Feb 1 – April 2, 2024
- 1 Tribal comment received on 2 projects (Attachment 5)
- 7 public comments received (Attachment 4):
  - 3 comments clarifying legal protection of water in application
  - 2 comments on applications
  - 2 comments on scoring criteria



# Technical Review Team (TRT)



Meet to discuss applications

Consider tribal and public comments

Score applications based on public benefits

Make funding recommendation

# TRT Scores Public Benefits



Positive and negative impacts

Likelihood of achieving claimed benefits

Change in conditions described

Supporting evidence or documentation

# Application Scoring

## Three categories of Public Benefits: Economic, Environmental, Social/Cultural

6 Questions in each public benefit category

72 Available points in each category

24 Potential preference points: legally protected streamflow & collaboration

10 Potential preference points: legally protected streamflow commensurate with amount required in ORS 537.470

**250 Total points available**

# Application Scoring

12	Exceptional benefit
6	High benefit
3	Medium benefit
1	Minor benefit
0	No benefit
-1	Minor negative impact
-3	Medium negative impact

- Score of 12 on any question is rare, must truly be exceptional
- Since 2020, 35 WPGL applications scored
- Of 18 applications funded:
  - 125 – highest score
  - 79 – average total score
  - 37 – lowest score (ASR project)



# Minimum Category Score

**The Department set a minimum category score of “7” to be funded**

**A category score of “7” signals that the public benefits are more than “Minor”**

**Each category must meet the minimum score**

# TRT Funding Recommendations

- TRT ranked projects by greatest public benefit score
- Generated TRT funding recommendation based on:
  - Public benefit scores,
  - Available funding, and
  - Second 2024 funding cycle
- TRT recommends funding projects ranked #1 through #5

# TRT Recommended Projects

Rank	Project Name	Total Score	Funding
1	Farmers Canal Piping and Sediment Management Project	121	\$2,527,000
2	Deschutes Basin Flow and Water Quality Restoration – Group 6C	116	\$3,000,000
3	Arnold Irrigation District Deschutes Basin Flow Restoration Project - Phases 3-4	90	\$2,860,000
4	Phase 2: G and G2 Lateral Piping and Water Conservation Project	71	\$3,061,829
5	Kingman Lateral 1st Mile Piping	56	\$2,000,000
<b>Total</b>			<b>\$13,448,829</b>

## Projects Not Recommended by TRT

Rank	Project Name	Total Score	Funding
6	Klamath Irrigation District Pump Plants & 2025 Main D Canal	48	\$4,615,000
7	Lone Pine Irrigation Modernization Phase 2	46	\$775,000
8	Joint System Canal Piping Project Phase 1*	44	\$2,210,000
9	Piping Lateral Canals in the Vale Bench	39	\$3,601,238
10	Snake River Pumping Efficiencies*	39	\$1,250,000
<b>Total</b>			<b>\$12,451,238</b>

\* Did not meet the minimum score of seven in each public benefit category 20



# Public Comments on Funding Recommendations

- 3-week public comment period May 9 – May 31, 2024
- No Tribal comments received
- Two public comments received (Attachment 10):
  - One in support of Malheur Watershed Council's project
  - One in support of funding all 10 applications

# **McKay Creek Water Rights Switch Project Budget Increase Request**



# McKay Creek Water Rights Switch Project

## Funding Awarded December 2023

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<b>Project Type</b>	Flow Restoration & Protection, Water Infrastructure
<b>Applicant</b>	<b>Ochoco Irrigation District &amp; Deschutes River Conservancy</b>
<b>Original Request</b>	\$4,063,000
<b>Total Cost</b>	\$45,131,286
<b>County</b>	Crook

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# McKay Creek Water Rights Switch Project

## Project Highlights

- Construct a pump station, 6-mile pipeline, and associated infrastructure along McKay Creek
- Irrigators will trade privately held water rights, sourced from McKay Creek, for water rights held by District, sourced from Prineville Reservoir
- Irrigators will transfer 11.2 cfs of McKay Creek water rights instream

## Public Benefit Category Score Breakdown

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
33	36.5	30	12	111.5

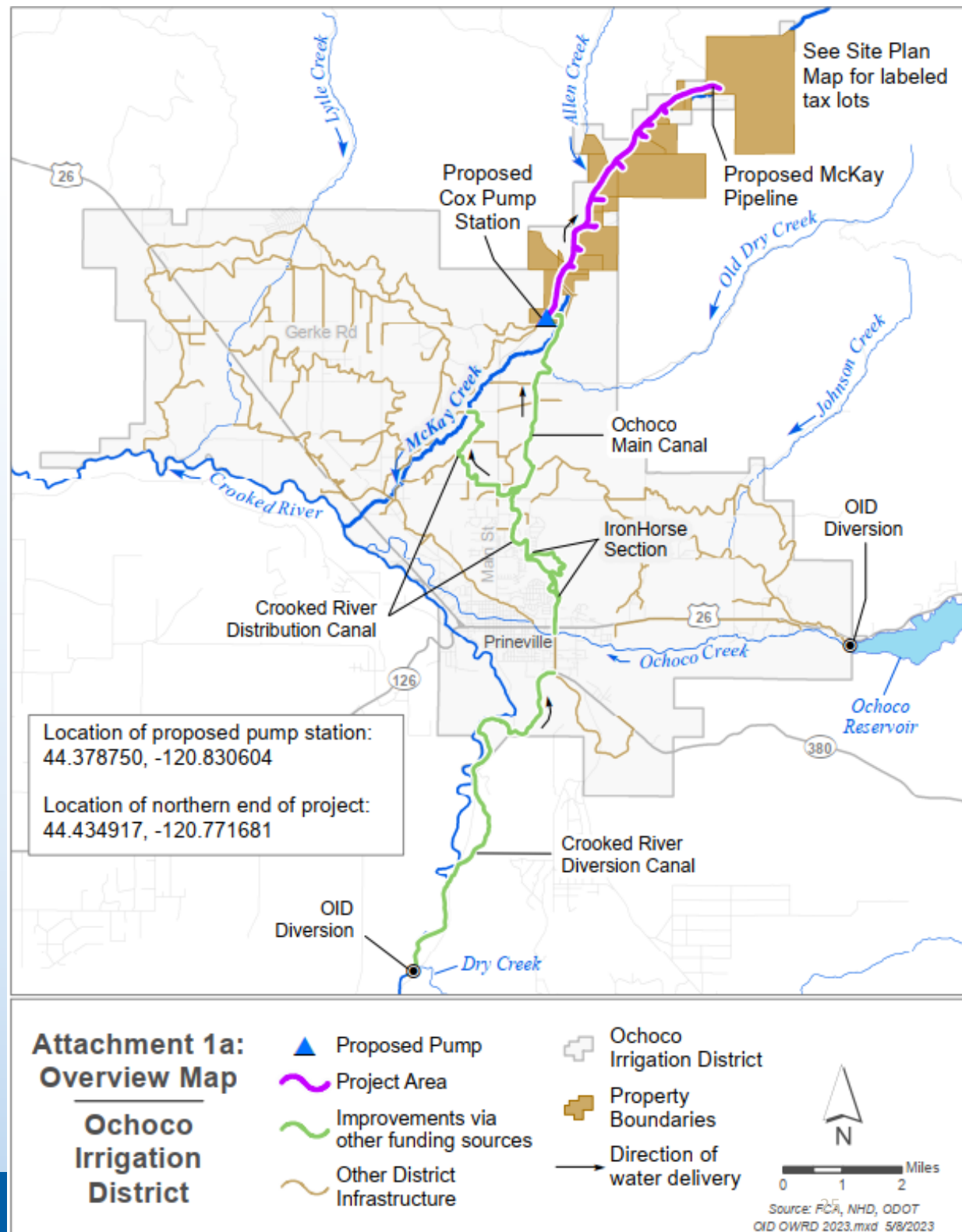


WPGL funded:

- Cox pump station
- McKay pipeline

Other project components:

- Ironhorse pipeline
- 2 Crooked River pump stations
- Improvements to OID's conveyance system
- On-farm modernization



# Funding Request

- Requested to increase grant award by \$7,500,000 in April 2024
- Bids for the pump stations and pipelines were \$4.9 million higher than anticipated
- Other anticipated match not received due to eligibility issues
- Unlike other projects awarded OWRD funds, this project cannot be broken into phases for multiple grant applications



# Department Evaluation

- Available program budget
- Availability of funds for future grant cycles
- Grant compliance
- Justification for the requested increase

Based on evaluation, the Department has provided options for awarding additional funds



# Funding Award

The Commission shall make the final decision based on (ORS 541.673-677 and OAR 690-093-0100):

- Equal importance of each public benefit category
- Awards based on greatest public benefit
- Best achieve target outcomes
  - Funding projects of diverse sizes, types and geographic locations
- Based on changes resulting from project

# Funding Alternatives

Table 5 provides Funding Alternatives for Irrigation Modernization projects and McKay Creek project request

\$24,972,118	Unobligated irrigation modernization funds
~\$7.7M	Unobligated WPGI funds
\$29,940,067	All projects that met minimum public benefit category scores (Table 4) and full McKay Creek project request

# Funding Trade-Offs

*Table 5 – Funding Alternatives*

Irrigation Modernization	Trade-offs
Fund Table 3 (TRT Recommendation) \$13,448,829	<ul style="list-style-type: none"> <li>• Funds higher benefit projects</li> <li>• Ensures funds are available for future higher benefit projects</li> <li>• Promotes equity by reserving funds for future projects further behind in federal process</li> </ul>
Fund Table 4 \$22,440,067	<ul style="list-style-type: none"> <li>• Funds all projects that met the minimum public benefit category scores</li> <li>• Limits fund availability for future projects that may provide higher benefits</li> <li>• Limits fund availability for future projects further behind in federal process, potentially limiting equity and geographic diversity</li> </ul>

# Funding Trade-Offs (cont'd)

*Table 5 – Funding Alternatives*

McKay Creek	Trade-offs
\$0	<ul style="list-style-type: none"> <li>Does not help McKay project meet budget shortfall</li> </ul>
\$4,000,000	<ul style="list-style-type: none"> <li>Increases funds to help McKay project and provides minimum amount needed to keep project viable</li> </ul>
\$4,900,000	<ul style="list-style-type: none"> <li>Provides funds to McKay to address cost increase due to inflation</li> </ul>
\$7,500,000	<ul style="list-style-type: none"> <li>Addresses McKay shortfalls in full</li> <li>Concentrates funding (~\$11.5M) in one project versus distributing funding amongst many projects; McKay is already the largest grant award in program history at ~\$4M</li> <li>The requested increase is almost double the amount of the original grant.</li> </ul>

# Commission Alternatives

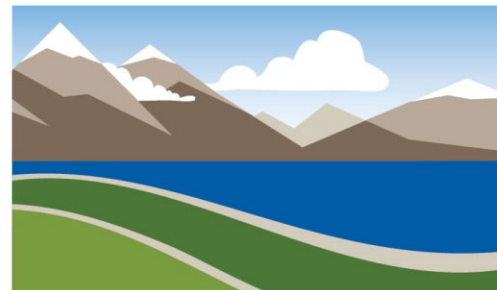
## The Commission may consider the following:

1. Adopt alternative \_\_ contained in Table 5 of this report to fund \_\_ applications listed in Table \_\_ for a total award of \_\_\_\_\_ and to increase the McKay Creek Water Rights Switch Project grant award by \_\_\_\_\_.
2. Direct the Department to further evaluate the applications and return with revised alternatives.



Thank you

OREGON



WATER RESOURCES  
DEPARTMENT

**Additional slides if needed**

## Applications Received (Attachment 2)

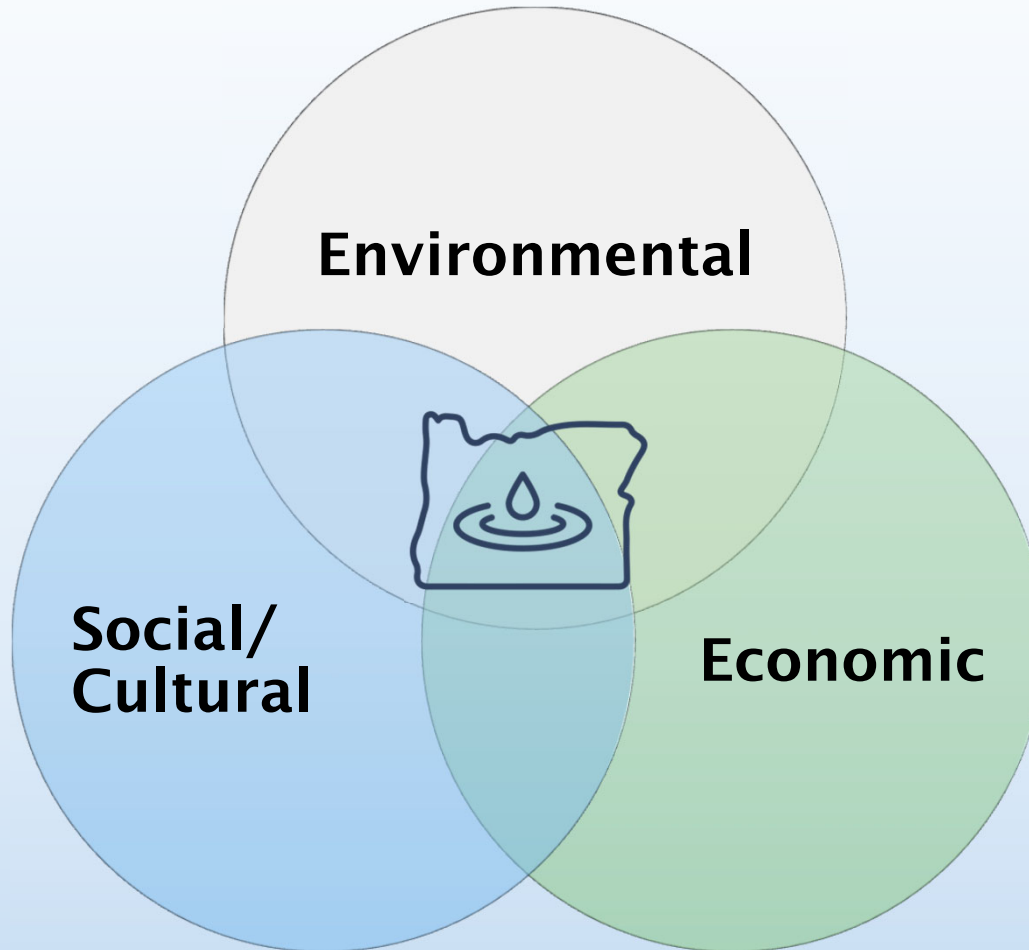
Project Name	County	Federal Match	Legal Protection Instream	Grant Funds Requested	Total Project Cost
<b>Arnold ID - Ph 3-4</b>	Deschutes	NRCS, secured	Yes	\$2,860,000	\$11,551,000
<b>Deschutes– Grp 6C</b>	Deschutes	EPA, pending	Yes	\$3,000,000	\$6,567,000
<b>Farmers Canal Piping</b>	Hood River	NRCS, pending	Yes	\$2,527,000	\$10,840,000
<b>Joint System Canal Piping</b>	Jackson	EPA, secured	No	\$2,210,000	\$7,360,000
<b>Kingman Lateral</b>	Malheur	EPA, secured	No	\$2,000,000	\$5,100,000
<b>Klamath ID Pump Plants</b>	Klamath	NRCS, pending	No	\$4,615,000	\$18,460,000
<b>Lone Pine Phase 2</b>	Crook & Jefferson	NRCS, secured	Yes	\$775,000	\$4,698,000
<b>Phase 2: G and G2</b>	Deschutes	USBR, secured	Yes	\$3,061,829	\$5,086,774
<b>Piping Lateral Canals - Vale</b>	Malheur	USBR, secured	No	\$3,601,238	\$6,121,238
<b>Snake River Pumping</b>	Malheur	USBR, pending	No	\$1,250,000	\$2,825,133
<b>Total</b>				<b>\$25,900,067</b>	<b>\$78,609,145</b>



# Applications Not Recommended for Funding

Applicant	Feedback Conversation	Match
Klamath Irrigation District & Farmers Conservation Alliance	Yes, with Farmers Conservation Alliance only	NRCS, pending Timing ok for next round
Lone Pine Irrigation District	Yes, with consultant	NRCS, secured
Medford Irrigation District & Rogue River Valley Irrigation District	Yes, with consultant	EPA, secured Timing ok for next round
Malheur Watershed Council	Not requested	USBR, secured Timing ok for next round
Snake River Pumping Efficiencies	Yes, with applicant	USBR, pending Timing ok for next round

# Recommended for Funding





# Farmers Canal Piping and Sediment Management Project

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<b>Applicant</b>	<b>Farmers Irrigation District &amp; Farmers Conservation Alliance</b>
<b>Funding Request</b>	<b>\$2,527,000</b>
<b>Total Cost</b>	<b>\$10,840,000</b>
<b>Federal Funding</b>	<b>NRCS, pending</b>
<b>County</b>	<b>Hood River</b>

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# Farmers Canal Piping and Sediment Management Project

## Project Highlights

- Pipe 2.65 miles of open canal
- Deepen an existing attenuation bay to create a sediment management system
- Restores 2 cfs of water to Hood River
- 100% of the conserved water would be protected through the Allocation of Conserved Water Program

## Public Benefit Category Score Breakdown

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
42	26	31	22	121



# Deschutes Basin Flow and Water Quality Restoration - Group 6C

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**Applicant**                      **Tumalo Irrigation District**

**Funding Request**    \$3,000,000

**Total Cost**                      \$6,567,000

**Federal Funding**    EPA, pending

**County**                              Deschutes

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# Deschutes Basin Flow and Water Quality Restoration - Group 6C

## Project Highlights

- Pipe 19,005 feet of open canal and laterals
- Restores 0.98 cfs of water to Tumalo Creek during the irrigation season and released in Crescent Creek in the winter
- 75% of the conserved water would be protected through the Allocation of Conserved Water Program

## Public Benefit Category Score Breakdown

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
27	36	31	22	116



# AID Deschutes Basin Flow Restoration - Phases 3-4

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**Applicant**                      **Arnold Irrigation District**

**Funding Request**    \$2,860,000

**Total Cost**                      \$11,551,000

**Federal Funding**    NRCS, secured

**County**                              Deschutes

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# AID Deschutes Basin Flow Restoration - Phases 3-4

## Project Highlights

- Pipe 22,751 feet of open canal
- Restore 8.7 cfs to the Deschutes Basin during the non-irrigation season:
  - Reduce water right certificate(s) by 100% of amount of water conserved
  - Conserved live flow made available to North Unit Irrigation District (NUID) during irrigation season
  - NUID release equivalent amount from Wickiup Reservoir during winter season for flow augmentation

## Public Benefit Category Score Breakdown

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
30	21	17	22	90



# Phase 2: G and G2 Lateral Piping and Water Conservation Project

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<b>Applicant</b>	<b>Deschutes River Conservancy</b>
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<b>Funding Request</b>	<b>\$3,061,829</b>
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<b>Total Cost</b>	<b>\$5,086,774</b>
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<b>Federal Funding</b>	<b>USBR, secured</b>
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<b>County</b>	<b>Deschutes</b>
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# Phase 2: G and G2 Lateral Piping and Water Conservation Project

## Project Highlights

- Pipe 27,872 feet of the G and G2 Laterals
- Restore 3.4 cfs to the Deschutes Basin during the non-irrigation season:
  - Reduce water right certificate(s) by 100% of amount of water conserved
  - Conserved live flow made available to North Unit Irrigation District (NUID) during irrigation season
  - NUID release equivalent amount from Wickiup Reservoir during winter season for flow augmentation

## Public Benefit Category Score Breakdown

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
29	8	15	19	71



# Kingman Lateral First Mile Piping

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**Applicant**                      **Owyhee Irrigation District**

**Funding Request**    \$2,000,000

**Total Cost**                      \$5,100,000

**Federal Funding**    EPA, secured

**County**                              Malheur

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# Kingman Lateral First Mile Piping

## Project Highlights

- Pipe 5,900 feet of open canal
- Construct automated headgate facilities and establish a structure at the termination linking to the existing canal tunnel

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
30	11	14	1	56

Projects not recommended for  
funding at this time





# KID Pump Plants and 2025 Main D Canal Improvements

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<b>Applicant</b>	<b>Klamath Irrigation District &amp; Farmers Conservation Alliance</b>
<b>Funding Request</b>	<b>\$4,615,000</b>
<b>Total Cost</b>	<b>\$18,460,000</b>
<b>Federal Funding</b>	<b>NRCS, pending</b>
<b>County</b>	<b>Klamath</b>

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# KID Pump Plants and 2025 Main D Canal Improvements

## Project Highlights

- Upgrade the Adams and Stukel pump stations
- Line approximately 0.9 miles of the D Canal
- Pipe approximately 0.9 miles of the D Canal
- Save 1,276 acre-feet of water through infrastructure improvements

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
30	8	7	3	48



# Lone Pine Irrigation Modernization Phase 2

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<b>Applicant</b>	<b>Lone Pine Irrigation District</b>
<b>Funding Request</b>	\$775,000
<b>Total Cost</b>	\$4,698,000
<b>Federal Funding</b>	NRCS, secured
<b>County</b>	Crook and Jefferson

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# Lone Pine Irrigation Modernization Phase 2

## Project Highlights

- Pipe 4.2 miles of open canal and laterals
- Restore 1.5 cfs to the Deschutes Basin during the non-irrigation season:
  - Reduce water right certificate(s) by 100% of amount of water conserved
  - Conserved live flow made available to North Unit Irrigation District (NUID) during irrigation season
  - NUID release equivalent amount from Wickiup Reservoir during winter season for flow augmentation

## Public Benefit Category Score Breakdown

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
12	7	11	16	46



# Joint System Canal Piping Project Phase 1

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<b>Applicant</b>	<b>Medford Irrigation District &amp; Rogue River Valley Irrigation District</b>
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<b>Funding Request</b>	<b>\$2,210,000</b>
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<b>Total Cost</b>	<b>\$7,360,000</b>
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<b>Federal Funding</b>	<b>EPA, secured</b>
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<b>County</b>	<b>Jackson</b>
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# Joint System Canal Piping Project Phase 1

## Project Highlights

- Pipe 4,700 feet of the North Fork Canal and 1,900 feet of the South Fork Canal and the junction where they merge
- Districts would leave 25% of the water saved by the project instream (approximately 111 acre-feet)

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
27	8	6	3	44



# Piping Lateral Canals in the Vale Bench: Building on Experience

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<b>Applicant</b>	<b>Malheur Watershed Council</b>
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<b>Funding Request</b>	<b>\$3,601,238</b>
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<b>Total Cost</b>	<b>\$6,121,238</b>
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<b>Federal Funding</b>	<b>USBR, secured</b>
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<b>County</b>	<b>Malheur</b>
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# Piping Lateral Canals in the Vale Bench: Building on Experience

## Project Highlights

- Pipe 10.4 miles of canal
- Project would result in savings of approximately 4,896 acre-feet per year

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
22	9	7	1	39



# Snake River Pumping Efficiencies

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<b>Applicant</b>	<b>Owyhee Irrigation District</b>
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<b>Funding Request</b>	\$1,250,000
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<b>Total Cost</b>	\$2,825,133
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<b>Federal Funding</b>	USBR, pending
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<b>County</b>	Malheur
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# Snake River Pumping Efficiencies

## Project Highlights

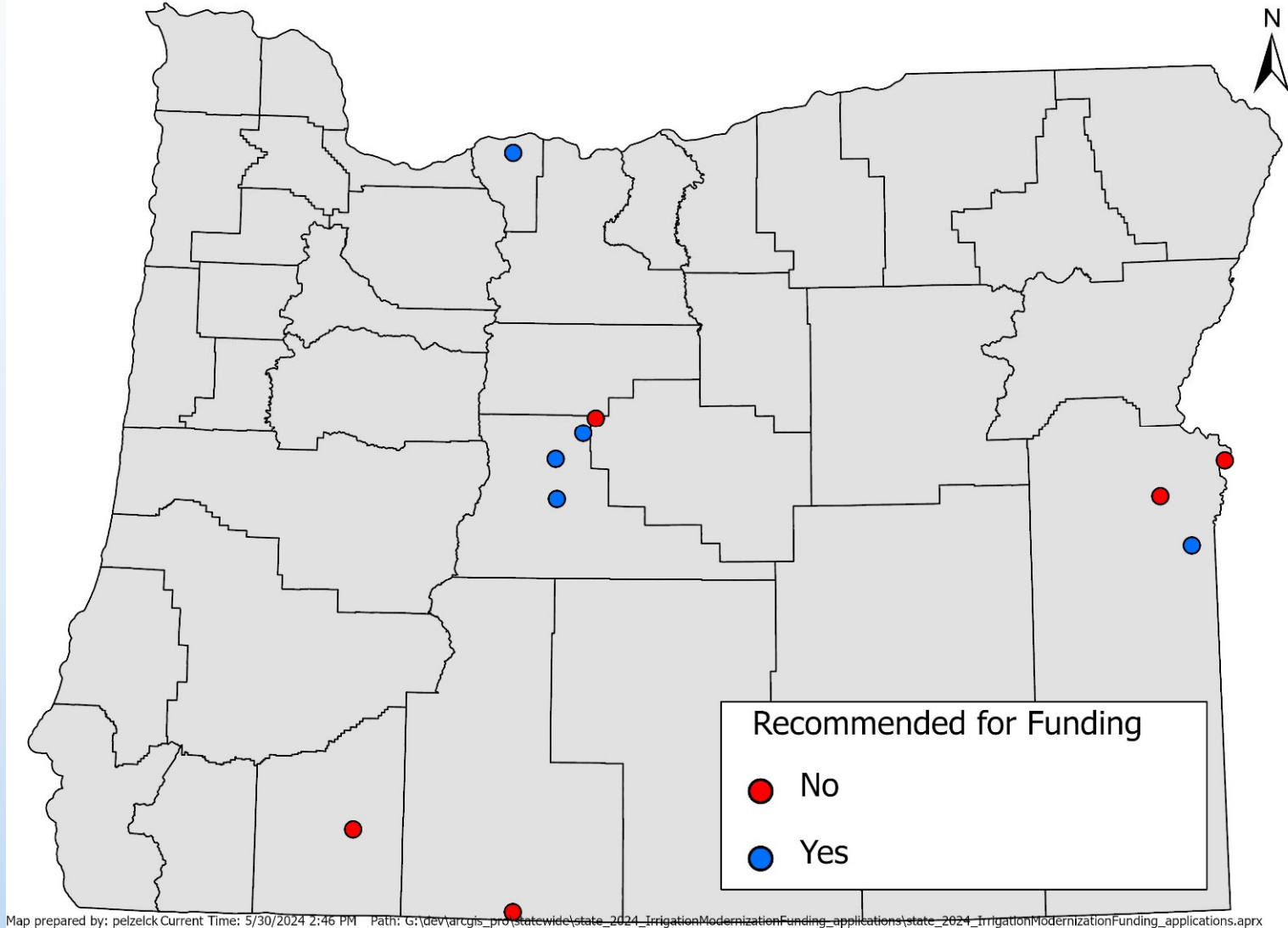
- Install Variable Frequency Drives and pump controls in the Dead Ox and Dunaway pumping plants
- Leave approximately 3,500 acre-feet of water instream and conserve approximately 560,000 kWh

## Public Benefit Category Score Breakdown

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
24	6	8	1	39

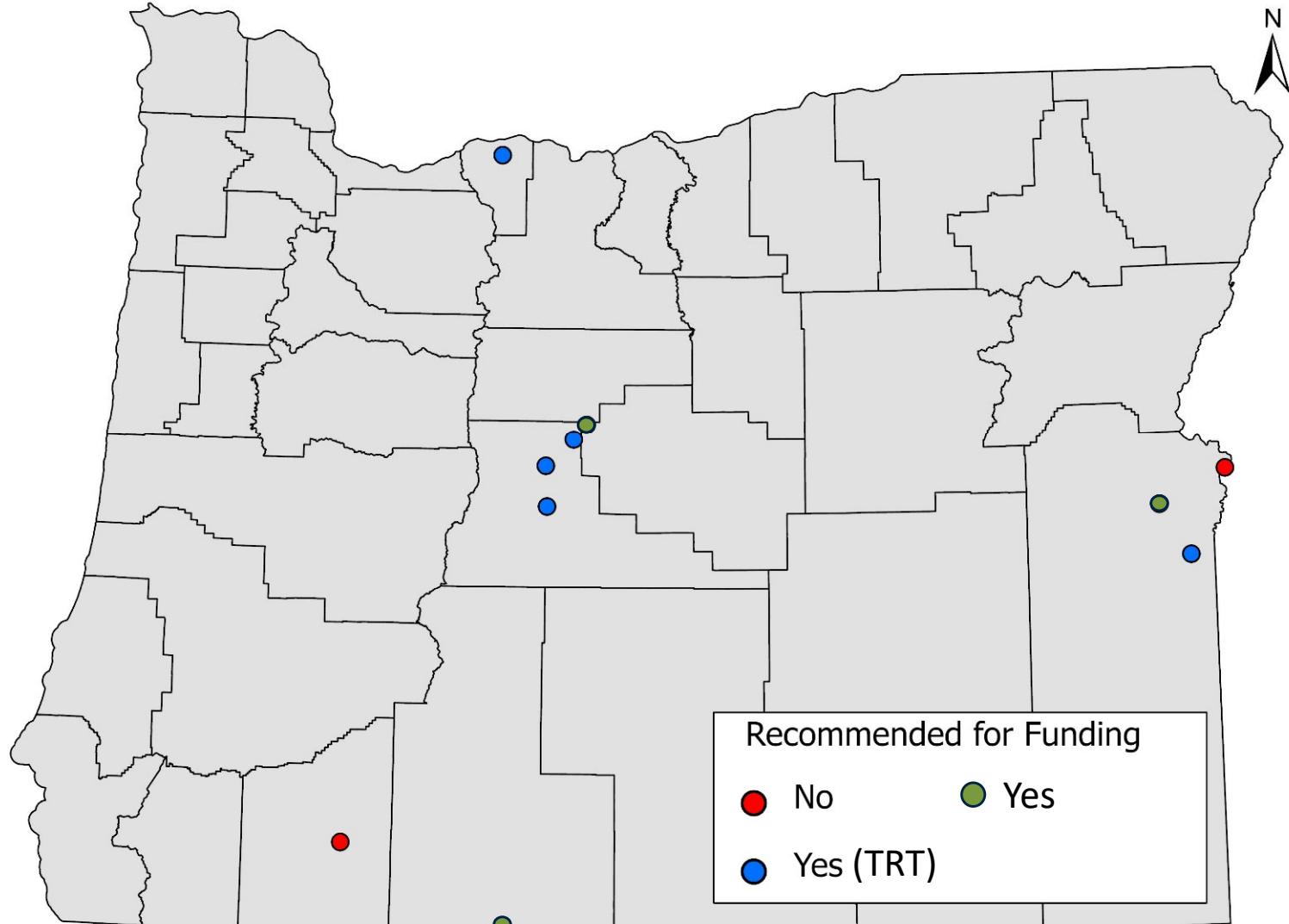
# TRT Recommendation (Table 3)

## 2024 Applications Received - Irrigation Modernization Funding



# Alternative Funding Option (Table 4)

## 2024 Applications Received - Irrigation Modernization Funding



Map prepared by: pelzelck Current Time: 5/30/2024 2:46 PM Path: G:\dev\arcgis\_pro\statewide\state\_2024\_IrrigationModernizationFunding\_applications\state\_2024\_IrrigationModernizationFunding\_applications.aprx



# Funded Project Scores

Year	Project Name	Total Score
2021	Butte Creek Mill Water Supply Security and Instream Transfer	125
2023	McKay Creek Water Rights Switch Project	111.5
2023	Oanna & Yasui Sublateral Efficiency Project	104
2022	Tumalo Irrigation District: Deschutes Basin Flow Restoration – Group 4	96
2023	Arnold Irrigation District Deschutes Basin Flow Restoration Project - Phase 2	89
2023	North Unit Irrigation District Irrigation Modernization and Winter Flow Augmentation Project – Segment 1-2	87
2023	Sarthou South Fork Little Butte Cr Irrigation Efficiency Project	85
2020	Deschutes Basin Flow Restoration - Group 3	81
2020	Eastside Lateral Pipeline & Water Conservation Project	79
2021	Deschutes Basin Flow Restoration - Group 6A	77
2022	East Fork Irrigation District: Sublateral Modernization Project	76
2023	Deschutes Basin Flow Restoration - Group 6b	71
2021	Smith Rock-King Way Project Irrigation Modernization Project	70
2021	Fitzpatrick Conservation Project	69
2021	John Day Innovation Gateway Adaptive Water Reuse	67
2021	Muddy Creek Water Use and Stream Restoration Project	54
2020	Lone Pine Irrigation Modernization Project	51
2022	City of Stayton: Mill Creek Park Aquifer Storage and Recovery Project	37