



# Oregon

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## MEMORANDUM

**TO:** Water Resources Commission  
**FROM:** Ivan Gall, Director  
**SUBJECT:** Agenda Item F, September 13, 2024  
Water Resources Commission

### **City of Silverton Feasibility Study Grant Inflation Increase**

#### **I. Introduction**

This report describes a request from the City of Silverton to increase grant funding for their Silverton Aquifer Storage and Recovery Feasibility Study. *The Commission will be asked to consider a funding increase for the project.*

#### **II. Integrated Water Resources Strategy Recommended Action**

- 13.E – Invest in Implementation of Water Resources Projects

#### **III. Background**

In 2021, the City of Silverton completed an initial feasibility evaluation to identify the best potential locations for an Aquifer Storage and Recovery (ASR) Project. The completed evaluation identified two potential ASR locations. In June 2023, the Commission awarded \$250,000 to the City of Silverton for a second phase of the Silverton Aquifer Storage and Recovery Feasibility Study. The proposed study would drill exploratory wells at the two potential ASR locations to determine the potential ASR yield at each site. The study would complete a pre-design level plan of infrastructure needed and estimate costs for an ASR project for the site with the best ASR yield. A completed ASR project would allow the City to reduce the reliance on taking water from two surface water sources, Abiqua and Silver Creek, during the summer when streamflows are low, providing a buffer against drought.

#### **IV. Discussion**

In July 2024, the grantee requested to increase their grant award by \$25,000 to help cover the increased cost of well drilling. Since the project was proposed in fall 2022, the cost of well drilling has increased significantly. The 2024 cost estimate was approximately \$300,000 more than anticipated in 2022. The grantee narrowed the scope of the study to focus on one preferred location, instead of two test wells to lower the project cost. The City is committed to contributing

an additional \$25,000 in cash match to meet the program’s 50% match requirement. The grantee noted that without the additional funds, they would have to further narrow the scope and not provide a holistic, thorough understanding to plan, develop, and fund an ASR system in Silverton.

The Department evaluated the request and considered the available program budget, the grant compliance of the grantee, and the justification for the requested increase. Based on this evaluation, the Department recommends awarding additional funds to the grantee (Table 1).

**Table 1 - Silverton Aquifer Storage and Recovery Feasibility Study Funding Recommendation**

<i>Project Name</i>	<i>Current Funding</i>	<i>Additional Funding Request</i>	<i>Total Cost of Project</i>	<i>Funding Recommendation</i>
<b>Silverton ASR</b>	\$250,000	\$25,000	\$550,000	\$25,000

**V. Alternatives**

The Commission may consider the following alternatives:

1. Adopt the funding recommendation contained in Table 1 of this report to increase the Silverton Aquifer Storage and Recovery Feasibility Study grant award by \$25,000.
2. Adopt a modified funding recommendation.
3. Decline to increase the grant award for the Silverton Aquifer Storage and Recovery Feasibility Study.

**VI. Recommendation**

1. The Director recommends Alternative 1, to adopt the staff funding recommendation contained in Table 1 of this report to increase the Silverton Aquifer Storage and Recovery Feasibility Study grant award by \$25,000.

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