

Bob Rice

From: Adam Sussman [ASussman@GSIWaterSolutions.com]
Sent: Tuesday, September 30, 2008 12:12 PM
To: Bob Rice
Cc: brenda.o.bateman@state.or.us; ruben.e.ochoa@state.or.us
Subject: Grant Program Feed-back

Bob:

I wanted to share some feedback on the Water Conservation, Reuse and Storage Grant Program. First I want to recognize that this is a fantastic program that will allow on-the-ground water users to do wonderful things. I don't envy you and other OWRD staff that had to score and develop recommendations about which projects to fund. I am sure there were some very difficult choices to make.

I understand that the grant program was developed quickly and is not yet mature. However, the Department needs to be very clear regarding the criteria that are used to evaluate projects. Specifically, we assisted the Cities of Florence and Sisters in developing grant applications for Water Management and Conservation Plans (WMCP). Prior to expending any resources on grant application development we carefully reviewed the administrative rules governing the program, we carefully reviewed the Department's web-page materials regarding the program with specific emphasis on the criteria and points for scoring the projects, and spoke with Department staff administering the program.

Nothing in our pre-application due diligence indicated that a WMCP that was "required" for one reason or another would receive a low score or not be funded because it was associated with a "regulatory requirement." In fact we specifically asked you this question and were encouraged to apply. Now, when all is said and done, the Cities have been notified that the Committee is recommending that these two grant applications will not be funded because the WMCPs are already required.

If grant applications associated with "regulatory requirements" are scored lower or just not funded then the application material, the scoring criteria and administrative rules should spell that out. The Cities are very disappointed and feel like they have needlessly wasted time and money - needlessly, because if the criteria were more clear they likely would have opted out.

Sincerely,

Adam Sussman
Senior Water Resources Consultant
GSI Water Solutions
1600 Western Blvd., Suite 240
Corvallis, OR 97333

Phone: 541-753-0745 ex. 11
Cell: 541-602-5188

10/21/2008



October 30, 2008

Bob Rice, Grant Program Specialist
 Water Conservation and Supply Program
 Water Resources Department
 725 Summer St. NE, Suite A
 Salem, OR 97301-1271

Re: General Comments, WRD Water Conservation and Supply Program Recommendations

Dear Mr. Rice,

Thank you for the opportunity to comment on the Water Conservation and Supply Program recommendations for funding. WaterWatch worked with a number of interests in drafting the governing law (SB 1069), as well as serving on the Rules Advisory Committee that the WRD convened to help draft the rules. With that background, we are offering the following general comments on the WRD's recommendations that are in addition to the detailed comments we provided on the Valsetz Dam (GA 0032 09) proposal under different cover.

1. A number of the storage projects that are recommended for funding do not comply with the underlying law.

SB 1069 has a very clear threshold standard for storage projects. If a proposed storage project, including ASR, will impound surface water on a perennial stream, divert water from a stream that supports sensitive, threatened or endangered fish or divert more than 500 acre-feet of surface water annually, a grant may only be provided if the proposed study contains:

- (a) Analyses of by-pass, optimum peak, flushing and other ecological flows of the affected stream and the impact of the storage project on those flows;
- (b) Comparative analyses of alternative means of supplying water water, including but not limited to the costs and benefits of conservation and efficiency alternatives and the extent to which long-term water supply needs may be met using those alternatives;
- (c) Analyses of environmental harm or impacts from the proposed storage project;
- (d) Evaluation of the need for and feasibility of using stored water to augment in-stream flows to conserve, maintain and enhance aquatic life, fish life and any other ecological values; and
- (e) For a proposed storage project that is for municipal use, analysis of local and regional water demand and the proposed storage project's relationship to existing and planned water supply projects.

The rules reiterate this standard in OAR 690-600-0020(4)(f), which is the "application requirement" section, making it clear, again, that for proposed storage projects that meet the trigger noted above, the listed studies must be part of the funded proposal. In other words, if these studies are not part of the proposal as outlined in the application, then the WRD cannot fund the proposal.

While this threshold for funding is clear both in the statute and the rules, and the application for that matter, it appears that a number of applications that the WRD has recommended funding for do not meet this standard (at least by virtue of the information provided in the applications posted on-line). Included, but not limited in this list are:

- a. Lincoln/Polk County, Valsetz Dam, GA0032 09
- b. Grande Ronde Model Watershed, storage, GB0015 09
- c. East Valley Water District, Drift Creek Storage, GA0035 09

- d. City of Port Orford, Hubbard Creek Storage Expansion, GA0036 09
- e. Middle Fork Irrigation District, Laurance Lake Storage, GA0018 09
- f. Kerns Rainbow Ranch, Storage, GA0024 09
- g. Lower Powder Irrigation District, GC 0030 09 (included in this conservation project, the applicant proposes increase storage at Thief's Reservoir by 4,600 AF)

Because the applications fail to meet the threshold standard of consideration, they cannot be considered for funding.

2. It is unclear from the Application Review Team's recommendations how the proposals were ranked under the evaluation criteria developed by the Rules Advisory Committee.

As the WRD and the WRC is well aware, WaterWatch from the outset has argued that not only did evaluation criteria need to be developed, but that it should be included in the rules. We raised this point in in the RAC, and at the WRC meeting in Burns. While the WRD fell short of putting the criteria in the rules, the WRD committed to developing the criteria with the RAC's input, and using them to govern application review. The criteria were developed and posted on the web, as were the Application Review Team's funding recommendations. This was all very helpful. However, what is unclear from the published materials is how the actual ranking of the proposals panned out. In the future, it would be helpful for the WRD to make this information readily available on the web so the public can better understand prioritization of projects. For this round of applications, it would also be helpful to provide this to the WRC and the public in advance of the upcoming meeting where recommendations will be considered.

For instance, in looking at the total of recommendations, it would be helpful to understand why the Application Review Team recommended funding for the Kern's Rainbow Ranch application (contingent on funding), while it did not recommend funding for the Calapooia Watershed Council's application. Kern's Rainbow Ranch applied for funds to assess the feasibility of building new storage projects for its own private use. The applicant had supply alternatives (i.e. existing groundwater rights and a proposed regional storage project), the project is not one of local, regional for state significance, and the project serves a single entity (the applicant). The Calapooia application to assess options for flow management, to the contrary, is of statewide significance, would have a broad public benefit beyond the applicant, and has multiple letters of support from state and federal agencies. See WaterWatch's separate comments on the Valseltz Dam for similar concerns. Given that funding recommendations are constrained by available dollars, it would be helpful to the public to better understand the calculations behind the recommendations.

3. As part of its proposal review, the WRD and the reviewing agencies should do a rudimentary review of the proposals to ensure that the proposed project would be in compliance with existing laws, and also that the applicant is currently meeting current permit conditions.

It is unclear to what extent the reviewing agencies are doing any independent review of the applications beyond assessing the answers provided by the applicant. For instance,

- Is the WRD doing an independent water availability analysis on streams where applicants are applying for state funding to assess storage supplies? Such a review is important because if a stream is fully allocated year round, the public should not be funding a study for a project that would be attempting to get around existing water allocation policies.
- Is the WRD ensuring that applicants that are seeking to enlarge existing reservoirs are complying with existing permit/certificate conditions on their existing project? i.e. Port Orford's storage right for the North Fork of Hubbard Creek sets forth the statutory requirement of ORS 498.351 and ORS 509.605 through 509.625 that states "no person shall construct an artificial obstruction across a waterway in which anadromous, game or food fish exists unless that person provides a fishway deemed adequate by the Oregon Department of Fish and Wildlife." See Certificate 69194. Yet, Port Orford's application makes clear there is no fish passage currently at the project (providing passage is offered as a benefit of the expansion).
- Is the WRD assessing applications to study the feasibility for conservation projects to ensure compliance with existing laws? i.e. Before the state provides public funds to Irrigation Districts to assess conservation opportunities, is the state certain that the Districts are in compliance with fish screening and water diversion measurement requirements.

- Is ODFW conducting a review to determine whether the project would be at all capable of meeting Division 33 and other fish standards? i.e. Laurence Lake Additional Storage (GA0018 09) where bull trout habitat will be inundated.
- For proposals to study "conservation projects" that claim to have a benefit to streamflows yet don't call out the Conserved Water Statute, does the WRD check in with the applicant to better understand their intent?

The answers to these and other inquiries should be part of the review.

4. A higher percentage of the funding should be dedicated to conservation and reuse projects.

Of thirty-five grant applications, the WRD is recommending funding of eighteen. Ten of these are for conservation and reuse, and eight for storage. However, when looking at the dollar amount proposed for the do fund "high" category, the breakdown is 64% of the money going towards storage, with only 36% of the money going to conservation and reuse (according to the WRD categorization, which may discount conservation as some of the conservation projects also include "storage"). Of this amount, 37% is dedicated to new on-channel storage. When the do fund "high" and "medium" projects are added together, which includes all the projects for which the state has funding for, the breakdown is 58% storage and 42% conservation and reuse. 28% of this is new on-channel new storage.

Given that the Water Conservation, Reuse and Supply Program is dispensing public funds, we strongly recommend that a higher percentage be dedicated to conservation and reuse projects, especially to those which will provide some public benefit. Before spending public money to study projects such as the Valsetz Dam, the state should invest more money to explore the prospects for meeting new water supply needs via conservation, as well as instituting common sense demand side management measures, such efficiency standards, and measurement.

Conclusion:

As noted at the rulemaking hearing in Burns, because the program is a new program it is likely that the state will need to revisit the rules in the near future. As this moves forward, we continue to advocate for the inclusion of review standards in the rules that make clear what the state's priorities are. To that end, we again suggest that because the state is granting public funds that any project considered have associated with it some public benefit.

Thank you for this opportunity to comment. If you have any questions, please do not hesitate to call.

Sincerely,


Kimberley Priestley

Bob Rice

From: pgriffiths@ci.bend.or.us
Sent: Thursday, October 30, 2008 4:33 PM
To: Bob Rice
Cc: Brenda Bateman; Mary Meloy; Phillip Ward
Subject: Comments on Water Conservation, Reuse and Storage Grant Program and Application from Bend
Attachments: BendComment10-30-08SB 1069GrantFINAL.pdf

Bob

I have attached a comment letter related to our application for consideration.
An additional support letter is also on the way from Tod Heisler of the DRC regarding our project.

Thank you

Patrick Griffiths
Water Resources Coordinator
City of Bend
575 NE 15th Street, Bend OR 97701
541.317.3008
FAX 541.389.2245
Cell 541.419.6188
www.ci.bend.or.us

10/31/2008



NE 15TH STREET
BEND, OR 97701
TEL 317-3000
FAX 389-2245
www.ci.bend.or.us

October 30, 2008

Bob Rice
Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1266

RUCE ABERNETHY
Mayor

JINDA S. JOHNSON
Mayor Pro Tem

Sent electronically to:
robert.d.rice@wr.d.state.or.us

MARK CAPELL
City Councilor

RE: Water Conservation, Reuse, and Storage Grant Applications
Supplemental information for the City of Bend Long-Term Water
Supply Alternatives Analysis Conservation Project

JIM CLINTON
City Councilor

BILL FRIEDMAN
City Councilor

Dear Mr. Rice

PETER GRAMLICH
City Councilor

The City of Bend remains hopeful we can qualify for funding for an important portion of our original application. In that regard, we are offering some updated information and news which is forcing us to change the project as initially planned.

CHRIS TELFER
City Councilor

First the news...

ERIC KING
City Manager

As with the State of Oregon and many other local governments, significant changes in the City of Bend's financial position have come to light since we applied, and with or without grant funding, major cuts to our Long-Term Water Supply alternatives analysis project will need to be made due to the reduced revenues and associated budget impacts. This is projected to impact the entire study and may roll into the capacity to fund the implementation phase of the project as well. As we write this, we are in the process of modifying the project scope to fund the basic compliance and risk analysis first and add on any feasibility alternatives that may be requested by our City Council. Grant funding would help now more than ever.

SONIA ANDREWS
Finance Director

SANDRA L. BAXTER
Interim Police Chief

LARRY HUHN
Fire Chief

Our application for the Water Conservation, Reuse and Storage Grant Application admittedly describes a complex undertaking, probably the most complex of any received. Our overall project is a compilation of iterative feasibility studies, designed to optimize our existing surface water use with the latest information from our basin partners. The goal is to rethink how water is currently diverted and transported, and incorporate new methods that may offer additional benefits for the environment; for instream flows; for stream partners like Tumalo Irrigation District; and for our ratepayers.

PATTY STELL
City Recorder

Now the supplemental information...

Simply described, our surface water source supplies half of the water in an average year to Bend. We are at a historical crossroads of reinvesting in that supply source and there are three main drivers, for beginning the process now:

- 1) **We must meet the newly upgraded EPA LT-2 surface water treatment rules by 2012** or face being out of compliance. Meeting the rules will mean adding the required treatment process, not necessary in the past.
- 2) **We must replace an 11 mile transmission line** that is over 80 years old and failing due to age, tree and root entanglement, and right-of-way issues.
- 3) **We must eliminate or reduce the risk of fire in the watershed.** Before investing in any treatment option or a new transmission line, we must recognize and deal with the risk of a stand replacement fire in the watershed as over 40% of the timber is standing dead or down. A fire would jeopardize our water quality to the point it may not be useable. If a more advanced treatment option is selected in Driver #1, we could "fireproof" the watershed, by being able to filter out any turbidity caused by vegetation change from fire AND meet our new treatment compliance rules at the same time.

All three project pieces together are initially estimated to require over \$50,000,000 dollars of investment, a large portion of which we have already included in our financial forecasting, but is yet to be secured. This original feasibility study also included a goal of reducing the overall costs by seeking additional funding partners and processes through seeking grant funding, renewable energy or other sources.

Thinking 100 Years Ahead

Bend could simply pick a "typical facility replacement path" and add the minimum treatment necessary to obtain compliance – and our financial situation may still force us to take that route – but that would be out of character with all the other forward looking water management investments we have partnered on in the region. We value the work done through the Deschutes Water Alliance and many other efforts.

Due to the financial constraints as mentioned earlier, we have removed Task 9 - Efficiency and Conservation Analysis - from our plans. We understand the project review committee identified this task for funding if money became available. We pulled this task because we can fund and complete a conservation analysis as part of the required revision of our current Water Management and Conservation plan, due for submittal in 2010. We must focus scarce resources on our most critical compliance needs in a prioritized way.

Our priority for grant funding is to complete two key parts of our larger feasibility project that are directly related: water quality and water quantity. These tasks were

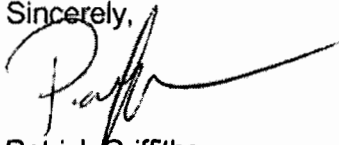
originally included in the application but are highlighted now in light of our financial position and where we are at in the grant process. The tasks are:

- 1) Perform an initial water rights and flow feasibility analysis to arrive at multiple flow option alternatives that would allow us to continue use of our existing water rights, and meet additional goals including instream flow if possible. (Task 6.5 and 6.6 in original application, see attachment A)
- 2) Use the results from part one as described above to guide temperature modeling analysis of Tumalo Creek and the Middle Deschutes River flows. This would be accomplished using the ODEQ temperature model, created as part of the TMDL process. These model runs would provide critical input to Bend's larger project, as we determine the preferred alternatives which are best for Bend and, may fit within other conservation projects planned for the same stream. This task was described in the original application in Task 3.3 Middle Deschutes River Temperature Evaluation (See Attachment A).

We consider these two tasks listed above as the cornerstone of our larger feasibility analysis. Funding these two tasks will identify feasible ways to continue to meet our drinking water goals, as well as create additional benefits to the region for years to come.

Again we realize our project and its inherent opportunities for feasibility studies are complex, but the timing could not be better and we remain hopeful for funding. We thank you for the opportunity to submit this supplemental information and are standing by to answer questions and meet with the department to further explain and refine the grant proposal as necessary.

Sincerely,



Patrick Griffiths
Water Resources Coordinator
City of Bend
pgriffiths@ci.bend.or.us
541-317-3008

cc: Phil Ward, Brenda Bateman, Mary Meloy

Attachment A

Excerpts from Tasks included in the original Application

1) Water Right and Flow analysis – original budget \$16,172

6.5 Water Rights and Water Strategy Support

Integrate water rights information into preliminary alternatives development, including water rights for hydro power generation. GSI will work closely with the remainder of the Consultant Team during the initial up-front alternatives evaluation to be sure the team members understand the opportunities, impediments, regulatory requirements, and basin-wide context of the City's current water rights, potential additional water rights and water right transfers and how those fit into alternatives being considered.

6.6 Water Resources Evaluation Report

TM 13, will be developed documenting the alternatives investigated and summarizing the findings of the Subtasks 6.1 through 6.5. TM 13 will incorporate information as needed from Tasks 3, 4, 7, and 8 to adequately describe the alternatives evaluated.

2) Water Quality Temperature Modeling – original budget \$18,367

3.3 Middle Deschutes River Temperature Evaluation

Currently, the Oregon Department of Environmental Quality (DEQ) is developing a total maximum daily load regulation related to temperature pollution in Tumalo Creek, Whychus Creek, and the upper Deschutes River, which is defined by DEQ as the reach upstream of Lake Billy Chinook.

The Consultant Team will evaluate the effects of increased flows on water temperature in the Middle Deschutes River. The study will consider the possible future increases in flow in the Middle Deschutes River that could occur by transferring existing surface water rights to groundwater rights. For this study, the Middle Deschutes River is defined as the reach beginning at the North Canal Dam and ending at Round Butte Dam. Specific elements of this task are listed below.

Bob Rice

From: Tod Heisler [tod@deschutesriver.org]
Sent: Thursday, October 30, 2008 3:04 PM
To: RICE Robert D
Cc: pgriffiths@ci.bend.or.us
Subject: Bend Support Letter
Attachments: Bend Support Letter.pdf

Bob, Please see attached support letter for the City of Bend.

I hope you are enjoying your new position.

Tod Heisler
Executive Director
Deschutes River Conservancy
(541) 382-4077
www.deschutesriver.org



**DESCHUTES RIVER
CONSERVANCY**

October 30, 2008

Bob Rice
Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1266

RE: Water Conservation, Reuse, and Storage Grant Applications
Letter in Support of City of Bend Long-Term Water Supply
Alternatives Analysis Conservation Project

Sent electronically to:
robert.d.rice@ wrd.state.or.us

Dear Bob:

We understand that due to funding limitations, the City of Bend project was not fully funded as originally submitted. In working with Bend since the application was submitted, we have had several meetings about the project and agree that a key element of their overall surface water feasibility project is studying two critically related pieces – water quantity and quality – key missions of the DRC.

The DRC believes that it is important to fund flow analysis and a study of the temperature changes that could result from the City of Bend's water supply project in order to understand the potential impacts of this project on Tumalo Creek. We strongly support state funding for this purpose.

We hope the project committee and commission can find funding to support these two critical pieces of a project that holds many potential benefits for a wide array of community stakeholders.

Sincerely,

Tod Heister
Executive Director

700 NW Hill Street • Bend, Oregon 97701
(P.O. Box 1560 • 97709)
541 382.4077 • Fax 541 382.4078
www.deschutesriver.org/ info@deschutesriver.org

City of Sisters

October 9, 2008

Mr. Bob Rice
Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1266

Re: SB 1069 Water Conservation, Reuse and Storage Grant Program – Formal Comment

Dear Mr. Rice,

This is in follow up to our conversation last week regarding the decision of the Application Review Team to not recommend funding the City of Sisters' application for a Water Management and Conservation Plan (WMCP). As I understand it, the basis for the decision is that the City is required to prepare the plan as a permit condition and that the review team opted against recommending projects of this nature. This is disappointing news given that this was not one of the review criteria. Moreover, the City's consultant specifically contacted the Department to discuss the fact that the WMCP was "required" and in the conversations was strongly encouraged to apply. Had we known this would be a factor, we would not have wasted precious dollars and time in preparing the application.

Sisters is located within the Deschutes Basin, one of the most complex and contentious watersheds in the state. The city's population doubled from 911 to 1,825 between 2000 and 2007 due to the construction of its first ever sewer system (required by DEQ) and the rapid growth Central Oregon experienced in over the past decade in general. The City is now trying to secure its future water supply to meet the needs of current and future populations. We expect to face a rigorous permitting process due to statewide interest in the basin. Having a viable water management and *conservation* plan was a partnership we were hoping to have with the Department to help get us through this process.

I am sure the review team recommended worthy projects. Given limited resources, it is tempting to want to stretch dollars toward innovation rather than projects that meet basic requirements. Please remember there are many small communities in the state struggling to meet base line requirements. Sisters is in a water management hot-spot and at the same time is classified as an economically distressed community. Having the resources to develop a robust water management and conservation plan would provide significant value to Sisters, the Deschutes Basin and the state's water resource management efforts.

We ask that you reconsider your recommendation to not fund our grant application. Thank you for the opportunity to comment

Sincerely,



Eileen Stein
City Manager

RECEIVED

OCT 10 2008

WATER RESOURCES DEPT
SALEM, OREGON

Cc: Sisters City Council

DR. ALAN BATES

State Senator

DISTRICT 3

SOUTHERN OREGON



900 Court Street NE
Salem, Oregon 97301
Phone: (503) 986-1703
Fax: (503) 986-1140
Email:
sen.alanbates@state.or.us

OREGON STATE SENATE

10 October 2008

Mr. Bob Rice
Water Resources Department
725 Summer Street NE, Suite A
Salem OR 97301-1266

RE: Support for City of Ashland Application GC0010 09

Dear Mr. Rice:

I am writing to support the grant application submitted by the City of Ashland for Water Conservation, Reuse and Storage Grant.

SB 1069 (Water Conservation, Reuse and Storage Grants) was established to help fund innovative water conservation and reuse planning studies. Ashland's Grant Application No. GC0010 09 exemplifies the goal of OWRD to promoting responsible water management while protecting the environment.

The City of Ashland has several factors that place it in a unique position to lead the way for other mid sized Oregon cities:

- limited water storage capacity
- wastewater treatment plant effluent does not currently meet the new DEQ TMDL temperature limits
- potable water source is vulnerable to floods, drought, and climate change
- stakeholder's perceptions of the use of treated effluent as an irrigation water source

This planning study would allow Ashland to look at each of these factors in an attempt to seek a comprehensive solution to water constraints.

Thank you for your consideration, and please do not hesitate to contact me if you have questions or comments concerning this matter.

Sincerely,

A handwritten signature in cursive script that reads "Alan C. Bates".

Alan C. Bates

State Senator, District 3

C: Ann Seltzer, Management Analyst
City of Ashland
20 East Main Street
Ashland, OR

RECEIVED

OCT 16 2008

WATER RESOURCES DEPT
SALEM, OREGON

PETER BUCKLEY
State Representative
Majority Whip
District 5



HOUSE OF REPRESENTATIVES
900 COURT ST NE ROOM
SALEM, OR 97301

Committees:
Chair:
Education Committee

Vice-Chair:
Elections, Ethics and
Rules

Member:
Transportation

October 9, 2008

Bob Rice
Water Resources Department
725 Summer Street NE, Suite A
Salem OR 97301-1266

RE: Support for City of Ashland Application GC0010 09

Dear Mr. Rice:

I am writing to support the grant application submitted by the City of Ashland for Water Conservation, Reuse and Storage Grant.

SB 1069 (Water Conservation, Reuse and Storage Grants) was established to help fund innovative water conservation and reuse planning studies. Ashland's Grant Application No. GC0010 09 exemplifies the goal of OWRD to promoting responsible water management while protecting the environment.

The City of Ashland has several factors that place it in a unique position to lead the way for other mid sized Oregon cities:

- limited water storage capacity
- wastewater treatment plant effluent does not currently meet the new DEQ TMDL temperature limits
- potable water source is vulnerable to floods, drought, and climate change
- stakeholder's perceptions of the use of treated effluent as an irrigation water source

This planning study would allow Ashland to look at each of these factors in an attempt to seek a comprehensive solution to water constraints.

Thank you for your consideration.

Sincerely,

Representative Peter Buckley
State of Oregon

RECEIVED
OCT 16 2008
WATER RESOURCES DEPT
SALEM, OREGON



BEAR CREEK Watershed Council

10/9/2008

Bob Rice
Oregon Dept. of Water Resources
725 Summer St. NE Suite A
Salem, OR 97301

In reference to OWRD Grant Application #GC0010 09:

Dear Sir,

The Bear Creek Watershed Council is a non-profit volunteer community group involved in the enhancement, protection and restoration of our watershed. The Executive Committee of the Council voted to support the City of Ashland's "The Right Water for the Right Use" project and feels it will benefit the watershed with its efforts to protect water resources and use them appropriately. Therefore, the Bear Creek Watershed Council supports their grant application submitted Aug. 29, 2008.

Sincerely,

Frances Oyung
Bear Creek Watershed Council Coordinator

Cc: Mike Faught, City of Ashland

GENE WHISNANT
State Representative
 DISTRICT 53



HOUSE OF REPRESENTATIVES
900 COURT ST NE
SALEM, OREGON 97301

RECEIVED
 OCT 13 2008
 WATER RESOURCES DEPT
 SALEM, OREGON

Bob Rice, Grant Program Specialist
 Oregon Water Resources Department
 725 Summer Street NE, Suite A
 Salem, Oregon 97301

October 13, 2008

Dear Mr. Rice,

I request the Oregon Water Resources Commission approve the grant application submitted by Sunriver Environmental, LLC and Deschutes County. The grant will help finance a feasibility study to evaluate the potential for reusing treated sewage collected from existing subdivisions south of the Sunriver Resort. I supported Senate Bill 1069 from the 2007 Oregon Legislative Session which provided funding, in part, for financing feasibility studies of wastewater reuse projects. The South Deschutes County Reuse Project is an excellent example to support the intent of the bill and the legislators.

Currently, sewage generated by homeowners in the referenced subdivisions is disposed by septic tanks and drain-field systems. Oregon DEQ, the U.S. Geological Survey, and Deschutes County is concerned that with continued population growth these septic systems may ultimately contaminate the local, shallow groundwater aquifer with nitrate-nitrogen that may exceed state and federal drinking water standards. The County adopted a "local rule" that requires the septic systems to be upgraded at great initial expense as well as ongoing steep operation and maintenance cost to the citizens. Thus, the subdivision residents are very interested in studying the benefits of a collection, treatment, and reuse treated sewage system which will provide the best, affordable permanent solution to the potential South County groundwater contamination issue.

The feasibility study would determine how sewage from these areas could be collected, treated, and reused in a beneficial manner. It would also determine which areas can be practicably accessed by sewer and determine costs of installing, operating, and maintaining the collection, treatment, and disposal facilities.

I respectfully request and urge your approval of the Sunriver Environmental, LLC and Deschutes County grant to allow a proper study of this water reuse.

Sincerely,

Gene Whisnant

CC: Deschutes County & Sunriver Environmental LLC



Bob Rice

From: Gene Whisnant [genewhisnant@msn.com]
Sent: Monday, October 27, 2008 10:53 AM
To: Bob Rice
Subject: Fw: Emailing: 2nd Letter for Rep Gene Whisnant 9-22-08 modified
Attachments: 2nd Letter for Rep Gene Whisnant 9-22-08 modified.doc

----- Original Message -----

From: GENE JOSIE WHISNANT

To: riced@wrd.state.or.us

Cc: srunner@sunriver-resort.com ; Tom_Andeerson@co.deschutes.or.us ; Duane.W.Bales@state.or.us ; repgenewhisnant ; mike.kucinski@state.or.us ; joni.hammond@state.or.us ; mike.solt@state.or.us

Sent: Monday, October 27, 2008 9:21 AM

Subject: Emailing: 2nd Letter for Rep Gene Whisnant 9-22-08 modified

Dear Mr. Rice,

Attached are additional public comments which I would like to submit for the Commission to consider in approving the Senate Bill 1069 conservation/reuse grants. I previously submitted comments in an October 13th letter. I am convinced that the South County Reuse Project meets the intent of the legislature. Our application could help protect the public and our environment plus has a positive economic impact. I understand this application is the only one which brings private funds to the project; not just taxpayers money.

I will mail a signed copy today but wanted to be sure I met the deadline for comments.

After my October 15th Salem meeting with Tom Paul, Tracy Loudon, and Brenda Bateman from Water Resource Department; I am optimistic that our application could receive a grant for this important project for my district.

Sincerely,

Gene Whisnant

State Representative, District 53

The message is ready to be sent with the following file or link attachments:

2nd Letter for Rep Gene Whisnant 9-22-08 modified

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

Mr. Bob Rice, Grant Program Specialist
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301

October 27, 2008

RE: Conservation/Reuse Grant Application for South Deschutes County Reuse Project

Dear Mr. Rice:

I am submitting these additional comments to the Oregon Water Resources Commission requesting approval of the grant application submitted by Sunriver Environmental, LLC and Deschutes County. The grant would help finance a feasibility study to evaluate the potential for reusing treated sewage collected from existing subdivisions south of the Sunriver Resort.

Currently, sewage generated by homeowners in these subdivisions is disposed by septic tanks and drainfield systems. According to studies conducted by Deschutes County, the Oregon Department of Environmental Quality and the U.S. Geological Survey, continued use of these septic systems with population growth and other factors may ultimately contaminate the local, shallow groundwater aquifer with concentrations of nitrate-nitrogen that would exceed state and federal drinking water standards. This same aquifer is the drinking water source for these subdivisions as well as the Sunriver Resort, Crosswater, Caldera Springs and other communities in the area. An excessive level of nitrates in drinking water could result in a potentially serious health hazard.

In addition to health concerns, the groundwater in this area is connected to the Deschutes River and elevated nitrate-nitrogen levels promote aquatic plants and algal blooms in the river that would, in turn, affect dissolved oxygen concentrations and pH levels. The algal blooms and aquatic plants would adversely affect the health of fish and other aquatic life as well as the aesthetic value of the river.

The potential health and water quality problems would create economic problems. Homes with contaminated drinking water could not be sold. The attraction of the Deschutes River to tourists would be severely diminished if it were choked with aquatic plants and algae. To address the potential groundwater contamination, Deschutes County has adopted a local rule that requires individual nitrate reducing septic systems to be constructed on each lot.

I do not believe that the local rule is the best way to address this potential health issue. I am concerned that individual septic systems will not provide the best available and most reliable environmental solution to the potential groundwater contamination. If feasible a system of collection, centralized treatment and beneficial reuse of the sewage will provide the best, most secure and permanent solution to the groundwater contamination problem. A sewer system can also be upgraded with new technology quicker and more economically than individual systems.

Even beyond the serious health and environmental concerns, centralized treatment and re-use of the treated water has another major benefit. As you know, there is no existing water available for development in the Upper Deschutes Basin. Surface water in this basin is already fully appropriated. Without water availability, the economy in the Upper Deschutes Basin will stagnate. For new development to use groundwater water rights, these rights must be transferred from an existing use, thereby eliminating that use from continued productivity. It seems prudent, perhaps imperative, that opportunities for reusing wastewater be fully explored and, where feasible, implemented. This grant application to explore the expansion of the current reuse opportunities by Sunriver Environmental, LLC is vital in supplanting existing irrigation water with reused water, thus freeing those water rights for additional development in the Upper Deschutes Basin.

The opportunity for Sunriver Environmental, LLC to construct a new facility that would treat and reuse wastewater from South County is time-limited. Sunriver Environmental, LLC is under a mandate by DEQ to upgrade its current sewerage facility. DEQ has agreed to allow a temporary deferment of the compliance date for the upgrade while a possible expansion of Sunriver sewer services is considered. If DEQ were to withdraw their deferment and require the upgrade to proceed, the current most cost-effective option will be an upgrade of the existing Sunriver sewage treatment plant. If this happens, South County access to the Sunriver sewerage facility will be foreclosed and this opportunity to enhance the health, environmental, and economic benefits to the South County and Upper Deschutes Basin will be lost forever. Sunriver Environmental, LLC is committed to providing private funding for part of this study to address the South Deschutes County public health, environmental, and economic issues addressed in this letter.

Based upon the above, I respectfully request that you approve the 2008 funding of the grant application submitted by Sunriver Environmental, LLC and Deschutes County.

Sincerely,

Gene Whisnant
State Representative, District 53

CC: Deschutes County & Sunriver Environmental, LLC



Board of County Commissioners

1300 NW Wall St, Suite 200 • Bend, OR 97701-1960
[541] 388-6570 • Fax [541] 385-3202
www.co.deschutes.or.us
board@co.deschutes.or.us
Tammy Baney
Michael M. Daly
Dennis R. Luke

October 28, 2008

Bob Rice
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301

RECEIVED

NOV 03 2008

WATER RESOURCES DEPT
SALEM, OREGON
(ORIGINALLY RECEIVED
ON 10/30/08 VIA FAX)

RE: Water Conservation, Reuse and Storage Grant Program

Dear Mr. Rice,

This letter is a request for approval of the grant application submitted by Sunriver Environmental, LLC and Deschutes County to help finance a feasibility study evaluating the reuse of treated sewage in South Deschutes County. This study will examine the reuse of wastewater for local irrigation needs. Additionally, the study will examine a potential expansion of the treatment system incorporating several hundred area residents currently using on-site wastewater treatment systems. Such an expansion would greatly reduce the wastewater entering South County's shallow aquifer and reuse this wastewater for irrigation.


Sunriver Environmental, LLC's system enhancements are required by DEQ. These requirements created an opportunity for the wastewater treatment facility to be expanded to serve several hundred area residents currently using on-site systems. Such an expansion could be accomplished concurrent with the required enhancements. The expansion would go a long way to reduce the level of pollutants entering the groundwater, better utilize the existing water supply through reuse and allow hundreds of area residents to meet new County requirements for nitrate reduction. This concept has received strong support from local residents and directly addresses water resource issues facing South Deschutes County.

A failure to act by the County would not only represent a missed opportunity to address a recognized problem, but it would potentially increase water resource problems in the future. Instead of reusing wastewater, groundwater pollution would force South County residents to seek out alternative sources of water to meet their needs. Additionally, in the event the study determines that such an expansion is not feasible, valuable information would still be derived. Local residents could eliminate sewer development as a method to meet County requirements. Residents and county staff could focus their efforts on retrofitting or replacing on-site systems with nitrate reducing systems.

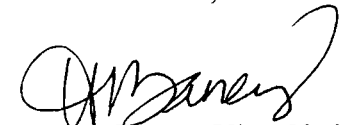
This is a rare opportunity to act in a proactive way to avoid what could be a future environmental problem while greatly improving water utilization. The County, as well as Sunriver Environmental, has committed staff time and County resources to this important undertaking, but we need some assistance to make this happen. We ask for your assistance in addressing this important issue. Thank you for your consideration.

Sincerely,

Board of Commissioners
Deschutes County



Dennis R. Luke, Chair



Tammy Baney, Vice Chair



Michael M. Daly, Commissioner



Special Road District #1, Deschutes County • 56488 Solar Drive Bend, OR 97707 • 541-593-8040

Mr. Robert D. Rice, Grant Program Specialist
 Water Conservation, Reuse and Storage Grant Program
 Oregon Water Resource Department
 725 Summer Street NE, Suite A
 Salem, Oregon 97301

Re: Conservation/Reuse Grant Application for South Deschutes County Reuse Project

Dear Mr. Rice,

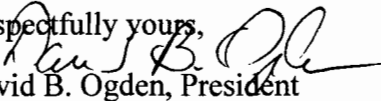
I am writing this letter in support of the Oregon Water Resource Commission approving the Senate Bill 1069 grant application as submitted by Sunriver Environmental, LLC and Deschutes County. It is my understanding the grant would help finance a feasibility study to evaluate the potential for reusing treated sewage collected from my district and other subdivisions south of the Sunriver Resort.

I am the sitting President of Commissioners for Special Road District #1, Deschutes County and I recently presided over a presentation by Bob Baggett of the DEQ and Dick Nichols of Newton & Assoc. where they highlighted the issues of collecting, treating and reusing the effluent. Our development in the Deschutes River Recreation Homesites wholeheartedly welcomed the potential for a partnership with Sunriver Environmental, LLC in forming an SDOA formatted Sanitation District. This is seen here in my district an opportunity for a permanent solution to a permanent problem and it truly hinges on the approval of the Senate Bill 1069 grant application.

The adjoining neighborhoods of the Spring River area total more than 1,000 households concerned with the development of the 'Local Rule' and its' cost implications with respect to our nitrate problem. We can appreciate the essence of the feasibility study; that while it addresses the issue for reusing the effluent, it holds the potential for partnering with our neighbors in Sunriver in an expanded sewage treatment facility that can also solve our impending nitrate issues.

There has been a great deal of excitement and momentum here with the recent development of the Upper Deschutes Coalition addressing fire fuels reduction, habitat restoration, and water quality, and many people in the neighboring communities are interested in the outcome of the grant application. I respectfully request and urge you to award the Senate Bill 1069 grant to Sunriver Environmental, LLC and Deschutes County for the feasibility study of the sewage conveyance and water reuse project.

Respectfully yours,


 David B. Ogden, President
 Special Road District #1, Deschutes County
 56488 Solar Dr.
 Bend, Or. 97707

RECEIVED
 OCT 09 2008
 WATER RESOURCES DEPT
 SALEM, OREGON

P O Box 3577
Sunriver, OR 97707

October 2, 2008

Mr. Bob Rice
Grant Program Specialist
Water Conservation, Reuse and Storage Grant Program
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301

RE: Conservation/Reuse Grant Application for South Deschutes County Reuse Project

Dear Mr. Rice:

As a permanent, ten-year resident of the Spring River neighborhood, an active volunteer, and member of community-based organizations, I am forwarding this letter together with a signed petition to request the Oregon Water Resources Commission approve the Senate Bill 1069 grant application submitted by Sunriver Environmental, LLC and Deschutes County. The grant would help finance a feasibility study to evaluate the potential for reusing treated sewage water collected from existing subdivisions south and west of the Sunriver Resort.

1. The study has broad, local support in Deschutes County. Sunriver Environmental, LLC and Deschutes County are co-applicants. Oregon DEQ is a participant in the study. Our petition includes over 30 signatures of residents living outside of Sunriver who support the need for the feasibility study. (Please refer to the attachment).
2. The study will investigate the feasibility of collecting, treating and reusing sewage that would otherwise be polluting groundwater which provides drinking water to virtually every household in southern Deschutes County. The local Rule approved by the Deschutes County commissioners requires residents to reduce nitrates from our septic systems or create a central sewage treatment facility.
3. There is no existing water available for development in the Upper Deschutes Basin. New development must acquire water from an existing use, thereby eliminating that use from continued productivity. Collecting, treating and reusing the effluent water could free up water rights that would then become available to be applied to expanded development on both the east and west side of the Deschutes River. There are a number of vacant lots on the west side of the Deschutes River which could be developed for residential use if a central collection and processing facility is established. The estimated costs for nitrate reduction units for each current septic system is \$10,000 plus an annual maintenance fee of \$500.
4. Match funding for the study is on hand. Once the grant is awarded, the study can begin immediately.

I respectfully request and urge that you award a Senate Bill 1069 grant to Sunriver Environmental, LLC and Deschutes County to allow a study to determine the feasibility of this potential water reuse project.

Sincerely,



Carl Jansen
Senior Commissioner,
Spring River Road District
President, Upper Deschutes River Coalition

RECEIVED

OCT 03 2008

WATER RESOURCES DEPT
SALEM, OREGON

enclosures

9-15-08

**PETITION TO SUPPORT FEASIBILITY STUDY
TO CONSTRUCT & OPERATE EXPANDED SEWAGE COLLECTION & TREATMENT FACILITY
FOR THE GREATER SUNRIVER AREA**

We as Sunriver area residents support the need to produce an economic-based feasibility study to be conducted by Newton Consultants. This is a permanent solution to a permanent problem.

DATE	PRINT NAME	SIGN NAME	REGISTERED VOTER?	YOUR ADDRESS	YOUR PHONE NUMBER
9/29/08	Thelma Jansen Thelma Jansen	Thelma Jansen	yes	56865 Bussan Rd Sunriver OR 97707	593-2816
9/29/08	CAROL MALCOM	Carol Malcom	yes	17053 Cooper Road	593-3113
9/29/08	LAWRENCE P. MALCOM	Lawrence P. Malcom	yes	17053 Cooper Road	593-3113

Note: When completed, please mail on or before September 29, 2008 to:
 • Bob Rice, Oregon Water Resources Dept, 725 Summer St NE, Suite A; Salem, OR 97301

PETITION TO SUPPORT FEASIBILITY STUDY FOR REDUCING NITRATE CONTAMINATION IN GROUNDWATER BY REUSING TREATED SEWAGE COLLECTED FROM SEWERS IN NEIGHBORHOODS NEAR SUNRIVER

We as Sunriver area residents support the need to produce an economic-based feasibility study to be conducted by Sunriver Environmental LLC. This is a permanent solution to a permanent problem.

DATE	PRINT NAME	SIGN NAME	REGISTERED VOTER?	YOUR ADDRESS	YOUR PHONE NUMBER
9/10	GLENN KOTANA	Glenn Kotana	yes	56875 West Pine Bend OR 97707	480-7750
9/10	Jim Murphy	Jim Murphy	yes	5130 Salem Dr	598 8588
9/10	Robert Stephens	Robert Stephens	yes	56324 Seena Dr	593-77
9/10	NORM BROOKHART	NORM BROOKHART	No	17333 Guss Wy	623-680-4225 (cell)
9/25	Kennedy Griffiths	Kennedy Griffiths	Yes	56854 Basson Rd	541-647-0963
9/25	Cheryl Griffiths	Cheryl Griffiths	yes	"	"
9/26	Dennis Latham	Dennis Latham	N/A	2189 Wembley Ct Lake Oswego OR	503 636 8757
9/28	Kelly Wink	Kelly Wink	yes	56832 Besson Rd Bend OR 97707	541-598-9100

Note: When completed, please mail on or before September 29, 2008 to:
 Deschutes County Commissioners, 1300 NW Wall Street, Suite 200, Bend, OR 97701-1960
 Bob Rice, Oregon Water Resources Dept, Salem

**PETITION TO SUPPORT FEASIBILITY STUDY
TO CONSTRUCT & OPERATE EXPANDED SEWAGE COLLECTION & TREATMENT FACILITY
FOR THE GREATER SUNRIVER AREA**

We as Sunriver area residents support the need to produce an economic-based feasibility study to be conducted by Newton Consultants. This is a permanent solution to a permanent problem.

DATE	PRINT NAME	SIGN NAME	YOUR ADDRESS	YOUR PHONE NUMBER
9/5/08	RICHARD BRANTHWAITE	<i>[Signature]</i>	17028 Cooper Drive Sunriver, OR 97707	541-593-6019
9/5/08	SUSAN BRANTHWAITZ	<i>[Signature]</i>	17028 Cooper Dr. Sunriver, OR 97707	541-593-6019
	Debbie Simmons	<i>[Signature]</i>	50330 Stellar Dr	
9/5/08	FLOYD VINCENT	<i>[Signature]</i>	17245 Camoi Rd	<i>[Signature]</i>
9/5/08	EVA MUDGE	<i>[Signature]</i>	15038 milley Way	541-408-2018
9/12/08	Cari Jansen	<i>[Signature]</i>	56865 Benson Rd. Sunriver, OR	593-2777
9/22/08	RAND WINEH	<i>[Signature]</i>	50832 Benson Rd Bend OR 97707	598-9100

Note: When completed, please mail on or before September 10, 2008 to:
Deschutes County Commissioners, 1300 NW Wall Street, Suite 200, Bend, OR 97701-1960
Oregon Water Resources Dept

**PETITION TO SUPPORT FEASIBILITY STUDY
TO CONSTRUCT & OPERATE EXPANDED SEWAGE COLLECTION & TREATMENT FACILITY
FOR THE GREATER SUNRIVER AREA**






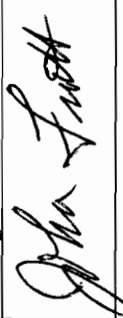


We as Sunriver area residents support the need to produce an economic-based feasibility study to be conducted by Newton Consultants. This is a permanent solution to a permanent problem.

DATE	PRINT NAME	SIGN NAME	YOUR ADDRESS	YOUR PHONE NUMBER
9/5/08	William J. Bowerman	William J. Bowerman	P.O. Box 12418 Sunriver 97709	541-593-8302
9/5/08	Jill Officer	Jill Officer	17065 Island Loop Way	541-593-0224
9/5/08	Trudi Peters	Trudi Peters	17175 Meyerland Dr	541-593-8564
9/5/08	Rene Raines	Rene Raines	55837 Wood Duck Dr	541-593-6237
9/5/08	R. Robin Farthing	R. Robin Farthing	P.O. Box 4058	541 948 6716

Note: When completed, please mail on or before September 10, 2008 to:
Deschutes County Commissioners, 1300 NW Wall Street, Suite 200, Bend, OR 97701-1960

**PETITION TO SUPPORT FEASIBILITY STUDY
TO CONSTRUCT & OPERATE EXPANDED SEWAGE COLLECTION & TREATMENT FACILITY
FOR THE GREATER SUNRIVER AREA**

We as Sunriver area residents support the need to produce an economic-based feasibility study to be conducted by Newton Consultants. This is a permanent solution to a permanent problem.

DATE	PRINT NAME	SIGN NAME	YOUR ADDRESS	YOUR PHONE NUMBER
9/4	JOAN MOORE		17039 COOPER SUNRIVER	(541)-974-6153
9/5	Joan Moore		17039 Cooper Dr Sunriver	(541) 974-6152
9/5	Daryl Klein		22 Yellow Pine Sunriver Or	593-8884
9/5	Sue Elliott		17542 Cooper Dr Sunriver, OR	260-5701
9/5	Kent Elliott		"	"
9/5	John Fratt		18160 Cottonwood #758 Sunriver	593-3561
9-5	Suzanne Watson		18160 Cottonwood #648 Sunriver	805-689-5094
9-5	Mauraen Zelwa		55956 WoodDuck	593 2513

Note: When completed, please mail on or before September 10, 2008 to:
Deschutes County Commissioners, 1300 NW Wall Street, Suite 200, Bend, OR 97701-1960

Upper Deschutes River Coalition

planning, implementing and managing

WHO WE ARE

In the heart of Central Oregon, the scenic Deschutes River begins its 252 mile journey to the Columbia River. From its origin in Little Lava Lake, the river meanders through Ponderosa forests, flows over spectacular lava created falls, provides important habitat for a variety of species, and offers abundant recreational opportunities to residents and visitors.

The Upper Deschutes River Coalition (UDRC) was created in 2003 with the purpose of enabling neighborhoods located in the Upper Deschutes River watershed to act collectively on natural resources problems within the region. The following 18 neighborhoods are participating in the UDRC:

- Beaver Special Road District
- Caldera Springs
- Cougar Grove
- Crosswater
- Deschutes River Recreational Homesites ~
Units #1-5, #6, and #9
- Fall River Estates
- Haner Park
- Oregon Water Wonderland I and II
- River Forest Acres
- River Meadows
- Spring River Fire and Safety Association
- Sundance Properties - Sunriver
- Thousand Trails
- Vandevent Ranch
- Wild River Association

WHAT WE DO

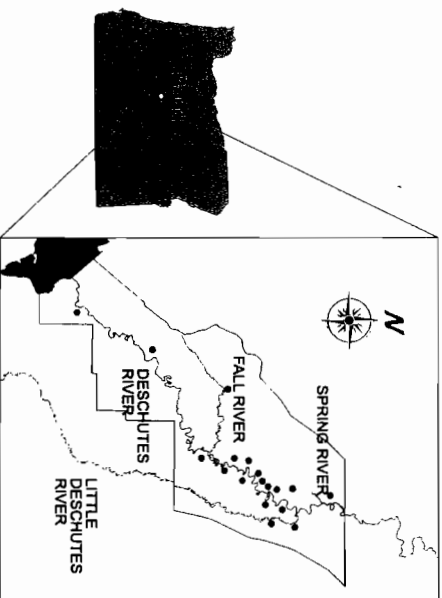
The UDRC simply expands the existing work of participating neighborhoods. Examples of natural resource problems are unhealthy and fire prone forests, degradation of habitat and riparian areas, invasion of non-native species, illegal dumping, unmanaged ATV use, and poor water quality/quantity.

Our top priority is to reduce the fire risk on private lots, Bureau of Land Management, and Forest Service lands that surround our neighborhoods. Although, our mission includes

“To protect Upper Deschutes River communities by restoring and sustaining healthy fire-resistant forests, pure and abundant river flows and wildlife habitat”.

Learn more by visiting our website at:

<http://udrc.org>



The UDRC area (green) in the Upper Deschutes Watershed. Participating neighborhood locations are denoted with red circles.

HOW WE ARE MAKING A DIFFERENCE

- First organization in Oregon to submit a Community Wildfire Protection Plan (CWPP) for reducing fire risk on federal lands. Revised CWPP in 2007 to include private lands fuel reduction projects.
- Adopted the Upper Deschutes River, through SOLV as a co-sponsor, from LaPine State Park to Cardinal Bridge and recruited 50 plus volunteers to sweep the river including General Patch and Harper Bridges for human caused debris. Over 1,000 plus pounds of debris disposed through Deschutes County Landfill support.
- Obtained National Fire Plan grants for the highest fire risk neighborhoods to reduce fuels on private lands.
- Turned out 250 volunteers to do watershed rehabilitation work on Public Lands Day.
- Partnering with the U.S. Forest Service to help implement the Upper Deschutes River Wild and Scenic Management Plan.
- Noxious weed removal from sensitive riparian areas.
- Building capacity in leaders and neighborhood organizations.
- Educating residents and visitors on our mission and results.



This brochure is printed on recycled paper.



**prevention &
stewardship**

WHAT YOU CAN DO

Become involved as a volunteer. Attend our monthly meetings and/or visit our website to learn more about our current projects at: udnrc.org

Make a difference with your donation. The coalition is a 501(c)3 non-profit organization. Please send your tax deductible donation to:

_____ check here for a receipt of your donation

**UDRC
P.O. Box 3042
Sunriver, OR 97707**

If you want to be contacted about your interest or if you have questions, complete the following and mail it to the above address.

Name: _____
Address: _____
Neighborhood: _____
City: _____ State: _____
Zip: _____ Phone: _____
Email: _____

THANK YOU FOR YOUR SUPPORT!


Upper Deschutes River Coalition
P.O. Box 3042
Sunriver, Oregon 97707 USA



**Upper Deschutes
River Coalition**

<http://udrc.org>

**Making a
difference in
our watershed**



Bob Rice

From: Janet Fox [mandjfox@hotmail.com]
Sent: Wednesday, October 08, 2008 3:02 PM
To: Bob Rice
Subject: Support for Grant 0011 09 - Sunriver Environmental LLC

Robert,

My name is Mike Fox, my wife Janet and I own property at 17080 Milky Way in the Deschutes River Recreation River Homesites area - just south of Sunriver.

The purpose of this email is to express our support for the Grant application to your department from Sunriver Environmental - Grant 0011 09.

This grant if awarded would look at the possibility of expanding and upgrading the Sunriver Sewer System and extending it to provide coverage for the neighborhoods south of Sunriver along the Deschutes River - **and how the treated water could be reused.**

Sunriver and Deschutes County have both committed money for the study. This is the only reasonable chance for us to have a sewer system and in a way that could tie in with Sunriver where the water could most effectively be reused.

We urge you to approve this grant.

Mike Fox
cell: 360-791-1253

Mailing Address: 512F NE 81st Street #175
Vancouver, WA 98665

See how Windows connects the people, information, and fun that are part of your life. [See Now](#)

Bob Rice

From: nojobro@mindspring.com
Sent: Saturday, October 04, 2008 9:20 AM
To: Bob Rice
Subject: Support for Grant 0011 09 - Sunriver Environmental LLC

Robert,

My name is Norm Brookhart, my wife Joan and I own property at 17333 Guss Way on the Deschutes River - just south of Sunriver.

The purpose of this email is to express our support for the Grant application to your department from Sunriver Environmental - Grant 0011 09.

This grant if awarded would look at the possibility of expanding and upgrading the Sunriver Sewer System and extending it to provide coverage for the neighborhoods south of Sunriver along the Deschutes River - **and how the treated water could be reused.**

Sunriver and Deschutes County have both committed money for the study.

This is the only reasonable chance for us to have a sewer system and in a way that could tie in with Sunriver where the water could most effectively be reused.

We urge you to approve this grant.

Norm Brookhart
cell: 623-680-4225
Winter Address: 1990 McCulloch Bl. - D334
Lake Havasu City, AZ. 86403

No virus found in this incoming message.

Checked by AVG.

Version: 7.5.524 / Virus Database: 270.7.5/1708 - Release Date: 10/4/2008 11:35 AM

Bob Rice

From: JAMES MURPHY [eandjmurphy@msn.com]
Sent: Thursday, October 02, 2008 9:12 AM
To: Bob Rice
Cc: Jim and Betty
Subject: Support for Grant 0011 09 - Sunriver Environmental LLC

Robert,

My name is Jim Murphy, my wife and I live on Solar Drive on the Deschutes River - just south of Sunriver.

The purpose of this email is to express our support for the Grant application to your department from Sunriver Environmental - Grant 0011 09.
This grant if awarded would look at the possibility of expanding and upgrading the Sunriver sewer system and extending it to provide coverage for the neighborhoods south of Sunriver along the Deschutes River - **and how the treated water could be reused.**
Sunriver and Deschutes County have both committed money for the study.
This is the only reasonable chance for us to have a sewer system and in a way that could tie in with Sunriver where the water could most effectively be reused.
I have offered to participate in /follow the study once it gets started.

We urge you to approve this grant.

Jim Murphy
541 598 8588
56180 Solar Drive
Bend Or 97707

Bob Rice

From: Ron & Pat Hoffman [randphoffman@gmail.com]
Sent: Tuesday, October 14, 2008 4:26 PM
To: Bob Rice
Subject: Support for Grant 0011 09 - Sunriver Environmental LLC

Robert,

My name is Ron Hoffman, my wife Pat and I own property at 56220 Comet Dr in the Deschutes River Recreation River Homesites area - just south of Sunriver.

The purpose of this email is to express our support for the Grant application to your department from Sunriver Environmental - Grant 0011 09.

This grant if awarded would look at the possibility of expanding and upgrading the Sunriver Sewer System and extending it to provide coverage for the neighborhoods south of Sunriver along the Deschutes River - **and how the treated water could be reused.**

Sunriver and Deschutes County have both committed money for the study. This is the only reasonable chance for us to have a sewer system and in a way that could tie in with Sunriver where the water could most effectively be reused.

We urge you to approve this grant.

Ron Hoffman
cell: 503 260-1900

Mailing Address: PO Box 1477
Hillsboro, Or 97123

Bob Rice

From: Merlyn & Linda Webster [webweb@teleport.com]
Sent: Monday, October 27, 2008 10:34 AM
To: Bob Rice
Cc: Info@SaveSunriver.org; infosroa@srowners.org
Subject: Sunriver Environmental grant request

Bob,

I'm an owner of a home located in the north end of Sunriver, not far from the proposed expansion of the sewer system. The current use of the proposed expansion lands was originally intended and approved to support no other communities then just Sunriver proper. I'm against allowing any such design creep expansion for communities that are located directly south of Sunriver.

The current Deschutes County codes specifically does not allow for any other use of the property south of Cottonwood, and just east of Sunriver's proper north boundary. Currently this business is providing service outside of the restrictions contained in the code too their business partners in the newer Destination resorts of Cross waters and Calderas Springs. This was never identified as an option; the allocation of the former Federal Service lands to this business group was for Sunriver's use exclusively.

Historically the area has had odors issues and recent rate increases place the operation as the highest in Central Oregon. This grant request looks like we can expect more costs to the current owners of this service, which in my opinion should have always been under the ownership of Sunriver.

Cottonwood road is a primary entrance to Sunriver and a new sewer system complex should not be the first thing viewed when coming in the north entrance.

The grant should not be awarded to this business unless they plan to relocate this operation to an area closer to their new customers, such as in Calderas Springs or Crosswaters, they have much unused property there.

Regards

Merlyn H. Webster, P.E. (CA)
webweb@teleport.com

10/27/2008



BEAR CREEK Watershed Council

10/9/2008

Bob Rice
Oregon Dept. of Water Resources
725 Summer St. NE Suite A
Salem, OR 97301

Dear Sir,

The Bear Creek Watershed Council is a non-profit volunteer community group involved in the enhancement, protection and restoration of our watershed. The Council supports the goals of the WISE Project and has been involved as a member of the Project Advisory Committee since the formation of the project. The Council believes that this project is critical to the future of water resource management in our watershed and supports the work being conducted in the Feasibility Study and Environmental Impact Statement. The Executive Committee of the Council has voted to support their grant application submitted Aug. 29, 2008.

Sincerely,

Frances Oyung
Bear Creek Watershed Council Coordinator

Cc: Steve Mason, WISE Project

October 30, 2008

Oregon Water Resources Department
Attention Bob Rice
725 Summer Street NE, Suite A
Salem, OR 97301-1266

Dear Mr. Rice:

It is my pleasure to support the efforts of the Powder Basin Water and Stream Health Committee to obtain grant funding to finish the feasibility studies for the Powder Basin.

The WASH Committee has federal authorization for optimization and feasibility studies to be conducted in the Powder and Burnt River Basins. The Wash Committee can fully match the \$500,000 request from the Oregon Water Resources Department with a congressional appropriation from the Federal Government. This is the last level of studies prior to construction.

This Project has my full support. I am confident the Oregon Water Resources Board will give full consideration to funding this project.

Sincerely,

A

Gordon H. Smith
United States Senator

GHS:lkb

RECEIVED
OCT 28 2008
WATER RESOURCES DEPT.
SALEM, OREGON

Bob Rice

From: Cliff Bentz [cbentz@yturrirose.com]

Sent: Friday, October 31, 2008 5:20 PM

To: Bob Rice

Re: S.B. 1069 Grant

10/31/08

Dear Bob:

As you know, the Powder Basin Water and Stream Health Committee has been working for many years to improve the health of the Powder River Basin, and in conjunction therewith filed an application for funding under S.B. 1069. Unfortunately, I understand that the Committee's application was denied.

I know that the dedication and commitment of time and effort of the Committee alone would warrant reconsideration, but more importantly, the far reaching positive impacts and varied benefits of their project support, I hope, at least significant partial funding. The reception of their plan at the federal level (and significant partial funding provided by our federal partners) has been nothing less than amazing and it would be a real shame if our state, by failing to join in this effort, delays or even derails this project.

Please add this letter to the many I am sure you are receiving supporting reconsideration. Thank you and the Commission for your hard work and dedication.

Cliff Bentz, State Representative, District 60

(p) 541/889-5368
(f) 541/889-2432

THE INFORMATION CONTAINED IN THIS EMAIL IS CONFIDENTIAL AND MAY ALSO CONTAIN PRIVILEGED ATTORNEY-CLIENT INFORMATION OR WORK PRODUCT. THE INFORMATION IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY LISTED IN THE SUBJECT LINE. IF YOU ARE NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY USE, DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THE EMAIL IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE AT (541) 889-5368, AND DESTROY THE ORIGINAL MESSAGE. THANK YOU.

11/3/2008

Oregon Water Resources Department
Attention Bob Rice
725 Summer Street NE Suite A
Salem, OR 978301-1266

October 30, 2008

Attention: Bob Rice

To Whom It May Concern,

As a result of the Do Not Fund recommendation from the Application Review Team we have re-reviewed our initial application and realized that several points need to be made clearer. Since final determination is still to be made by the Oregon Water Resources Commission, we are taking this opportunity to clarify two key aspects of our project:

- 1) The purpose and benefits of the study; and
- 2) The status and process of the feasibility project that demonstrates how our application and project meet the OWRD 'feasibility study' criteria.

Study Purpose and Benefits:

To contribute toward two Oregon state level goals (see below), the Powder Basin Water & Stream Health Committee (WASH) in cooperation with the Bureau of Reclamation are planning to conduct a feasibility study for a specific storage site in the Powder River Basin in June 2009 (we are currently conducting a basin wide alternatives analysis).

OWRD Goal: "... to directly address Oregon's water supply need." – This study will work to assess and address water supply needs in specific drainages in the Powder River Basin.

Oregon's Economic & Community Development Department Goal: "Enable... sustainable, living wage jobs for Oregonians..." - Preliminary cost benefit analysis results show a positive net benefit of 2.3 million annually for a 30-year period for constructing a multi-use water supply reservoir in Eastern Oregon. The multi-purpose water storage facility will lead to these benefits by creating sustainable, living wage jobs in Eastern Oregon in the sectors of agriculture, retail and industry.

Powder Basin Water & Stream Health Project has gained enormous momentum within the community, region, state and even the nation. The project has been moving forward since 2005 with over \$250,000 invested to date. Our base monetary support has come from the community and region with some startup money coming from the state as well as from the Oregon Water Supply and Conservation Initiative (\$20,000). In fiscal year 2008 we were successful in obtaining \$148,000 congressional appropriation to conduct a basin wide alternatives analysis and hydrology assessment. Thus by June 2009 we will have successfully narrowed down from 74 potential water storage sites to 1 top site. We are requesting that in light of these clarifications our application be given a "Do Fund" recommendation. Additionally, if we are not funded even a portion of our request (*even funding just task 1 would be extremely helpful*) we will

lose much credibility with the stakeholders that are already engaged in the process, the community, the region, the state and congress. We have put together an excellent team and need to keep up the progress to keep the team together. We implore you to fund at least a portion of our project.

Feasibility Project Status and Process:

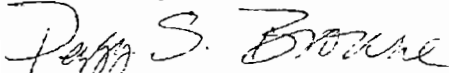
What is considered a “planning effort” by OWRD is equal to the three-stage process in the Federal planning environment. Specifically, Reclamation uses the National Environment Policy Act (NEPA) planning process that includes:

1. Pre-Appraisal level. This is the 50,000 foot view of the situation and helps stakeholders identify needs, broadly scopes the project.
2. Appraisal level. This is the 20,000 foot view where site selection occurs and preliminary analysis for the following is currently in process and is due to be complete by June 2009. At the end of the appraisal process Reclamation’s decision for final site selection is supportable, transparent, and defensible.
 - Comparative analyses of alternative means of supply water, including but not limited to the costs and benefits of water conservation and efficiency alternatives and the extent to which long-term water supply needs may be met using those alternatives. (See tasks 1b)
 - Evaluation of the need for and feasibility of using stored water to augment in-stream flows to conserve, maintain and enhance aquatic life, fish life and any other ecological values. (See tasks 1a,b,f,h and 2)
 - Analysis of local and regional water demand and the proposed storage project’s relationship to existing and planned water supply projects.
3. Feasibility level. This is where the feasibility level of analysis is conducted. For this project the feasibility analysis in the NEPA process will begin in June 2009 and includes the extensive effects analyses and evaluation for each of the following:
 - Analysis of by-pass, optimum peak, flushing and other ecological flows of the affected stream and the impact of the storage project on those flows. (See tasks 1,b,h)
 - Comparative analyses of alternative means of supply water, including but not limited to the costs and benefits of water conservation and efficiency alternatives and the extent to which long-term water supply needs may be met using those alternatives. (See tasks 1b)
 - Analyses of environmental harm or impacts from the proposed storage project. (See tasks 1a,b,d,f,h)
 - Evaluation of the need for and feasibility of using stored water to augment in-stream flows to conserve, maintain and enhance aquatic life, fish life and any other ecological values. (See tasks 1a,b,f,h)
 - Analysis of local and regional water demand and the proposed storage project’s relationship to existing and planned water supply projects.

- Cumulative effects for each of the above for a 30-year period into the future. (In progress will be complete before June 2009.)

We thank you for this opportunity to clarify our project purpose and progression in the grant application process and look forward to your final decision.

Respectfully Submitted,



Peggy S. Browne

Coordinator

Water & Stream Health Committee

Burnt River Irrigation District
19498 Hwy 245
Hereford, Oregon 97837
Phone 541-446-3313
E-Mail: briver@ortelco.net

October 27, 2008

Oregon Water Resources Department
725 Summer St. NE, Suite A
Salem, Oregon 97301-1266
Attn: Bob Rice

Subject: SB-1069 Grant Application

Dear Mr. Rice;

We were very disappointed to learn the Powder Basin Water and Stream Health (W.A.S.H.) committee application for funding under the above program was given a "Do Not Fund" recommendation, and we respectfully request reconsideration.

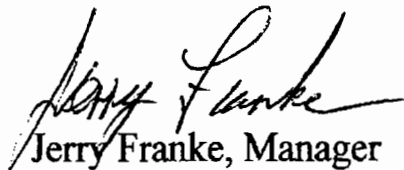
For many years, going back to the 1990's individual groups in the Powder Basin, including the Burnt River Irrigation District, have been actively pursuing storage possibilities for multi-purpose use. After many years of each group going on their own, the W.A.S.H committee was formed under the auspices and direction of the Baker County Board of Commissioners to evaluate the potential and possibilities for the whole watershed. This watershed totals over 2,000,000 acres and encompasses three distinct drainages into the Snake River. Since the formation of W.A.S.H., it has garnered the support, both verbal and financial, of all three Irrigation Districts, the Water Control District, all four Soil and Water Conservation

Districts in Baker County, as well as Baker County, Union County, Water Resources Department, Oregon Department of Agriculture, and the Bureau of Reclamation, all whom have contributed funding, as well as the support and backing of Senators Smith and Wyden, and Representative Walden on the federal level.

With such widespread support from the local, state, and federal levels, it is hard to comprehend why the review committee did not feel it was worth funding! The issues are too large and diverse to be handled locally or individually, so both State and Federal assistance is required for us to proceed.

In closing, we urge the committee to re-evaluate and reconsider the W.A.S.H. committee request for funding under SB-1069.

Sincerely;



Jerry Franke, Manager

POWDER VALLEY WATER CONTROL DISTRICT

P.O. Box 189-690 F Street, North Powder, OR 97867 Tele: (541) 898-2366

Fax: (541) 898-2548 Email pywater@uci.net

Hearing Impaired – Call 711

October 27, 2008

To Whom It May Concern:

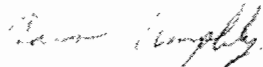
The Powder Valley Water Control District would like to voice strong support of the 1069 Grant Application for the Powder Basin Water and Stream Health Committee. This grant would allow the Committee to continue the pursuit of water storage within our basin which is vital for the stability of the local area as well as the growth of the overall economy in Oregon. The Committee has already obtained a federal authorization for optimization and feasibility studies to be conducted in the Powder and Burnt River Basins; however with limited funding these studies will not be feasible.

At this point the Water and Stream Health Committee has accomplished several important steps in the process of pursuing water storage options including: a Literature Review in 2008, a detailed Cost/Benefit Analysis of the North Powder Reservoir (also completed in 2008) and is currently working on an extensive Hydrologic Analysis for the entire basin.

The focus of the Committee has been clearly identified to find storage water solutions for the area for a multitude of beneficial uses including: in-stream flow augmentation, aquatic life enhancement, and supplemental irrigation water.

The District is pleased to be a local sponsor of the Water and Stream Health Committee, and encourages efforts advocating the beneficial storage and use of our precious natural resource. Finding new water storage facilities must be a high priority or water issues and shortages will continue to become more widespread; which will cause the solution to be more difficult, time consuming and cost prohibitive to pursue.

Sincerely,



Aaron Umpleby
Manager, PVWCD

RECEIVED

OCT 27 2008

WATER RESOURCES DEPT.
SALEM, OREGON

October 30, 2008

Oregon Water Resources Department
 Attention: Bob Rice
 725 Summer Street NE, Suite A
 Salem, OR 978301-1266

RE: The Water and Stream Health (WASH) Committee SB1069 grant application.

Dear Mr. Rice:

The WASH project objectives is to bring all the Powder Basin water to the highest and best use which will be augmenting instream flow, enhance aquatic life and fish, energy production, and enhancing food and fiber production.

WASH is a project that has been in existence since 2003 with constant and continuing work to eventually accomplish the objectives. To date, in excess of \$250,000 has been invested. The following table depicts partners who have invested in the project to date.

Water & Stream Health Project Contributors & Supporters

Baker County	21,000	Lower Powder Irrigation District	2,000
Union County	3,000	Oregon Water Resources Department	21,500
Baker County Farm Bureau	400	Oregon Department of Agriculture	1,500
Baker Valley SWCD	1,500	Eagle Valley SWCD	1,502
Bureau of Reclamation	148,000	Keating SWCD	3,509
Burnt River Irrigation District	1,500	USDA - Rural Beginning Enterprise Grant	8,000
Burnt River SWCD	3,500	North Powder Water Control District	3,500
Congressional Allocation	148,000	Bureau of Reclamation	50,000

With the Bureau of Reclamation as a partner, we are currently working on a Hydrologic Analysis for the entire basin. The result of this Analysis will narrow down possible water storage sites. With continuing funding assistance we will be able to proceed with an optimization and feasibility study to be conducted in the Powder and Burnt River basins. The priority of this project is to augment in-stream flows, maintain and enhance aquatic life, fish life, and other ecological values. The value of the funding will allow the project to proceed and after the feasibility study, we hope to start construction on two projects within the foreseeable future. Without continuing funding help, the projects will probably experience a long delay.

Please take a second look at our application and forward it with a "Do Fund" recommendation.

Respectfully Submitted,

Fred Warner, JR.
 Chairman – Baker County Commissioners

Tom Mac Kerns
Chair -WASH Committee

PINE VALLEY COMMUNITY WATERSHED PROJECT

To whom it may concern;

We of the Pine Valley Community Watershed Projects believe that the Federal Government should be a partner in all the phases of these projects as they will be a shot in the arm for these small isolated communities that depend on recreation and small ranches and flood control, in stream water, and hydro power. As these two dams, the North Powder and East Pine dams have all the engineering and was about to go to contract in the early 70's.

The water from the East Pine Dam alone would make the community of Halfway and Richland and tourists a lake that would be a real boost to our economy. We have all of the community behind this project and the W.A.S.H. committee has done a lot of the work on these projects.

The W.A.S.H. committee started in 2005 by naming projects in the County. We got all the plans on the North Powder and East Pine Dam sites then the White Paper 2008 Literature Review and the 2008 Cost Benefit Analysis for the entire Basin.

Pine Valley Community Watershed Project

Nevoy Gulick Vice Pres

PVCWP

Bob Stone Mayor City of Halfway

Rick Bryan - owner - Old Pine market - Halfway

Kim French

From: Vickie L Foster [vlfoster@bakervalley.net]
Sent: Thursday, October 30, 2008 6:26 AM
To: Bob Rice
Cc: pegbrowne@eoni.com
Subject: SB1069

To the Water Resources Commission:

I am a member of Baker County's Water and Stream Health (WASH) committee - duely appointed by the County Commissioners because of my life-long passion for water, it's best use and conservation, and an appreciation for the lack of it...or, when there is too much at once.

I am confused, and frankly, appalled to learn that the SB1069 review board turned down our grant request. We have the best project, a great cause, unmeasureable benefit to the county, region, and state, and 50% backing by the Federal Government.

How can a board made up of people from ODOA, economic development, parks and recreation, OWEB, and OWRD not support this effort? I would think that ODFW would be on board for sure! Even if DEQ had a problem, they are out numbered 6 to 1.

We have worked hard and long to reach this level, doing everything right along the way. I just don't understand how we could be denied except for politics! I realize that money is tight. I understand that \$1 of funding is available for about \$3 of requests. It seems like it is too easy for our corner of the state to be brushed aside or put on the back burner. This is our time; this our chance to step up; this is our life. This smells of the socialistic "spread the wealth" mindset. Over here on this side of the state we are for fairness, honesty, and the "American way". Please prove my suppositions wrong by helping to reverse this decision.

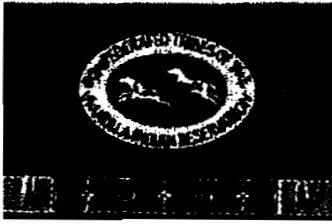
Thank you for your consideration of this matter.

Sincerely,

Cal Foster
Baker Valley Rancher

10/30/2008

Office of the Executive Director



CONFEDERATED TRIBES
of the
Umatilla Indian Reservation
P.O. Box 683
Pendleton, Oregon 97801
Area code 541-276-3165

October 1, 2008

Mr. Bob Rice
Grant Program Specialist
Water Conservation, Reuse and Storage Grant Program
Administrative Services Division
Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301

Dear Mr. Rice,

This letter is to convey the support of the Confederated Tribes of the Umatilla Indian Reservation for the application submitted by the Grande Ronde Model Watershed (GRMW) for Oregon Water Resources Department Conservation/Reuse/Storage Grant Program funding as allocated in SB 1069.

GRMW proposes to enlist technical assistance from their consulting engineering partners Anderson Perry Associates and GSI Water Solutions, Inc., as well as from a variety of Tribal, local, state and federal partners who have previously participated in assessment of both groundwater and surface water status in the Grande Ronde sub basin.

Many streams and rivers of the Grande Ronde sub basin are challenged by late season low flows, among them Catherine Creek, the Upper Grande Ronde in Union County and the Lostine River, Bear Creek, and Hurricane Creek in Wallowa County. Each of these streams provide essential irrigation water for farms as well as critical habitat for ESA listed spring Chinook, summer steelhead, and Bull Trout.

GRMW's objective is to work with partners such as Nez Perce Tribe, Confederated Tribes of the Umatilla Indian Reservation, Bureau of Reclamation, Oregon Dept of Geology and Mineral Industries, Oregon Dept. of Water Resources, both Union and Wallowa Soil & Water Conservation District, both Union and Wallowa County governments, local irrigators and other water dependent interests in assessing the potential for aquifer storage and/or aquifer storage and recovery in the aforementioned locations.

It is likely that local demands on water resources will continue to increase while threats to endangered species will continue to exist. Understanding the inherent potential of the aquifers in these areas of the Grande Ronde sub basin enhance the opportunities of local partners to assure a plentiful supply of water for farms, fish, and people in the future.

Sincerely,

FOR

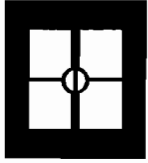
Donald G. Sampson
Executive Director

RECEIVED

OCT 06 2008

WATER RESOURCES DEPT
SALEM, OREGON

CITY OF HILLSBORO



Water Department

RECEIVED

OCT 31 2008 .

WATER RESOURCES DEPT
SALEM, OREGON
 ORIGINALLY RECEIVED
 ON 10/29/08 VIA FAX

October 28, 2008

Bob Rice
 Water Resources Department
 725 Summer Street NE, Suite A
 Salem, OR 97301-1266

RE: Water Conservation, Reuse, and Storage Grant Applications
 Public Comment on the Water Sense Rebate Feasibility Study Grant Application

Dear Application Review Team:

In response to the Department's Water Conservation, Reuse and Storage Grant program, City of Hillsboro and the City of Beaverton partnered on a Water Sense Rebate Feasibility Study grant application. The application received a "Do Fund" ranking in the notification with a "Contingent on Adequate Funding" designation. We believe that the application should receive higher priority ranking.

The Environmental Protection Agency's (EPA) WaterSense labeled program is similar to the Energy Star Program. In the past, most conservation professionals have relied on the Energy Star labeling program in determining the types and models of appliances, fixtures, and other products that would qualify for financial incentive programs. However, not all Energy Star appliances and devices are necessarily water efficient. This newly-launched program, WaterSense, is a partnership program sponsored by EPA that seeks to protect the future of our nation's water supply by promoting water efficiency and enhancing the market for water-efficient products, programs, and practices. The WaterSense label will help consumers identify water-efficient products and programs and increase their confidence level in choosing water-conserving appliances and devices because, unlike Energy Star, a WaterSense label will not only indicate that these products and programs use less water, but also that they have been tested to ensure high performance levels..

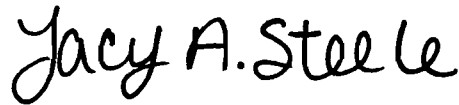
The department's grant application form stated that projects and programs would be considered that include "comparative analyses of the alternative means of supplying water, including but not limited to the cost and benefits of water conservation and efficiency alternatives." The WaterSense Rebate Feasibility Study will provide cost and benefit information on the wide variety of products that achieve the WaterSense label. More specifically, the study will analyze the administrative costs and water savings of several different products under this program to determine the most cost effective programs for our respective agencies to implement. A consultant will be hired to evaluate the extensive WaterSense list of products, research local demographics and market conditions, and provide program recommendations to several policy questions such as: Which products will result in the biggest water savings for the smallest investment? What products are consumers most interested or receptive to changing out? How much should the rebate be to minimize free-riders? (Those who were already planning on installing new fixtures – with or without a rebate and don't need an incentive.) What is the value of the water that is saved through a WaterSense rebate program? How does the cost of the rebate program compare to the cost of new source/capacity development? What are total projected savings over the life of the product?

Not only will the information from this study be valuable to our cities for determining which water rebate programs to implement, but it will also provide valuable information for other water providing agencies statewide on cost of products vs. savings achieved. There is assured long-term potential of the EPA WaterSense labeling program to impact water conservation in a lasting way. However, in order to maximize water savings in the Tualatin Basin, questions need to be answered and the feasibility of such a program should be analyzed so that a financial incentive program can be developed that will best meet the needs of our customers and our utilities. Based on these additional comments, we hope that the Water Resources Department and Commission will seriously consider giving our grant application a higher priority ranking.

Sincerely,



Niki Iverson
Water Resources Manager
City of Hillsboro
503-615-6770
nikii@ci.hillsboro.or.us



Tacy Steele
Water Programs Coordinator
City of Hillsboro
(503) 615-6732
tacys@ci.hillsboro.or.us

cc: Phil Ward, Water Resources Department
Brenda Bateman, Water Resources Department
Dave Winship, City of Beaverton

CITY OF HILLSBORO



Water Department

RECEIVED

OCT • 31 2008

WATER RESOURCES DEPT
SALEM OREGONORIGINALLY RECEIVED
ON 10/28/08 VIA FAX

October 27, 2008

Bob Rice
Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1266RE: Water Conservation, Reuse, and Storage Grant Applications
Public Comment on HET Rebate Pilot Program Grant Application

Dear Application Review Team:

In response to the Department's Water Conservation, Reuse and Storage Grant program, several municipalities partnered to develop an HET (high efficiency toilet) rebate pilot program, including City of Hillsboro, Portland Water Bureau, Tualatin Valley Water District, Clackamas Water Providers, City of Tigard, City of Lake Oswego, and the Rockwood Water PUD. We believe that the group's application did not receive the proper review, and that the criteria for review of pilot programs need to be better defined.

The department's grant application form stated that projects and programs would be considered that include "comparative analyses of the alternative means of supplying water, including but not limited to the cost and benefits of water conservation and efficiency alternatives." It is clear to us that a pilot program falls within that criterion. Pilot programs are commonly considered by the conservation profession to be a type of feasibility study; they are used to evaluate the feasibility of potential programs by analyzing their cost effectiveness, water savings, market availability, and public acceptance. For instance, the goal of the HET pilot program is to study market transformation feasibility in the Portland-Metro region by proffering \$100 rebates on HET WaterSense toilets. The program includes an evaluation component that will analyze public acceptance levels, estimate incentive-based purchase rates and calculate achievable water savings. Based on the study results, participating agencies will decide whether or not to continue offering HET rebates after June 30, 2009. A pilot program can be a great tool to inform public officials and customers on the effectiveness of a conservation program prior to its implementation. The pilot program can also identify modifications that need to be made to the program for it to be feasible as an effective long-term program.

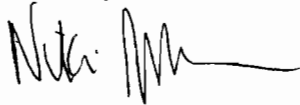
Staff from several of the agencies that partnered on this application were told by Water Resources Department staff at grant program workshops that pilot program proposals would be eligible for consideration. However, after this application was submitted we were notified by Department staff that this application would be pulled from the process and would not be evaluated. In addition, the application initially was not even listed as having been received by the Department in its online posting of applications received; the application was added to that list a month later after the rating results on all of the other applications had been posted.

We believe that this grant application should have been evaluated during the rating process along with all of the other applications that were received. If the Department concluded that it did not meet the

criteria for the program, then it should have received a rating consistent with that determination. We believe that a review of the application would have concluded that it did address the eligibility criteria.

In the absence of well-defined criteria clearly excluding pilot programs from consideration, the Department should not have refused to rate the application. Because pilot programs are accepted within the conservation profession as legitimate feasibility studies, it sends the wrong message to the conservation community for the Department to automatically reject such applications. If the Department's intent is to seriously promote conservation as an alternative water supply source, then pilot programs need to be supported by the grant program, and as the grant program moves forward the criteria for review of pilot programs need to be more clearly defined.

Sincerely,



Niki Iverson
Water Resources Manager
City of Hillsboro
503-615-6770
nikii@ci.hillsboro.or.us



Lorna Stickel
Water Resources Planning Manager
Portland Water Bureau
(503) 823-7502
lstickel@water.ci.portland.or.us

cc: Phil Ward, Brenda Bateman



Oregon

Theodore R. Kulongoski, Governor

Department of Fish and Wildlife

Rogue Watershed District Office
 1495 East Gregory Road
 Central Point, OR 97502
 (541) 826-8774
 FAX: (541) 826-8776



October 8, 2008

Mr. Bob Rice
 Oregon Water Resources Department
 725 Summer Street, Suite A
 Salem, Oregon 97301

Dear Mr. Rice:

This letter provides a brief review of downstream fish management priorities, as well as support for a grant application to complete a feasibility study of enlarging the reservoir at Willow Lake. This follows a recent tour earlier this year of the Eagle Point Irrigation District diversions in the area.

Big Butte Creek is certainly a high priority for the Oregon Department of Fish and Wildlife (ODFW). The cool, spring-fed nature of flows in Big Butte Creek adds to the value of this stream for fish resources in the Rogue watershed. These flows may become even more important over time depending on climate trends.

The cool water habitat is likely the reason that Big Butte Creek is the lone Rogue tributary that supports a self-sustaining population of spring chinook salmon. Enhancement of spring chinook salmon in Big Butte is a key strategy in the recently-adopted Rogue River Spring Chinook Conservation Plan, developed by ODFW with the support of a public advisory committee. We are following up on reconnaissance surveys conducted last year with a more intensive survey effort in 2008, to identify chinook spawning areas, redd densities, and opportunities for enhancement through ambient flow restoration and other actions.

Partnerships with landowners and water users such as the Medford Water Commisison are a primary way that we work to meet our mission of protecting and enhancing Oregon's fish and wildlife resources and their habitat. ODFW supports efforts that would increase the amount of ambient spring flow remaining instream throughout Big Butte Creek, while serving societal needs from the watershed. Conversely, we would have concerns about actions that would warm flows in Big Butte. We support a feasibility study that would include a review of downstream impacts to temperature and fish populations.

Sincerely:

Dan Van Dyke
 District Fish Biologist

RECEIVED
 OCT 14 2008
 WATER RESOURCES DEPT
 SALEM, OREGON

Kim French

From: Ms Kitty [jurysplace@wildblue.net]
Sent: Thursday, October 30, 2008 8:07 AM
To: Kim French
Cc: Bob Rice
Subject: Fw: Lower Powder River Irrigation District

-----Original Message-----

From: Ms Kitty
Date: 10/30/2008 7:16:55 AM
To: robert.d.rice@wrld.state.or.us
Subject: Lower Powder River Irrigation District

Fellow Steward of Public Water,

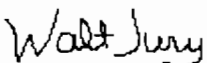
The Lower Powder River Irrigation District has remained virtually unchanged since the early 1930's when construction was completed on our Thief Valley Reservoir. Since that time many irrigation projects have been constructed upstream of our project without our concern for the water supply in the Keating valley because of the belief that we could never run out of water. A couple of drought years have opened our eyes. Combined with a greater demand for water in the river above our reservoir, Thief Valley will go dry even in this good water year.

Each time we drain our reservoir to meet user demands, we not only lose agricultural production, we also lose recreational and fishing opportunities at Thief Valley. Perhaps the greatest loss to us is the thirteen miles of Wild and Scenic river that is killed by the warm, deoxygenated water leaving the bottom of the Thief Valley pool.

Lower Powder River Irrigation District is at the point where our entire system needs to be overhauled for the benefit of agriculture, wildlife and recreation.

We are applying for a grant simply to fund an independent study of what our District needs, or needs most to make the best use of the water we have. Please consider helping us in this endeavor.

Sincerely,



Walt Jury
 President, Lower Powder River Irrigation District

10/30/2008

Bob Rice

From: Lois Eckley [leckley@gmail.com]
Sent: Thursday, October 30, 2008 4:52 PM
To: Bob Rice
Subject: Lower Powder River Grant Application

Dear Mr. Rice,

We are writing this letter in support of the Lower Powder River Irrigation District's grant application. We are served by two of the ditches in the district, the Emele ditch and the Erwin ditch, and we feel that the study and critique of our system could help conserve water, grow better crops and streamline the delivery system.

Thank you for your consideration of this grant.

Sincerely,

Joseph R. Eckley
Lois E. Eckley
43473 Miles Bridge Rd
Baker City, Oregon 97814
541-523-5895



CH2MHILL

F A X

To: Bob Rice

From: Janis.Freeman@CH2M.com

Company: State Water Resources Dept

Subject: Metro Urban Growth Boundary

Fax: 5039860903

Pages: 2

Date: October 15, 2008

Fax Number:

Time (MST): 10:13:39 AM

Good morning,
The attached letter from the City of Gresham is being sent to you on behalf of the City of Damascus.

Thank You
Emily Callaway
CH2M HILL
Portland Office

Tel:503/235-5000
Fax:503/736-2000

The information in this fax is confidential and proprietary and is intended only for the individual or entity named on the cover sheet. If you are not the intended recipient, disclosure, copying, distribution or use of this information is prohibited.

Please call if pages are missing or illegible or if you receive this fax in error.



CITY OF GRESHAM

Department of Environmental Services
1333 N.W. Eastman Parkway
Gresham, OR 97030-3813
(503) 618-2525
FAX (503) 661-5927
GreshamOregon.gov

David S. Rouse
Director

September 3, 2008

Transportation & Development
Services Division

Dear Sir/Madam:

John Dorst
Deputy Director

In December 2002, the Metro Council expanded the Urban Growth Boundary (UGB) to include approximately 12,000 acres in the Damascus/Boring area. This area is expected to become one of the fastest growing regions in Oregon, and the City of Gresham shares a long border as well as some targeted development areas with Damascus.

Office of Community Relations

Tam Discol
Manager

Specifically, the success of the Pleasant Valley and Springwater development areas hinge in part on solid collaboration between Gresham and Damascus. Gresham is committed to participating and supporting this feasibility study as one example of our cooperative efforts to serve the new residents along our shared border.

Parks & Recreation
Division

Steve Fancher
Interim Manager

The City of Gresham is supportive of preliminary discussions about the potential for a water reuse plan for service to East Damascus. In addition, Gresham has a significant interest in water reuse as a component of our long term water supply strategy and we've been conducting some of our own reuse studies. This work in Damascus would supplement the work that Gresham is already doing and further support our efforts to develop cost-effective reuse solutions.

Watershed Management
Division

Steve Fancher
Manager

Gresham supports the efforts of such a plan and will cooperate with the City of Damascus by participating in meetings, looking for opportunities to coordinate between jurisdictions, and providing pertinent information for the study.

Wastewater Services Division

Guy Graham
Manager

Water Division

Brian Stant
Manager

Recycling & Solid Waste
Program

Dan Blue
Manager

David S. Rouse
Environmental Services Director
City Of Gresham



Board of Commissioners

Courthouse, Room 110
225 W. Olive Street
Newport, Oregon 97365
(541) 265-4100
FAX (541) 265-4176

August 29, 2008

Polk County Board of Commissioners
850 Main Street
Dallas, OR 97338

Re: Polk County Water Resources Grant Application

Dear Commissioners:

We support your grant application to the Oregon Water Resources Department for funds to be used to study a regional water storage project in the Siletz River Watershed. The study would complement the existing work being done to meet local water needs in Lincoln County. Based on preliminary engineering information, there is potential for a significant-sized storage facility that could meet the municipal and quasi-municipal needs of water providers in both counties, as well as increasing summer flows in the Siletz River to improve water quality and enhance fish habitat. We also understand that grant funds would be used to conduct an initial environmental study of the storage project, which is an important component in determining the feasibility of the project.

We will continue to be involved and ask that we be kept informed on the status of this important project.

Sincerely,

A handwritten signature in black ink, appearing to read "Terry Thompson".

Terry Thompson
Lincoln County Commissioner

RECEIVED

OCT 03 2008

**WATER RESOURCES DEPT
SALEM, OREGON**





Buell Red Prairie Water District

PO Box 367, Sheridan, OR 97378
Ph# 503.843.2885

September 2, 2008

Polk County Community Development
Austin McGuigan
1.503.623.6009

Dear Mr. McGuigan:

This is to inform you that the Buell Red Prairie Water District is interested in participating in the Water Alliance Valzets study.

We understand that this letter does not obligate us financially in any way

Sincerely,

Mark Millikan
Board President / Buell Red Prairie Water District

October 12, 2008

Bob Rice
Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1266

RE: Grant Application GA0032 09 (Lincoln/Polk County Regional Water Source Development)

I strongly recommend against providing any funds for this grant application that would help fund a planning study for a dam project on the Siletz River near Valsetz. I was quite surprised and disappointed to see that the Application Review Team gave this a "Do Fund: High @ \$180,000" recommendation. That is barely better than recommending the full \$349,434 requested.

The \$20,000 of public funds already invested in this dam-and-divert-out-of-basin project, and the proposed additional funding, represent a high-risk investment with public funds that should be brought to a halt. The probability of a dam being build at Valsetz is extremely low, so funds invested will likely produce no public benefits. This is largely because the unique fish runs and overall value of Siletz River fisheries to sport and commercial fisheries is going to generate local, state, and national opposition by well-funded organizations. If the dam project ever reaches approval by government agencies, it will be challenged in court where project approval will likely be overturned after even more public funds will be spent in the dam project's defense.

Any proposed dam on the Siletz River will generate strong opposition from around Oregon and the U.S. because it is one of only three coastal rivers in Oregon that support indigenous runs of summer steelhead, and one of a minority of coastal rivers in Oregon that support runs of spring Chinook salmon. The wild run of summer steelhead was nearly extirpated by 1990's and is like a patient just leaving an ICU. The spring Chinook run is highly susceptible because its population is small and human-related impacts in the basin threaten its habitat, especially extensive logging and roading. Even if I could be convinced that the project would have little or no impact on these two unique fish runs, or the valuable fall Chinook salmon, coho salmon, winter steelhead, or sea-run cutthroat trout runs, I would recommend against investing any more public money into such a project because of the low probability that it would make it through the political and legal processes without inordinate legal expense to the public, if it made it at all.

We have entered an era of dam removal, not dam construction, due to the growing value society is placing on the remaining un-dammed rivers and scarce runs of wild fish. This is because of a growing recognition of the rarity and the ecological importance of naturally functioning watersheds that produce critical ecosystem services for human populations besides just the quantity of water delivered. It is also because of the growing body of scientific evidence that dams on rivers and human-induced alterations to natural patterns of streamflow, including natural floods and natural low flow periods, have negative impacts on the fish species that evolved in these rivers. And fish are only one of many biological species that have evolved with natural streamflow conditions over hundreds of thousands of years. There is the distinct possibility that a dam in the upper Siletz Basin will not only create an un-natural streamflow and temperature regime downstream, but alter the water chemistry, propagate fish disease organisms, and may even generate toxins to fish, all of which will compromise the population health of native species like the already compromised summer steelhead and spring Chinook salmon downstream.

RECEIVED

OCT 15 2008

WATER RESOURCES DEPT
SALEM, OREGON

Page 2 of 2, McPherson, October 12, 2008

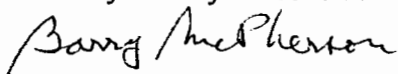
I come to these conclusions based on a career spent in fishery research and management in Oregon (mostly with the Oregon Department of Fish and Wildlife, including over 15 years researching impacts of headwater dams on fishes of the Rogue River Basin). Going back to my statement "Even if I could be convinced that the project would have little or no impact on these two unique fish runs.....", the knowledge and experience I gained through my career lead me to state that there is an extremely low probability of being convinced. I have been a visitor and student of the Siletz watershed, its fish runs, and the Valsetz area for over 30 years. I am sure that there will be unpredicted ecological impacts, especially for fish and other aquatic organisms, if the proposed dam is built in the Siletz Basin.

I am not opposed to all dams. Some dams less than 10 ft high with adequate passage facilities for all life stages of all native fish are acceptable to me. If we could come close to duplicating the function of beaver dams with their benefits to native fishes and water storage in watersheds, I would support such dams, but I would argue that it would be better to sustain beaver populations and let them build the most appropriate dams for the watershed. And I would argue that your agency needs to improve its coordination with forest management agencies and wildlife management agencies in Oregon to restore beaver populations and the abundance of beaver dams in our watersheds in order to improve water storage and streamflow moderation, as well as restore native fish populations.

I strongly believe that the top priority of your Water Conservation, Reuse and Storage Grant Program should be on funding conservation projects, and on funding watershed restoration projects that provide the ecosystem service of natural storage and streamflow moderation. One of the lowest priorities should be additional dam projects for storage and/or diversion, especially out-of-basin diversion. It may take pricing structures that charge lower rates to those who use less water, but we need to achieve much higher levels of water conservation in municipal, agricultural, and industrial uses before we start investing public money on any more dams on streams and rivers.

I'm convinced that being more efficient and controlling demand for all natural resources, not just water, is where our state, nation, and world communities need to direct their efforts in the light of impacts that natural resource depletion and the growing human population of the world is already having on future generations. I implore the Water Resources Department to show leadership in this effort in your area of responsibility: Oregon water resources. Please do not invest any more public money on studies or other grants connected to building dams on the Siletz River.

Thank you for your consideration of my views,



Barry McPherson
905 NE 7th St.
Newport, OR 97365-2520
bdmcperson@coho.net
Home: (541)574-6111

RECEIVED

OCT 15 2008

WATER RESOURCES DEPT
SALEM, OREGON



Lisa Brown
WaterWatch of Oregon
213 SW Ash St., STE 208
Portland, OR 97202

October 30, 2008

Bob Rice
Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301-1266

RE: Polk County (Vassetz dam) SB 1069 feasibility application, GA0032 09

Dear Mr. Rice:

Thank you for the opportunity to comment on the feasibility study applications requesting funding pursuant to SB 1069, and the associated Application Review Team recommendations. WaterWatch submits these comments on the Application Review Team recommendations regarding the Polk County application (Lincoln/Polk County Regional Water Source Development) to study building a new, on-channel storage project on the South Fork Siletz River, and is also submitting general comments on the funding recommendations under separate cover. For several reasons, including the proposed study's failure to include required components, this project study should not have been recommended for funding.

Comments

1. Because the proposed study fails to include required components, the recommendation to fund it is not in compliance with law.

SB 1069 and its implementing rules only allow funding of a study for a proposed storage project of this type (impounding surface water on a perennial stream or diverting water from a stream that supports sensitive, threatened or endangered fish or diverting more than 500 acre-feet of surface water annually; and for municipal use) if the study includes certain components. OAR 690-600-0020(4)(f). Please see WaterWatch's general comments on these funding recommendations, submitted under separate cover, for more information on these standards. Here, the study described in the application fails to include certain required components, and fails to adequately address others.

Specifically, the study description fails to include the following components which are legally required to be in any study that is recommended for funding:

- a) OAR 690-600-0020(4)(f)(A). "Analyses of by-pass, optimum peak, flushing and other ecological flows of the affected stream and the impact of the storage project on those flows."

The application mentions streamflows and fish in a few places, but never addresses whether or how the study will address component OAR 690-600-0020(4)(f)(A). The application states that the study will include a "Streamflow Analysis" that will "examine the ecological needs of the Siletz and Luckiamute Rivers." Application at p. 2. It also states that "[f]ish passage concepts and stream/hydrology analysis will be performed with recommendations after gathering data and conducting new studies in the Valsetz valley." Application at p. 5.

It is unclear from these statements, and the application as a whole, whether Polk County intends any element of the study to include "analysis of by-pass, optimum peak, flushing and other ecological flows of the affected stream and the impact of the storage project on these flows." Further, the funding criteria require that each applicant "describe the technical aspects of the study and explains why the technical approaches are appropriate for the planning study and accomplishing the goals of the study." "Water Conservation, Reuse and Storage and Grant Program – Criteria and Evaluation Guidance (July, 2008) at p. 2. The application includes no such description regarding the required study element OAR 690-600-0020(4)(f)(A).

WaterWatch requests clarification from Polk County and the Department regarding inclusion and description of a study element addressing OAR 690-600-0020(4)(f)(A). If no such element is included in the study, the proposal can not be recommended for funding under SB 1069 and its implementing rules.

- b) OAR 690-600-0020(4)(f)(B). "Comparative analyses of alternative means of supplying water, including but not limited to the costs and benefits of conservation and efficiency alternatives and the extent to which long-term water supply needs may be met using those alternatives."

The study described in the application includes one sentence related to this element; however, the sentence that follows demonstrates that the applicant has misunderstood or misconstrued this element and does not intent to adequately address this element in its study.

The application states that the "refinement analysis" will (among other things) "consider the costs and benefits of conservation and efficiency alternatives and the extent to which long-term water supply needs may be met using those alternatives." Application at p. 5. However, the very next sentence states "We will then determine the amount of water to release out of both sides of the reservoir based on these conclusions." *Id.* Since the point of OAR 690-600-0020(4)(f)(B) is to evaluate whether long term water supply needs can

be met with conservation and efficiency (or other alternatives) - *instead of the proposed large storage project* – applicant’s assumption that the evaluations’ results will simply be used to determine releases of water from the proposed storage project misses the mark substantially. An analogy would be designing a study to see if offender treatment or building more prisons is more effective at deterring crime, but stating before undertaking the study that the results would be used to determine how many more prisons to build.

Further, the application never describes how it will accomplish the broader “[c]omparative analyses of alternative means of supplying water” required by OAR 690-600-0020(4)(f)(B). The application includes no such description regarding the required study element OAR 690-600-0020(4)(f)(A).

The application shows that the proposed study will not adequately address OAR 690-600-0020(4)(f)(B), and thus this project study has improperly been recommended for funding.

- c) OAR 690-600-0020(4)(f)(E). “For a proposed storage project that is for municipal use, analysis of local and regional water demand and the proposed storage project’s relationship to existing and planned water supply projects.”

The study described in the application does not include any elements that address OAR 690-600-0020(4)(f)(E), and thus this project study has improperly been recommended for funding.

- d) In its answer to number four (p. 10), applicant states that there are “achievable alternatives” to the project, which further highlights the proposed study’s deficiencies regarding OAR 690-600-0020(4)(f)(B) and (E).

Question number four on page ten asks the applicant to “[p]resent convincing argument that there are no other reasonably achievable alternatives that would be able to meet the water supply need(s).” Applicant answers that there is no such argument to be made by stating:

“To be completely candid, today there are other achievable alternatives for most of these providers to pursue individually” and

“We believe the project is valid and could make a lot of sense even though there are other alternatives available.”

Given that applicant could not provide the “convincing argument” asked for in question four, it is unclear why this proposal was recommended as Do Fund, High priority. Further, given that there are, according to applicant, “other achievable alternatives,” the importance of the study properly addressing OAR 690-600-0020(4)(f)(B) and (E) becomes even more important. If there are other alternatives, SB 1069 and its implementing rules require the proposed study to include an analysis comparing those alternatives the proposed storage project.

While WaterWatch supports appropriate regional water supply planning and coordination, the foundation must be accurate and informed analysis of each of the available alternatives that includes conservation and efficiency opportunities and accurate demand forecasting. No study elements related to such foundation appear to be included in the proposed study despite applicant's acknowledgment that there are other available alternatives.

Applicant's admission that there are other achievable alternatives should have caused this project to be ranked low or no priority for funding. WaterWatch requests that this proposed study not be recommended for funding.

2. Review of this application was premature because the report is not available yet for the 2008 OWSCI grant to Polk County for assessment of the water needs and to "determine the financial feasibility" for this project.

In April, 2008, the Water Resources Department granted \$20,000 to Polk County, on behalf of Polk and Lincoln Counties, to conduct analysis related to the instant project study. The focus of the OWSCI grant study was the water needs of the counties, and the study was to "determine the financial feasibility of a storage project on the upper Siletz River in Polk County." OWSCI grant application at p. 1. The deadline for returning the OWSCI grant reports to the Water Resources Department is in November and no report has been returned as of the close of this comment period.

Given that the state deemed that granting public funding was appropriate for a study of the water needs that may (or may not) justify this project, the state should not spend additional public money on the project until it receives the results of that report. Further, given the lack of this important report, the application failed to meet the evaluation factor "Reliance on Solid Water Availability and Need(s)." Water Conservation, Reuse and Storage and Grant Program – Criteria and Evaluation Guidance (July, 2008) at p. 7.

We believe it is improper to allocate additional public funds for this project until the public and the agencies are able to evaluate the report from the OWSCI grant. This application should not have been reviewed prior to receiving Polk County's report on its outstanding OWSCI grant that was promoted as supplying information that would be used to determine whether to proceed with this project.

3. The proposed project poses significant problems for salmon and steelhead, including species protected under the Endangered Species Act and listed as State Sensitive.

This project would cause significant adverse impacts to salmon and steelhead, including sensitive and ESA listed species. Problems would include:

- a) loss of a substantial area of habitat due to flooding and potential passage problems (or lack of passage) at the proposed dam; and

- b) unnatural streamflow and temperature alterations from the proposed use of the South Fork and mainstem Siletz Rivers as a conveyance for large quantities of water to Lincoln County (Application at Attachment Preliminary Engineering Analysis, no page number). The same is likely true of the Upper Luckiamute which would apparently also be used as a conveyance facility (Application at p. 1).

State sensitive fish species in and above the project area include coastal steelhead, which are listed as State Sensitive – Vulnerable. Other fish in the watershed that would be affected by the proposed project include: coho (State Sensitive – Critical; Federally Threatened under the Endangered Species Act); and coastal cutthroat, coastwide below natural impassable barriers (State Sensitive – Vulnerable).

The impacts of the proposed project would be clearly inconsistent with the review standards of the Water Resources Department and Oregon Department of Fish and Wildlife. For example, OAR 690-33-330(2) applies the following standard for a water allocation application which the Water Resources Department determines may affect sensitive, threatened or endangered fish species:

- (a) In areas of the state outside of the Columbia Basin where threatened and endangered fish species are located, no loss of essential habitat as defined in OAR 635-415-0005(4).
- (b) In all areas of the state where sensitive species are located, no net loss of essential habitat as defined in OAR 635-415-0005(4).

(OAR 635-414-005 defines "Essential Habitat" to mean "any habitat condition or set of habitat conditions which, if diminished in quality or quantity, would result in depletion of a fish or wildlife species.")

It is bad public policy to allocate \$180,000 in public money for a study of a project that so clearly would fail to meet state law by significantly and adversely impacting salmon and steelhead populations. Certainly this cannot have been the intent of spending public money to fund SB 1069 project studies.

4. If OAR 690-600-0030(3) factored into the funding determination, the analysis needs to be revised.

OAR 690-600-0030 (3) states:

In its evaluation of applications associated with above ground storage projects, the Department will give priority to applications associated with above ground storage projects that include provisions for using stored water to augment in-stream flows to conserve, maintain and enhance aquatic life, fish life or other ecological values.

It is unclear whether an assessment of this factor formed the basis for the positive recommendation regarding this project. If so, the Department should consider the following:

- a) Applicant proposes using the South Fork Siletz and mainstem Siletz Rivers as conveyance facilities to move large amounts of water to Lincoln County (Application at Attachment Preliminary Engineering Analysis, no page number). However, such augmentation would not benefit fish, as streamflows in these river reaches are not depressed. Thus such augmentation would not “conserve, maintain and enhance aquatic life, fish life or other ecological values” and can not be used to prioritize an application pursuant to OAR 690-600-0030(3). The same may also be true for the Upper Luckiamute.
- b) Though applicant proposes using these streams as conveyance facilities, applicant does not appear to commit in its application to using any stored water to augment in-stream flows specifically for the benefit of aquatic ecology or fish (even if it were possible or needed), though the concept is mentioned.

If funding was prioritized for this above-ground storage project based, in whole or in part, on a finding that the application included “provisions for using stored water to augment in-stream flows to conserve, maintain and enhance aquatic life, fish life or other ecological values,” this prioritization needs to be revised.

5. The proposed study fits so poorly with the Criteria and Evaluation Guidance that it appears the study should not have been funded.

The Water Conservation, Reuse and Storage and Grant Program – Criteria and Evaluation Guidance (July, 2008) provides the criteria and evaluation guidance that was to be used in evaluating applications. A review of these criteria raises questions as to why this application was identified as Do Fund, High priority.

For example, the funding criteria require that each applicant “describes the technical aspects of the study and explains why the technical approaches are appropriate for the planning study and accomplishing the goals of the study.” Water Conservation, Reuse and Storage and Grant Program – Criteria and Evaluation Guidance (July, 2008) at p. 2. The application includes no such description for several required study elements, including OAR 690-600-0020(4)(f)(A), (B), and (F).

Other examples include, as noted above, there is no “Solid Water Availability and Need(s) Data/Analysis” as evidenced by the fact that the state funded a study on this topic for which no report has yet been submitted. There is no lack of alternatives, or “convincing argument” that the needs cannot be met with other alternatives (in fact, the applications states that there are such other alternatives). There is no commitment that the project will be used to augment in-stream flows to conserve, maintain, and enhance aquatic life (see #4 above) . There is also no list of key personnel provided. In sum, it is

hard to see how the sum of the criteria points for this application could qualify it as a Do Fund, High priority application.

In conclusion, this project study should not have been recommended for funding. Thank you for considering these comments and please do not hesitate to contact us with any questions.

Sincerely,

A handwritten signature in cursive script that reads "Lisa A. Brown" followed by a horizontal line.

Lisa A. Brown
Staff Attorney

KURT SCHRADER
State Senator
Clackamas County

DISTRICT 20

REPLY TO ADDRESS INDICATED:

900 Court St NE S-209
 Salem, OR 97301
 2525 N. Baker Drive
 Canby, OR 97013



OREGON STATE SENATE
900 COURT ST NE
SALEM, OREGON 97301

RECEIVED
 OCT 31 2008
 WATER RESOURCES DEPT.
 SALEM, OREGON

Committee:
 Co-Chair:
 Ways and Means

ORIGINALLY RECEIVED
 ON 10/30/08 VIA EMAIL

October 29, 2008

Water Resources Department
 Mr. Bob Rice
 725 Summer Street NE, Suite A
 Salem, Oregon 97301

RE: East Valley Water District SB 1069 Grant Application

Dear Mr. Rice:

In February 2008, passage of SB 1069 established and funded the Agricultural and Community Water Act. The variety and magnitude of projects submitted to the Department for grant consideration speaks to the existing and growing need for water planning across Oregon.

Surprising to some, water shortages already exist within the Willamette Valley. Growers in Marion and Clackamas Counties face both ground and surface water shortages and have formed the East Valley Water District (EVWD) for the sole purpose of developing an alternative source of water supply. The farms served by the East Valley Water District are generally within three Groundwater Limited Areas east of Mt. Angel toward Scotts Mills. Surface water sources are over-appropriated and expanded groundwater uses for all but domestic purposes are now prohibited. The GLAs were ordered in the mid-1990s by the Water Resources Department.

The EVWD is investigating the feasibility of a water storage site near Drift Creek in Marion County that would provide a source of stable water supply for 15,000 acres of existing agricultural operations. Conditional "time-limited" permits and temporary transfers now in place are not long-term and some of the time-limited permits have been canceled this year. The goal of the project is to provide critical long-term stable water supply for the district farms. The stored water will relieve pressure in the three limited groundwater areas in the district's service area. The project will also relieve over appropriated surface water sources. The studies conducted under the grant will finalize costs and conditions for developing the reservoir.

RECEIVED
OCT 31 2008
WATER RESOURCES DEPT.
SALEM, OREGON

The grant application submitted by the East Valley Water District received a strong funding recommendation by the Application Review Team. I echo that recommendation and encourage the Water Resources Commission to award this substantial grant to the district.

In my view, this significant grant award would go a long way towards developing a proactive water supply solution to what will become an increasingly difficult issue for area agricultural water users.

Sincerely,



Kurt Schrader

MSA

Murray, Smith & Associates, Inc.
Engineers/Planners

121 S.W. Salmon, Suite 900 ■ Portland, Oregon 97204-2919 ■ PHONE 503.225.9010 ■ FAX 503.225.9022

October 17, 2008

Mr. Bob Rice
Oregon Water Resources Department (ORWD)
725 Summer Street NE, Suite A
Salem, Oregon 97301

Re: OWRD Water Conservation, Reuse, and Storage Grant Program – Support for East Valley Water District (EVWD), Drift Creek Storage Project (Appl. No. GA0035 09)

Dear Mr. Rice:

Under the above-referenced OWRD Grant Program, the East Valley Water District has applied for funding assistance for its proposed Drift Creek Storage Project. The District has been notified of OWRD's "high" recommendation to fund the project. This letter is submitted in support of this recommendation.

I am a civil engineer with a firm that specializes in water system engineering. In recent years my firm has been involved in a variety of water supply planning projects aimed at optimizing water resource use in supply-limited watersheds. We have been involved in several successful dam projects in northwest Oregon and we have assisted the East Valley Water District with the recent engineering studies that have laid the groundwork for this project. I believe this is just the kind of project that the OWRD's Water Conservation, Reuse, and Storage Grant Program was established to support.

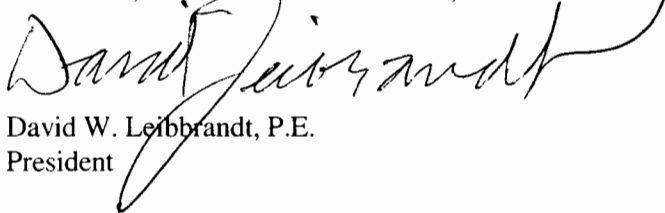
The water supply challenges facing the Silverton/Mt. Angel farmers have been known for a long time. Numerous prior studies have been conducted over the years in the Pudding River Basin and many potential projects have been contemplated. This project appears to show strong promise of providing real benefit and real relief to the region's growing water shortage problems. The project will benefit local agriculture interests and local small town economies, it will mitigate receding groundwater conditions, it intends to benefit fish habitat, and it can reduce flooding risk.

As with any new water storage project, the Drift Creek Project is expensive. The number of members of the East Valley Water District is limited and the up-front financial burden is great. The matching grant monies offered by this program are of tremendous importance to the project being able to proceed. I urge your continued support for the project.

Thank you for your continued support for the EVWD Drift Creek Project.

Sincerely,

MURRAY, SMITH & ASSOCIATES, INC.



David W. Leibbrandt, P.E.
President

DWL:djs

C:\Documents and Settings\djs\My Documents\DWL letter.doc

RECEIVED
OCT 20 2008
WATER RESOURCES DEPT
SALEM, OREGON



Marion County

OREGON

(503) 588-5212

(503) 588-5237 - FAX

DATE: October 29, 2008

**BOARD OF
COMMISSIONERS**

Samuel Brentano
Janet Carlson
Patti Milne

MEMO TO: Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301
Attention: Bob Rice
robert.d.rice@wrд.state.or.us

FROM: Marion County Board of Commissioners

RE: East Valley Water District SB 1069 Grant Application

The Marion County Board of Commissioners fully supports the Water Conservation, Reuse and Storage grant application submitted by the East Valley Water District. This critical grant seeks a funding partnership with the Department to further develop required analysis for a water storage project at Drift Creek.

The Drift Creek project is an on-going, proactive effort by District farmers to develop water supply within the general vicinity of communities in Silverton, Mt. Angel and Molalla. The District includes the Glad Tidings, Mount Angel and Victor Point groundwater-limited areas. Surface water rights in these areas are fully appropriated and often regulated back in the summer and fall, limiting their full use. District farming operations also rely heavily, and sometimes solely, on groundwater supplies from aquifers. And as you know, the Department this year denied the renewal of several groundwater permits previously in use by district farm operations.

The Commission *continues* to support the efforts of the District, and understands the associated urgency of developing water supply before conditions are downgraded further to a critical listing. As a county, we have seen the negative impacts of a critical designation in Umatilla County. We support the concept of creating alternative water supply by developing storage that will ultimately provide a stable and environmentally sound source of water.

The Marion County Board of Commissioners urges the Department to join us in supporting the East Valley Water District and its SB 1069 grant application.



Oregon Water Resources Congress

1201 Court St. NE, Suite 303 | Salem, OR 97301-4188 | 503-363-0121 | Fax: 503-371-4926 | www.owrc.org

October 29, 2008

Mr. Bob Rice
Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301-1266

Transmitted via facsimile

Re: East Valley Water District Application for SB 1069 Grant

Dear Mr. Rice:

The Oregon Water Resources Congress (OWRC) is an association irrigation, water control, water improvement, and drainage districts across the state, each of which represent from 50 to over 5,000 water users.

I am writing to express support of the East Valley Water District's SB 1069 grant application requesting matching funds for work on its Drift Creek water storage project in Silverton, Oregon. The East Valley Water District includes water users within the Glad Tidings, Mount Angel and Victor Point groundwater-limited areas in Marion and Clackamas Counties. The district's Drift Creek project is a decades-long effort by district water users to develop an alternative water supply to meet the needs of existing farmers and alleviate usage pressure on declining aquifers.

OWRC was founded in 1912 and has a long history supporting the development and protection of water rights for beneficial uses, encouraging water conservation programs and promoting efficient water management. In this spirit, OWRC supported the passage and funding of SB 1069 and subsequent rulemaking for the program. We support funding the grant application submitted by the East Valley Water District as a strong example of the underlying intention of the enabling legislation.

The East Valley Water District should be commended for the efforts already undertaken to address water shortages before a critical listing becomes an end result. The district project has demonstrated need for a public partnership in the form of a grant award under SB 1069.

Sincerely,

Anita Winkler
Executive Director

The mission of the Oregon Water Resources Congress is to promote the protection and use of water rights and the wise stewardship of water resources.

CITY OF PORT ORFORD

555 West 20th Street
Post Office Box 310
Port Orford, Oregon 97465
541-332-3681(v) 541-332-3830(f)
auborn@aol.com

October 17, 2008

Mr. Bob Rice
Water Resources Department
725 Summer Street, Suite A
Salem, OR 97301-1266

Dear Mr. Rice:

I am responding to the request for Public Comment on the City of Port Orford's Hubbard Creek Impoundment Project, GA0036 09, both as a concerned citizen and as mayor. This project is very important to the citizens of our community to assure an adequate supply of clean water during summer months when the creek runs dry. It is not only important to provide for growth, but to supply safe drinking water for existing residents and businesses.

I am heartened that the application has received favorable reviews and recommendations so far in the funding cycle and hope that it is finally approved.

Sincerely,



Jim Auborn, Mayor

"City of Port Orford is an equal opportunity employer."

RECEIVED

OCT 22 2008

WATER RESOURCES DEPT
SALEM OREGON

October 27, 2008

Mr. Bob Rice

Water Resources Department

725 Summer Street, Suite A

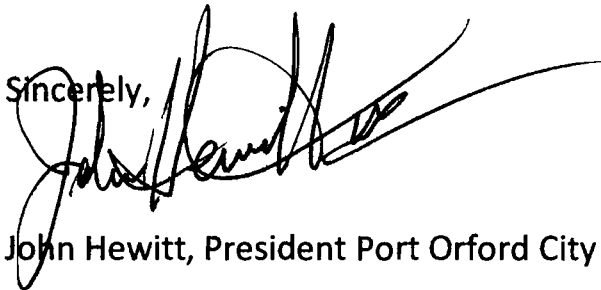
Salem, Oregon 97301-1266

Dear Mr. Rice,

I am writing in support of the City Of Port Orford's Hubbard Creek Impoundment Project, (GA0036 09).

As the President of the Port Orford City Council I have been contacted by many citizens regarding the future of our water supply as well as the quality of our water. Late in the summer Hubbard creek can run dangerously low or even dry. In order to provide an adequate supply of safe drinking water for current and future residents and businesses it is my hope and desire that this project receive approval in the current funding cycle.

Sincerely,

A handwritten signature in black ink, appearing to read "John Hewitt", with a long, sweeping horizontal line extending to the right.

John Hewitt, President Port Orford City Council

RECEIVED

OCT 28 2008

WATER RESOURCES DEPT
SALEM, OREGON

CITY OF PORT ORFORD

RECEIVED

OCT 29 2008

**WATER RESOURCES DEPT
SALEM, OREGON**

555 West 20th Street
Post Office Box 310
Port Orford, Oregon 97465
541-332-3681(v) 541-332-3830(f)
mmurphy@portorford.org

October 27, 2008

Mr. Bob Rice
Water Resources Department
725 Summer Street, Suite A
Salem, OR 97301-1266

Dear Mr. Rice:

I am responding to the request for Public Comment on the City of Port Orford's Hubbard Creek Impoundment Project, GA0036 09, both as a concerned citizen and as City Administrator. This project is very important to the citizens of our community to assure an adequate supply of clean water during summer months when the creek runs dry. It is not only important to provide for growth, but to supply safe drinking water for existing residents and businesses. This is the most cost effective and most efficient alternative available to meet the needs of the existing community, as well as for potential new residents as they relocate to this area. This project is also a high priority project in our current Water Master Plan, which was updated in 2005. This is the project that has "risen to the top" among the alternatives considered. This project is also the only project that is economically feasible. Not that this project is inexpensive, it is just that the other projects are downright prohibitive, or are not feasible for legal, or other, reasons.

I am heartened that the application has received favorable reviews and recommendations so far in the funding cycle and hope that it is finally approved.

Yours Truly,



Michael Murphy, City Administrator
City of Port Orford