OREGON
WATER RESOURCES DEPARTMENT

Staff Report

TO: Water Resources Commission

FROM: Ivan Gall, Director

DATE: September 11, 2025

SUBJECT: Agenda Item C
Water Resources Commission

FEASIBILITY STUDY GRANTS FUNDING RECOMMENDATIONS

I. Introduction

This report describes the multi-agency review process, funding recommendations, and public comments received for the 2025 Feasibility Study Grant funding cycle. The Commission will be asked to award funding.

II. Integrated Water Resources Strategy Recommended Action

- 13. D – Invest in Feasibility Studies for Water Resources Projects

III. Background

Feasibility Study Grants (Water Conservation, Reuse, and Storage Grant Program), established by Senate Bill 1069 in 2008, supports studies to evaluate the feasibility of water conservation, reuse, and storage projects. Grants require a dollar-for-dollar match. A feasibility study evaluates a proposed project to determine if and how the project should proceed to implementation. These studies typically take one to three years to complete. After adoption of rules in 2008, the Commission has awarded grants each biennium (Table 1).

Table 1. Number of Grants and Total Funds Awarded to Date

Biennium Awarded	Number of Grants	Total Awarded
2009-2011	21	$1,312,611
2011-2013	18	$1,099,690
2013-2015	14	$714,762
2015-2017	29	$2,154,354
2017-2019	7	$446,773
2019-2021	15	$1,967,321
2021-2023	11	$1,455,805
2023-2025	4	$285,179
Total	**119**	**$9,436,495**

IV. 2025 Funding Cycle

Applications for the 2025 cycle were due on March 12, 2025. The Department received five complete applications. A total of $1,039,504 in grant funds was requested. Individual grant requests ranged from $100,000 to $330,000. Per statute, awards are capped at $500,000.

There is currently $1,512,009 in unobligated funds available for the Commission to award. All funded studies must be completed by June 30, 2027, because the source of funding is General Fund, and the Department will communicate this information with successful applicants. The source of funding was unknown at the application submission deadline due to the ongoing legislative session.

Tribal Engagement

The Department contacted Tribes directly to solicit comments on complete applications. Tribes were invited to submit comments for consideration by the multi-agency Application Review Team (ART) or submit comments for consideration by the Department and Commission. After the ART made funding recommendations, the Department reached out to Tribes to provide an additional opportunity to comment. The Department did not receive comments from Tribes on the applications, or on the ART funding recommendations.

V. Grant Application Review Process

ART Review

Applications were reviewed by the ART which convened in June 2025 to evaluate the applications and provide funding recommendations to the Department. The ART consisted of representatives from the Oregon Department of Agriculture, Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife, Oregon Department of State Lands, Business Oregon, as well as the Department. A representative from the Oregon Health Authority was unable to participate this cycle. See Attachment 1 for evaluations of each application. Based on the ART evaluations, four of the five applications are recommended for funding.

Public Comment

The funding recommendations were posted on the agency website for a 30-day public comment period that closed on July 30, 2025. The Department received two public comments in support of the Corbett Aquifer and Recovery Feasibility Reassessment proposal and one comment on the evaluation of water conservation projects that claim instream benefits (Attachment 2).

VI. 2025 Funding Award Recommendations

Based on the ART recommendations, public comments received, and Department review, the Department recommends four applications for grant funding. If approved by the Commission, Department staff will work with the grant recipients to develop grant agreements. Table 2 lists the funding recommendations for the proposed studies.

Table 2. 2025 Funding Recommendation

Study Name – *Applicant Name*	**Project Type**	**Funding Request**	**Total Cost of Project**	**Funding Recommendation**
Corbett Aquifer Storage and Recovery Feasibility Reassessment – *Corbett Water District*	Below ground storage	$157,154	$314,308	Recommended
Lacomb Irrigation District Water Conservation Study – *Farmers Conservation Alliance*	Conservation	$248,423	$496,846	Recommended
Molalla Aquifer Storage and Recovery Feasibility Study – *City of Molalla*	Below ground storage	$203,927	$407,854	Recommended
Natural Aquifer Recharge in the Upper Klamath and Coos/Coquille Basins - *The Nature Conservancy*	Below ground storage	$100,000	$200,000	Recommended
Deschutes Basin Water Bank Feasibility Study – *Deschutes River Conservancy*	Conservation	$330,000	$660,000	Not recommended at this time
Total Requested		**$1,039,504**	**$2,079,008**	

As recommended, this would result in four grant awards totaling $709,504. This would leave $802,502 available for the 2026 funding cycle.

VII. Alternatives

The Commission may consider the following alternatives:

1. Adopt the ART funding recommendation contained in Table 2 of this report to fund four applications for a total award of $709,504.
2. Adopt a modified funding recommendation.
3. Direct the Department to further evaluate the applications and return with a revised recommendation.

VIII. Recommendation

The Director recommends Alternative 1, to adopt the funding recommendations contained in Table 2 of this report to fund four applications for a total award of $709,504.

Attachments:

1. Study Evaluation Summaries
2. Public Comments on Funding Recommendations

Louisa Mariki
503-979-9160

Adair Muth
971-301-0718

Feasibility Grant Applications

2025 Cycle Evaluation Summaries and Review Team Funding Recommendations

Background

Feasibility Study Grants provide funding for project planning studies that evaluate the feasibility of developing a water conservation, reuse, or storage project. A feasibility study is an evaluation of a proposed project or plan and can be used to determine *if* and *how* a project should proceed to the implementation phase. This funding opportunity covers up to 50% of the study cost.

Document Description

The following are study summaries for grant applications received by March 12, 2025, for the current funding cycle. The study summaries are adapted from submitted applications. The application summaries are listed below in alphabetical order.

Next Steps

Applications and the ART recommendations will be posted on the Oregon Water Resource Department's (OWRD) website for a 30-day public comment period from July 1 to July 30, 2025. OWRD staff will present funding recommendations, and the comments received to the Water Resources Commission at its meeting scheduled for September 11-12. The funding recommendations will be based on the ART recommendations and public comments received. The Commission will then make final funding decisions.

More Information

Additional information about this funding opportunity is available on the program website. If you have questions please contact Grant Analyst, Louisa Mariki, at 503-979-9160 or OWRD.Grants@water.oregon.gov.

List of Applications Received

Study Name	Project Type	County	Funding Requested	Total Cost of Study[1]
Corbett Aquifer Storage and Recovery Feasibility Reassessment	Below ground storage	Multnomah	$157,154	$314,308
Deschutes Basin Water Bank Feasibility Study	Conservation	Deschutes	$330,000	$660,000
Lacomb Irrigation District Water Conservation Study	Conservation	Linn	$248,423	$496,846
Molalla Aquifer Storage and Recovery Feasbility Study	Below ground storage	Clackamas	$203,927	$407,854
Natural Aquifer Recharge in the Upper Klamath and Coos/Coquille Basins	Below ground storage	Coos, Curry, Douglas, Klamath, Lake	$100,000	$200,000
		Total	**$1,039,504**	**$2,079,008**

[1]Studies require at least a dollar-for-dollar cost match.

2025 Applications

Corbett Aquifer Storage and Recovery Feasibility Reassessment Study

Recommended for Funding

Study Information (adapted from application)

Applicant Name: Corbett Water District

County: Multnomah

Funding Requested: $157,154

Total Project Cost: $314,308

Study Summary: The proposed study would reassess the feasibility of using Aquifer Storage and Recovery (ASR) to develop a supplemental/emergency drinking water source for the Corbett Water District (District). The District currently obtains drinking water exclusively from Gordon Creek, which is vulnerable to low-flow conditions, wildfires, contamination, and other interruptions. ASR is identified in the District's 2023 Water System Master Plan as the preferred option to develop a second water source for the District in the event that its primary water source is temporarily unavailable for use. The feasibility of ASR was previously evaluated through OWRD's 2019 Feasibility Study Grant program which included installation of an ASR test well. Overall findings of the 2019 study indicated that "ASR does not appear feasible." However, subsequent review of the feasibility study by independent experts found that the 2019 ASR test well was not properly constructed and tested, rendering the majority of hydrogeologic data and findings unusable. Due to these construction issues, the potential yield, storage capacity, water quality, geochemical compatibility, and overall feasibility of ASR within the target aquifer is inconclusive at this time.

Evaluation Summary

The proposed study seeks to determine whether Aquifer Storage and Recovery (ASR) is feasible as a second water source and develop a preliminary plan for implementation.

The review team appreciated that the application includes a clear summary of existing plans and demonstrates thoughtful planning, following an established approach for ASR projects. The proposal included several letters showing community support.

The review team recommends funding the application as proposed. If the Commission awards funds, the review team offers the following feedback. The application would be strengthened by a more thorough discussion of lessons learned from the previously funded study.

The proposal would have been strengthened with additional information on the current vulnerabilities of redundancies, for example, when the primary source of water is unavailable or what volume is required to meet short-term emergency demands. Additionally, the review team encouraged the applicant to consider how fish and habitat needs would be addressed if the project is implemented and winter water withdrawals are increased.

Deschutes Basin Water Bank Feasibility Study

Not Recommended for Funding at This Time

Study Information (adapted from application)

Applicant Name: Deschutes River Conservancy

County: Deschutes

Funding Requested: $330,000

Total Project Cost: $660,000

Study Summary: The proposed study would examine the development and application of the formalized reallocation of water through voluntary, market-based transactions in the Deschutes River Basin, as facilitated through a basin-specific water bank. Market-based mechanisms, in combination with other practical conservation measures (e.g. piping, on-farm efficiency improvements, turf conversion), can be an effective, economic, and efficient way to move water across users and sectors to meet multiple needs for water. The Deschutes River Conservancy would engage with representatives from the irrigation districts, municipalities, Tribes, environmental interests and others to identify and address barriers, both physical and social/cultural, and help develop information, tools, and communication strategies to support an active and functional water bank for the Basin. Funds from this project would be used for planning, development, and feasibility studies associated with organizing processes, resolving information gaps, and clarifying questions and concerns for potential participants to engage in potential future water bank activity.

Evaluation Summary

This application is not recommended for funding due to concerns the proposal is implementation and not a feasibility study. The application proposed a multi-stage approach to develop a water bank in the Deschutes basin by refining and expanding on existing efforts through the development of educational, communication, and outreach materials and establishing a formal governance structure.

The review team acknowledged that the applicant has demonstrated technical capacity, however, the proposal aligns more closely with implementation and program development. The application outlined tasks and included information that suggested that the project has already been determined to be feasible.

The review team recommends the applicant pursue funding from better suited programs, such as the Oregon Watershed Enhancement Board Technical Assistance grant programs which support programmatic development.

Lacomb Irrigation District Water Conservation Study

Recommended for Funding

Study Information (adapted from application)

Applicant Name: Farmers Conservation Alliance
County: Linn

Funding Requested: $248,423

Total Project Cost: $496,846

Study Summary: The Lacomb Irrigation District Water Conservation Study would assess the feasibility of converting approximately 3.5 miles of the Main Canal from an open channel to a buried pipeline and retrofitting their fish screen facility. The study would assess the water savings and technical feasibility of reducing seepage and evaporation losses along the Main Canal and redesigning the fish screen. The goal of the study is to restore instream flows, support agricultural water supply, and improve fish passage. The study would provide 30% designs and cost estimates for future project implementation.

Evaluation Summary

The proposed study would assess the feasibility of converting 3.5 miles of open Main Canal into buried pipeline and upgrading the districts fish screen facility, producing 30% designs for implementation if feasible. The review team appreciated the synthesis of several components into one project, including instream flow restoration, fish screen improvements, and sediment reduction. The application showed technical preparedness and foresight in addressing multiple concerns simultaneously. The application was strengthened by letters of support and engagement with local agencies.

The review team recommends funding the application as proposed. If the Commission awards funds, the review team offers the following feedback The application would have been improved by clearly articulating how instream flows would be legally protected to improve critical habitats.

The proposal acknowledged canal seepage and inefficiencies but does not clearly define existing delivery deficiencies or urgency from the patron’s perspective, and strengthening this narrative would help improve the application. Additionally, outlining engagement with environmental justice communities would have strengthened the application.

Molalla Aquifer Storage and Recovery Feasibility Study

Recommended for Funding

Study Information (adapted from application)

Applicant Name: City of Molalla

County: Clackamas

Funding Requested: $203,927

Total Project Cost: $407,854

Study Summary: The proposed study would evaluate the feasibility of using Aquifer Storage and Recovery (ASR) to develop a supplemental/emergency drinking water source for the City of Molalla and enhance the redundancy and resiliency of its water system. The City currently obtains drinking water exclusively from a direct intake on the Molalla River, which is vulnerable to low-flow conditions, harmful algal blooms, seismic events, wildfires, and flooding. The purpose of the proposed ASR Feasibility Study is to: identify potential locations for an ASR system, assess hydrogeologic feasibility and land use compatibility assess potential impacts to the environment and existing groundwater users, develop preliminary designs and planning level costs for a new ASR system, outline permitting requirements and timelines, and provide recommended next steps for implementation if ASR is determined to be feasible.

Evaluation Summary

The goal of the study is to determine whether ASR is feasible as a second water source and to develop preliminary system designs, costs, permitting requirements, and recommendations for implementation if deemed feasible.

The review team recommends funding the application as proposed. If the Commission awards funds, the review team offers the following feedback. The proposal triggers Storage Specific Study Requirements, and if funded, several technical elements will require further development to ensure full compliance with those requirements. The application would have been improved by addressing potential backup storage options and additional analysis of environmental impacts, particularly associated with winter withdrawals.

The application would have been improved by outlining a more robust stakeholder engagement strategy. While the proposal references marginalized populations, there was no specific outreach to marginalized or environmental justice communities. The review team suggests that the applicant engage with governmental agencies, in addition to local environmental groups, if the evaluation of environmental harm identifies any issues.

The review team appreciated how the applicant demonstrated long-term planning. The applicant anticipates sufficient water supply through 2040, which may lessen the perceived urgency for immediate action. The proposal would have been improved by demonstrating the urgency of the project in the narrative.

Natural Aquifer Recharge in the Upper Klamath and Coos/Coquille Basins Feasibility Study

Recommended for Funding

Study Information (adapted from application)

Applicant Name: The Nature Conservancy

County: Coos, Curry, Douglas, Klamath, Lake

Funding Requested: $100,000

Total Project Cost: $200,000

Study Summary: The proposed study would evaluate the conditions necessary for implementing natural aquifer recharge projects in the Upper Klamath Basin, the Coos, and Coquille Basins. With surface water resources nearly fully allocated in Oregon during summer, communities are turning to groundwater to fulfill their water supply needs only to recognize the severity of reduced ground water availability. Natural aquifer recharge projects for storing excess runoff and flood flows can benefit surface water-to-groundwater interactions by slowing and spreading water as it moves across the landscape, thereby allowing more time for subsurface percolation, aquifer recharge, and in many cases important ecological co-benefits. Despite the geographic separation, social, economic, and environmental differences, these two planning areas share many of the same enabling conditions for aquifer recharge projects. The results of this project would directly inform place-based natural aquifer recharge efforts in these basins while providing a framework for the implementation of similar approaches elsewhere in the state.

Evaluation Summary

The goal of this feasibility study is to evaluate the conditions necessary for implementing natural aquifer recharge projects focusing on two specific planning areas: the Upper Klamath Basin and the Coos and Coquille Basins.

The review team recommends funding the application as proposed. If the Commission awards funds, the review team offers the following feedback. The application would have been improved by narrowing the geographic scope of the project and further explaining the water management need in the Coos and Coquille Basins.

Additional community engagement would have enhanced the collaborative efforts outlined in the application. The review team appreciated the support evidenced through several letters of support. The proposal would have been improved by identifying any direct community or public outreach.

The proposal references studies highlighting the benefits of natural recharge and an interest in improving resilience through nontraditional approaches. The application would have been improved by including detailed information on how enhancing late season flows or restoring aquatic habitat would contribute to groundwater recharge. Additionally, addressing degraded habitats or the role of fish species in the study area would have enhanced the proposal.

July 30, 2025

Grants Analyst
Oregon Water Resources Department
725 Summer St. NE, STE A
Salem, OR 97301
Via email to OWRD.Grants@water.oregon.gov

Re: **Trout Unlimited urges that all applications address the feasibility of legally protecting water instream for projects that assert instream benefit (WRD Feasibility Study Grants, 2025 Cycle)**

Dear WRD Staff and Technical Review Team,

Trout Unlimited (TU) is a nonprofit dedicated to conserving coldwater fish and their habitats. We have about 20 staff that support our Oregon program, most of whom are project managers that work on the ground to improve habitat, fish passage, and instream flows for native fish.

TU works on irrigation modernization projects in key watersheds including the Rogue, Klamath, John Day, and Grande Ronde basins. We do those projects to help meet instream flow targets to benefit native fish, in partnership with the agricultural community. We are familiar with the primary funding and legal tools at the state and federal levels for this work and appreciate this opportunity to provide input on feasibility study grant funding requests in the current funding cycle.[1]

As you review current and future proposals, we urge the Department and the Commission to closely examine whether projects that identify water conservation or instream benefit will *legally protect* water instream. Improving water use efficiency is a worthwhile goal, but it does not inherently guarantee enhanced streamflow. Without legal protection—such as through Oregon's Allocation of Conserved Water (ACW) process or other water transfer tools—conserved water can still be diverted, offering little to no lasting ecological benefit. In cases where legal protection is not feasible or will not be pursued, it is important to understand how claimed instream benefits will be realized.

For example, if infrastructure upgrades at a point of diversion (POD) reduce withdrawals (which itself is not guaranteed, as piping may just result in more diverted water reaching the end of the ditch) but the saved water isn't legally protected instream, that water remains available to other

[1] *See* Oregon Water Resources Department, Feasibility Study Grant Applications and Funding Status – 2025 Funding Cycle (available at: https://www.oregon.gov/owrd/programs/FundingOpportunities/Pages/funding-cycle-history.aspx).

users further downstream. In such cases, a feasibility study should assess how long and over what reach conserved water would realistically remain in the stream before being reappropriated.

TU recognizes that water conservation projects are complex and that benefits can take many forms. However, when applicants claim instream flow improvements as a core outcome, it's essential that applicants also assess and describe the practicality of securing legal instream protections. If such protections are deemed infeasible, applicants should provide clear rationale and describe instream benefits, including expected flow volumes and the extent of the reach.

To support more comprehensive evaluations, TU recommends that WRD incorporate a specific question into the application process for "water conservation" studies, asking applicants to address the feasibility of securing legal instream protection. This would prompt more robust project planning and provide reviewers with critical insight into each proposal's potential to deliver lasting environmental benefits.

We commend all applicants for their commitment to advancing responsible water management that supports community resilience, agricultural sustainability, and the health of our freshwater ecosystems. These comments are intended to ensure the best return for the public on this expenditure of public funding.

Thank you for this opportunity to provide comments on the feasibility study grant applications, and please let me know if you have any questions.

Sincerely,

Jessica Humphreys
Oregon Flow Restoration Director
Trout Unlimited
jessica.humphreys@tu.org

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July 29, 2025

Oregon Water Resources Department
Attention: Grant Program Coordinator
725 Summer Street NE, Suite A
Salem, OR 97301

Re: Corbett Water District Aquifer Storage and Recovery Feasibility Study Grant Application 2025

Dear Grant Program Coordinator:

I am an Oregonian born and raised here in Portland. I own several Oregon companies and employ 15-20 people each year at my laboratory here in Corbett, OR. This facility supports the production and safety of foods and supplements across the globe. We impact many, if not most of the key food suppliers who conduct work for industry in Oregon and other US markets. We operate an essential business that is critical to maintaining the safety of our food supply, and we operate 365 days per year.

I would like to express our support for the Corbett Water District's Aquifer Storage and Recovery Feasibility Study proposal. The community of Corbett currently depends on a single surface water source, Gordon Creek. This leaves us vulnerable to disruptions that would have profound health, safety and economic impacts for our community and east Multnomah County generally. Wildfire and drought are becoming increasingly frequent and severe.

A wildfire could leave us without potable water for months, if not longer, with devastating consequences. In 2017, the Eagle Creek Fire forced evacuations of our community and came within miles of our watershed and this lab. This facility was on the border of that fire and we nearly lost our facility during that time. There were more in 2020 and therefore it is a matter of time before we see another.

We rely on emergency preparedness in the food industry to ensure a constant food supply that is safe for our communities. We have back up for everything, and need to ensure our territory is protected for the long term for any potential event that can interfere in our ability to protect our families, employees, and communities. We urge you to approve the District’s proposal to continue exploring the feasibility of an aquifer storage and recovery facility.

Regards,

Nidal Kahl, Lab Director

July 30, 2025

Oregon Water Resources Department
Attention: Grant Program Coordinator
725 Summer Street NE, Suite A3
Salem, OR 97301

Re: Corbett Water District Aquifer Storage and Recovery Feasibility Study Grant Application 2025

Dear Grant Program Coordinator:

We, the undersigned, would like to express our support for the Corbett Water District's Aquifer Storage and Recovery Feasibility Study proposal.

The community of Corbett currently depends on a single surface water source, Gordon Creek. This leaves us vulnerable to disruptions that would have profound health, safety and economic impacts for our community and east Multnomah County generally. Wildfire and drought are becoming increasingly frequent and severe. A wildfire could leave us without potable water for months, if not longer, with devastating consequences. In 2017, the Eagle Creek Fire forced evacuations of our community and came within miles of our watershed. We can't afford to continue to hope that we will be so lucky next time.

We ask that you give your strongest consideration to the District's proposal to continue exploring the feasibility of an aquifer storage and recovery facility.

Thank you,

Corbett Firewise

The goal of Firewise is to reduce the loss of life and property, in terms of wildfires, by helping our neighbors increase the ignition resistance of their homes and our community. There's a large emphasis on creating defensible space, which is only helpful when there's a reliable water

source for defensive fire suppression in the first place. We, the Corbett Firewise board, support the Corbett Water District's proposal to continue exploring the feasibility of an aquifer storage and recovery facility.

Jasmine Zimmer-Stucky
Tim Kurkinen
Roel Uleners

Menucha Retreat Center (1 of 2)

Menucha is a retreat center that serves hundreds of nonprofit groups annually and employs dozens of local residents. We are entirely dependent on the Corbett Water District for water and our operations would cease if there was ever a disruption in the Gordon Creek watershed. Further, we are a part of Oregon's history. Menucha was built in 1927 by Julius Meier. It served as his estate when he was Oregon's Governor and played host to many prominent figures including presidents Herbert Hoover and Franklin Delano Roosevelt. Without water our 102 acre facility, along with the history contained in its grounds and buildings, could be lost to fire. We urge you to support the district's proposal.

Reverend Courtney McHill, Director

Menucha Retreat Center (2 of 2)

We can get by without electricity for days or weeks- our winter weather and summer fires test our resilience every year. Water, however, is critical to our survival. It is a commercial and residential need. Without access to safe water our community would not survive the extreme conditions that threaten it every winter and every summer.

During the 2017 Eagle Creek fire, both our home and Menucha were under an evacuation advisory. As the facilities manager, I stayed on site and did what I could to protect Menucha from the falling embers. Without water, we would have been helpless. Corbett badly needs a backup source of water in case Gordon Creek becomes unavailable in a future such disaster. Please support the Corbett Water District's proposal to advance this badly needed project.

Tim Kurkinen, Facilities Manager, Menucha Retreat Center

Friends of Corbett Water

We recognize the crucial community need that this grant represents. We have been impressed with the diligence and competence of the Corbett Water District board and staff and have full confidence in their ability to efficiently and effectively carry out this project.

Michael Wetter, Friends of Corbett Water