

# **Water Project Grants and Loans and Irrigation Modernization Funding Recommendations and Program Updates**

**Louisa Mariki, Grants Analyst  
Adair Muth, Grants Manager**

**December 11, 2025**



# Integrated Water Resources Strategy



**Flow Restoration**



**Pivots**



**Piping**



**New Wells**

## **Recommended Action:**

**13.C - Invest in Planning, Feasibility Studies, and Project Implementation**



# Planning, Collaboration, & Investments

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



Strategic  
Investments



Adaptive  
Planning



Cooperative  
Partnerships



Accessible  
Information



Effective  
Coordination

# Planning, Collaboration, & Investments



## Placed-Based Planning

Plan & identify actions



## Feasibility Study Grants

Investigate feasibility

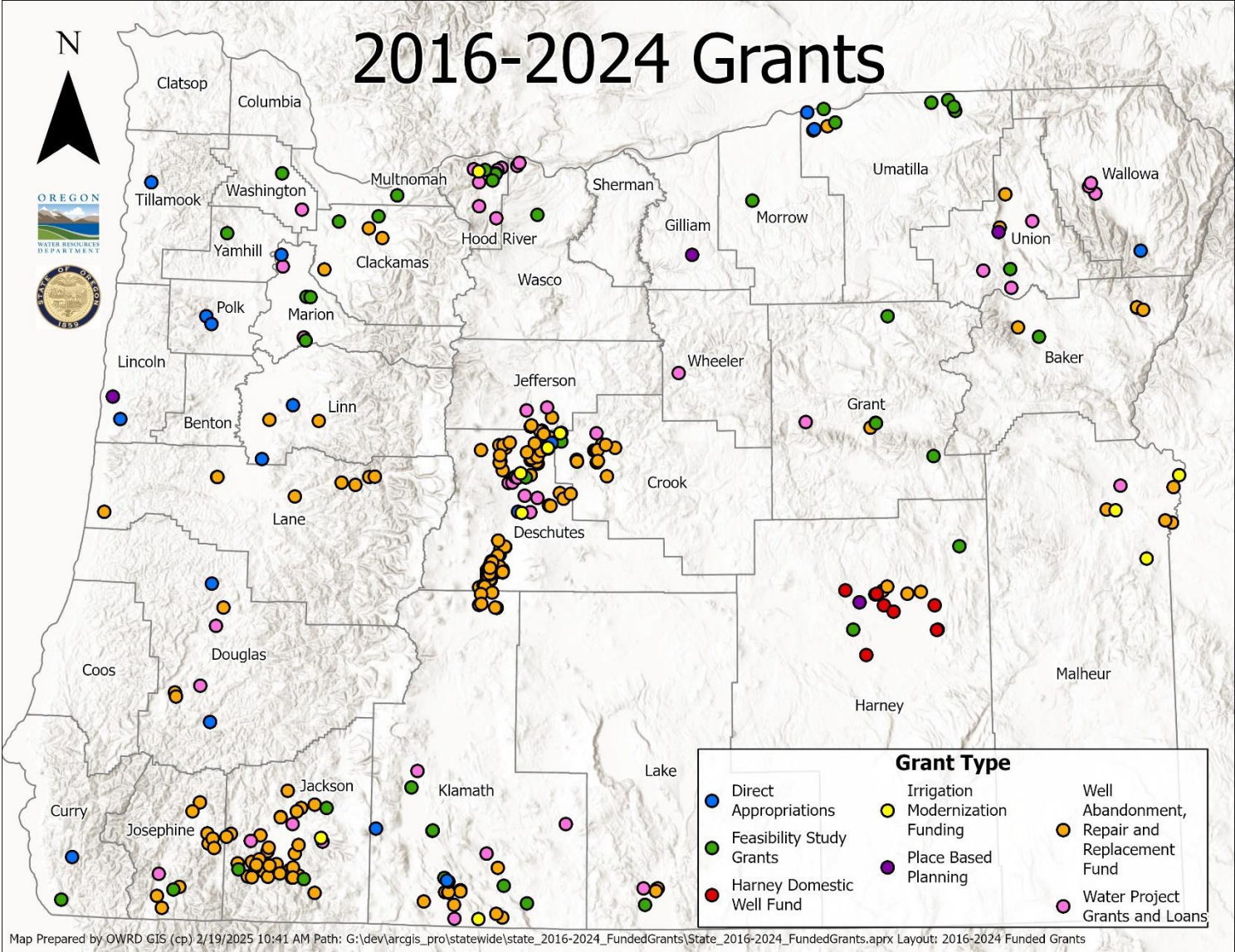


## Water Project Grants & Loans

Implement

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

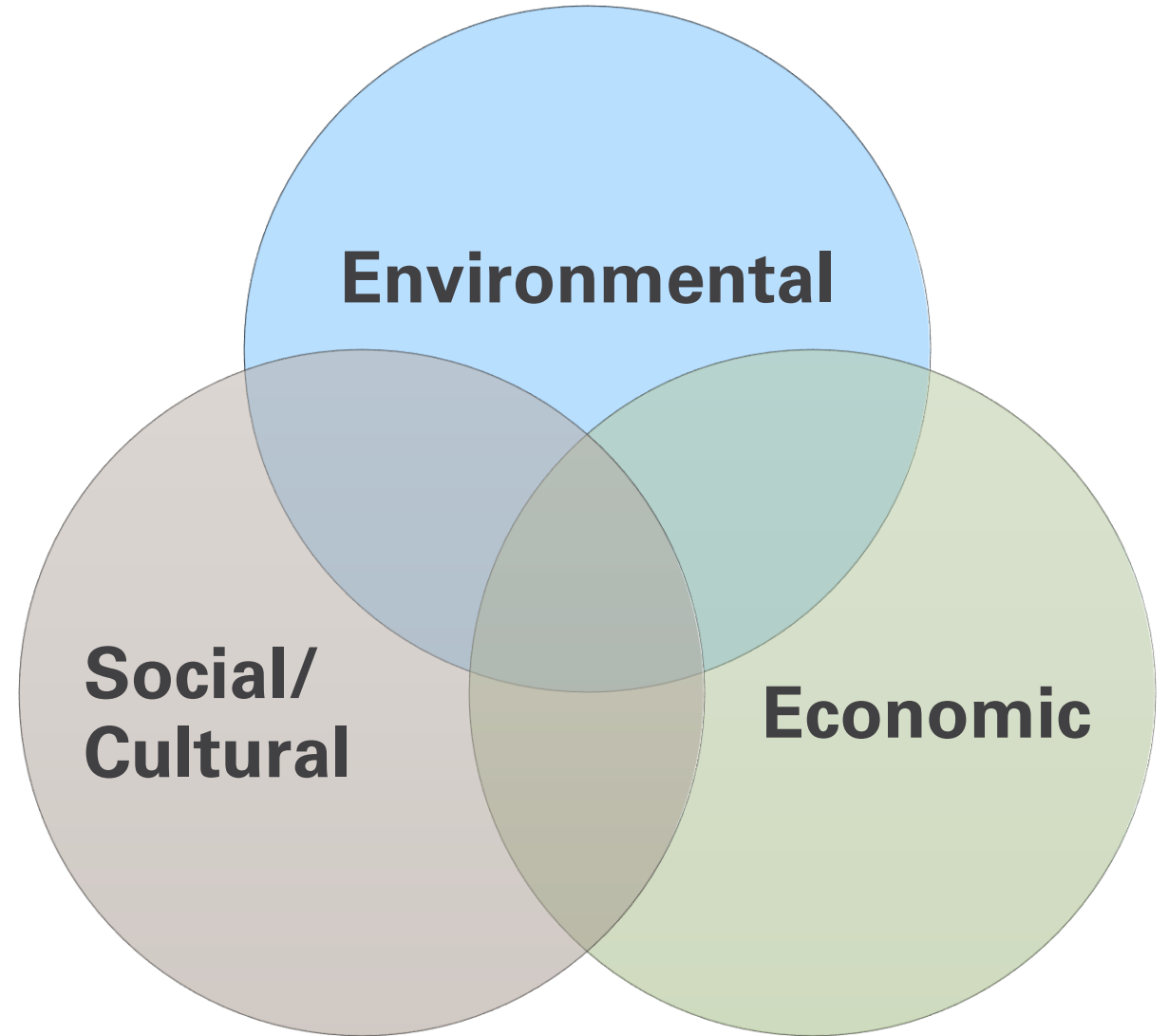
# Funded Grants



# Water Project Grants and Loans

Provide funding for Water Supply projects that:

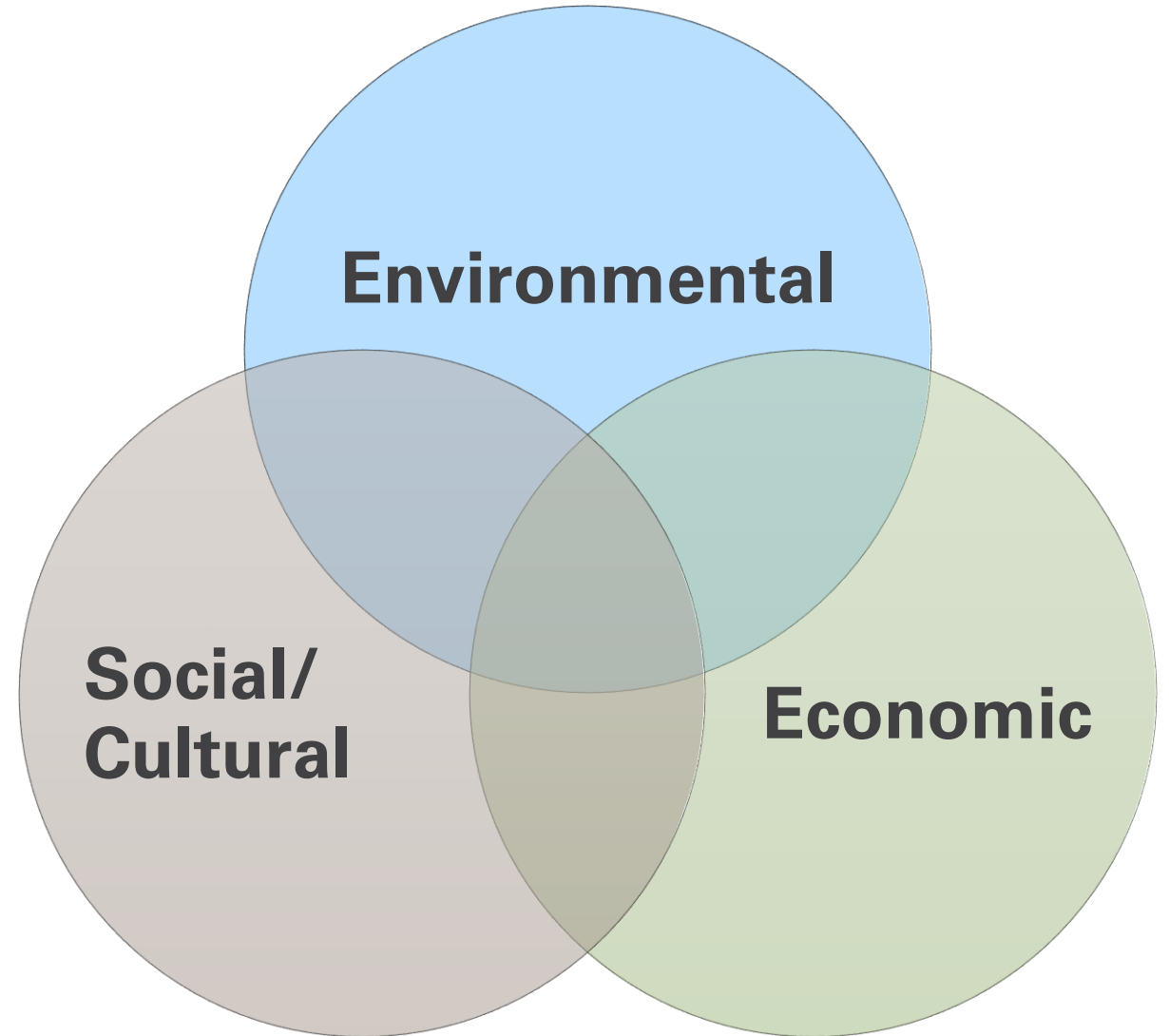
- Meet instream and out-of-stream needs and
- Achieve Public Benefits in three categories



# Irrigation Modernization Funding

Provide funding for  
Water Supply projects  
that:

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



# Irrigation Modernization Funding History

- HB 5030 (2023) – One-time \$50M to Water Supply Development Account to issue grants for Irrigation Modernization projects
- Provide state match needed to access federal funding available for irrigation modernization projects
- Use existing grant program (Water Project Grants and Loans) for efficiency



# Key Differences

## Water Project Grants and Loans

### Cost match requirement

- 25% required for grants
- In-kind or cash match

## Irrigation Modernization

### Must have specific Federal match:

- Natural Resources Conservation Service
- U.S. Bureau of Reclamation
- U.S. Environmental Protection Agency

Priority to projects that legally protect a portion of the conserved water instream commensurate with amount required under Allocation of Conserved Water program.

# **Program Updates:**

## **House Bill 3364**

# House Bill 3364: WPGL Changes

*2025 Legislative Session, takes effect Sept. 26, 2025*

## **Public Comment Period on Applications**

- Reduced from 60 to 30 days

## **Water Management Conservation Plan**

- Plan must be approved prior to funding decision, rather than approved at application deadline

## **Application Review Process**

- TRT recommendation goes to Department prior to making final recommendation to Commission

# House Bill 3364: WPGL Changes

*2025 Legislative Session, takes effect Sept. 26, 2025*

## Seasonally Varying Flows (SVF)

- Long-term SVF compliance monitoring is now eligible expense
- SVF conditions may be applied directly to underlying water right, not solely to aquifer storage and recovery or recharge permits

## Program Evaluation

- Department shall report to Legislature and Commission every 8 years on funding programs

*Rulemaking needed to implement HB 3364 changes. **Timeline TBD.***



# **Water Project Grants and Loans and Irrigation Modernization Funding:**

## **Second 2025 Funding Cycle**

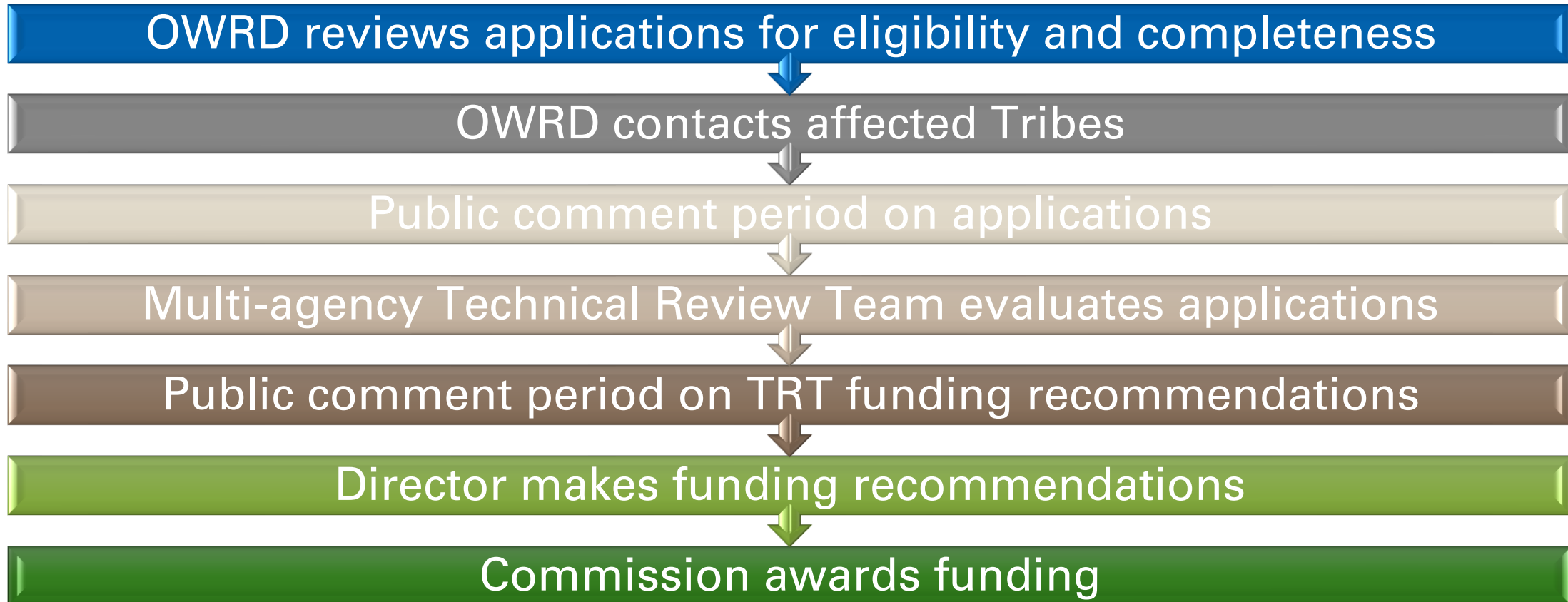
# Funding Cycles and Availability

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

Funding Program	Currently Available	May 2026 Bond Sale*
Water Project Grants & Loans	\$607,529	\$3,802,808
Irrigation Modernization	\$4,303,179	N/A

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

# Review Process



# 2025 Funding Cycle 2

Application deadline: July 16, 2025

	WPGL	Irrigation Modernization
Applications Received	6	3
Funding Requested	\$2,867,712	\$7,100,536
Funding Available*	\$4,410,337	\$4,303,179

*\*Some WPGL funding not currently available; will be available after May 2026 lottery bond sale*



# Comments on Applications

- No Tribal comments received
- 60-day public comment period: July 31–Sep. 28, 2025
- Public comments received:
  - 5 comments – Support for Big Butte Creek Water Acquisition and Irrigation Efficiency Project
  - 2 comments – Support for Oxbow Ranch Irrigation Modernization Project
  - 2 comments – Concerns with Falcon Cove Beach South Spring Intake Project

# Technical Review Team (TRT)



Meet to discuss applications

---

Consider Tribal and public comments

---

Score applications based on public benefits

---

Make funding recommendation

# TRT Scores Public Benefits



# WPGL Application Scoring

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

6	Questions in each public benefit category
---	---

60	Available points in each category
----	-----------------------------------

20	Potential preference points: legally protected streamflow & collaboration
----	---

<b>200</b>	<b>Total points available</b>
------------	-------------------------------



# Irrigation Modernization Application Scoring

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

6	Questions in each public benefit category
---	---

60	Available points in each category
----	-----------------------------------

20	Potential preference points: legally protected streamflow & collaboration
----	---

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

<b>210</b>	<b>Total points available</b>
------------	-------------------------------

# Minimum Category Score

**The Department set a minimum category score of “5” out of 60 to be funded**

**A category score of “5” signals that the public benefits are more than “Minor”**

**Each category must meet the minimum score**

# TRT Funding Recommendations

- TRT ranked projects by greatest public benefit score
- Generated TRT funding recommendation based on:
  - Public benefit score, and
  - Available funding
- TRT recommends funding:
  - WPGl projects ranked #1 through #4
  - Irrigation Modernization projects #1 and #3

# WPGL Projects Recommended by TRT

Rank	Project Name	Funding
1	Oxbow Ranch Irrigation Modernization Project	\$564,800
2	Big Butte Creek Water Acquisition and Irrigation Efficiency Project*	\$462,056
3	Twickenham Irrigation Efficiency*	\$958,856
4	Hagenah Irrigation Efficiency Project*	\$405,000
<b>Total</b>		<b>\$2,390,712</b>

\* Provisionally recommended, contingent on spring 2026 lottery revenue bond sale



# WPGL Projects Not Recommended by TRT

Rank	Project Name	Funding
5	Field 95 Aquifer Recharge Expansion Project*	\$402,000
6	Falcon Cove Beach South Spring Intake Project*	\$75,000
<b>Total</b>		<b>\$477,000</b>

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

# Irrigation Modernization Projects Recommended by TRT

Rank	Project Name	Funding
1	C-1 Piping Project	\$2,498,000
3	Lone Pine Irrigation Modernization Phase 2 - Year 2	\$336,236
<b>Total</b>		<b>\$2,834,236</b>

# Irrigation Modernization Project Not Recommended by TRT

Rank	Project Name	Funding
2	Klamath Drainage District Irrigation Modernization Project*	\$4,266,300
<b>Total</b>		<b>\$4,266,300</b>

\*Not recommended due to insufficient funds

# Comments on Funding Recommendations

- Public comment period October 20 – November 10, 2025
- No Tribal comments received
- Eight public comments received

Submitted By	Regarding Application	Topic
Klamath Drainage District	Klamath Drainage District Irrigation Modernization Project	Request to amend application for partial funding
Six organizations	Klamath Drainage District Irrigation Modernization Project	Support for application
Madison Ranches, Inc	Field 95 Aquifer Recharge Expansion Project	Comments on TRT review

# Field 95 Aquifer Recharge Expansion Project

Not Recommended for Funding - did not meet minimum score of 5 in environmental or social/cultural public benefit categories

Public Comment Received

OWRD  
Re-evaluated Application

# Field 95 Aquifer Recharge Expansion Project

<b>Applicant</b>	<b>Madison Ranches, Inc.</b>
<b>Funding Request</b>	<b>\$402,000</b>
<b>Total Cost</b>	<b>\$4,073,000</b>
<b>County</b>	<b>Umatilla</b>



# Field 95 Aquifer Recharge Expansion Project

## Project Highlights

- Expand an existing aquifer recharge project near Echo Junction in Umatilla County
- Add 44.3 acres of infiltration basin area and install a collector well with supporting infrastructure
- Water recovered from the alluvial aquifer via the collector well would support agricultural irrigation, and a portion would be injected into an Aquifer Storage and Recovery well to support recharge of the deep basalt aquifer



# Field 95 Aquifer Recharge Expansion Project – OWRD Evaluation

- Public comments did not provide new evidence to warrant change in **environmental** or **social/cultural** benefit scores
- Environmental benefits received TRT score of 1
  - Evidence provided only supports localized and seasonal benefit to groundwater levels
- Social/cultural benefits received TRT score of 4

# Klamath Drainage District Irrigation Modernization Project

Not Recommended for Funding due to insufficient funds available

Public Comment Received

OWRD  
Re-evaluated Application

# Klamath Drainage District Irrigation Modernization Project

	<i>Original Request</i>	<i>Revised Request</i>
<b>Funding Request</b>	\$4,266,300	\$1,468,943
<b>Total Cost</b>	\$16,878,000	\$5,883,943
<b>County</b>	Klamath	

Irrigation  
Modern-  
ization

## Project Highlights

- Extend North Canal by 0.47 miles to connect with P1 Lateral creating a new delivery point to Lower Klamath National Wildlife Refuge
- Modernize E and F pumping plants to a common voltage, add variable frequency drives, install recirculation pipeline to the Center Canal
- Supervisory Control and Data Acquisition (SCADA) Systems at 12 sites for real-time control and measurement across district facilities

## Removed from Project Scope

- Install a fish screen at the North Canal Diversion to safeguard aquatic species

# WPGL Projects Recommended by Department

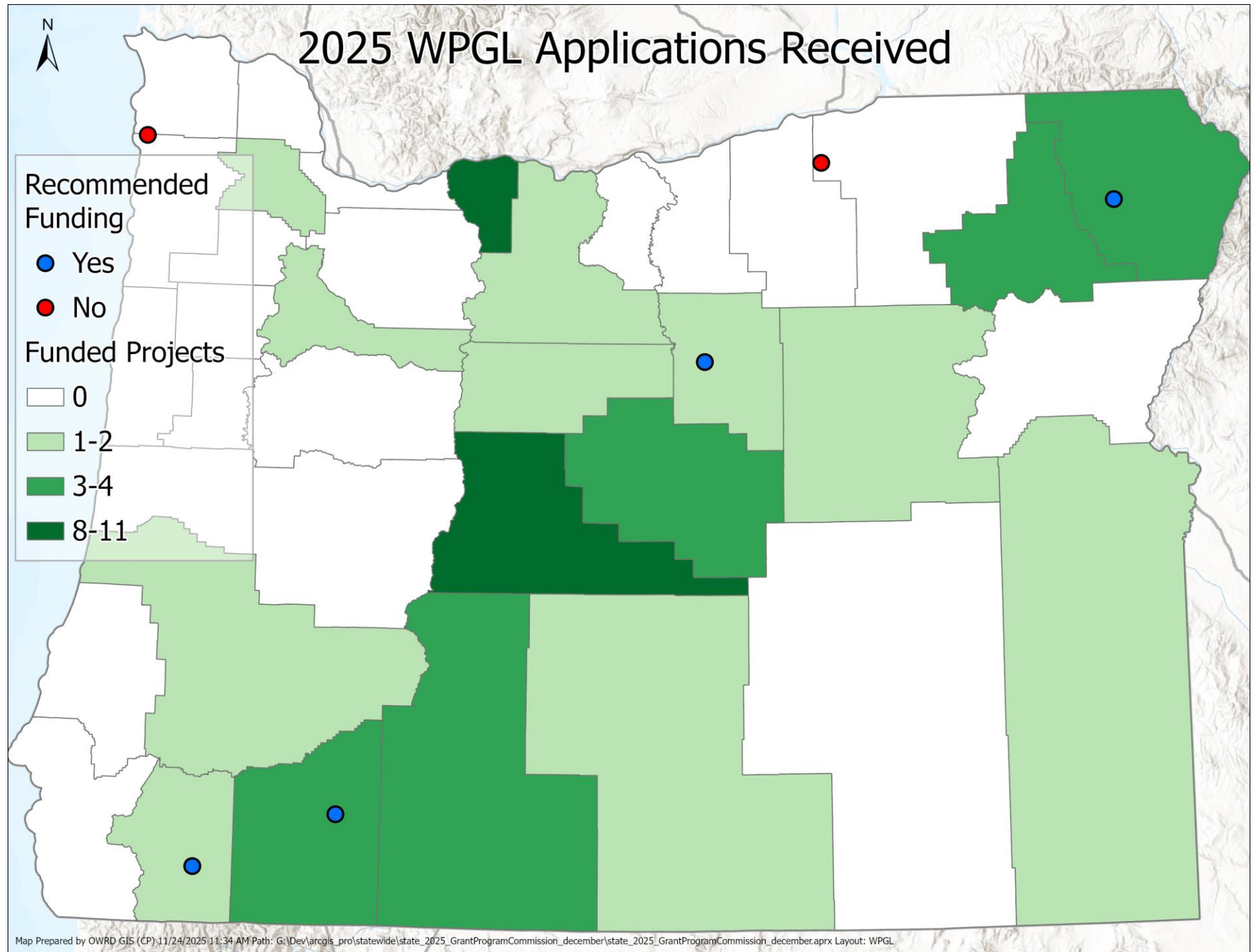
Rank	Project Name	Funding
1	Oxbow Ranch Irrigation Modernization Project	\$564,800
2	Big Butte Creek Water Acquisition and Irrigation Efficiency Project*	\$462,056
3	Twickenham Irrigation Efficiency*	\$958,856
4	Hagenah Irrigation Efficiency Project*	\$405,000
<b>Total</b>		<b>\$2,390,712</b>

\* Provisionally recommended, contingent on spring 2026 lottery revenue bond sale

OREGON



WATER RESOURCES  
DEPARTMENT



# Irrigation Modernization Projects Recommended by Department

Rank	Project Name	Funding
1	C-1 Piping Project	\$2,498,000
2	Klamath Drainage District Irrigation Modernization Project*	\$1,468,943
3	Lone Pine Irrigation Modernization Phase 2 - Year 2	\$336,236
<b>Total</b>		<b>\$4,303,179</b>

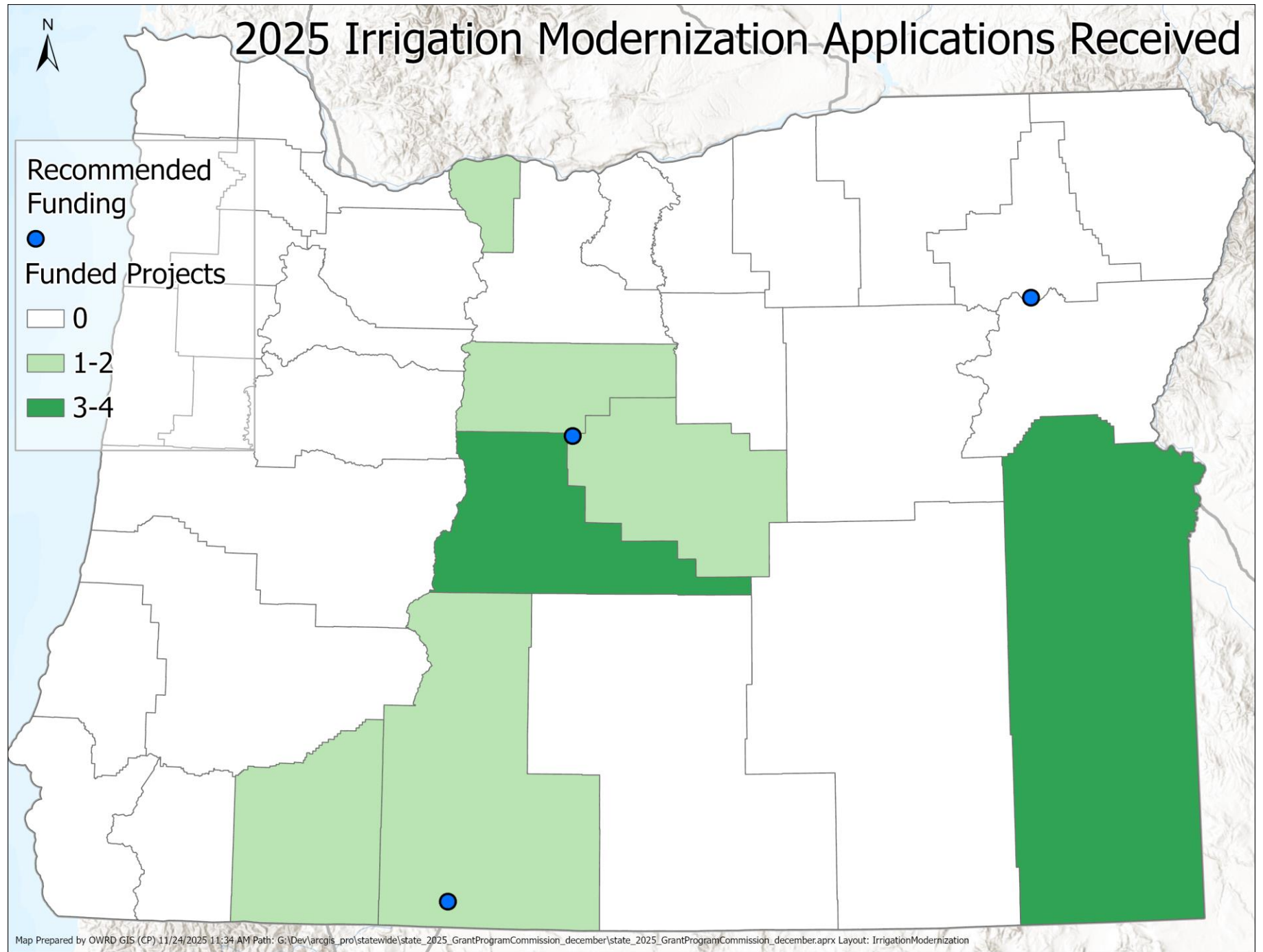
\*Requested amount reduced by applicant during public comment period



OREGON



WATER RESOURCES  
DEPARTMENT



# Funding Award

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

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

# Commission Alternatives

## The Commission may consider the following:

1. Adopt the Department's funding recommendation contained in Tables 3, 4, and 5 of the staff report to immediately fund one WPGI application (\$564,800), provisionally fund three WPGI applications (\$1,825,912) for a total WPGI award of \$2,390,712, and immediately fund two Irrigation Modernization Funding applications (\$2,834,236), and partially fund one Irrigation Modernization application (\$1,468,943) for a total Irrigation Modernization Funding award of \$4,303,179.
2. Adopt a modified funding recommendation.
3. Direct the Department to further evaluate the applications and return with a revised recommendation.

# Recommendation

## The Director recommends Alternative #1

- 1. Adopt the Department's funding recommendation contained in Tables 3, 4, and 5 of the staff report to immediately fund one WPGI application (\$564,800), provisionally fund three WPGI applications (\$1,825,912) for a total WPGI award of \$2,390,712, and immediately fund two Irrigation Modernization Funding applications (\$2,834,236), and partially fund one Irrigation Modernization application (\$1,468,943) for a total Irrigation Modernization Funding award of \$4,303,179.**
2. Adopt a modified funding recommendation.
3. Direct the Department to further evaluate the applications and return with a revised recommendation.

OREGON



WATER RESOURCES  
DEPARTMENT

# Thank you!

**Louisa Mariki**

Grants Analyst

503-979-9160

**Adair Muth**

Grants Manager

971-307-0718



[Oregon.gov/owrd](https://Oregon.gov/owrd)



[@OregonGovWRD](https://www.youtube.com/@OregonGovWRD)



[Linkedin.com/company/owrd](https://www.linkedin.com/company/owrd)

OREGON



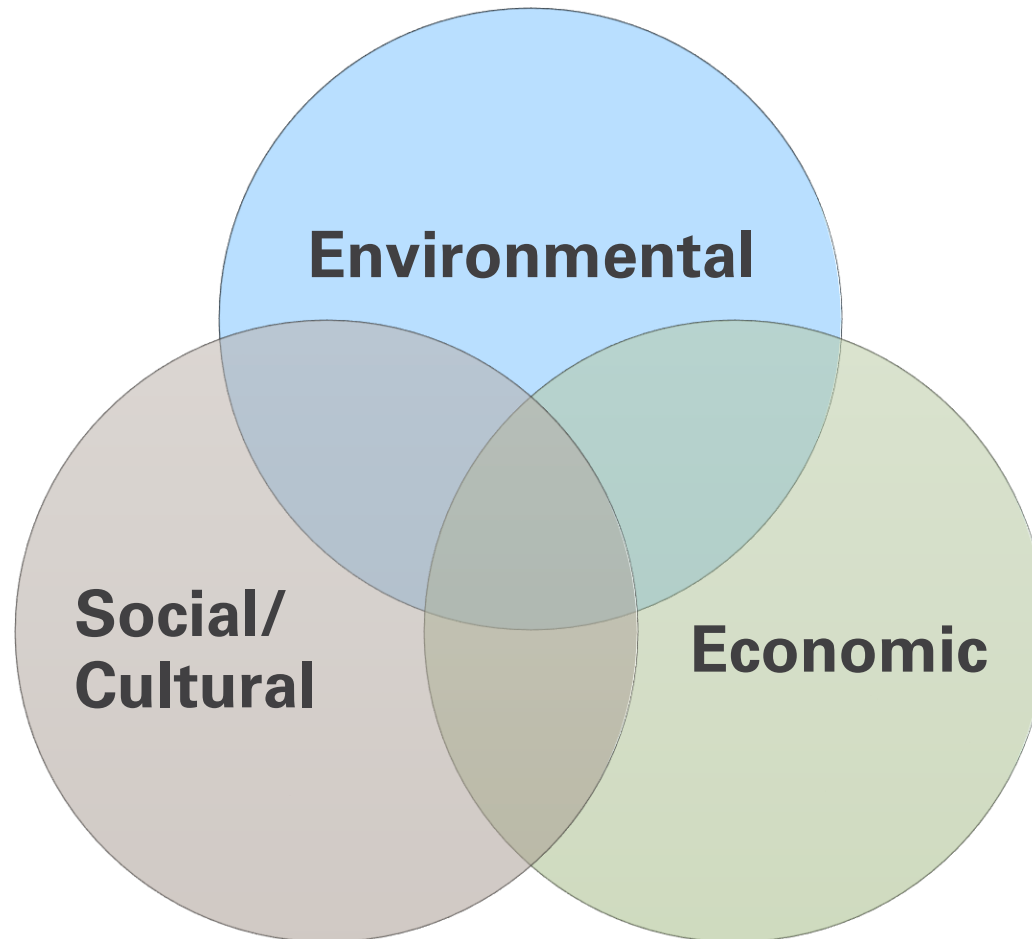
WATER RESOURCES  
DEPARTMENT

# Additional slides if needed

---



# Applications Recommended for Funding



# Oxbow Ranch Irrigation Modernization Project

<b>Applicant</b>	<b>Trout Unlimited</b>
<b>Funding Request</b>	<b>\$564,800</b>
<b>Total Cost</b>	<b>\$1,146,288</b>
<b>County</b>	<b>Josephine</b>



# Oxbow Ranch Irrigation Modernization Project

## Project Highlights

- Convert 137.8 acres to center-pivot irrigation in partnership with the landowner and Oregon Department of Fish and Wildlife
- Improve water application efficiency by 25–35%, reduce waste and enhance agricultural productivity
- Legally protect 100% of the conserved water (0.735 cfs) instream through OWRD's Allocation of Conserved Water Program to support long-term streamflow and habitat health, benefiting ESA-listed species

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
30	28	22	10	90

# Big Butte Creek Water Acquisition and Irrigation Efficiency Project

<b>Applicant</b>	<b>Trout Unlimited</b>
<b>Funding Request</b>	\$462,056
<b>Total Cost</b>	\$801,442
<b>County</b>	Jackson



# Big Butte Creek Water Acquisition and Irrigation Efficiency Project

## Project Highlights

- Convert 45 acres from flood to center-pivot irrigation and pipe 2,300 feet of unlined ditch
- 100% of water saved through piping would be permanently protected instream through OWRD's Allocation of Conserved Water Program
- 26 acres of water rights (0.431 cfs) would be permanently transferred instream to support sensitive aquatic species

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
24	24	22	8	78

# Twickenham Irrigation Efficiency

<b>Applicant</b>	<b>Gabe Williams</b>
------------------	----------------------

<b>Funding Request</b>	<b>\$958,856</b>
------------------------	------------------

<b>Total Cost</b>	<b>\$1,491,515</b>
-------------------	--------------------

<b>County</b>	<b>Wheeler</b>
---------------	----------------

**Water  
Project  
Grant**

# Twickenham Irrigation Efficiency

## Project Highlights

- Consolidate and upgrade pumps, replace mainline system, upgrade existing pivots, reduce and/or replace handline and solid-set irrigation systems with pivots, consolidate corner irrigation sections under high efficiency pivots, and apply activated biochar to fields
- Legally protect 64.4% of conserved water (0.97 cfs) instream through OWRD's Allocation of Conserved Water Program in the John Day River
- Use 35.6% of conserved water to irrigate additional acreage, supporting long-term agricultural viability

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
26	17	14	6	63

# Hagenah Irrigation Efficiency Project

<b>Applicant</b>	Angela Hagenah
<b>Funding Request</b>	\$405,000
<b>Total Cost</b>	\$850,572
<b>County</b>	Wallowa





# Hagenah Irrigation Efficiency Project

## Project Highlights

- Install a piped mainline and convert flood irrigation systems to solar-powered pivot irrigation
- Reduce water loss, improve irrigation control, and expand usable agricultural acreage
- The project would reduce labor demands, mitigate runoff risks, protect native vegetation, and enable future connectivity for neighboring landowners

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
16	8	8	1	33

# C-1 Piping Project

<b>Applicant</b>	<b>Powder Valley Water Control District</b>
<b>Funding Request</b>	<b>\$2,498,000</b>
<b>Total Cost</b>	<b>\$10,409,000</b>
<b>County</b>	<b>Union</b>

# C-1 Piping Project

## Project Highlights

- Replace 3.4 miles of open ditch with buried, gravity-pressurized pipeline and retire 5.5 miles of aging canals
- Save approximately 653 acre-feet of water annually; 75% (490 acre-feet) would be legally protected instream through OWRD's Allocation of Conserved Water Program
- Enhanced summer flows in Anthony Creek and North Powder River; Would support ESA-listed bull trout and other aquatic species

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
28	25	25	20	98

# Lone Pine Irrigation Modernization Phase 2 - Year 2

<b>Applicant</b>	<b>Lone Pine Irrigation District</b>
<b>Funding Request</b>	<b>\$336,236</b>
<b>Total Cost</b>	<b>\$3,337,224</b>
<b>County</b>	<b>Crook and Jefferson</b>

# Lone Pine Irrigation Modernization Phase 2 - Year 2

## Project Highlights

- Phase 2 project was funded by OWRD in 2024, however, the applicant is facing a budget shortfall
- Replace 11,115 feet of inefficient open canals with pressurized HDPE pipe and laterals. Phase 2 is expected to save 1.5 cfs
- District would reduce water right certificates by 100% of conserved amount making water available to NUID during irrigation season. NUID would release an equivalent amount in winter to Upper Deschutes River below Wickiup Reservoir to support streamflow

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
16	6	17	16	55

**Projects not recommended for funding at this time**

# Field 95 Aquifer Recharge Expansion Project

<b>Applicant</b>	<b>Madison Ranches, Inc.</b>
<b>Funding Request</b>	<b>\$402,000</b>
<b>Total Cost</b>	<b>\$4,073,000</b>
<b>County</b>	<b>Umatilla</b>



# Field 95 Aquifer Recharge Expansion Project

## Project Highlights

- Expand an existing aquifer recharge project near Echo Junction in Umatilla County
- Add 44.3 acres of infiltration basin area and install a collector well with supporting infrastructure
- Water recovered from the alluvial aquifer via the collector well would support agricultural irrigation, and a portion would be injected into an Aquifer Storage and Recovery well to support recharge of the deep basalt aquifer

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
11	1	4	1	17



# Falcon Cove Beach South Spring Intake Project

<b>Applicant</b>	<b>Falcon Cove Beach Domestic Water Supply District</b>
------------------	---

<b>Funding Request</b>	<b>\$75,000</b>
------------------------	-----------------

<b>Total Cost</b>	<b>\$95,000</b>
-------------------	-----------------

<b>County</b>	<b>Tillamook</b>
---------------	------------------

**Water  
Project  
Grant**

# Falcon Cove Beach South Spring Intake Project

## Project Highlights

- Restore the District's south spring to active use as a drinking water source
- Install a new collector pipe at the discharge area and reconnect the spring to the existing water system
- Enhance reliability, safety, and resilience of the District's water supply system

Public Benefit Category Score Breakdown				Total
Econ	Env	Soc/Cultr	Other	
4	1	2	0	7

# Water Supply Funding Opportunities

- Business Oregon's Water/Wastewater Financing Program
- OWEB's Drinking Water Source Protection Grant Program
- OHA's Drinking Water State Revolving Fund
- DEQ's Water Quality Grants
  - Columbia River Basin Restoration Toxic Reduction Lead Grant
  - Nonprofit Source Implementation 319 Grants
  - Sewer Overflow and Stormwater Reuse Municipal Grants
  - Onsite Financial Aid Program