Oregon
Kate Brown, Governor

Water Resources Department
North Mall Office Building
725 Summer Street NE, Suite A
Salem, OR 97301-1271
503-986-0900
FAX 503-986-0904

MEMORANDUM

TO: Water Resources Commission

FROM: Thomas M. Byler, Director

SUBJECT: Agenda Item A, May 19, 2016
Water Resources Commission Meeting

Feasibility Study Grants (Water Conservation, Reuse and Storage Grant Program) – Funding Recommendations

I. Issue Statement

The Feasibility Study Grants (Water Conservation, Reuse and Storage Grant Program) supports studies to evaluate the feasibility of water conservation, reuse and storage projects. This report describes the Application Review Team's evaluations, public comments received, and Department recommendations for funding. The Commission will be asked to award funding for the second 2015-17 cycle of Feasibility Study Grants.

II. Background

The Feasibility Study Grants funding opportunity was established by Senate Bill 1069 in 2008 to fund the qualifying costs of studies that evaluate the feasibility of developing water conservation, reuse or storage projects. Grants require a dollar-for-dollar match.

For the 2015-17 biennium the Department had approximately $2.8 million available for Feasibility Study Grants. In November 2015, the Commission approved six grants in the amount of $497,185 for the first funding cycle of the biennium.

The second grant solicitation for the biennium was August 4, 2015 through February 1, 2016. The Department received thirty-one applications, with a total of thirty applications deemed complete and meeting the minimum requirements. A total of $2,266,722 in grant funds was requested by eligible applications. Individual grant requests ranged from $8,778 to $460,000.

III. Grant Application Review Process

Funding recommendations are based on Application Review Team (ART) evaluations and Department review pursuant to Oregon Revised Statute 541.566, *Planning studies eligible for grants or direct service cost payments*, and Oregon Administrative Rule 690-600-0050 *Eligible Project Planning Studies*.

An ART was convened in March 2016 to evaluate the applications and provide funding recommendations to the Department. The ART consisted of a multiagency team including the Oregon Department of Environmental Quality, Oregon Department of Fish and Wildlife, Oregon Parks and Recreation Department, Oregon Department of Agriculture, Business Oregon, as well as technical experts from the Department.

The ART's recommendations were posted on the agency website for a 30-day public comment period that closed on April 20, 2015. The Department received twelve comments on four grant applications. See Attachment 1 for the public comments received.

IV. 2015-17 Grant Award Recommendations

Based on the ART recommendations, public comments, and Department review, the Department recommends eighteen of the thirty applications for grant funding. Table 1 lists the proposed studies and funding recommendations. See Attachment 2 for evaluations of each application.

The Department recommends funding six conservation studies, nine storage studies (six above-ground and three other than above-ground), and three reuse studies. If approved by the Commission, Department staff will work with the grant recipients to develop grant agreements.

Based on the ART evaluations, the Department does not recommend twelve proposed studies for funding at this time. The recommendations reflect the Department's goal of supporting our grantees likelihood of success in achieving their stated goals, while also ensuring that public funding supports comprehensive and detailed proposals. Applicants may choose to revise and strengthen their proposed studies based on the ART feedback and resubmit their application during a future funding cycle. The Department anticipates opening a third funding cycle during the current biennium.

Table 1. Summary of funding recommendations for 2015-017 second grant cycle

Study Name	*Project Type*	*Funding Request ($)*	*Funding Recommendation ($)*
Abbie Lane Lateral Improvement	Conservation	$8,778	Recommended
Banks-Green Mountain ASR	Storage	$102,191	Recommended for $96,459[1]
County Line Recharge	Storage	$12,500	Recommended
Deschutes On Farm Irrigation Water Management Pilot	Conservation	$17,000	Recommended
Drift Creek Water Supply Development	Storage	$76,320	Recommended
Fifteen Mile Watershed Managed Underground Storage	Storage	$153,185	Recommended

[1]The Bank-Green Mountain ASR requested funds to update a Water Management and Conservation Plan. Water Conservation and Management Plans are not eligible costs for feasibility study funding, and the proposed grant award reflects this change.

Study Name(continued)	*Project Type*	*Funding Request ($)*	*Funding Recommendation ($)*
Juniper Flats	Conservation	$40,000	Recommended
McMullin Creek Dam and Spillway Analysis	Storage	$73,000	Recommended
Oakland Reservoir / City of Oakland	Storage	$10,858	Recommended
Pine Grove Water System Improvement	Storage	$10,000	Recommended
Roller Compacted Concrete Dam at Big Creek	Storage	$460,000	Recommended for $250,000[2]
Rogue Basin Pilot Study	Conservation	$37,000	Recommended
Sterling Park Stormwater Recharge	Reuse	$50,000	Recommended
Umatilla Reuse	Reuse	$130,000	Recommended
Upper Catherine Creek Conservation	Conservation	$114,265	Recommended
West Extension Reuse	Reuse	$40,000	Recommended
West Fork Palmer Creek	Storage	$64,170	Recommended
WISE Water Rights Evaluation	Conservation	$162,000	Recommended
Alpine Collective Action Aquifer Storage and Recovery	Storage	$141,348	Not recommended at this time
Applegate Reservoir Capacity Restoration Project	Storage	$89,925	Not recommended at this time
Big Lake Recycled Water Study	Reuse	$4,250	Not recommended at this time
Eastside Aquifer Recharge and Recovery Pumping Test	Storage	$44,000	Not recommended at this time
Groundwater Development to Conserve Mollalla River Instream Flows	Conservation	$106,950	Not recommended at this time
Little Rock Creek Reservoir Project	Storage	$7,700	Not recommended at this time
Meadow Storage Capacity in Upper John Day	Storage	$56,282	Not recommended at this time
Pendleton Reuse	Reuse	$30,000	Not recommended at this time
Ralph Hutchinson Family Study	Storage	$10,000	Not recommended at this time
Rupp Agricultural Aquifer Storage and Recovery	Storage	$155,000	Not recommended at this time
Sunrise Purple Pipe Groundwater & Reuse Feasibility Study	Reuse	$50,000	Not recommended at this time
Yoncalla Water Reuse Plan	Reuse	$10,000	Not recommended at this time

[2] The Big Creek Dam study previously received $250,000 from the Department. As per the program rules, funding may not exceed $500,000 per project.

V. Summary

If approved, these funding recommendations will result in grant awards totaling $1,345,535, leaving $930,996 available for a third funding cycle. The Department anticipates opening a third funding cycle during the current biennium.

VI. Alternatives

The Commission may consider the following alternatives:

1. Adopt the staff funding recommendations contained in section IV of this report.
2. Adopt modified funding recommendations.
3. Direct the Department to further evaluate the applications and return with a revised funding proposal.

VII. Recommendation

The Director recommends Alternative 1, to adopt the staff funding recommendations, to fund eighteen applications for a total award of $1,345,535.

Attachments:

1. Summary of Public Comments Received
2. Application Evaluation Summaries

Tracy Louden, Administrator
503-986-0920

Attachment 1

Public Comments on Funding Recommendations

Feasibility Study Grants – 2015-17, Second Cycle

From March 21, 2016 through April 20, 2016, the Water Resources Department solicited public comments on the Feasibility Study Grant funding recommendations. The Department received a total of twelve comments. The comments referred to four of the eighteen projects recommended for funding. The table below provides an index of the comments, which are also attached in full.

Index of Public Comments

Study Name	Comments Received	Commenter	Page No.
Abbie Lane Lateral Improvement	-		
Alpine Collective Action Aquifer Storage and Recovery	-		
Applegate Reservoir Capacity Restoration Project	-		
Banks-Green Mountain ASR	-		
Big Lake Recycled Water Study	-		
County Line Recharge	1	Waterwatch: Ms. Kimberley Priestley	28
Deschutes On Farm Irrigation Water Management Pilot	-		
Drift Creek Water Supply Development	9	East Valley Board Member: Mr. Dave Bielenberg	3
		Dickman Farms, Inc.: Mr. Mark Dickman	4
		Eder Bros., Inc: Mr. Duane Eder	6
		Mr. Mark Henjum	7
		Oregon Water Resources Congress: Ms. April Snell	9
		Pudding River Watershed Council: Mr. Steve Starner	11
		Tonkon Torp LLP: Atty. Janet Neuman	12
		Triangle Farm Seeds: Mr. Kevin Loe	26
		Waterwatch: Ms. Kimberley Priestley	28
Eastside Aquifer Recharge and Recovery Pumping Test	-		
Fifteen Mile Watershed Managed Underground Storage	-		

Attachment 1 – Public Comments on Funding Recommendations

Study Name	Comments Received	Commenter	Page No.
Groundwater Development to Conserve Molalla River Instream Flows	-		
Juniper Flats	-		
Little Rock Creek Reservoir Project	-		
McMullin Creek Dam and Spillway Analysis	1	Waterwatch: Ms. Kimberley Priestley	28
Meadow Storage Capacity in Upper John Day	-		
Oakland Reservoir	-		
Pendleton Reuse	-		
Pine Grove Water System Improvement	-		
Ralph Hutchinson Family Study	-		
RCC Dam at Big Creek	1	City of Newport: Mr. Tim Gross, P.E.	27
Rogue Basin Pilot Study	-		
Rupp Agricultural ASR	-		
Sterling Park Storm water Recharge	-		
Sunrise Purple Pipe Groundwater & Reuse Feasibility Study	-		
Umatilla Reuse	-		
Upper Catherine Creek Conservation	-		
West Extension Reuse	-		
West Fork Palmer Creek	-		
WISE Water Rights Evaluation	-		
Yoncalla Water Reuse Plan	-		

April 14, 2016

Jon Unger
Oregon Water Resources Department
725 Summer Street NE, SuiteA
Salem, OR 97301

Dear Mr. Unger,

I am writing in support of the East Valley Water District and its request under the Oregon Water Resources Department Feasibility Grant Program for grant assistance with the District's Drift Creek Water Supply Development Project.

As more and more demands are placed on the water resources of our state it is imparitive that we use what water is made available to us more efficiently. One of the ways to do that is to capture the excess water that is available in the rainy winter months and use it in the times of the year when there is less rainfall. This can benefit animals and people as well as crops. In the past, much water has been stored in the solid form we know as snowpack. Warmer winter temperatures recently have delivered less snowpack which has emphasized the need for the ability to store more water in liquid form in Oregon. The storage project on Drift Creek is one step in addressing that need.

I received a conditioned permit in the early 1990s to apply groundwater. The condition was that another source of water be sought. I joined several neighbors with similar permits. Most, if not all, of those permits and their extentions have expired. We are still seeking that mandated "alternative source" through the East Valley Water District.

The District is working on a long list of studies mandated by various agencies to satisfy that the project is in the public interest and will result in a benefit for the people of Oregon. The District has been able to make progress on these studies partially with the support of the Department in the past.

As a member of the board of East Valley Water District, I am grateful for the past and continued support of the Oregon Water Resources Department in our efforts to study the project area and the feasibility of the project. We ask that the Water Resources Commission follow the staff recommendation to fund the East Valley Water District's Grant Request.

Sincerely,

Dave Bielenberg

DICKMAN FARMS, INC.

March 29, 2016

Jon Unger
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301

RE: East Valley Water District grant proposal

Dear Mr. Unger,

Our farm is a member of the East Valley Water District; I am writing you today in support of the District, the Drift Creek Water Supply Development Project, and the District's grant request under the Oregon Water Resources Department Feasibility Grant Program.

Our family has farmed east of Mt. Angel since 1929. I am part of the third generation of my family involved in this business; my nephew, who is now an owner and manager, represents the fourth generation. We are very proud of the work we do here, growing green beans, sweet corn, cauliflower and onions in rotation with turf grass seed and other crops. We currently farm approximately 2,000 acres. About 40% of that is owned, and the balance is leased from over 20 landlords; many rely on our rent payments as retirement income. Besides the three Dickman families now involved, we employ six full time employees, and add additional positions in the summer.

Over 750 acres of our farm lie within the boundaries of the Mt. Angel Groundwater Limited Area. Of these acres, 77 are irrigated from Butte Creek, with the remainder irrigated from 7 wells in the basalt aquifer. In addition, we farm over 200 acres watered from Butte Creek which lie outside of the Groundwater Limited Area.

Our family has recognized the issues with water availability for a long time. My father was involved in an effort in the 1960's to develop water storage for irrigation in the Mt. Angel area. I was on the original board of the Pudding River Basin Water Resources Development Association, in 1993. We recognize that groundwater supplies are not limitless, and we've learned, by hard experience, that surface water from Butte Creek is also inadequate to meet all the existing water rights. Consequently, my family and I say, without reservation, the East Valley Water District, and its proposed Drift Creek project, are critically important. A long-term water solution is vital to the future of our farm, to agriculture within our District, and to farmers in both Marion and Clackamas counties.

15829 Mt. Angel-Scotts Mills Hwy NE • Silverton, OR 97381-9734 • Fax (503) 845-6471 • (503) 845-6472

Others will say that farmers should work harder to conserve water; work by the Pudding River Association and East Valley Water District clearly demonstrate this is already being done. My neighbors and I are producing crops with less irrigation water than expected by the OSU Extension Service. Many of us are using sophisticated monitoring techniques to schedule irrigation, and are using more efficient methods, like drip irrigation, and linear irrigation systems, which make a gallon of water do more.

In the end, however, we cannot save ourselves to a solution; as agriculture intensifies and diversifies, more water will eventually be needed. New industry, and a growing population in the mid-Willamette Valley will also need more water. Storage will be an important part of a strategy to meet those growing demands.

Storing surface water also has great potential benefits outside of agriculture. The ability to manage water releases will provide habitat enhancements for fish downstream. Other industries, as well as municipalities, and even residents living outside of areas served by water systems, will benefit from additional water availability. As our population grows, we need not have the water crises that our California neighbors face, if we will be proactive in developing water storage infrastructure like the Drift Creek project.

I appreciate the support Oregon Water Resources Department has given to East Valley Water District in our efforts to study the project area and the feasibility of the project. I that the Commission follows the staff recommendations to fund East Valley Water District's Grant Request.

Sincerely,

Mark Dickman

UNGER Jon J

From: Duane Eder <duane.eder@gmail.com>
Sent: Wednesday, April 13, 2016 9:12 AM
To: feasibility study grants
Cc: Lauren Reese
Subject: Oregon Water Department Feasibility Grant Program

Dear Mr. Unger,

As a member of East Valley Water District, I am writing to voice my support for the District, the Drift Creek Water Supply Development Project, and the District's grant request under the Oregon Water Resources Department Feasibility Grant Program.

This project is very important to my family and farm. I currently farm with my two sons Brian and Scott. We farm over 700 acres of grass seed, onions, green beans, peas, cauliflower, and hazelnuts. We farm 5 miles west of Silverton just on the west side of the Pudding River and north side of Hazelgreen road. Our irrigation supply comes from 2 sources, wells and surface water rights from the pudding river. Both of our water supplies are very limited, as the wells are in an area of cemented gravels in which they don't produce very much water. Also our surface water diversions from the pudding are very limited as 3 of the 4 diversions have junior water rights to in stream flows, in which in the past 6 of 10 years we have been shut off of 3 of the 4 diversions.

This project would not only give us farmers a sustainable and reliable water supply, but would also have great benefits to wildlife and fisheries adding more water flows during the summer months of currently low water levels. We really need your help in granting us this request so we can finish our studies and allowing us to continue and complete our Drift Creek Project.

We are very grateful and would like to thank you for the past and continuing support of the Oregon Water Resources Development in our efforts to study the project area and the feasibility of the project. We ask that the commission follows the staff recommendation to fund East Valley Water Districts Grant Request.

Sincerely, Eder Bros. INC.
Duane Eder

Sent from my iPad

UNGER Jon J

From: Mark Henjum <markhenjum@gmail.com>
Sent: Tuesday, April 19, 2016 1:54 PM
To: jonathan.j.unger@state.or.us
Subject: Drift Creek Water Supply Development Grant Comments

The following are my comments related to the Drift Cr. Water Supply Development Grant application submitted by East Valley Water District (EVWD):

The ORWD "Background" section of the Project Summary states "*...Oregonians must use their water wisely and efficiently. That means looking more closely at innovative water conservation and reuse programs and environmentally sound storage projects" (emphasis added).*

-Constructing a dam on an undammed tributary(Drift Cr) in the Willamette River System that supports anadromous fish, and is classified as habitat for Federal and State listed (threatened) winter steelhead **does not constitute an environmentally sound storage project.**

-The most compelling environmental issue related to this project is fish passage. The project proponents have had more than adequate time to make application to the Oregon Department of Fish and Wildlife to determine fish passage requirements. Documents attached to this application by EVWD support this (see page 9-2 "Recommended Next Steps" in "Drift Creek Dam and Reservoir Conceptual Design Basis of Design Document" dated **June 2011**. The first bullet point (Fish Passage) states-"complete assessments and negotiations with regulatory agencies to obtain fish passage/waiver conclusion." Section 2 page 2-3 ,"Fish Passage Considerations" states that that the District (and consultant EES) are **currently (2011)** investigating passage feasibility and possible mitigation opportunities along Drift Cr and nearby tributaries. It also states that a requirement for fish passage could adversely affect the feasibility of the project from a cost benefit perspective. This issue is the 'elephant in the room". The District has had 5 years to pursue answers to the the fish passage issues. They received $500,000 of public funds in 2013, so lack of money cannot be the reason. ORWD should not authorize any additional public"feasibility" funding or any other public funding for this project until fish passage requirements are resolved.

Other Comments:

There is little or no community support for the project based on attendance and comments at public meetings, articles in the local newspaper, and an online petition with over 1500 signatures opposing the project.
Notwithstanding the conservation issues, much of the lack of support is related to issues of fairness. For example:

-the proposed reservoir would be located on **lands outside the boundary of the EVWD** (this is unprecedented)
-land for the reservoir will be taken by eminent domain because landowners don't want to lose the use of their land (the land belongs to fellow farmers)
-existing landowners will not receive any water from the reservoir (all of the water goes to EVWD members)
-some EVWD members who will receive water from the reservoir grow the same crops (grass seed) as landowners at the proposed dam site (direct competition funded by public money)
-existing landowners have been forced to spend significant private funds in an attempt to keep their lands from being taken by condemnation (EVWD has primarily been spending public funds)
-less than 50 people will benefit from this project at great cost to the public (estimates are $65-$100 million if fish passage and a conveyance pipeline are included)
-securing a conveyance pipeline right-of-way would likely include more condemnation of land
-page 20 of the application states EVWD is "proud " to represent farmers in their district (at great expense to fellow farmers outside their district)
-EVWD has received nearly $1,000,000 in public funding to date, yet they continue to ask for more public funds (why haven't they determined" feasibility" with the money they have already received?)

Other concerns/comments:
At over 600 pages in length, the application is excessive and made review difficult and confusing to follow. For example:

A report *"Reconnaissance Level Investigation of a Water Resources Project And Development Program"* attached to the EVWD application and dated 1994 includes an "Appendix G. Natural Resources" with a Table of Contents outlining 65 pages of resources topics including water, fisheries, and wildlife. None of the contents regarding natural resources information is provided to the reader Why was this not included?. All of the other Appendices in this report were complete.

Surprisingly, Appendix E, page 5,of this 1994 report, referring to Dam sites "south of the service area" (which presumably means not within the EVWD boundary) states*"Eleven sites on the Little Pudding River* (including Drift Creek Site 410) *were evaluated with a requirement that a site would have to rate very well using all the criteria* (included on previous pages), *except location. The location of these sites...places*

their feasibility at a low level(emphasis added). *Pumping and distribution costs would most likely eliminate these sites for further evaluation.* ***None of the eleven sites*** (including Drift Creek) ***met the criteria that would justify further consideration."*** This was not explained in the application. Why are we considering feasibility funding when a previous study concluded Drift Creek is not a feasible location and would not justify further consideration? I wonder what has changed over the years to

In my view, the public has already spent entirely too much money on this "pipe dream" project (nearly $1,000,000) that should have been put to bed in 1994 (see above). Governor Brown recently signed a pact with with the State of California, Federal Fisheries Representatives, Native Americans, and others to remove four dams on the Klamath River. Why would Oregonians support a new dam on an undammed anadromous fish stream? This project was a bad idea in 1994 and remains a bad idea in 2016. It most certainly is not an "environmentally sound storage project.

I urge the Commission to withhold funding for this project. Thank You.

Respectfully,

Mark Henjum
Silverton, OR

Oregon Water Resources Congress

795 Winter St. NE | Salem, OR 97301 | Phone: 503-363-0121 | Fax: 503-371-4926 | www.owrc.org

April 15, 2016

Jon Unger
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301

Dear Mr. Unger:

The Oregon Water Resources Congress (OWRC) is writing in support of the East Valley Water District's grant application for its Drift Creek Water Storage Project in Silverton, Oregon. OWRC urges the Oregon Water Resources Department (WRD) to provide matching funds for this project from the Water Conservation, Reuse, and Storage grant program established under SB 1069.

OWRC is a nonprofit association representing irrigation districts, water control districts, improvement districts, drainage districts, and other agricultural water suppliers. These local government entities operate complex water management systems, including water supply reservoirs, canals, pipelines, and hydropower production, and deliver water to roughly 1/3 of all irrigated land in Oregon. OWRC has been promoting the protection and use of water rights and the wise stewardship of water resources on behalf of agricultural water suppliers for over 100 years. As such, we are highly supportive of long-term water supply planning and development efforts like the one being undertaken by the East Valley Water District.

In the 2008 Legislative Session, OWRC was part of the original coalition of agricultural groups that successfully advocated for the passage and funding of SB 1069 resulting in the Water Conservation, Reuse, and Storage grant program. Since its inception, this grant program has funded many worthwhile feasibility projects, including previous work by the East Valley Water District. The East Valley Water District's Drift Creek Water Storage Project is exactly the type of planning effort OWRC and its partners imagined when we advocated for the passage of SB 1069, and we believe it meets the fundamental intent behind that bill.

The Drift Creek Water Storage Project is an ongoing endeavor started by the district to develop a new water supply in Silverton, Mt. Angel and Molalla in Marion County. The project seeks to develop an alternative water supply for existing farmers and alleviate usage pressure on already strained groundwater systems. Due to limited water availability in the area, local farmers have little recourse and are increasingly challenged with finding adequate water supplies to irrigate crops in one of the most fertile areas of the Willamette Valley. Additionally, providing funding for this project has the potential to benefit not only the farmers and other agricultural water users within the district, but also provide environmental benefits to fish and wildlife through cooler surface water temperatures.

The East Valley Water District's Drift Creek Water Storage Project is a highly worthwhile project that will provide economic, social, and environmental benefits to the local watershed and the users that rely upon it as well as accrue to the broader population of Oregon. It will alleviate demand for current surface water sources and ease the requirement for water to be drawn from wells within the critical groundwater area. This type of project is also an essential element to implementing with the Oregon's Integrated Water Resources Strategy (IWRS) and WRD's ongoing efforts to meet Oregon's long-term water needs. Continuing support of the East Valley Water District's Drift Creek Water Storage Project aligns well with the IWRS and its recommended action to improve access to built storage.

Like many other Oregon counties, Marion County was not immune to Oregon's 2015 drought. Oregon's drought, which stems from a lack of snowpack that serves as the natural water storage throughout the year for many farms, communities, and fish and wildlife, highlighted the need for water supply solutions all over Oregon, including the Willamette Valley. We cannot fully address drought and climate change without a discussion of the importance and need for increased water storage. With increased precipitation and decreased snow-pack, it is essential that Oregon has storage options to prevent flooding and be able to release water later in the season when needed most for communities, crops, and fish. East Valley's project will provide an additional stable water supply, which will take advantage of the increased rainfall and help attain a sustainable water future for the local community.

OWRC wholeheartedly recommends continued support and full funding of the East Valley Water District's Drift Creek Water Storage Project from the Water Conservation, Reuse, and Storage grant program. Specifically, the funding will go towards the following key study components: (1) evaluating District water distribution system alternatives; (2) analyzing storage required to provide ecological flows; (3) further investigation of elk, and (4) further cultural resources investigations. Each of these areas are important aspects in determining the feasibility of the project and move the project toward the construction and implementation phases.

Sincerely,
April Snell
Executive Director

April 13, 2016

Pudding River Watershed

Jon Unger
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301

Dear Mr. Unger,

The Pudding River Watershed Council (PRWC) is opposed to the decision by the Oregon Water Resources Department recommend additional funding for the Drift Creek Water Supply Development Project proposal by East Valley Water District (EVWD) at this time. As stewards of the Pudding River watershed, where Drift Creek is located, we believe that the current dam proposal would be deleterious to fish resources and water quality within the watershed. Furthermore, we think that better alternatives exist, which are more appropriate and sustainable. These alternatives could better address the needs of the watershed without such adverse resource impacts and could avoid pitting landowner against landowner.

The PRWC intends to create an opportunity for collaboration between EVWD and PRWC. The goal is to develop a consensus resolution on a mutually agreeable solution. We are prepared to engage in further efforts with all parties to examine and develop other ideas that will meet the needs of the EVWD, as well as other important water-related needs of the watershed. We have initiated discussions with the EVWD to begin a developing this partnership. In the interim, it does not seem in the public interest to commit further resources to a plan that would not have broad public support and would not meet multiple important watershed needs.

Thank you.

Sincerely,

Steve Starner
Vice-Chair, PRWC

Date: 4-19 | # Of Pages: 1

QUICK FAX™ OfficeMax

To: Jon Unger	From: Steve Starner
Co./Dept. OWRD	Co./Dept. PRWC
Fax: 503 986 0901	Fax: 503 873 5439
Phone:	Phone: 503 873 5486
Note:	E-mail:

cc: Tom Murtagh, ODFW, *District Fish Biologist*
Dave Bielenberg, EVWD, *Board Chair*
Lauren Reese, EVWD, *Planning and Outreach Coordinator*

TONKON TORP LLP
ATTORNEYS

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April 19, 2016

VIA E-MAIL – jonathan.j.unger@state.or.us

Mr. Jonathan J. Unger
Grant Program Coordinator
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, OR 97301

Re: Drift Creek Water Supply Development Grant Application/East Valley Water District

Dear. Mr. Unger:

Please accept this letter as a public comment on the application submitted by the East Valley Water District ("EVWD" or "the District") for a feasibility study grant in conjunction with the District's proposed Drift Creek Dam and Reservoir Project ("Drift Creek Dam"). These comments are submitted on behalf of the twelve clients listed in the margin—all of whom own or lease productive farmland at the site proposed by EVWD for the Drift Creek Dam (collectively "the Drift Creek Farmers" or "my clients").[1] My clients oppose EVWD's current grant application, as they have opposed previous applications. On their behalf, I urge Staff to withdraw the recommendation in favor of awarding the grant, for the reasons expressed below.

I. The Department should not continue to fund a project that will take land from one group of farmers for the benefit of their competitors.

In the current funding cycle, EVWD requests a grant of $76,320. This application represents the District's fourth request for funding from the Department's Water Conservation, Reuse, and Storage Grant Program (also known as "SB 1069" grants). The District has already received $362,117 from this program, considerably more than any other single grant recipient and nearly 12% of the total funds distributed by the program from 2009 to 2015.[2] In 2013,

[1] My clients include (in alphabetical order) Dave Doerfler, John and Sharon Fox, Tom and Karen Fox, Bruce Jaquet, Kathleen Jaquet, Steve Lierman, Cheri Perry-Harbour, Robert Qualey, Joel Rue, and Zach Taylor.

[2] Grants awarded under the program from 2009 through 2015 totaled $3,127,063. The amounts awarded to EVWD totaled $362,117, or 11.58% of the total. In fact, the District says it has "partnered" with the Oregon Water Resources Department on a decade of feasibility studies. Drift Creek Water Supply

EVWD also received $500,000 in general funds appropriated by the state legislature to the District through the Department of Administrative Services,[3] for a grand total of more than three-quarters of a million dollars in public funds contributed to this project.

The overriding reason for my clients' opposition to awarding even more public funds to EVWD for the proposed Drift Creek Dam Project can be stated very simply:

- EVWD's proposed dam and reservoir would inundate nearly 400 acres of the Drift Creek Farmers' private land—productive farmland that is located many miles outside the nearest District boundary.
- The Drift Creek Farmers' properties are not for sale, but EVWD intends to forcibly acquire the land by condemnation.
- The Drift Creek Farmers are not members of the District, nor do they want to be, and they will receive no water from the Project.
- The Drift Creek Farmers are in direct economic competition with some of the District members.
- The proposed Drift Creek project will primarily benefit a small group of farmers, while causing significant public and private harm. It is wrong for public funds to be used for a project that will allow a small group of farmers—for their own private benefit— to condemn privately-owned, productive farmland belonging to their competitors.

Nowhere in its lengthy grant application does EVWD acknowledge that the site proposed for this project would be acquired by condemning land owned by competing farmers. The only

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Development Project Grant Application, p. 1. (All page references in this letter are to the pdf page numbers of the version of EVWD's Application posted on OWRD's website, available at http://www.oregon.gov/owrd/Pages/LAW/conservation reuse storage grant program.aspx.)

[3] The funds were appropriated to the Department of Administrative Services in the 2013 end-of-session "Christmas Tree Bill." The Budget Report for HB 5008A-engrossed said: "House Bill 5008 includes one-time General Fund appropriations to the Department of Administrative Services (DAS) for the following purposes: $500,000 to the East Valley Water District to support completion of an environmental impact study on a proposed water storage project."
See https://olis.leg.state.or.us/liz/2013R1/Measures/Analysis/HB5008. Presumably, EVWD has been able to use the appropriated funds to help meet the match requirements of the SB 1069 grants, thus matching public funds with other public funds.

reference to the ownership of the land is the following: "[t]he District does not currently own the land needed to implement the project. However, the district plans to work with all landowners in a fair and equitable manner." My clients do not want to "work with" the District. The Drift Creek Farmers are not willing to sell their land for the benefit of their competitors. In numerous other documents, the District has made it clear that it intends to use eminent domain to acquire the Drift Creek properties if the owners will not sell to them.

EVWD's method of "working with" the Drift Creek Farmers all along has consisted of trying to convince them to stop opposing the Project and to give up their land voluntarily. Several of the District's earlier grants included funds for "public outreach" to support these efforts. The District has used these public funds to meet with my clients to try to change their minds about the Project, to gain access to my clients' properties for various studies, and to conduct a public relations campaign to counter my clients' and other parties' opposition. Meanwhile, the Drift Creek Farmers must pay for their own lawyers, consultants, and "public outreach" to try to stop the District from taking their property, with no help from taxpayer funds or the assessment power of an irrigation district.

The Drift Creek Farmers clearly have the most to lose from this Project, since their land would be taken to store irrigation water for use several miles away by some of their competitors. However, many other people oppose the Project as well—another fact not mentioned in the Application. More than 1500 people signed petitions opposing the Project. Many of the signers commented on the unfairness of the District's being able to condemn competing farmers' land for their own private benefit, the opposition to blocking a free-flowing salmonid stream, and the general harms that would be caused to the Victor Point community where the Drift Creek Farmers' lands are located.

As noted earlier, the District refers to the series of issued feasibility grants as a "partnership" with OWRD. The Drift Creek Farmers urge OWRD not to continue a "partnership" that will take their land for the benefit of the EVWD farmers.

II. The District's application, though voluminous, does not support its request for funding.

EVWD's current grant application contains a whopping 641 pages of material, longer—by orders of magnitude—than any of the other applications in this funding cycle. However, the application emphasizes quantity of material over quality of support for the funding request. A good deal of the supporting material is significantly out-of-date and irrelevant to any consideration of project "feasibility."

A. The District proposes to use the requested funds for permit applications, not for feasibility analysis.

On page 6, the Application says:

"the District has determined the Project is feasible, and is ready to advance to environmental permitting. The goal of the studies included in this application is to complete the permit package for submittal, to be prepared for questions and further analyses requested by regulatory agencies, and ready this project for construction."

The Application goes on to say, on page 7, that the District is requesting funding for four activities that comprise "the remaining pieces of work needed to move past the feasibility phase of the Project into the environmental permitting phase." By the District's own admission, then, the proposed work is not appropriate for a feasibility grant. A closer look at the proposed tasks confirms this fact.

The four activities include: "(1) evaluating District water distribution system alternatives; (2) analyzing storage required to provide ecological flows; (3) further investigation of elk; and (4) further cultural resources investigations." Taking the last two items on the list first, nothing that EVWD proposes to do here is related to project feasibility. The work described (further investigating the presence of elk and locations of cultural resources to identify protection and mitigation strategies) is clearly related to filling out agency permit applications rather than assessing project feasibility. In fact, the Application explicitly states that the cultural resource studies "will allow the District to complete Section 106 National Historic Preservation Act reporting and seek concurrence with the State Historic Preservation Office." App. p. 7. These activities are inappropriate for further feasibility funding.

The first two items on the list concerning water distribution alternatives and ecological flows reveal deeper problems with the proposed project. As we have pointed out in earlier submissions to the Department, the District's claim that the Drift Creek Dam could provide improved ecological flows in Drift Creek is window-dressing at best. When EVWD first began talking about trying to build a water supply reservoir many years ago, it might have been acceptable to propose a single purpose project with the sole function of providing irrigation water. Times have changed, and water development projects are now expected to serve multiple purposes—particularly those seeking public funding. The District added "ecological flows" as a second purpose of the Drift Creek Dam only recently to make the Project "multi-purpose." The fact that the District is only now getting around to trying to determine if in fact the proposed facility could provide such flows simply demonstrates that this part of the proposal is an afterthought.

Furthermore, the Application reveals the District's real interest in evaluating flows in Drift Creek, which is the prospect for using the Creek itself to convey water from the reservoir location several miles to the edge of the District because this would be a much cheaper option than building a pipeline to convey the water. On page 7, under its description of the ecological flows analysis, the Application says "[t]his will include an evaluation of environmental benefits and impacts for conveying water supply within Drift Creek to the point of distribution downstream. . . ." It is a stretch to characterize sending 12,000 acre feet of water down the Creek during the irrigation season as providing ecological flows.

The District also notably fails to mention the fact that Drift Creek is the last undammed major tributary of the Pudding River. The Creek contains populations of salmon and provides salmon and steelhead habitat. The other major tributaries of the Pudding are all listed on the Oregon Department of Fish and Wildlife's "fish passage priority plan" as streams needing attention because the existing dams on those tributaries do not provide fish passage. A proposal to dam the last major free-flowing salmonid stream in the basin, when the basin is already suffering from insufficient fish passage and habitat is not improved by proposing to let some water out of the reservoir into the Creek, no matter how "feasible" providing such flows may be.[4]

The remaining task proposed by the District for use of the requested funds is to "evaluate up to three distribution system alternatives for delivering water from the transmission system to access points at property line of each District member." Application pages 7, 11. Since the lands of EVWD's members are at a minimum ten miles from the proposed reservoir site, how the water will be conveyed from the reservoir to the users is in fact an important question about the Project. However, the descriptions of this task on pages 7, 11, 13, and 15-16 are very general and redundant, offering very little information about how the District is actually going to address the challenge of getting the water to its members. Notably, the Application never mentions the significant distance that any pipeline will have to cross, nor does it mention how acquiring the route and constructing such a pipeline would affect the cost of the project. Indeed, even this task is focused more on permitting than on feasibility analysis. On page 13, the Application says that "[t]he documentation for this evaluation will satisfy OWRD, ODSL, and U.S. Army Corps of Engineers guidance with respect to alternatives evaluations."

[4] EVWD has already made it clear that it intends to apply for a fish passage waiver from the Oregon Department of Fish and Wildlife ("ODFW") because providing passage would make the Project too expensive. Although the District has apparently been discussing such an application with ODFW for a few years, no application has been submitted. It is likely that the fish passage waiver application is one of the applications to be supported by the work for which these funds are requested. Permit preparation is not feasibility analysis.

EVWD's Application clearly says in its own words that it has already determined the feasibility of this Project and it is now requesting funds to prepare permit applications. That is not an appropriate use of SB 1069 funding and this Application should be denied.

B. The application's supporting materials are out of date and irrelevant to EVWD's request.

Very little of the supporting material attached to EVWD's Application represents up-to-date information, and much of it has nothing to do with the particular studies for which the District is requesting funding in the current cycle.

For example, Attachment A is a 130-page "Reconnaissance Level Investigation" done by the Pudding River Basin Water Resources Development Association in 1994. The twenty-two-year-old report is essentially irrelevant to the current funding request. Indeed, the District's application only cites the 1994 Study for three points—the existence of groundwater declines in the District's territory, the District's estimated annual water needs, and the alternatives analysis that the District claims supports its proposed project.

My clients acknowledge that groundwater levels are declining in the vicinity of the District lands, as they are near my clients' lands as well. However, the District's application does not clearly quantify with current data (or any data, for that matter) how this fact contributes to the District's claim of 23,357 acre feet of annual water need. EVWD simply states that over 18,000 acres of its "service area" is within either the Mt. Angel or the Gladtidings Groundwater Limited Area ("GLA"),[5] but it does not demonstrate how many of these acres are currently irrigated, how many are water-short, or how many are reasonably expected to be irrigated in the future. The Application includes a map showing the GLA boundaries on page 8, but the map does not show the district boundaries. Just the fact that the GLAs and the service area overlap to some extent does not prove water need.

EVWD relies on the 1994 Study to claim that its service area contains "36,160 acres of net productive agriculture land" (Application p. 11), while the map included in Attachment D on page 548 of the Application says that the District service area contains approximately 15,000 acres. The District says on page 11 that 15,000 acres are currently irrigated, that surface water rights are associated with 10,800 acres of irrigation, and that the District's annual water need is 23,357 acre feet. Again, the District does not explain why these figures should be accepted in 2016, how these various numbers fit together or overlap, nor how they mesh with the GLAs. In fact, the basis for the "net productive agricultural land" inventory was a 1966 study by the

[5] In fact, EVWD does not yet have any actual service area because it does not provide any irrigation water to its members.

Bureau of Reclamation, which the 1994 Study itself said was already outdated in 1994. (Application p. 50.) Over two decades of development, land use changes, and agricultural changes have certainly further altered the numbers developed in 1994. With all of the public money the District has received, it should be required at least to come up with a reliable, up-to-date, and supportable calculation of the acres it proposes to irrigate with the Drift Creek Project and a reasonable figure for the water realistically needed on those acres.

EVWD's reference to the 1994 Study in support of its alternatives analysis is particularly misleading. On page 27 of the application, EVWD points to the 1994 Study to support its claim that extensive analysis of alternatives led it to the Drift Creek site as the "most feasible alternative for securing a stable and reliable water supply." Notably, however, the 1994 Study rejected sites on Drift Creek, saying "[t]he location of these sites, draining to the Pudding River south of the service area, places their feasibility at a low level. Pumping and distribution costs would most likely eliminate these sites for further evaluation." The 1994 Study identified three sites appropriate for further consideration on Silver Creek, Abiqua Creek, and Butte Creek, concluding that Butte Creek was the preferred alternative. This outdated study provides absolutely no support for the Project on Drift Creek, then or now.

Although EVWD's Application buries the OWRD in paper, much of the material does not support its grant request. The Department should deny the District's current grant application.

III. The Drift Creek Dam Project will only benefit a small group of farmers.

EVWD estimates the cost of the Drift Creek Project at $65 million. My clients believe a more accurate number would be much larger (perhaps as much as $100 million) once all the costs are included—for permitting, for land acquisition, not only for the dam and reservoir, but also for a pipeline route, for the costs of providing fish passage, for the cost of other mitigation that would likely be required for the destruction of wetlands and wildlife habitat, and for construction. Yet the Project is only expected to satisfy half of the District's estimated water needs. This expectation further assumes that the reservoir will indeed fill to capacity on a regular basis, though the Application admits that in dry years, it may not do so.[6]

[6] Application page 12. Furthermore, the projections of water supply made in Attachment C, the Drift Creek Hydrologic Report, are founded on only a few years of streamflow data. Although the Report uses longer data records from other nearby streams to make up for that lack, most of the Report looks backward rather than forward. The attempt to consider how these flows will change due to climate change is minimal at best (Application pages 181-184), and that attempt does not lead to any real conclusions. The Report says only that "there are not enough data to more accurately explain current

Who will benefit from this Project? EVWD's financial statements suggest that a relatively small group of farmers is likely to reap the benefits. My clients have examined the 2015 financial statements and some recent account statements (enclosed), and have concluded that the District's fee assessments cover only approximately 12,000 acres of District land. At an average farm size of about 600 acres, this would represent only about 20 farm units.[7] For 2016, most of those landowners are paying an assessment of $1.85 an acre, while only a few of them are paying a higher rate of $9.40, which is denoted as a charge per acre foot rather than per acre. The smaller fee is assessed against 8,736 acres, while the larger fee is assessed on 3,372 acre feet. This suggests that only the latter group is actually interested at this point in time in paying for water from the Project.

Furthermore, the District's financial statements reflect significant delinquent assessments over multiple years. The total accounts receivable as of April, 2016, is over $96,000. My clients understand that the District has recently lost membership at its northern end, also suggesting that the expected benefits of this Project are not as broadly perceived even within the District as the formal submittals claim. These actual facts and figures from EVWD's own financial statements are more pertinent than the 215 pages of theoretical calculations of repayment capacity included in Attachment B to the Application.

IV. Conclusion

The East Valley Water District has spent the better part of a million dollars in public funds on a Project that will benefit a handful of farmers, while taking land from some of their competitors. The Project will destroy a free-flowing salmonid stream and replace it with an irrigation reservoir that will store water for distant farmers, while the Drift Creek Farmers lose land and livelihood. On behalf of my clients, I urge the Department and Commission not to

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and/or predict future hydrograph[s] shifts for Drift Creek" but it is likely that summers will be wetter in the future. Application page 469. The many pages of data in the 251-page Report do not necessarily demonstrate that the Project will be successful in capturing sufficient winter flows in future years.

[7] Attachment B to the Application, the "East Valley Water District Drift Creek Dam: Agriculture Economic Value Analysis" by Oregon State University, recites 75 District members, but this is not supported by the financial statements showing how many people are paying assessments. The OSU Report even acknowledges that the calculations of capacity to pay for the Project are based on data from only half of the District lands. Application page 170.

award another feasibility grant to the East Valley Water District. It is inappropriate for the State to keep putting its thumb on the scale in favor of one group of farmers against another.

Sincerely,

Janet E. Neuman
Senior Counsel

JEN/jeh
Enclosure

037082/00001/7179686v1

East Valley Water District
Profit & Loss
January 1 through May 7, 2015

	Jan 1 - M...
Ordinary Income/Expense	
Income	
2012 Development Charge	450.00
2012 Operational Charges	416.64
2013 Development Charge	2,422.50
2013 Operational Charges	1,331.76
2014 Development Charge	3,585.00
2014 Operational Charges	2,017.18
2015 Development Charges	-125.00
SB 1069 Grant Award	
SB 1069 - Award	27,117.33
Total SB 1069 Grant Award	27,117.33
Total Income	37,215.41
Expense	
2015 Development Expenses	
Access - Environmental Studies	23,922.01
Water Right	491.00
Wetland Boundary Delineation	2,636.27
NEPA EA/EIS	9,650.00
Addt'l Tech Studies - BA	1,555.25
Hydrology - Flow & Temp	1,558.00
Public Engagement	2,721.00
Management-Project & Engineer	4,609.50
Legal	17,641.26
Federal Engagement	21,987.18
Total 2015 Development Expenses	86,771.47
Administrative Expenses	
Long Distance Phone/Fax	90.02
Management Fees	7,881.00
Mileage	392.94
Office Supplies	318.78
OWRC Membership	1,034.00
Paper & Copies	85.10
Postage	102.59
Administrative Expenses - Other	1,885.00
Total Administrative Expenses	11,789.43
Total Expense	98,560.90
Net Ordinary Income	-61,345.49

East Valley Water District
Proposed 2015 Budget

	Proposed 2015 Budget	
2015 Beginning Balance (Assets)	401,886.49	
2015 Income		
Operational Charges (8736 acres @ $1.60 per acre)	13,977.60	@ 1.85/A = 16,161
Development Charges (3372 acre-feet @ $7.50 per acre-foot)	25,292.00	@ 9.40/A = 31,697
1069 Grant Expenses Owed by OWRD	10,331.79	
1069 Grant Expenses to be Reimbursed in 2015	9,748.16	47,858
Total 2015 Projected Income	59,349.55	
2015 Expenses		
2015 Operational Expenses	13,500.00	
Operation & Admin of District		
2015 Development Expenses		
Access for Environmental Studies	25,000.00	
Water Right	30,000.00	
Wetland Boundary Delineation	18,640.00	
Joint Permit App & Comp Mitigation[1]	60,000.00	
NEPA Environmental Assessment[1]	30,000.00	
ESA Consult, BA & Assoc Studies[1]	35,000.00	
Additional Environmental Studies	50,000.00	
Migratory Bird Act	1,500.00	
Cultural Resources Survey	20,000.00	
Hydrology - Flow & Temp	6,339.60	
Public Engagement	10,000.00	
Fish Passage Studies & Options	20,450.28	
Elk Habitat Assessment	3,000.00	
Dam Safety Review[1]	0.00	
Land Use Siting[1]	0.00	
NPDES Permit[1]	0.00	
Management-Project & Engineer	40,000.00	
Legal	10,000.00	
Federal Engagement Ferguson Fed grant money	30,000.00	
Total 2015 Development Expenses	389,929.88	
[1]All or a Portion of the Budget for this Line Item was Moved to FY 2016		
TOTAL 2015 BUDGETED EXPENSES	403,429.88	
2015 INCOME & ASSETS MINUS EXPENSES	11,956.61	59,814

East Valley Water District
Balance Sheet
As of April 11, 2016

	Apr 11, 16
ASSETS	
Current Assets	
Checking/Savings	
Checking - Pioneer Trust	11,232.44
Umpqua Bank account	71,691.13
Total Checking/Savings	82,923.57
Accounts Receivable	
Accounts Receivable	96,531.45
Total Accounts Receivable	96,531.45
Total Current Assets	179,455.02
TOTAL ASSETS	179,455.02
LIABILITIES & EQUITY	
Equity	
Retained Earnings	169,657.59
Net Income	9,797.43
Total Equity	179,455.02
TOTAL LIABILITIES & EQUITY	179,455.02

East Valley Water District
Check Detail
March 15 through April 11, 2016

Type	Num	Date	Name	Item	Account	Paid Amount	Original Amount
Bill Pmt -Check	1717	04/11/2016	Black Rock Consul...		Checking - Pioneer...		-1,207.00
Bill	EVWD...	04/09/2016			Management - Proje...	-142.00	142.00
					Water Right	-142.00	142.00
					Management - Proje...	-710.00	710.00
					Management-Projec...	-142.00	142.00
					SB 1069 - Award	-71.00	71.00
TOTAL						-1,207.00	1,207.00
Bill Pmt -Check	1718	04/11/2016	Integrated Water S...		Checking - Pioneer...		-4,038.00
Bill	11-EV...	04/11/2016			Executive Secretary	-2,088.00	2,088.00
Bill	31-EV...	04/11/2016			Public Engagement	-1,375.00	1,375.00
					NEPA Environmenta...	-575.00	575.00
TOTAL						-4,038.00	4,038.00
Bill Pmt -Check	1719	04/11/2016	Stoel Rives, LLP		Checking - Pioneer...		-106.20
Bill	38880...	04/07/2016			Legal	-106.20	106.20
TOTAL						-106.20	106.20

Archeological NW

missed bill $4500

East Valley Water District
Deposit Detail
March 15 through April 11, 2016

Type	Num	Date	Account	Amount
Deposit		04/11/2016	Checking - Pioneer...	10,284.27
Payment	26152	04/01/2016	Undeposited Funds	-10,000.00
Payment	718	04/02/2016	Undeposited Funds	-101.75
Payment	9971	04/02/2016	Undeposited Funds	-145.52
Payment	9706	04/04/2016	Undeposited Funds	-37.00
TOTAL				-10,284.27

UNGER Jon J

From: Kevin Loe <Kevin@trianglefarmseeds.com>
Sent: Thursday, April 14, 2016 6:57 PM
To: feasibility study grants
Cc: Lauren Reese (lauren@integratedwatersolutions.net)
Subject: East Valley water district

April 14, 2016

Jon Unger Oregon Water Resources Department 725 Summer Street NE, Suite A Salem, OR 97301

Dear Mr. Unger,

As a member of East Valley Water District, I am writing to voice my support for the District, the Drift Creek Water Supply Development Project, and the District's grant request under the Oregon Water Resources Department Feasibility Grant Program.
This project is important to our family farm operation going on 6 generations. We currently farm over 2,000 acres of specialty seed crops such as flowers, vegetable, native and grass seeds among several other crops and livestock. Over time we have had to adapt to regulations such as field burning that has helped us to adapt to more sustainable crops to keep our farm a viable and profitable operation. Some of our land is in the limited ground water area that makes this program very important to our operation and many other farmers in our area. Irrigation of our crops at times keeps us much more successful with much less risk due to weather changes. Our crops and our family's livelihood rely on a reliable and sustainable water supply; both are currently at risk.

This project and East Valley Water District's efforts toward a long-term water solution is vital to the future of our farm and the future of agriculture within our District and Marion County.
This project has the potential to provide benefits beyond agricultural use. Cool water released from the proposed reservoir could vastly improve environmental health for fisheries and wildlife during the summer months. Storage of water can also provide improved flows during traditional low flow periods that can be dangerous to fish species. This grant request will allow the District to further study, understand, and quantify the impacts and benefits resulting from the project.
We are grateful for the past and continued support of the Oregon Water Resources Department in our efforts to study the project area and the feasibility of the project. We ask that the commission follows the staff recommendations to fund East Valley Water District's Grant Request.

Regards,
Kevin Loe

169 SW COAST HWY
NEWPORT, OREGON 97365

COAST GUARD CITY, USA

NEWPORT
OREGON

www.newportoregon.gov

MOMBETSU, JAPAN, SISTER CITY

April 18, 2016

OWRD
Attn: Mr. Jon Unger
725 Summer Street NE, Suite A
Salem, Oregon 97301
fsgrants@wrd.state.or.us

RE: Public Comment for Feasibility Study Grant (Water Conservation, Reuse, and Storage Grant Program): Roller Compacted Concrete Dam at Big Creek/ City of Newport

Dear Mr. Unger:

In your previous correspondence, you had indicated that the City of Newport's application is being considered by the Department to be a continuation of a previous project, and as such the maximum grant award would be limited to $250,000. It is unfortunate in the City's application that we did use language that would indicate that this project is a continuation of the previous project. However, in reality the proposed project only follows the previous project, and is unique in its location, scope, and purpose.

The City would like to argue that this is a different project than what was submitted in the 2014 1069 application. In 2014, the City conducted a seismic assessment and recommendations for remediation for the Big Creek Dams 1 and 2. The recommendation from that feasibility study was to consider constructing a new dam.

The project considered in this application is no longer doing any analysis on the existing dams. Rather, this project is to determine the feasibility of constructing a new roller compacted concrete dam including survey, geotechnical investigations, and hydraulic assessment. This is a completely new study, in a completely new location, considering a completely different structure. This study may be informed by data derived from the last study, but this project is new and unique. In fact, the seismic assessment completed in the last study advanced the knowledge and techniques of how seismic analysis of earthen dam structures is performed, and will likely be referenced and inform future studies of similar structures nationwide, if not worldwide. It is the findings of this study that convinced the City of Newport of the necessity to build a new dam of a different material in a new location.

Thank you for your consideration.

Sincerely,

Timothy Gross, PE
Director of Public Works/City Engineer
t.gross@newportoregon.gov
P| 541-574-3369
F| 541-265-3301

EST. 1882

WATERWATCH

PROTECTING NATURAL FLOWS IN OREGON RIVERS

April 20, 2016

Jon Unger
Oregon Water Resources Department
725 Summer Street, NE
Salem, OR 97301

Re: Comments, HB 1069 Water Conservation, Re-use and Storage Grant Applications

Dear Mr. Unger,

WaterWatch appreciates the opportunity to comment on the HB 1069 grant applications. As the Department is aware, WaterWatch was integrally involved in the drafting of HB 1069 and the associated rules, thus we are intimately familiar with the program's requirements.

As a general matter, it would be helpful to the public to understand why the WRD recommended funding or not for the applied projects. As is, WRD recommendations have the benefit of the technical advisory group decisions/scoring, but the public does not. Going into the future, it would be helpful to publish that information, or at least have access to a narrative attached to the decisions.

Following are our comments on a select few of the funding recommendations of the WRD.

Drift Creek Water Supply Development Project: WaterWatch strongly opposes additional state funds for this project. Thus far, East Valley Irrigation District (EVID) has benefited from over $850,000 in public funds, $362,117 of which has come from the Water Conservation, Re-use and Storage grant fund. The proposed project would build a stream spanning dam on Drift Creek. The project would harm listed fish habitat and inundate lands currently farmed by dryland farmers. The reservoir permit application has been protested by both WaterWatch and basin farmers.

Attached please find three of WaterWatch's past comments regarding previous EVID requests for grant funds. All are pertinent to this most recent grant application, and thus we include as part of our official comments to be forwarded to the Commission.

It is interesting to note that our 2012 comments pointed out that the 2012 application was defective because EVID was not committing to studying peak and ecological flows, as required by statute. Despite this defect in their application, WRD funded them. Now, four years and $850,000 in public funds later, EVID is back asking for funds to study just that. The public should not be paying for the applicant's disregard of statutory requirements in the first instance. Additionally, our 2013 comments noted that HB 1069 funds were not intended to fund work required by regulatory and/or permitting agencies. WRD agreed and did not fund that part of the grant request (see attached WRD 2013 staff report excerpt). In 2015 EVID tried again, and the

WRD determined that the monies would not improve the body of knowledge for the project (see attached WRD 2015 staff report excerpt). Within three months EVID was back to request funds for tasks previously declined by the WRD. Now, WRD is proposing to fund the grant. The state's position on this project is baffling. This is a project that will put existing farmers out of business. This is a project that will harm listed fish. This is project that has no benefit to the public as a whole. Yet, the state has invested nearly one million general fund dollars in this project to date and is poised to grant it additional funds. Additional taxpayer monies should not be given to EVID. WaterWatch strongly opposes the WRD recommended funding for this project.

As a final note, we believe the Commission and the public should have a full explanation as to the state's position and funding of this project, including disclosure of any legislator requests connected to the $500,000 general fund appropriation that was included in the 2013 state budget[1] and/or any HB 1069 grant funds.

County Line Water Improvement District: This project raises a number of questions/concerns which we will briefly note here:

(1) It appears that this project will increase diversions from the Umatilla River, which is of concern as it is contrary to decades long efforts to decrease diversions from the Umatilla River.

(2) There are a number of efforts to remove dams and other diversion structures from the Umatilla River (i.e. Dillon dam removal), this would appear to be in conflict with basin efforts.

(3) The existing certificated right referenced is for recharge (i.e. to recharge the aquifer), but this project appears to anticipate supporting additional irrigation withdrawals, which would be a loss to the system not a benefit.

(4) This project includes storage, thus the study must include an analysis of peak and ecological flows. Applicant response to this requirement is that the study will "account for target flows". Accounting for target flows does not meet the statutory requirements for the grant fund. Many applicants mistake instream water rights as target flows and do not do the necessary analysis required by the statute. If the WRD does fund this it should ensure required studies are undertaken.

(5) From the description on page 6, it appears that the current diversion is limited in order to meet minimum flows, but this project would allow diversion of water regardless of minimum flows, which is of concern and contrary to basin efforts to protect streamflows.

(6) The description of the "intake structure" is vague. If applicants are considering any sort of dam, the application should be forthcoming on that point (especially given basin efforts in this regard).

All in all, this project appears to be in conflict with a number of basin goals with regards to protection and restoration of Umatilla River flows. This does not appear to serve the public in a positive way.

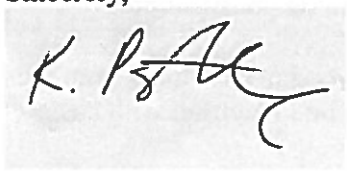
[1] The $500,000 direct appropriation of general fund dollars was not part of the WRD agency recommended budget or the Governor's recommended budget. To this day, facts surrounding this appropriation are vague.

McMullin Creek Dam and Spillway: This project does not appear to meet the criteria of the HB 1069 grant program. Applicants are not creating any new storage or proposing to operate the dam in a manner that augments water supplies---either instream or out-of-stream. This grant appears to be only related to the engineering necessary to do dam repair. There is reference to downstream flows and/or fish passage, but our read of the application materials is that these are not a purpose of the project; the preposition that applicants will try to do some undefined restoration work is too remote to be considered part of the project in our view. This does not appear to be the right place to seek funds for applicant's purposes.

Conclusion: Again, WaterWatch strongly opposes the proposed funding of the EVID Drift Creek project. We also have concerns about using public funds to support the County Line project as it appears contrary to longstanding streamflow protection and restoration efforts. And finally, the McMillian Dam project just simply doesn't match the intent of the funding source. As such, we ask the Department (and then the Commission) to reconsider the WRD recommendations on these projects.

Thank you for this opportunity to comment.

Sincerely,



Kimberley Priestley
Senior Policy Analyst

Enclosures

WATERWATCH

PROTECTING NATURAL FLOWS IN OREGON RIVERS

November 2, 2015

VIA ELECTRONIC MAIL

Mr. Jon Unger
725 Summer Street NE, Suite A
Salem, Oregon 97301
Jon.J.Unger@wrd.state.or.us

Re: *2015-17 Water Conservation, Reuse & Storage Grant Requests – East Valley Water District*

Dear Mr. Unger:

Thank you for the opportunity to comment on the 2015-2017 Water Conservation, Reuse and Storage grant applications. Our comments are limited to East Valley Water District's 2015 Application for an additional grant of $76,320.

For the following reasons, we support the Department's recommendation to *not fund* East Valley's grant request:

1. East Valley proposes a highly controversial in-channel reservoir. East Valley seeks additional money to promote a large in-channel reservoir on Drift Creek, a tributary to the Pudding River in Marion County. The proposed dam and reservoir threaten the free-flowing character of Drift Creek and its fish populations (which include ocean-going steelhead as well as resident trout). The dam and reservoir also would require condemnation of out-of-district land owned by farmers who do not want their land used for the project. (See Farmer v. farmer: Future of Oregon water at center of fight over new dam in Silverton, OregonLive.com (May 16, 2015).) East Valley filed an application for a reservoir permit on February 21, 2013. The Department proposed issuing the permit, but the proposal has been protested by WaterWatch and by area farmers, and it is likely to be litigated through a contested case hearing and possible appeals. The Department should not take sides in this dispute by giving East Valley what would really be just more money to promote its side of the case.

2. East Valley has received enough money from the grant program. East Valley already has received three grants totaling more than $350,000 from the Water Conservation, Reuse and Storage Grant Program. East Valley also received a direct appropriation of $500,000 from the Legislature. That is more than enough taxpayer money for a project with such serious public interest questions.

3. It is way too late for East Valley to be doing "feasibility" studies. The applicable grant program is intended to fund studies of "the feasibility of developing a

water conservation, reuse or storage project." ORS 541.561(1); OAR 690-600-0010(8). It is long past time for East Valley to have determined if its project is feasible. East Valley should have done that before it filed a formal application, more than two years ago, making a specific proposal to substantially disrupt an ecosystem and the lives of numerous farmers. East Valley claims it now wants money to further study such things as alternative off-channel locations for its reservoir and ways to use the reservoir to help fish. If East Valley is sincere, it should withdraw its pending application and come up with a new proposal after it does those studies. More likely, East Valley is already committed to the specific project it applied to build and is just asking taxpayers to pay for biased studies to support its side of what is likely to be highly contentious litigation.

4. East Valley should have studied previously the things it says it wants to study now. Specifically, East Valley says it wants more money to further study "off-channel storage alternatives[,] . . . the feasibility of providing ecological flows as an additional purpose of the project[,]" and "elk and cultural resources." Those things should have been studied before East Valley submitted its application to build a 70 foot dam in the middle of a steelhead stream and flood 384 acres of land including land owned by farmers outside the district who don't want the project; especially since East Valley already has received more than $850,000 from taxpayers to study the project and complete its application.

5. East Valley's application does not comply with rules for the program. Rules for the grant program require an application for a grant relating to an above ground storage project to include "information as to whether and to what extent the project includes provisions for using stored water to augment in-stream flows to conserve, maintain and enhance aquatic life, fish life or other ecological values." OAR 690-600-0020(4)(d). East Valley's application does not include that information. It simply says East Valley may develop that kind of information, long after it should have been developed, if the state gives East Valley more money. Meanwhile, East Valley's reservoir and grant applications suggest the opposite of what the grant application requires. The reservoir application makes no commitment to augmenting in-stream flows, and the grant application's analysis of water availability, and of East Valley's potential demands from the project, suggest no water to spare.

For the foregoing reasons, we support the Department's recommendation not to fund East Valley's latest grant proposal.

Thank you for considering our comments.

Sincerely,

Brian Posewitz

Brian Posewitz
Staff Attorney

Summary of Public Comments
Feasibility Study Grants: 2015-17 Grant Cycle 1

Drift Creek Water Supply Development Project (5)

Five public comments were submitted to the Department regarding this application. All comments urged acceptance of the multi-agency review team recommendation to not fund the application. Comments were received from Janet Neuman, WaterWatch, Mark Henjum, Pudding River Watershed Council, and Cheri Perry-Harbour/Kathleen Jaquet. Public comments included the following:

- The proposed in-channel dam and reservoir threaten the free-flowing character of Drift creek and its fish populations.
- The proposed project would require condemnation of out-of-district land owned by farmers who do not want their land used for the project.
- East Valley Water District has already received $362,117 from the SB 1069 Grant Program, more than any other grant recipient.
- Drift Creek is the last undammed major tributary of the Pudding River, and the creek provides habitat for anadromous fish. Dams on all of the other tributaries are already listed on the Oregon Department of Fish and Wildlife's fish passage priority list because of their damaging impact to fish habitat.
- Local landowners whose land will be inundated have spent far too much of their own money and time defending their property rights.
- The project would be detrimental to elk and their habitat.
- The Pudding River Watershed Council intends to create an opportunity for collaboration with East Valley Water District to identify other ideas that will meet the needs of East Valley Water District and the needs of the watershed.

Staff response: The application met the minimum qualification for it to be reviewed and scored. The Application Review Team recommended that the application not be funded. Past state funding included:

1. 2009-2011(WRD Funds) $258,952
2. 2011-2013 (WRD Funds) $71,665
3. 2013-2015 (WRD Funds) $31,500
4. Environmental Studies (Department of Administrative Services) $500,000

OWRD staff concluded that the application as submitted does not significantly increase the body of knowledge necessary to move the project forward.

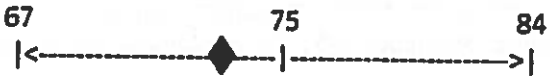
Oregon Water Resources Department
Water Conservation, Reuse and Storage Grant Program
Evaluation for November 1, 2013 Applications

Applicant:	***East Valley Water District***		
Study Type:	Storage – Above Ground		
Application #:	GS 0067-15		
Study Name:	*Drift Creek Storage Project*		
Basin:	Willamette	**WRD District:**	16
Requested:	$140,000	**Total Project Cost:**	$310,000

Application Description:
This is the third phase of the district's efforts to evaluate environmental and financial feasibility for construction of an above ground storage reservoir along Drift Creek, a tributary of the Pudding River south of Silverton. During this phase, funding is requested to secure regulatory permitting requirements, continue flow and temperature readings for the hydrology analysis, prepare the NEPA analysis, pursue fish passage studies and conduct public outreach.

The application indicates several items that are being pursued as next steps toward implementation. The items listed are necessary to meet regulatory obligations such as obtaining Clear Water Act 401/404 permits, preparing a Biological Assessment, resolving fish passage issues, ensuring protection of cultural resources, complying under the Migratory Bird Treaty Act, and continuing hydrology analysis.

Application Review Team Evaluation:
The Application Review Team gave this application an average score with a medium funding level priority. However, it was noted that most items identified in the application are for regulatory permitting or environmental compliance purposes and not for a feasibility study or determination.



(Ranking within a possible score of 67 to 84)

Comments: Seven comment letters were submitted to the Department. Five were letters of support from Wilco Farmers, Oregon Association of Nurseries, NORPAC, Clackamas County Soil and Water Conservation District, and Oregon Water Resources Congress.

Two of the comment letters requested the grant be denied. Those comments were submitted by WaterWatch and Tonkon Torp, LLP (on behalf of one adjacent landowner). WaterWatch stated the project was outside the scope of a feasibility study; therefore, it should be denied. Tonkon Torp, LLP cited several issues with the application; primarily, their client's property would be partially flooded by the proposed reservoir. Tonkin Torp, LLP also commented that the project was deficient in several areas including its alternatives analysis and project support.

Staff Recommendation: Do Fund at $31,500.
In response, staff reviewed the application as well as previous documentation associated with two prior grant awards for this project. Since this is a multi-year project for the District and progress is evident in each grant cycle, the Department concluded it is comfortable with the alternatives analysis and data used in earlier phases (grant cycles) of the project.

The majority of the tasks identified in the application were outside the scope of a feasibility analysis or study. Those items include a wetland delineation report, Clean Water Act permitting, Endangered Species Act consultation, Migratory Bird Treaty Act compliance, site specific cultural resource studies, and consultation with ODFW. Three of the tasks are within a feasibility analysis and one recommended for partial funding. Tasks 3, 8 and 9, which include National Environmental Policy Act analysis (environmental impacts only), hydrology analysis and public outreach, are recommended to receive funding.

Commission Action:

On March __2014, the Water Resources Commission took action to:

The feasibility study received an award amount of $_____.

WATERWATCH

PROTECTING NATURAL FLOWS IN OREGON RIVERS

December 11, 2013

Nancy Pustis
Oregon Water Resources Department
725 Summer Street NE, Suite A
Salem, Oregon 97301
nancy.n.pustis@wrd.state.or.us

RE: Comments, East Valley Water District Application for funding under the Water Conservation, Reuse and Storage Grant Program

Dear Ms. Pustis,

Thank you for this opportunity to comment on the 2013-2015 Water Conservation, Re-use and Storage grant applications. Our comments are limited to East Valley Water District's 2013 Application for $140,000.

This is the third grant that East Valley Water District ("East Valley") is requesting from the state. East Valley has received two other grants under this program over the last two funding cycles totaling $350,017. If the current grant request is funded, East Valley will have received nearly one half million dollars of limited state funds towards a single purpose storage project.

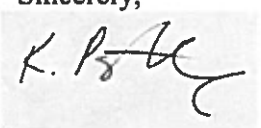
The State's water conservation, re-use and storage funding program was passed into law in 2008 (HB 1069). The program provides state funds as match funding for project planning to evaluate the feasibility of developing a water conservation, reuse or storage project. This is not a fund meant to fund work that project developers must do to meet federal or state regulatory requirements.

East Valley's application does not qualify for funding under this program. East Valley has already determined that the project is feasible, as evidenced by the fact that they have recently submitted an application to the Water Resources Department for a water storage permit. What East Valley is requesting under the current application is funding to pay for work they must do to meet the regulatory requirements of the Clean Water Act, NEPA, ESA, Migratory Bird Treaty Act, National Resource Preservation Act and Oregon's wetland and fish passage law requirements. This is not contemplated by the statutes or corresponding rules.

East Valley Water District's application should be denied as it does not meet the statutory and rule requirements of the program.

Thank you for this opportunity to comment.

Sincerely,



Kimberley Priestley
Senior Policy Analyst

WATERWATCH

PROTECTING NATURAL FLOWS IN OREGON RIVERS

March 15, 2012

Oregon Water Resources Department
Water Conservation and Supply Program – 1069 grants
Water Resources Department
725 Summer St. NE, Suite A
Salem, OR 97301-1271

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

Dear OWRD,

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 and specific comments on the WRD's recommendations.

General Comments

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

WaterWatch continues to be concerned that a number of grant applications are not complying with the underlying law on these grants. 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
b. East Valley Water District, Drift Creek Storage

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

2. 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?
- Is the WRD assessing applications to study the feasibility for conservation projects to ensure compliance with existing laws
- Is ODFW conducting a review to determine whether the project would be at all capable of meeting Division 33 and other fish standards?
- 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.

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

The proposed allocation of 1069 grant dollars continues to be inordinately weighted towards storage projects, with at least 45% of Tier I dollars recommendations directed to storage projects. This imbalance in the proposed grants should be addressed.

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 proposed Valsetz Dam on the Siletz River, 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.

Specific Project Comments.

1. WISE Project

WaterWatch endorses the funding recommendation for the WISE Project. This project has the potential to provide a substantial conservation dividend and provide multiple benefits to all participating parties and local streams. Unlike many of the proposals, which seek public money to provide almost exclusively private benefits, this type of project ought to be a model for this grant program. WaterWatch fully supports this proposed grant.

2. City of Dundee

WaterWatch was impressed to read about the City of Dundee's recycled water project and is pleased to see that the city is being awarded a grant to help with this forward-looking and progressive project. This type of project, which stretches existing supplies, is a great use of the 1069 funds and WaterWatch's supports funding for it.

3. Drift Creek/East Valley Irrigation District

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). 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:

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 refers to a planned "time-step hydrologic yield & analysis" (Application at p. 10) that will "be performed given historical data and recently gathered flow data at different levels of irrigation withdrawal and differing schedules, using representative flow years." (Application at p. 6). It also references a "water quality model provided by PSU showing discharge schedules relevant to water temperature" (Application at p. 10).

It is unclear from these statements, and the application as a whole, whether East Valley Irrigation District intends any element of the study to focus directly on "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." 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). Although the application includes a description of the "technical aspects" of the "time-step hydrologic yield analysis" (Application at p. 6) and of the "water quality model" (Application at p. 8), it wholly fails to explain "why the technical approaches are appropriate for the planning study" as required by the funding criteria. To be more specific, water quality is only one element of an analysis of a projects impact on "by-pass, optimum peak, flushing and other ecological flows". It is unclear how the use of a "water quality model" in conjunction with a "time-step evaluation" are sufficient to meet the requirements of OAR 690-600-0020(4)(f)(A).

We also note that where actual data is available, that data should be used and preferred to the use of computer models.

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 two sentences related to this element. The first sentence states, "EVWD provided a detailed comparative analysis of water supply options with its prior grant in July 2011." (Application at p. 10). The second sentence adds, "There has been no change to that analysis". (Application at p. 10). The prior report insufficiently examined alternatives. Reliance on that report here is inadequate.

OAR 690-600-0020(4)(f)(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."

The application states that "the analysis of flows, discharge scheduling and review of fishery habitat and relative operation" will update its July 2011 report. Application at p. 10. However, the application fails to explain how the study plans to use this data to evaluate "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" as required by OAR 690-600-0020(4)(f)(D) in order to be eligible for funding. Although the application states the study will emphasize "providing cool water for fish protection and warmer flows for irrigation", this is only one element of conservation of "aquatic life, fish life or other ecological values." (Application at p. 11). The application's focus on water temperature only fails to address the range of elements required by OAR 690-600-0020(4)(f)(D).

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

Other Issues:

It appears that the District will be seeking a fish passage waiver and that the project presumes that existing migratory fish, including coho salmon and steelhead habitat will no longer be available or accessible to those fish as a result of the construction of a dam. The answer to Question 3, Common Criteria states that acquisition of the data necessary "to procure [among other things]. . . a fish passage waiver . . . are priority tasks" in this phase of study. WaterWatch suggests that projects that are aiming to secure a fish passage waiver before performing the studies necessary to determine the feasibility of passage should not be funded.

Furthermore, the Project reliance on a model purporting to demonstrate maximum production of steelhead and coho that relies on surrogate values is insufficiently reliable for the determinations that would be triggered by this project.

The combination of the application's failure to meet the various funding requirements described above demonstrates that this project study has been improperly recommended for funding.

4. Valsetz Project/Polk County

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). Here the study described in the application fails to include certain required components, and fails to adequately address others.

We note that Polk County appears to have copied verbatim some of the inadequate answers from its prior 1069 application and reused those answers in the current application. To the extent those answers were inadequate in the prior application, they are still inadequate today.

Specifically, the study description fails to include the following components:

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). Its response to this component states "This analysis was initiated in the 2010-2011 Valsetz Water Storage Concept Analysis. This proposed study will further the assessment by including an evaluation of the time trend of water releases relative to instream flow rights." (Application at p. 20). The application references a plan for "modeling of flows, temperature and dissolved oxygen." (Application at p. 6).

However, 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 o the affected stream and the impact of the storage project on these flows." Because there are no current "instream flow rights" for elevated flows on the Siletz, a reference to those rights as defining the scope of the proposed study is completely inadequate to meet the requirements of this standard. 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).

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."

In response to this requirement, the application states, "To the degree that was feasible…the 2010-2011…Analysis included an analysis of alternative means of supplying water and the extent to which long-term water supply needs may be met using those alternatives." (Application at p. 20). However, the following statement made by applicant indicates that

applicant has misunderstood the requirements of OAR 690-600-0020(4)(f)(B) and does not intend to adequately address the requirements in its study. Applicant states, "The proposed 2012-2013 analysis will include…a reconnaissance-level examination of possible alternative locations, in addition to incorporating existing information regarding alternative means of supply water by reference." (Application at p. 20).

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 plan to examine "possible alternative locations" for a planned storage project completely misses the mark in terms of what is required under OAR 690-600-0020(4)(f)(B).

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 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)(B).

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.

OAR 690-600-0020(4)(f)(C). "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."

Applicant's response to this requirement states, "The analysis of the time trend of water releases will also be used to determine if stored water will be available to augment instream flows during critical life states of aquatic species." (Application at p. 20). This response shows that once again, applicant has misunderstood what is required under OAR 690-600-0020(4)(f)(C). Applicant is required to show how it plans to address not just the feasibility of using stored water to augment in-stream flows to conserve, maintain and enhance aquatic life, fish life and any other ecological values, but also the *need for* using stored water to achieve the goals of this requirement. "Need" as used in this requirement, refers to the water needs of aquatic life, fish life and any other ecological values. Thus, to satisfy the requirements of OAR 690-600-0020(4)(f)(C), applicant must have a plan to evaluate/study the ecological needs of the waterways and ecosystems that will be affected by the proposed storage project. Applicant's proposed study includes no such plan. By only including a plan to study the feasibility of using stored water and not having a plan to study the ecological needs applicant has failed to comply with the requirements of OAR 690-600-0020(4)(f)(C) and has been improperly recommended for funding.

Applicant's answer to number four (p. 21) is not responsive to the question, and highlights the proposed study's deficiencies regarding OAR 690-600-0020(4)(f)(B).
Question number four on page twenty-one 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."

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) 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. None of that appears to be included in the proposed study despite applicant's acknowledgment that there are other available alternatives.

An application must contain an accurate and informed analysis of each of the available alternatives that includes conservation and efficiency opportunities and accurate demand forecasting. None of that appears 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, in conjunction its failure to meet the requirements discussed above, should have caused this project to be ranked no priority for funding.

Other Considerations:

The Valsetz proposal 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 sensitive and ESA listed species, including, but not limited to: loss of a substantial area of habitat used by sensitive species due to flooding and potential passage problems (or lack of passage) at the proposed dam; and unnatural streamflow alterations from the proposed use of the South Fork and mainstem Siletz Rivers as a conveyance for large quantities of water to Lincoln County. See prior 1069 grant application.

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, though may not be in the proposed reservoir area, 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)(b) applies the following standard for a water allocation application which the Water Resources Department determines may affect sensitive, threatened or endangered fish species: "[i]n 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(3) 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 poor public policy to allocate public money for continued study of a project that so clearly would violate state law and so significantly and adversely impact salmon and steelhead populations. Certainly this cannot have been the intent of SB 1069.

The Valsetz proposal should not receive public funding under the 1069 grant program.

5. Hood River County.

This project application in many places parrots the language of the relevant rule without providing any specificity as to how the required elements of the rules will be addressed in further work. The questions are directed to how an applicant will address the requirement in a planning study, not whether the applicant will do a study. The "how" is not specifically addressed in the application answers. As such, these responses do not meet the requirements of the relevant rules. The Department should require the applicant to answer the applications fully to determine precisely how the applicant will meet the requirements of the rules before this application is forwarded to the Water Resources Commission for any action.

Similarly, the application identifies OWRD as the agency that will provide a peak and ecological flow analysis. The appropriate agency is the Department of Fish and Wildlife, not OWRD.

WaterWatch also has process concerns. Statements are made in the application about broad participation by groups including environmental groups, yet none are listed in the HRWPG.

This application also discusses instream flows, but it should be noted that the Middle Fork Irrigation District has a pending protest against the OWRD's proposed transfer of 500 cfs instream as a result of the decommissioning of the Powerdale Dam. Interestingly, 500 cfs is precisely the flow requirement recognized in this application as essential to doubling the runs of ESA listed steelhead in the Hood River. Oregon should not provide any public money for this study

where a core member of the HRWPG applicant group (the Middle Fork Irrigation District) is collaterally attacking one of the express outcomes that the grant application suggests is desirable.

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

Sincerely,

John DeVoe

Attachment 2
Study Evaluation Summaries
Feasibility Study Grants – 2016 Funding Cycle

Background

Oregon is facing increasing water demand and increasingly scarce water supplies. To adequately meet Oregon's diverse water demands now and into the future, Oregonians must use their water wisely and efficiently. That means looking more closely at innovative water conservation and reuse programs and environmentally sound storage projects. The Oregon Water Resources Department's Feasibility Study Grants from the Water Conservation, Reuse and Storage Grant Program provide match funding for project planning studies performed to evaluate the feasibility of developing water conservation, reuse, or storage projects. A feasibility study is an assessment of the practicality of a proposed project or plan and can be used to determine *if* and *how* a project should proceed to the implementation phase.

The Department received 30 complete applications for feasibility studies by the February 1, 2016 deadline for the 2016 funding cycle. Members of an inter-agency Application Review Team (ART) evaluated each of the applications and recommended 18 studies for grant funding.

Document Description

The following are evaluation summaries for the 30 proposed feasibility studies evaluated by the ART. Information provided on each proposed study includes a project summary adapted from the application submitted by the applicant and a summary of the study evaluation completed by the ART. The evaluation summaries are organized alphabetically by project name, with those recommended for funding listed first.

Recommended for Funding

Not Recommended for Funding at This Time

Abbie Lane Lateral Improvement

Recommendation: *Recommended for Funding ($8,778)*

Study Information

Applicant: Rosie Falcon

Funding Requested: $8,778

Total Study Cost: $17,556

Project Type: Conservation

Proposal Summary: The proposed study would assess the feasibility of improving the infrastructure of the Abbie Lane Lateral that provides irrigation water to 13 patrons of the Gold Hill Irrigation District. Water diverted from the Gold Hill Irrigation District main canal runs through alternating sections of open ditch and degrading piping, losing water to leakage, seepage, animal burrows and evaporation. Currently inefficiencies result in landowners not receiving adequate water to irrigate, and flooding of structures and other non-agricultural land.

Evaluation Summary

The study demonstrated readiness for funding. It proposes a low-cost analysis for examining the feasibility of a manageable approach to conservation and how to improve delivery efficiency. While the proposed study benefits are to a small group of people and small acreage, there is the potential for broader applicability of the study results. The study included support from partnering organizations and provided evidence of support from landowners.

Banks-Green Mountain ASR

Recommendation: *Recommended for Partial Funding ($96,459)*

Study Information

Applicant: City of Banks

Funding Requested: $102,191

Total Project Cost: $204,382

Project Type: Storage other than above-ground

Proposal Summary: The proposed study would assess the feasibility of utilizing Aquifer Storage and Recovery (ASR) to meet 2050 summer demands for the City of Banks. The City proposes to assess the feasibility of ASR, water conservation, and alternative water supplies, in order to develop sustainable ASR storage of wintertime Green Mountain spring flow to meet 2050 summer demands for water.

Evaluation Summary

The study demonstrated readiness for funding. It proposes a study to address the water need with a long-term solution, building on recent planning outputs. The clearly identified tasks to assess the feasibility of aquifer storage and recovery are well-documented. In addition to meeting the water needs of the City of Banks, the study proposes to assess the potential to return water instream to West Fork Dairy Creek.

County Line Recharge

Recommendation: *Recommended for Funding ($12,500)*

Study Information

Applicant: County Line Water Improvement District

Funding Requested: $12,500

Total Project Cost: $25,000

Project Type: Storage other than above-ground

Proposal Summary: The proposed study would assess the feasibility of constructing a pipeline to pump water from the Umatilla River to the existing County Line Water Improvement District's recharge area. Physical and economic viability of the project would be assessed. The study would also evaluate the potential for conservation of water by pumping in an enclosed system versus running water down the Westland Irrigation District (WID) canals with the associated seepage losses and conveyance issues.

Evaluation Summary

The study demonstrated readiness for funding. The study includes specific letters of support and has secured matching funds. The proposed study identifies and its approach supports both conservation and recharge related goals.

Deschutes on Farm Irrigation Water Management Pilot

Recommendation: *Recommended for Funding ($17,000)*

Study Information

Applicant: Deschutes Soil Water and Conservation District

Funding Requested: $17,000

Total Project Cost: $34,225

Project Type: Conservation

Proposal Summary: The proposed study would assess the feasibility of improving distribution of irrigation water and developing irrigation water management (IWM) plans for landowners in Deschutes County. Historically, Irrigation Districts in Central Oregon delivered water to large acreage parcels that were each served by a single point of delivery. Over the last 100 years, many of these large parcels have subdivided and each point of delivery now delivers water to multiple small-acreage parcels served by a private ditch. Parcel subdivision resulted in on-farm water management challenges and the need for a water use rotation system. A Professional Engineer would work with two groups of landowners to develop an approach that would improve irrigation efficiencies for groups of landowners located throughout Deschutes County Irrigation Districts.

Evaluation Summary

The study demonstrated readiness for funding. It proposes a study with specific and well-documented tasks to examine how to more efficiently convey water under current water rights. The study clearly documents the basin's water needs, includes letters of support for the project to be studied, and the results of the study may be transferrable to other locations.

Drift Creek Water Supply Development

Recommendation: *Recommended for Funding ($76,320)*

Study Information

Applicant Name: East Valley Water District

Funding Requested: $76,320

Total Project Cost: $152,640

Project Type: Above-ground Storage

Proposal Summary: The proposed study would assess the feasibility of constructing a reservoir on Drift Creek in order to provide a long-term water supply for East Valley Water District members. If implemented, the project would provide a water source for over 15,000 acres of agricultural lands in Clackamas and Marion counties. The funding requested would represent the final analyses needed to complete project feasibility, submit the environmental permitting package and answer questions by regulatory agencies.

Evaluation Summary

The study demonstrated readiness for funding. It builds upon past assessments to determine project feasibility in a well-documented manner. The clearly defined tasks are specific and support the proposed approach.

Fifteen Mile Watershed Managed Underground Storage

Recommendation: *Recommended for Funding ($153,185)*

Study Information

Applicant Name: Fifteen Mile Watershed Council

Funding Requested: $153,185

Total Project Cost: $316,470

Project Type: Storage other than above-ground

Proposal Summary: The proposed study would assess the feasibility of developing and using below-ground storage to augment late season stream flows providing more stable water supplies. As streamflow declines each summer, junior water right rights holders are regulated off in order to protect senior users, including some instream rights. Low stream flow is identified as a primary limiting factor for viable fish populations. Specifically, the study would evaluate below-ground storage opportunities in the basin and determine whether any potential storage facilities could meet the dual goal of benefitting both farms and fish.

Evaluation Summary

The study, which seeks to evaluate a project with potential improvements for both agricultural users and instream needs, demonstrated readiness for funding. The study tasks are specific, clearly identified, well-documented, and include an evaluation of permitting needs and issues. Letters of support indicate community interest in the project being studied.

Juniper Flats

Recommendation: *Recommended for Funding ($40,000)*

Study Information

Applicant Name: Juniper Flats District Improvement Company

Funding Requested: $40,000

Total Project Cost: $80,000

Project Type: Conservation

Proposal Summary: The proposed study would assess the feasibility of conservation measures within the 2,105 acre Juniper Flats District Improvement Company (JFDIC) in Wasco County. The JFDIC irrigation system includes approximately 50 miles of main channel and 50 miles of laterals that serves 24 farms. It is estimated that approximately one-half to two-thirds of available water may be lost because of water conveyance inefficiencies. The goal of the feasibility study is to assess the irrigation system and develop high-impact, cost-effective strategies to reduce water loss and support water conservation.

Evaluation Summary

The study demonstrated readiness for funding through clearly identified key tasks as well as specific and well-documented support for the proposed approach from local, state and federal agencies. If the project were deemed feasible and implemented, it would allow users to potentially receive their full allotment of water.

McMullin Creek Dam and Spillway Analysis

Recommendation: *Recommended for Funding ($73,000)*

Study Information

Applicant Name: Josephine County Public Works Department

Funding Requested: $73,000

Total Project Cost: $146,000

Project Type: Above-ground Storage

Proposal Summary: The proposed study would assess the feasibility of hydraulic design alternatives to upgrade the dam and service spillway of McMullen Creek Dam. The study would evaluate the existing conditions of the dam and would provide Josephine County (County) with all required technical information to select the most practicable and cost-effective design alternative. In addition the County will use the study to evaluate public benefits presently offered by the recreational area.

Evaluation Summary

The study demonstrated a readiness for funding. The clearly identified tasks provided specific details for the study approach and outlined a process to achieve compliance with permitting requirements. The study proposes to evaluate seasonally varying flows and assess design alternatives to enhance migratory fish passage.

Oakland Reservoir

Recommendation: *Recommended for Funding ($10,858)*

Study Information

Applicant Name: City of Oakland

Funding Requested: $10,858

Total Project Cost: $21,716

Project Type: Above-ground Storage

Proposal Summary: The proposed study would assess the feasibility of enhancing an existing agricultural pond to provide municipal water for the City of Oakland and augment instream flows in Calapooia Creek during summer months. Calapooia Creek is the only water source for the City of Oakland and has been recorded by the US Geological Survey as having a flow rate of zero in past years. The study would determine: whether the proposed enhancement is viable on the City's property; if the proposed water source is adequate to provide the necessary volume of water to supply the reservoir; and whether the reservoir enhancement would have detrimental effects on adjacent lands or Calapooia Creek.

Evaluation Summary

The study demonstrated readiness for funding. A significant water need was identified for both the City and surface water flows. The study would examine an approach to meet both instream and out-of-stream needs. The proposed feasibility study, which would examine how to address the need for a reliable water source for the City of Oakland and instream flows in Calapooia Creek, is supported by community partners.

Pine Grove Water System Improvement

Recommendation: *Recommended for Funding ($10,000)*

Study Information

Applicant Name: Pine Grove Water District

Funding Requested: $10,000

Total Project Cost: $20,000

Project Type: Above-ground Storage

Proposal Summary: The proposed study would assess the feasibility of repairing/renovating or replacing existing water supply infrastructure serving Pine Grove Water District in Klamath County. The study would consist of an examination of current conditions including investigating the structural integrity of water storage tanks and the ability of existing supply to meet demand in an emergency situation (i.e. fire flows). The results of the study would help select an appropriate alternative based on an economic analysis of the proposed alternatives (repair vs. replace).

Evaluation Summary

The study demonstrated readiness for funding. The study provides specific and well-documented details that support the proposed approach, including an assessment of alternatives. If the proposed project is deemed feasible and implemented, the water need will be fully addressed.

Roller Compacted Concrete Dam at Big Creek

Recommendation: *Recommended for Partial Funding ($250,000)*

Study Information

Applicant Name: City of Newport

Funding Requested: $460,000

Total Project Cost: $1,203,613

Project Type: Above-ground Storage

Proposal Summary: The proposed study would assess the feasibility of constructing a roller compacted concrete (RCC) Dam on Big Creek to replace two existing dams that are susceptible to a seismic event. Big Creek is the City of Newport's sole source of water. A previous study confirmed deficiencies in the existing dams that could result in failure during a seismic event. Dam failure would result is loss of the City's sole source of water as well as flooding and landslides. In 2014-15, the City conducted a feasibility analysis of dam remediation options. This study would build upon that study further analyzing the preferred option of a new RCC Dam.

Evaluation Summary

The study demonstrated readiness for funding. The proposal clearly identified tasks which provide specific details to support the study, builds upon previous study results, and indicates matching funds have already been secured for the study.

Rogue Basin Pilot Study

Recommendation: *Recommended for Funding ($37,000)*

Study Information

Applicant Name: Rogue Basin Partnership

Funding Requested: $37,000

Total Project Cost: $74,900

Project Type: Conservation

Proposal Summary: The proposed study would assess the feasibility of conserving water by detaining precipitation that falls on rural lands during the wet season through the addition of organic materials and other amendments to the soil. The added organic materials may minimize water runoff and increase water infiltration. Prior to attempting large-scale implementation, feasibility would be assessed on three types of rural land: timberland, oak savannah, and pastureland. The study would determine if the initial changes to the soil horizon are self-sustaining for the long term. Results would inform decisions on potential next steps to consider larger-scale implementation of the concept.

Evaluation Summary

The study demonstrated readiness for funding. The clearly identified tasks provide specific and well-documented study details supporting the proposed approach. The study examines an approach that has the potential to increase long-term resiliency, with erosion control and soil conservation as secondary benefits.

Sterling Park Storm Water Recharge

Recommendation: *Recommended for Funding ($50,000)*

Study Information

Applicant Name: Clean Water Services

Funding Requested: $50,000

Total Project Cost: $100,000

Project Type: Reuse

Proposal Summary: The proposed study would assess the feasibility of reusing winter storm water collected from impervious residential roads in Beaverton and stored in an aquifer storage and recovery well for beneficial purposes in the summer. Potential uses of stored water include benefitting instream flows, improving instream temperatures, and providing an alternative to drinking water for non-potable uses. The study would involve collecting site-specific storm water quality and quantity data, evaluating treatment technology, groundwater fate and transport modeling, assessing regulatory and permitting issues, and developing an implementation plan.

Evaluation Summary

The study demonstrated readiness for funding. It proposed to study reuse options and suitable aquifer storage to address urban runoff with a clearly defined and well-documented method. An understanding of regulatory issues surrounding the study was clearly articulated. Results of this study have the potential to inform application of this approach at other locations.

Umatilla Reuse

Recommendation: *Recommended for Funding ($130,000)*

Study Information

Applicant Name: The City of Umatilla

Funding Requested: $130,000

Total Project Cost: $260,000

Project Type: Reuse

Proposal Summary: The proposed study would assess the feasibility of separating industrial and domestic wastewater from the City of Umatilla's wastewater treatment plant and beneficially reusing all current and future industrial flows by recycling the water into the West Extension Irrigation District (WEID) via the Umatilla feed canal. The City's wastewater treatment plant capacity is exceeded during the summer due to industrial cooling tower flows generated by the VA Data Center site at the Port of Umatilla. The feasibility study would quantify water demands, permitting, treatment, and reuse requirements for current, future, and buildout flows from all potential industrial uses in the City, Port, and Confederated Tribes of the Umatilla Indian Reservation (CTUIR) area.

Evaluation Summary

The study demonstrated readiness for funding. The study would examine a way to address future needs with long-term planning. If deemed feasible, the proposed study is projected to relieve pressure on other water infrastructure through a beneficial use for wastewater. The study tasks are clearly defined, with specific supporting details for the proposed approach to determine project feasibility.

Upper Catherine Creek Conservation

Recommendation: *Recommended for Funding ($114,265)*

Study Information

Applicant Name: The Freshwater Trust

Funding Requested: $114,265

Total Project Cost: $230,120

Project Type: Conservation

Proposal Summary: The proposed study would assess the feasibility of piping or lining irrigation ditches and upgrading on-farm irrigation methods in the upper Catherine Creek watershed. The study would assess the potential water savings, technical feasibility and estimate costs with a goal of improving agricultural production and enhancing instream flows for Endangered Species Act listed chinook and steelhead. The study would yield a prioritized roadmap for future water conservation efforts.

Evaluation Summary

The study demonstrated readiness for funding. The proposed study includes clear, well-organized tasks that support the identified goal. If deemed feasible, and implemented, the project would to legally protect instream flows through the Allocation of Conserved Water program, with a goal to improve efficiency and enhance stream flows.

West Extension Reuse

Recommendation: *Recommended for Funding ($40,000)*

Study Information

Applicant Name: West Extension Irrigation District

Funding Requested: $40,000

Total Project Cost: $80,000

Project Type: Reuse

Proposal Summary: The proposed study would assess the feasibility of constructing three regional reuse storage reservoirs within or near West Extension Irrigation District (WEID) boundaries. The study would include reviewing the feasibility of storing Class A reuse water from the City of Hermiston, City of Umatilla, Port of Morrow, and the Port of Umatilla. The construction of regional reuse reservoirs would allow the District to store the reuse water throughout the year and put it to beneficial use throughout the WEID, reducing the amount of water the District diverts from the Columbia River to meet their irrigation demand.

Evaluation Summary

The study demonstrated readiness for funding. The study explores an approach to collaborate with various partners willing to provide reuse water to meet a water need. Specific letters of support demonstrate the cooperation between several municipalities to reuse wastewater.

West Fork Palmer Creek

Recommendation: *Recommended for Funding ($64,170)*

Study Information

Applicant Name: Timothy Kreder

Funding Requested: $64,170

Total Project Cost: $128,340

Project Type: Above-ground Storage

Proposal Summary: The proposed study would assess the feasibility of development of reservoirs for storage of water during the winter months to use for agricultural crop irrigation in the summer in Yamhill County. Regulatory requirements of constructing ponds would be analyzed in addition to the feasibility of alternative sources of water. Cost estimates would be developed for engineering, construction and irrigation systems. The study also would look to identify ways that collaborative partnerships with watershed conservation agencies could be used as a resource in the design and implementation of irrigation ponds that might also improve water quality and ecosystem health.

Evaluation Summary

The study demonstrated readiness for funding. It proposes to evaluate the potential for winter water storage to be used for summer irrigation and to augment stream flows with the stored water. The clearly defined tasks support the study goals. The project, if deemed feasible, represents a smaller scale project that may be replicated at other locations.

WISE Water Rights Evaluation

Recommendation: *Recommended for Funding ($162,000)*

Study Information

Applicant Name: The Freshwater Trust

Funding Requested: $162,000

Total Project Cost: $1,412,000

Project Type: Conservation

Proposal Summary: The proposed study would assess the feasibility of the WISE (Water for Irrigation, Stream and Economy) water conservation project in Jackson County in terms of how existing water rights interact with the proposed project. The WISE project proposes to pipe the more than 600 miles of canals that serve the Medford, Talent and Rogue River Irrigation Districts (which serve 35,000 acres) conserving up to 40,000 acre feet of water in an average irrigation season. The purpose of the evaluation is to both confirm that the infrastructure changes proposed with WISE can be satisfied with the existing water rights and to determine how the existing water rights could be modified to meet the demands of WISE. The proposed feasibility work would be part of the larger WISE Feasibility Study and National Environmental Policy Act work already underway.

Evaluation Summary

The proposed study demonstrated readiness for funding. The proposed water rights evaluation is an essential component to determining the feasibility of the larger project concept. The study clearly identified the study key tasks and provided specific and well-documented details that supported the proposed approach. The study also benefited from the inclusion of letters of support for the project being examined.

Alpine Collective Action Aquifer Storage and Recovery

Recommendation: *Not Recommended for Funding at This Time*

Study Information

Applicant Name: Benton County Community Development

Funding Requested: $141,348

Total Project Cost: $292,228

Project Type: Storage other than above-ground

Proposal Summary: The proposed study would assess the feasibility of addressing groundwater quantity and quality concerns in the rural area surrounding the community of Alpine by developing small-scale Aquifer Storage and Recovery (ASR) that would mitigate low domestic well yields by storing rainwater collected from rooftops. The study would be documented through an Oregon State University student-produced video and manual on the use of ASR wells as an alternative small-scale method of storing recharge water in historically low-yielding wells with low natural recharge rate.

Evaluation Summary

As proposed, the study did not demonstrate readiness for funding at this time due to lack of detail on the proposed approach. The proposed study focuses on well construction retrofits and is qualitative with respect to assessment of hydrogeologic subsurface conditions affected by potential transmissivity, storage, and recovery issues. The study would benefit from additional detail and explanation of: 1) the process for data evaluation and a final assessment of feasibility, 2) the water quality monitoring approach, such as frequency and sampling parameters, and 3) the proposed approach of injecting water into a primary domestic water supply well.

Applegate Reservoir Capacity Restoration

Recommendation: *Not Recommended for Funding at This Time*

Study Information

Applicant Name: Applegate Partnership and Watershed Council

Funding Requested: $89,925

Total Project Cost: $181,615

Project Type: Above-ground Storage

Proposal Summary: The proposed study would assess the feasibility of restoring storage capacity to the Applegate Reservoir through the removal of coarse sediment deposits within the reservoir basin. Sediment deposits have reduced the storage capacity of the reservoir by an estimated 3,000-5,600 acre-feet, and have indirectly affected the flow rate and duration of instream flows downstream of the dam. The feasibility study would be led by the Applegate Partnership and Watershed Council. The US Forest Service (USFS) and US Army Corps (Corps) are active partners in this project, and they are responsible for all land ownership and management associated with the project.

Evaluation Summary

As proposed, the study did not demonstrate readiness for funding at this time. While the study clearly identified the key tasks and provided specific and well-documented details supporting the proposed approach, a number of strong concerns remained. Specifically, while the study included a proposal for sediment sampling and analyses, it did not address the recurrence of sediment contribution from upstream sources, which would continue to be an issue for the reservoir. There was additional concern that the proposed study included tasks related to project implementation, instead of solely examining the feasibility of the project.

Big Lake Recycled Water Study

Recommendation: *Not Recommended for Funding at This Time*

Study Information

Applicant Name: Big Lake Youth Camp, Les Zollbrecht

Funding Requested: $4,250

Total Project Cost: $8,500

Project Type: Reuse

Proposal Summary: The proposed study would assess the feasibility of separating greywater from sinks, showers and laundry facilities before it enters the septic system to be used for onsite irrigation at the Big Lake Youth Camp. Use of recycled water would reduce the hydraulic loading on the gravel filter. Water would be brought to Class C standards, stored above ground and used to promote the growth of native plants over roughly on-half acre to pilot the technology.

Evaluation Summary

The study, which proposed to investigate the feasibility of water reuse, did not demonstrate readiness for funding at this time. The proposed study has the potential to be a pilot for both pre-design and permitting issues for remote greywater holding/irrigation projects. However, the proposal lacked critical information. The proposed study did not clearly describe the water source or water rights associated with the cabin and proposed project. With the study site being located on United States Forest Service (USFS) land, a letter of support from the USFS would have strengthened the application. The proposed study would also be improved by including a description of potential Oregon Department of Environmental Quality permitting requirements.

Eastside Aquifer Recharge and Recovery

Recommendation: *Not Recommended for Funding at This Time*

Study Information

Applicant Name: Walla Walla Basin Watershed Council

Funding Requested: $44,000

Total Project Cost: $119,000

Project Type: Storage other than above-ground

Proposal Summary: The proposed study would assess the feasibility of diverting water from the Walla Walla River in the winter/spring time to store in the Eastside sub-basin aquifer for later use during low-flow months (July-September). This study would focus on conducting aquifer pumping test(s) which would provide the information necessary to determine aquifer characteristics and the feasibility of the proposed project. The proposed project would allow irrigators the ability to withdraw stored water from the Eastside sub basin aquifer instead of diverting water from the Walla Walla River during these low flow months, thereby improving summer time flows in the Walla Walla River.

Evaluation Summary

As proposed, the study did not demonstrate readiness for funding at this time. If implemented, the project has the potential to conserve summer streamflows and improve water quality; however, the study lacked key details to support the proposed approach. Specifically, the study would be improved by: 1) including a method for assessing pump test results and the impact on aquifer storage, 2) providing clarification on proposed flow assessments, evaluation of environmental impacts, and instream flow augmentation, 3) presenting a description of annual water conditions for an improved description of the water need, and 4) including information on the status of communication with landowners.

Groundwater Development to Conserve Molalla River Instream Flows

Recommendation: *Not Recommended for Funding at This Time*

Study Information

Applicant Name: Canby Utility

Funding Requested: $106,950

Total Project Cost: $213,900

Project Type: Conservation

Proposal Summary: The proposed study would assess the feasibility of developing a water supply of up to 2 million gallons per day (MGD) from groundwater sources to reduce reliance on the City of Canby's Molalla River surface water diversion, thereby conserving water instream during low-flow periods. The study would build upon previous groundwater studies, as well, as gather new information to identify the most promising locations of a groundwater source by drilling test wells at up to three targeted locations. A consultant would evaluate the water quality, quantity, sustainability, and impacts on other aquifer users, as well as assess water right options. This information would help determine the level of in-stream conservation possible during summertime low-flow events.

Evaluation Summary

As proposed, the study did not demonstrate readiness for funding at this time. As proposed, the study seemed to focus on development of a new groundwater source to improve source water quality, and conservation to the Molalla River does not appear to be the primary study focus. The study proposes to evaluate the potential to conserve water; however, the conservation components of the study are not well defined. The study would be improved by including an evaluation of potential interference with surface water sources.

Little Rock Creek Reservoir Project

Recommendation: *Not Recommended for Funding at This Time*

Study Information

Applicant Name: Harney County Watershed Council

Funding Requested: $7,700

Total Project Cost: $16,650

Project Type: Above-ground Storage

Proposal Summary: The proposed study would assess the feasibility of constructing a reservoir on Little Rock Creek in Harney County that could provide up to 120 acre feet of water storage. The study would help to determine if there is enough fill material at the site and would develop a hydrology estimate. Preliminary design would be completed and the amount of water loss through the break in the hillside where the creek currently runs would be determined.

Evaluation Summary

As proposed, the study did not demonstrate readiness for funding at this time. While verification from the Oregon Department of Fish and Wildlife regarding the fish bearing status of the subject stream was provided, a clear description of streamflow was not provided. The study would be improved by providing additional details regarding the key tasks with specific and well-documented details.

Meadow Storage Capacity in Upper John Day

Recommendation: *Not Recommended for Funding at This Time*

Study Information

Applicant Name: North Fork John Day Watershed Council

Funding Requested: $56,282

Total Project Cost: $130,429

Project Type: Storage other than above-ground

Proposal Summary: The proposed study would assess the feasibility of increasing meadow water storage capacity through active restoration. The study would analyze three meadows, two undergoing restoration and one control site. Field work would include monitoring of piezometers and temperature loggers at two meadow boundaries as well as staff gauges at all three sites. Measurements would be taken on representative stream transects. After analysis, recommendations would articulate best restoration practices in the region.

Evaluation Summary

As proposed, the study did not demonstrate readiness for funding at this time. While the study is coordinated with existing restoration work and proposes to explore a project with possible benefits to surface water, water quality, and fish habitat, the study did not clearly identify the key tasks, or provide specific and well-documented details regarding the proposed approach. The proposed study would be enhanced by adjusting data collection periods to allow for baseline monitoring, which would be important for determining project feasibility and benefit. The study would also be improved by including details of the system hydrograph or transmissivity as a basis for the proposed monitoring plan.

Pendleton Reuse

Recommendation: *Not Recommended for Funding at This Time*

Study Information

Applicant Name: Umatilla County Soil & Water Conservation District

Funding Requested: $30,000

Total Project Cost: $60,000

Project Type: Reuse

Proposal Summary: The proposed study would assess the feasibility of reusing wastewater from the City of Pendleton's wastewater treatment facility that currently discharges into the Umatilla River. The reuse water could be applied to State or Oregon rights of way throughout Pendleton, used for irrigated farms located below the facility, and used near the Airport Industrial Area. The study would determine the cost for each phase of this project and determine a future funding path. The study would also result in a better understanding of Oregon Department of Environmental Quality permitting elements associated with the wastewater treatment facility.

Evaluation Summary

As proposed, the study did not demonstrate readiness for funding at this time. While the study explores an alternative to wastewater discharge, key tasks were not identified in sufficient detail to fully document the proposed approach. The study would be improved by including details on the water discharge method it would potentially use during times of low irrigation demand.

Ralph Hutchinson Family Study

Recommendation: *Not Recommended for Funding at This Time*

Study Information

Applicant Name: Susan Boyd & Ira Cohen

Funding Requested: $10,000

Total Project Cost: $20,000

Project Type: Storage other than above-ground

Proposal Summary: The proposed study would assess the feasibility of diverting high water flows from Catherine Creek in the winter to sub irrigate lands to allow for increased agricultural productivity and the recharge of the shallow aquifer. The feasibility study would include soil analysis to determine permeability, infrastructure design, as well as shallow aquifer and soil moisture monitoring.

Evaluation Summary

As proposed, the study did not demonstrate readiness for funding at this time. While the proposed study has the potential to determine benefits of sub-irrigation, the proposal appears to have an emphasis on project implementation rather than feasibility study tasks. The proposal did not include documentation of access agreements, nor did it include information about what water rights would be examined (either an existing water right or a new water right). The study would benefit from consultation with Oregon Department of Fish and Wildlife (ODFW) on the development of flow study methodology. ODFW may need to provide future approval of flow study methodology prior to implementation of a project, if the project is deemed feasible.

Rupp Agricultural Aquifer Storage and Recovery

Recommendation: *Not Recommended for Funding at This Time*

Study Information

Applicant Name: Rupp Ranches

Funding Requested: $155,000

Total Project Cost: $324,000

Project Type: Storage other than above-ground

Proposal Summary: The proposed study would assess the feasibility of storage of Columbia River water in local basalt aquifers to support irrigated farming in the area. The proposed study would analyze the feasibility of a new approach (utilization of subsurface soils) for treating Columbia River water for injection into the basalt aquifers in Umatilla County.

Evaluation Summary

As proposed, the study did not demonstrate readiness for funding at this time. While the project, if deemed feasible, has the potential for use at other locations, the proposed feasibility study was missing critical information. The study lacked and would be improved by providing comprehensive information on permitting issues, including a water quality monitoring plan in support of permitting requirements and understanding environmental impacts. The study would be enhanced by an evaluation of the environmental impact from utilization of winter flows from the Columbia River.

Sunrise Purple Pipe Groundwater & Reuse Feasibility Study

Recommendation: *Not Recommended for Funding at This Time*

Study Information

Applicant Name: Sunrise Water Authority

Funding Requested: $50,000

Total Project Cost: $100,000

Project Type: Reuse

Proposal Summary: The proposed study would assess the feasibility of using groundwater and reuse water to meet non-potable demand in Clackamas County. Sunrise Water Authority owns and operates an 11,970 foot purple pipe (non-potable water) distribution system that currently supplies potable water to meet peak seasonal demands for non-potable water. The study would determine the types and quantities of future non-potable water demand, assess groundwater and reuse source water for SWA's purple pipe system, delineate the locations and capacities of storage facilities, and develop a layout of future purple pipe mains.

Evaluation Summary

As proposed, the study did not demonstrate readiness for funding at this time. The proposed project has the potential to reduce dependence on the Clackamas River and help address long-term demand needs. However, the proposed study did not identify a wastewater source for the reuse and intends to rely on new groundwater development for the reuse project. The study would be improved by including a discussion of groundwater impacts and availability. The study did not provide comprehensive information regarding potential permitting issues. Additionally, the study would be enhanced by including an evaluation of the impact of flow reduction from removing reuse water, and the potential to protect water instream.

Yoncalla Water Reuse Plan

Recommendation: *Not Recommended for Funding at This Time*

Study Information

Applicant Name: City of Yoncalla

Funding Requested: $10,000

Total Project Cost: $20,000

Project Type: Reuse

Proposal Summary: The proposed study would assess the feasibility of constructing a water reuse system to facilitate land application of wastewater from hydraulically undersized municipal wastewater lagoons in the City of Yoncalla.

Evaluation Summary

As proposed, the study did not demonstrate readiness for funding at this time. While the study provided information to demonstrate that permitting issues are in process, the study did not clearly identify the key tasks, or provide specific and well-documented details regarding the proposed approach. The study would be strengthened by improving those aspects of the study and providing documentation of local support and community interest. Inclusion of a site map would also improve an understanding of the study area.