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 B, May 19, 2016
Water Resources Commission Meeting

Water Project Grants and Loans - Funding Recommendations

I. Issue Statement

The Water Project Grants and Loans funding opportunity is designed to support the development of water resource projects that have economic, environmental and community benefits. This report describes the Technical Review Team's recommendations, public comments received, and the Department recommendations for funding of projects. The Commission will be asked to award funding for the 2016 funding cycle of Water Project Grants and Loans.

II. Background

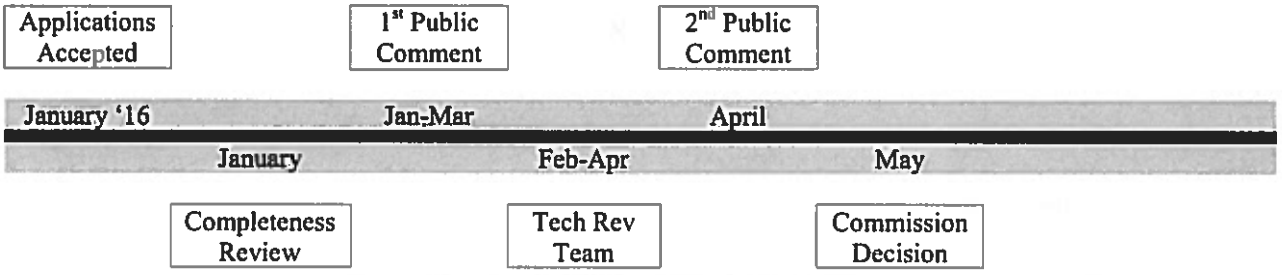
Recommended action 10e of the 2012 Integrated Water Resources Strategy called for the authorization and funding of a water supply development program. In 2013, the Oregon Legislature passed Senate Bill 839, establishing the Water Supply Development Account and associated funding.

After Senate Bill 839 passed in 2013, the Water Resources Department, in conjunction with stakeholders and the Governor's office, actively worked towards carrying out the provisions of the bill. Subgroup and task force meetings required by the bill were conducted between late 2013 through early 2015. In early 2015, the Department began the rulemaking process. The resulting rules establishing procedures and requirements for water resource projects to receive funding from the Water Supply Development Account were adopted in June of 2015. The Water Projects Grants and Loans are funded through the Water Supply Development Account.

Application solicitation for the 2016 funding cycle took place from August 28, 2015 through January 19, 2016. The Department received 37 complete applications, requesting a total of $50,959,520 in grant funds. Grant requests ranged from $10,500 to over $10,000,000. There are currently $7,750,000 of unobligated funds in the account with an additional $6,250,000 available after the Lottery Bonds are sold in the spring of 2017.

Staff provided an overview of the grant process at the February Commission meeting which stepped through grant solicitation, public comments, technical review team processes, scoring

and ranking criteria, and the basis for the Commission's future funding decision. An overview of the process and timelines is provided in the figure below.



III. Grant Application Review Process

An inter-agency Technical Review Team (TRT) convened in February to evaluate the applications and provide funding recommendations to the Commission. The TRT consisted of staff from the Department, as well as Oregon Business Development Department, Regional Solutions, affected Indian tribes, and the Departments of Environmental Quality, Fish and Wildlife, and Agriculture. The TRT scored applications based on public benefits described in the applications. Public benefits categories include: economic, environmental, and social/cultural. See Attachment 1 for the public benefit scoring criteria.

The Department solicited written comments on applications during a 60-day public comment period from January 28, 2016 through March 30, 2016. The Department received 57 comments on 30 applications. See Attachment 2 for a summary of the comments received. The comments were provided to the TRT for consideration.

The TRT reviewed applications from February to April and submitted an initial public benefit score to the Department for each application. The Department then calculated the median public benefit score for each project in preparation for the TRT meeting. The TRT met to review the median public benefits scores for each application, consider public comments received, and discuss the public benefits of each project. The TRT then ranked projects in the order of greatest public benefit to determine the final ranking. See Attachment 3 for the TRT ranking and a list of all projects. Based on this ranking, the TRT recommended that the Commission fund the projects in the order listed.

The TRT rankings and recommendations were published on the Department's website and distributed on the Water Resources Development Program's listserve. After the ranking was published, a 14-day public comment period took place from April 15 through April 29. The Department received 63 comments on 30 applications. See Attachment 4 for a summary of comments received.

IV. 2015-17 Grant Award Recommendations

Based on the TRT ranking, public comments, and staff review, the Department recommends funding the top nine of the 37 projects. This funding recommendation takes into account the availability of funds and statutory provisions to review applications annually. See Attachment 5 for individual project summaries with TRT comments and staff funding recommendations. The table below lists the proposed projects and funding recommendations. If approved by the Commission, Department staff will work with recipients to develop a grant agreement.

Project Name	*Project Type*	*Funding Request ($)*	*Total Cost of Project ($)*	*Funding Recommendation ($)*
Lostine River Conservation Project	Conservation	$1,488,718	$2,132,575	$1,488,718
Tumalo Feed Canal Conservation Phase 5	Conservation	$1,299,968	$3,407,155	$1,299,968
Highline Canal Pipeline	Conservation	$566,299	$784,699	$566,299
Willow Creek Piping Irrigation Laterals	Conservation	$500,355	$785,143	$500,355
Mosier Deep Water Supply Well	New Groundwater Supply Development	$917,238	$1,225,013	$917,238
Beaver Creek Dam Fish Passage and Flow Restoration	Municipal Water Supply	$600,000	$1,125,700	$600,000
Sun Creek Restoration And Irrigation Efficiency	Flow Restoration	$249,867	$552,734	$249,867
Klamath East Side Water Recycling Project	Drainage Water Reuse	$268,673	$358,231	$268,673
Kingsley Reservoir Expansion and Lowline Pipeline Project	Storage/ Conservation	$3,000,000	$4,241,000	$3,000,000
Total		$8,891,118	$14,612,250	**$8,891,118**

V. Summary

The funding level recommendations include the applications that demonstrated the greatest public benefits. If approved, funding is contingent on the applicant obtaining all applicable local, state, and federal permits, and meeting match funding requirements of the program. As recommended, this would result in grant awards totaling $8,891,118. Assuming the Lottery Bonds are issued in the spring of 2017, this is would leave $5,108,882 for a 2017 funding cycle.

VI. Alternatives

The Commission may consider the following alternatives:

1. Adopt the staff funding recommendations contained in the table 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 nine applications for a total award of $8,891,118.

Attachments:

1. Excerpt from Division 93 Rules on Scoring
2. Public Comments on Applications
3. TRT Ranking
4. Public Comments on TRT Ranking
5. Application Evaluation Summaries

Tracy Louden, Administrator
503-986-0920

Attachment 1
Excerpt from Division 93 Rules on Scoring
Water Project Grants and Loans - 2016 Funding Cycle

OAR 690-093-0090

Scoring and Ranking; funding decisions

(1) The primary elements in the process of scoring and ranking of applications include the following:
- (a) Initial review for completeness by the Department;
- (b) Public comment;
- (c) The Technical Review Team conducts the initial scoring and ranking for the projects, considers comments from applicants and the public and makes loan and grant funding recommendations to the Commission; and
- (d) The Commission determines the final scoring and ranking of projects, provides for additional public comment, and makes the final decision regarding which projects are awarded loans or grants from the account.

(2) The Technical Review Team scoring methodology shall rank applications based upon the public benefits of the project and additional considerations set forth in ORS 541.677 subsection (1)(b), (1)(d) and (1)(e). The Technical Review Team shall use a score sheet provided by the Department. Each of the three public benefit categories shall be given equal importance in the evaluation and will have scoring sublevels including but not limited to the following:
- (a) The evaluation of economic benefits for a project based on the changes in economic conditions expected to result from the project related to:
  - (A) Job creation or retention;
  - (B) Increases in economic activity;
  - (C) Increases in efficiency or innovation;
  - (D) Enhancement of infrastructure, farmland, public resource lands, industrial lands, commercial lands or lands having other key uses;
  - (E) Enhanced economic value associated with tourism or recreational or commercial fishing, with fisheries involving native fish of cultural significance to Indian tribes or with other economic values resulting from restoring or protecting water in-stream; and
  - (F) Increases in irrigated land for agriculture.
- (b) The evaluation of environmental benefits for a project based on the changes in environmental conditions expected to result from the project related to:
  - (A) A measurable improvement in protected streamflows that:
    - (i) Supports the natural hydrograph;
    - (ii) Improves floodplain function;
    - (iii) Supports state or federally listed sensitive, threatened or endangered fish species;
    - (iv) Supports native fish species of cultural importance to Indian tribes; or
    - (v) Supports riparian habitat important for wildlife;
  - (B) A measurable improvement in groundwater levels that enhances environmental conditions in groundwater restricted areas or other areas;
  - (C) A measurable improvement in the quality of surface water or groundwater;
  - (D) Water conservation;
  - (E) Increased ecosystem resiliency to climate change impacts; and
  - (F) Improvements that address one or more limiting ecological factors in the project watershed.
- (c) The evaluation of the social or cultural benefits for a project based on the changes in social or cultural conditions expected to result from the project related to:
  - (A) The promotion of public health and safety and of local food systems;
  - (B) A measurable improvement in conditions for members of minority or low-income communities, economically distressed rural communities, tribal communities or other communities traditionally underrepresented in public processes;

(C) The promotion of recreation and scenic values;
(D) Contribution to the body of scientific data publicly available in this state;
(E) The promotion of state or local priorities, including but not limited to the restoration and protection of native fish species of cultural significance to Indian tribes; and
(F) The promotion of collaborative basin planning efforts, including but not limited to efforts under the state Integrated Water Resources Strategy.

(3) Scoring sublevels shall have a numeric point scale that accounts for positive and negative effects of the project. Sublevel scores shall be summed to a public benefit category level. The Department shall set a minimum score for the application to proceed.

(4) The Technical Review Team will use the total score from the score sheet provided by the Department to rank all applications and make loan and grant funding recommendations to the Commission.

(5) The Commission shall determine the final scoring and ranking of projects and make the final decision regarding which projects are awarded loans or grants from the account based on criteria in OAR 690-093-0100.

(6) The Department shall document the ranking of all applications and make the application ranking publicly available after the funding decisions by the Commission have been published.

Attachment 2

Public Comments on Applications

Water Project Grants and Loans - 2016 Funding Cycle

From January 28, 2016 through March 30, 2016, the Water Resources Department solicited public comments on applications for Water Project Grants and Loans funding. The Department received a total of 57 comments. The comments referenced 30 of the 37 applications. The table below provides an index of public comments, which are also attached in full.

Index of Public Comments

TRT Rank	Project Name	Comments Received	Commenter	Page No.
1	Lostine River Conservation Project	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
2	Tumalo Feed Canal Conservation Phase 5	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
3	Highline Canal Pipeline	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
4	Willow Creek Piping Irrigation Laterals	1	WaterWatch of Oregon: Ms. Kimberley Priestley.	32
5	Mosier Deep Water Supply Well	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
6	Beaver Creek Dam Fish Passage and Flow Restoration	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
7	Sun Creek Restoration And Irrigation Efficiency	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
8	Klamath East Side Water Recycling Project	2	Klamath-Lake County Farm Bureau: Mr. John Moxley	31
			WaterWatch of Oregon: Ms. Kimberley Priestley	32
9	Kingsley Reservoir Expansion and Lowline Pipeline Project	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
10	Coe Branch Pipeline and Efficiency Project	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
11	Desolation Creek Natural Water Storage	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
12	Painted Hills Reservoir Expansion	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32

13	Morrow Regional Water Recycling And Reuse Project	-		
14	Jetty Creek Fish Passage Restoration	5	Friends of Nedonnna Marsh: Ms. Cindy Martin-Shaw	26
			Oregon Coast Alliance: Mr. Cameron La Follette	27
			Rockaway Beach Citizens for Watershed Protection: Ms. Nancy Webser and Ms. Gillian Holbrook	29
			Ms. Kate Taylor	30
			WaterWatch of Oregon: Ms. Kimberley Priestley	32
15	Powder Valley Connector	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
16	Clackamas Water Conservation and Lower Milk Creek Restoration Projects	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
17	Dallas Water Storage	19	Mr. Patrick Baures	4
			Calamity Hill Vineyard: Mr. Tom Vail	5
			Dickerson Well Drilling, Inc: Mr. Bill Blair	6
			Ms. Dominique Geulin	7
			Ms. Martha Goodrich	8
			Mr. Nick Hazelton	9
			Mr. Stephen Joye	10
			Mr. Aaron Kennel	11
			Mr. Tracey Liskey	12
			Mr. Andrew Millison	13
			Laura O'Leary	14
			Oregon Wine Board	15
			Polk County Farm Bureau: RLE. Steele	16
			Polk Soil and Water Conservation District: Ms. Stacey Garrison	17
			Mr. Edward Powell	18
			Mr. Cameron Smith	19
			Travel Salem: Ms. Irene Bernards	20
			WaterWatch of Oregon: Ms. Kimberley Priestley.	32
			Zena Forest LLC: Ms. Sarah Deumling and Mr. Ben Deumling;	21
18	Little Butte Creek Conservation And Quality Improvement	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
19	West Fork Hood River Irrigation Conservation	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32

	Development Project			
20	Haines Water System Compliance Project	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
21	Willakia Vineyard Reservoir Lining And Wetland Restoration	-		
22	Madras Agricultural Water Efficiency And Reuse	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
23	Dog River Pipeline Replacement Project	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
24	JDR Ranch Irrigation Efficiency Projec	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
25	Clackamas ASR Well	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
26	Chiloquin Water Supply and Metering Improvement	-		
27	Catherine Creek Wastewater Facility Improvements	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
28	Dayton Water System Improvement	-		
29	Vale Water System Improvement	-		
30	Fiddlehead Farm Irrigation Innovation	-		
31	Umatilla Beneficial Reuse Phase 1	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
32	Allen Creek Pipeline	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
33	Hazelnut Drip Irrigation Project	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
34	Adrian Water System Improvement	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32
35	Tide Creek Rainwater Collection Project	-		
36	Greenhorn Water System Improvement	5	Mr. Dale McLouth	22
			Mr. Brad Poyser	23
			Ms. Frances Villwock	24
			WaterWatch of Oregon: Ms. Kimberley Priestley	32
			Ms. Katie Wilson	25
37	Mountain Line Replacement Project	1	WaterWatch of Oregon: Ms. Kimberley Priestley	32

From:	Patrick BAURÈS
To:	jonathan.j.unger@state.or.us
Subject:	WPR-G-2016-NW- Dallas Water Storage at La Creole Orchards
Date:	Friday, February 26, 2016 7:49:15 PM

In Reference to grant application:
WPR-G-2016-NW- Dallas Water Storage at La Creole Orchards

Dear Mr. Unger,
I would like to recommend that my close friend Bogdan Caceu and his remarkable La Creole Orchards be the recipients of a grant in support of his above ground water storage reservoirs.
Due to the growing demands for water at La Creole Orchards Mr. Caceu has taken many measures to save and store water and use it efficiently by using many resourceful techniques such as his water reservoirs. Furthermore, as a priority, is his environmentally friendly approaches to solve problems. For example, using solar power and other "green" sustainable practices.
As a local volunteer in Southeast Portland assisting in the establishment of sustainable garden and farming community projects, I often refer to the exemplary practices put into place at La Creole Orchards.
Mr. Caceu is always thinking ahead on how to improve his operation by impacting the environment as little as possible. His water storage system is a great example of this as it has a great capacity to store water without huge draws on the local well waters.
I highly recommend grant assistance for this project.
Please do not hesitate to contact me anytime.
Thank you for your consideration,
Patrick C. Baures
6315 SE 43rd. Ave
Portland, OR
97206
503-490-8800

Sent from my iPad

From: Tom Vail
To: jonathan.j.unger@state.or.us
Subject: public comment in support of water storage - Bogdan Caceu at La Creole Orchards
Date: Monday, March 28, 2016 12:52:38 PM

I am writing in support of the application from Bogdan Caceu for assistance with a well conceived water project. The work he has already accomplished has gone a long way to improve the results he will achieve from his property. As a fellow olive grower, I understand the water problems that farmers face in the Willamette Valley. I have been watching Bogdan's progress and have learned much from his efforts. His further efforts will show methods and ideas that will help other farmers to resolve similar water shortage issues. I highly recommend that you fund the project at La Creole Orchard.

Thank you,

Tom Vail

Marion and Tom Vail
Calamity Hill Vineyard
www.calamityhill.com
natch4@gmail.com

From: Bill Blair
To: jonathan.j.unger@state.or.us
Subject: WPR-G-2016- NW Dallas Water Storage
Date: Saturday, February 27, 2016 6:28:42 PM

Dear Mr. Unger,

I write in support of Bogdan Caceu's application for water storage at La Creole Orchards in Dallas (WPR-G-2016-NW Dallas Water Storage). I have known Bogdan since 2009, when he started farming. As a well driller, I know the difficulties that farmers and orchardists like Bogdan encounter in our hills, where wells are often poor. I have also appreciated Bogdan's efforts to farm sustainably, to use renewable power for pumping and highly-efficient drip lines for irrigation. I support his project to store 3 AF of water in two above-ground reservoirs at his orchard. It is one more way to make his operation sustainable.

Bill Blair
Dickerson Well Drilling, Inc

Sent from my iPad

From:	Dominique Geulin
To:	jonathan.j.unger@state.or.us
Subject:	public comment in support of water storage project
Date:	Saturday, February 27, 2016 11:05:07 AM

Dear Mr. Unger,

I would like to submit this public comment in support of Bogdan Caceu/La Creole Orchards' application to develop water storage (application ID WPR-G-2016-NW Dallas Water Storage). I believe that a grant should be made available for this project as it would make La Creole Orchards more sustainable in the face of increasing episodes of drought and climate change. I know Bogdan and know how much effort he puts into his projects, how well he researches and budgets every aspect, how disciplined he is in his execution. I have visited La Creole Orchards and came very impressed by what I saw. I am a business executive myself, owner of the St. Honoré French Bakeries in Portland, and I can tell that Bogdan is doing an excellent job at his orchard. He deserves support from state funds for his innovative water-storage solution.

Best regards,
Dominique Geulin

From: Martha Goodrich
To: jonathan.j.unger@state.or.us
Subject: WPR-G-2016-NW -Dallas Water Storage At La Creole Orchards
Date: Tuesday, March 01, 2016 11:23:09 AM

Good Morning Jonathan,

I'm contacting you to show my support for Bogdan Caceu's Water Storage Project at La Creole Orchards in Dallas, Oregon:

WPR-G-2016-NW

I visited the project earlier in February and was quite impressed with the work he has done to help make La Creole Orchards a sustainable orchard.

We certainly need more projects like this!

Sincerely,

Martha Goodrich

Martha Goodrich
421 6th Street
Dayton, Oregon
97114

marthas-newmail@comcast.net

Hm 503.864.4852
Cell 541.968.0909

From: Nick Hazelton
To: jonathan.j.unger@state.or.us
Subject: La Creole Orchards
Date: Monday, February 29, 2016 1:36:02 PM

Hi Jonathan,

My name is Nick Hazelton, I've worked with Bogdan Caceau of La Creole Orchards in the past. I heard that he's applying for a grant from you guys to help pay for a water storage project, WPR-G-2016-NW- Dallas Water Storage at La Creole Orchards. I think he'd be a great candidate to receive funding for his project, as I think what he's doing at La Creole Orchards is going to benefit the surrounding area in many ways. Bogdan is working on inoculating truffles into his orchards, very valuable truffles. As far as I know, he is the only one doing this in Oregon. I'd love to see such a valuable product being produced here in our beautiful state.
I would love to see his orchard thrive and grow, providing possible job opportunities for local people and adding to the great agriculture projects in Oregon.

Thank you for the work you do,
Nick Hazelton

From:	Stephen Joye
To:	jonathan.j.unger@state.or.us
Subject:	Regarding Bogdan Caceu
Date:	Thursday, March 03, 2016 8:24:54 AM

Dear Mr. Unger,

I would like to submit this public comment in support of Bogdan Caceu/La Creole Orchards' application ID WPR-G-2016-NW Dallas Water Storage. I believe that this water storage would make La Creole Orchards more sustainable, given the kind of drought we have had in recent years. I have known Bogdan for several years and know how much effort he puts into his projects. I believe he deserves support from state funds for his water-storage solution. Beside my main activity as a partner in a Salem CPA firm, I have actively been involved with the farming community and that programs such as the Water Supply Development Account can make a difference for small farmers.

Truly,

Stephen P. Joye, CPA, MST, CVA
Member
Fischer, Hayes, Joye & Allen, LLC
3295 Triangle Dr. SE, Suite 200
Salem, OR 97302
Phone: 503-378-0220
Fax: 503-364-1259
E-mail:Stephen@fhjacpas.com

From:	Aaron Kennel
To:	jonathan.j.unger@state.or.us
Subject:	Public comment in support of water-storage project
Date:	Sunday, February 28, 2016 9:02:15 PM

Hello Mr. Unger,

My name is Aaron Kennel. I have a farm about 10-15 miles away from La Creole Orchards.

This is regarding WPR-G-2016-NW- Dallas Water Storage at La Creole Orchards.
I am writing in support of this water storage project. I care about our resources. I also personally know the owner proposing this project. The water will be used to irrigate truffles as well as olives for olive oil. Irrigation is essential for truffle production in Oregon as well as for good establishment and maintenance of olive trees. Furthermore, the truffle industry is newly emerging and has already shown that it will be viable in Oregon by the number of orchards in and around the Willamette Valley that have begun producing European truffle species.

There are still relatively few growers in Oregon who understand and appreciate what it takes to produce truffles. Bogdan Caceu is one of those growers. Allowing for the storage of irrigation water for this project and for other growers who have the knowledge and ability to make good use of it will undoubtedly add to the sustainability and success of the truffle and olive industries which are a perfect compliment to Oregon's already established wine industry.

Best regards,

Aaron Kennel
503-932-8083

10775 Airlie Rd
Monmouth, OR 97361

From: Tracey Liskey
To: jonathan.j.unger@state.or.us
Subject: WPR-G-2016-NW Dallas Water Storage
Date: Monday, March 14, 2016 11:33:11 AM

I write in support of Bogdan Caceu's application for water storage at La Creole Orchards in Dallas (WPR-G-2016-NW Dallas Water Storage). As a farmer from the Klamath Basin and member of the Board of Ag, I know the value of water and the difficulties that farmers and orchardists like Bogdan encounter in water short areas. Therefore, I support his project to store 3 AF of water in two above-ground reservoirs at his orchard. This seam to be very forward thinking and is a good way to make his operation more sustainable and to help Oregon agriculture strive.

Thank you,
Tracey Liskey.

From:	Andrew Millison
To:	jonathan.j.unger@state.or.us
Subject:	Public comment: application ID: WPR-G-2016-NW- Dallas Water Storage
Date:	Tuesday, March 29, 2016 10:06:07 PM

Hello,
I am writing to support the application of La Creole Orchards water storage funding application. I have co-presented with Bogdan Caceu of La Creole Orchard at OSU's Small Farms Conference where he presented about his existing water storage system and how that system has allowed him to create the orchard he now has running.

Bogdan is very thoughtful and measured about his design and implementation, and his work so far has been very successful in allowing him to responsibly develop his water supply. Through his existing projects, he has demonstrated his competence and if he receives this grant, it will be money well spent.

I am an instructor in the Horticulture department at Oregon State and I've studied water systems as one of my specialties, and I can attest that Bogdan is clear-headed and will do a good job in fulfilling the obligations of this grant to the best of his ability.

Please consider him for the award.

Sincerely,
Andrew Millison

http://horticulture.oregonstate.edu/content/andrew-millison
--
Andrew Millison
(541) 752-9118
www.permacultureintl.com
www.permaculturerising.com

From: Laura O"Leary
To: jonathan.j.unger@state.or.us
Subject: WPR-G-2016-NW Dallas Water Storage at La Creole Orchards
Date: Sunday, March 20, 2016 1:49:14 PM

Hi Jon,

Allow this email to serve as a letter in support of application WPR-G-2016-NW Dallas Water Storage at La Creole Orchards. I have worked worked with Bogdan Caceu on water and other sustainability-related projects on his farm. I also installed a similar system in the Willamette Valley with much success. This water development project will have multiple benefits not only for the State and it's limited water resources, but also the farm's economic, social and environmental sustainability. It is my hope that the Water Resources Department select WPR-G-2016-NW Dallas Water Storage at La Creole Orchards.

Sincerely,

Laura O'Leary

Laura O'Leary
503.758.6868

OREGON
WINE
BOARD

March 24, 2016

Re: Caceu application to OWRD for on-site water storage project: WPR-G-2016-NW Dallas Water Storage at La Creole Orchards).

Dear Mr. Unger:

The Oregon wine industry has deep concerns about the availability of water to agriculture, especially in the face of the changing climate. We are interested in the project proposed by Bogdan Caceu for an on-site water capture and storage strategy as a model that might provide guidance for vineyards facing problem similar to Mr. Caceu's. For that reason, we recommend that the OWRD fund this project.

Sincerely,

Chair
Oregon Wine Board
and
Co-owner
Crawford Beck Vineyard
Amity, Oregon

Suite 240, 4640 SW Macadam Avenue, Portland Oregon 97239
503-228-8336

From:	WhiteKnight
To:	UNGER Jon J
Cc:	Bogdan Caceu; maryanne@oregonfb.org
Subject:	Grant Application for Water Storage at LaCreole Orchards
Date:	Saturday, March 26, 2016 1:10:35 PM

To: Jon J. Unger,

Re: Water Storage of up to 3 acre feet for irrigation at La Creole Orchards,
Dallas, Oregon 97338

From: Polk County Farm Bureau:

Bogdan Caceu applied for a grant of $96910.00 to allow adequate irrigation of his farming operation. Upon complete review of the application, it supports the economic sustainability of production agriculture. It not only promotes job creation, but will increase economic growth providing activity from local suppliers of equipment, harvesting, lime & fertilizer to processing and sales to consumers.

This project allows the continued diversification of different production agriculture products for Polk County.

The proposed water storage system is innovative and effective in its collection and storage design. It further allows for enhanced stewardship of resources and benefit North Fork of Ash Creek along with an improved buffer zone.

In addition his irrigation system is state of the art, further reducing water waste.

The Polk County Farm Bureau supports approval of this grant application.

Respectfully,

R.E. Steele
President
Polk County Farm Bureau

From:	Stacey Garrison
To:	jonathan.j.unger@state.or.us
Cc:	Karin Stutzman; Bogdan Caceu
Subject:	Public Comment on WPR-G-2016-NW- Dallas Water Storage
Date:	Thursday, March 03, 2016 11:48:11 AM

Hello Jon Unger,

This public comment of support is provided by the Polk Soil and Water Conservation District for the Dallas Water Storage grant proposal by La Creole Orchards, WPR-G-2016-NW- Dallas Water Storage, submitted to the Oregon Water Resources Department. This project is in-line with our Long-Range Business Plan's Goals and Objectives for Water Quality and Quantity, "Promote practices that conserve or enhance supply of potable water and water used for irrigation, recreation, rural road maintenance and fire management".

Stacey Garrison
Resource Conservationist
Polk Soil and Water Conservation District
580 Main Street, Suite A
Dallas, OR 97338
503-623-9680 X 101
rc1@polkswcd.com

From: Ted Powell
To: jonathan.j.unger@state.or.us
Subject: Support of the La Creole Orchards project
Date: Monday, March 07, 2016 1:09:57 PM

Dear Mr. Unger,

RE:WPR-G-2016-NW- Dallas Water Storage at La Creole Orchards.

I am a neighbor to La Creole Orchards and have watched the work from the beginning clearing of invasives and the first planting of trees. At every step, Bogdan Caceu has carefully planned how to farm organically and sustainably. His water projects have been very forward with solar powered pumps and the most stingy conservation and utilization of water, he could be an Israeli farmer in disguise. Someone must be first to try, whether there is success or failure for others to follow. Bogdan has demonstrated that verifiable deeds are evident all over his property. I think his application is very worthy of consideration. I am happy to verify by phone any questions.

Regards,

Edward "Ted" Powell
503-831-3755
2550 Stiles Rd. Dallas OR 97338

From: Cam Smith
To: UNGER Jon J
Subject: Public Comment: WPR-G-2016-NW- Dallas Water Storage
Date: Sunday, March 27, 2016 1:00:20 PM

Hi Jon -
I am writing in support for Bodgan Caceu's Water Project & Loans grant application at La Creole Orchards: WPR-G-2016-NW- Dallas Water Storage.

I've been out to see Bodgan's project and it is exemplary in it's conservation design elements and intended use. We need more folks respecting our water resources in both storage and in the propagation of perennial crops. It will also provide a valuable educational benefit for our area in demonstrating the buffering of groundwater use with storage, lowering evaporation rates with the floating cover, lowering the environmental cost of the consumption of olive oil, and providing employment through good farm planning and design.

Please consider WPR-G-2016-NW- Dallas Water Storage for funding approval. It will be a good demonstration of the direction we need our local farming to go in its respect of our water resources in particular, and the place where we live in general.

Best Regards,
Cameron Smith
503-784-5826

From:	Irene Bernards
To:	jonathan.j.unger@state.or.us
Subject:	Support for Grant - WPR-G-2016-NW Dallas Water Storage at La Creole Orchards
Date:	Monday, February 29, 2016 10:48:08 AM
Attachments:	image002.png image003.png image004.png image005.png
Importance:	High

Good Morning Mr. Unger,

This email is to support the grant request submitted by La Creole Orchards in Dallas (WPR-G-2016).

La Creole Orchards, owned by Bogdan Caceu, has reached out to Travel Salem to learn more about promoting the Orchards to visitors who are looking for a unique agricultural and culinary experience.

La Creole Orchards is very unique with their products of truffles, fruits and nuts. Oregon is globally known for its wine; and truffle production is already making a name for Oregon, setting our state apart from others. Culinary visitors to the Salem area (Polk & Marion counties) are on the rise. Offering guided tours of Oregon's bounty and farm to fork experiences is an amenity that is in demand. The fact that our agricultural professionals implement sustainable practices is another attractive story to share with visitors to the area.

Imagine, visitors touring the La Creole Orchards learning about the climate, soil and the sustainable water source that gives life to the orchard. Visitors are interested in learning and experiencing where their food comes from. The experience at La Creole Orchards woven together with area producers of wine, cheese, hazelnut, corn, mint etc. make Polk County, and the entire region, a great place for visitors. Visitors that currently generate more than $534 million dollars annually to this two-county region.

Travel Salem strongly supports La Creole Orchards and their request.

Thank you for your consideration!

Irene

Irene Bernards, Executive Vice President / Marketing & PR Director
(aka Creative Yoda)
Travel Salem :: 181 High St. NE :: Salem, Oregon 97301
ibernards@TravelSalem.com :: www.TravelSalem.com
503-581-4325 ext. 127 :: 800-874-7012 :: Fax: 503-581-4540

From:	Sarah Deumling
To:	jonathan.j.unger@state.or.us
Subject:	ID WPR-G-2016-NW Dallas Water Storage at La Creole Orchards
Date:	Monday, March 28, 2016 9:55:24 AM

To Whom It May Concern,

We are fellow Polk County residents, forest and sawmill owners, who have know Bogdan and his projects for some time.We would like to register our enthusiastic support for this current water storage project.

As we go forward into an uncertain future few issues loom as important as water and we embrace every effort which offers potential aid in the areas of both more efficient water use and the conservation of water.

Thank you for considering this project.
Sincerely,

Sarah Deumling
Ben Deumling
Zena Forest LLC
4550 Oak Grove Rd.
Rickreall, OR 97371

March 29, 2016

Water Resources Board

We are writing to you as property owners of the historical town of Greenhorn Oregon. We have a lot of property owners who spend a significant amount of time per year in Greenhorn, but only have two full time residents.
Greenhorn has a long and interesting history and is mentioned in detail in Miles Potter's book on Oregon's Gold Country and all of the resources and contributions that have come out the area toward the states resources . We were granted the right to be incorporated by President Taft .

As you know water is the life blood of any community. Baker County gave us the money to complete the first phase of the water system that was completed in 2009. We need the financial resources to complete the water supply from the Twin Springs source which is currently an additional 1700 ft. of thin plastic pipe. Our water source is being contaminated by wildlife, deer, elk, etc. then by the grazing cattle in the summer.

We are pleading our case so the citizens and future citizens can be assured of safe drinking water.

We have had an engineering study done by Anderson and Perry, Inc. in La Grande, Oregon. They did an excellent job and as you can see it is very well detailed by professional engineers.

We realize we are a small community in comparison to the larger ones also asking for funding.
But we are asking for your fair consideration when deciding who should get the funding to improve water systems, so all the citizens of Oregon have safe, clean water to drink.

Our current situation is very similar to the Baker City Supply problem just a few years ago that sickened 175 of their citizens and was just resolved in 2015 at a cost of over $5,000,000.

Sincerely, Dale McLouth
Mayor of the City of Greenhorn. Oregon.`

From the Desk of
Brad Poyser
Counselor, City of Greenhorn

March 28, 2016

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

Re: Water Project Grants and Loans Applications, City of Greenhorn
WPR-G-2016-E- Greenhorn Water System Improvement

Sir;

First, thank you for making grant opportunities available for water project improvements. Without your help, many projects would not get funded and valuable resources could be lost. In the City of Greenhorn case, this is very true.

The history of our town goes back many years. It is Oregon's only historic " Ghost Town" and has survived despite several fires and changes in the economic landscape. There is much more information on the grant application than I will go into here. The City under took, with the help of Baker County, to improve approximately half of the current water transmission line several years ago. Much work was done with volunteer effort as well as a local contractor. To complete the restoration, the City needs to partner with the State and County to complete the transmission line from our source springs to the current surge tank. This grant money is very much needed for the completion of the project. Greenhorn is probably unique in that we do not collect a city tax and only pay county property taxes.

Anderson Perry & Associates has been retained to do an engineering study of our system and has developed a proposal that is economically feasible for the City to complete. We would rebuild both of the sources of our water to segregate the source from animals and significant ground water infiltration. One of our springs is not usable at this time due to this ground water infiltration. Our current transmission line was installed 20 plus years ago and is in need of replacement. The partnering with the State and Baker County would allow for this to be accomplished.

Though this project will not directly benefit the local economy of the City of Greenhorn (Greenhorn has no commerce), it will benefit the economy of the county with material sales and labor wages. It will improve the efficiency of the system in that the water supply will have double the water source. If we do not bring the second spring on line, we run the risk of losing it due to inactivity. This added source also improves the firefighting capabilities of City. The added resource of the second spring makes it more feasible to maintain a large water tank in the City for firefighting.

Environmentally, the system will maintain current run off flows as our water use permit allows. Maintaining these runoff flows ensures groundwater is not depleted. Our runoff flows directly to Lightning Creek and Salmon Creek which maintain a run of Bull Trout. Water that does runoff will be of higher quality due to better water control and the reduction or elimination of coliform bacteria. The City of Greenhorn will have a more stable water source and of higher quality. It will allow for more water connections in the future.

I urge you to give serious consideration to this proposal for these grant funds. With your commitment and the commitment of Baker County, we can ensure continued clean water for the City of Greenhorn.

Brad Poyser

Brad Poyser
City Counselor, City of Greenhorn

Oregon Water Resources Dept.

Attn: Jon Unger,

City of GREENHORN WATER IMPROVEMENTS GRANT

I am writing to you in oppostion to a Grant being issued to the City of Greenhorn. The city hasn't had a council meeting since September 2015 so no discussion was made available for imput from property owners even though a in-kind of $12,500.00 from property owners is listed.

There is a statement made Project Specifics (c) Enviornmental Benefits coments, (A.E), C, that list the Lighting Creek Watershed which doesn't exist. I verified this with the Umatilla National Forest. Any overflow water from the two springs goes directly back into the ground. We have no creeks that this water flows into. This water shed should not be included in this application.

In 2009 the City of Greenhorn put out a RFQ to local contractors and received a quote from SREC from Baker City for replacement of a 3000 gallon concrete water storage tank, 1800' of HTPE high density pipe, 3 hook ups with valves for $46000.00, a far cry from the amount requested from Anderson Perry. I beleive the same method should be used on this project and keep the cost down. You will notice that this proposed project would be a prevaling wage job.

This city only has 2 permanent residents and "0" business. Our water system does not meet the Public Water System, and is not subject to regulations by the State Drinking Water Program. (Per Bill Goss)

Please concider the items listed when making decision.

Frances Villwock, former Mayor for 8 years

503-877-2632

From: KATIE
To: UNGER Jon J
Subject: Application ID# WPR-G-2016-E Greenhorn Water System Improvements
Date: Tuesday, March 29, 2016 7:44:59 PM

To Whom it May Concern,

I am writing in support of the grant application to improve the water system in Greenhorn. I have spent my whole life enjoying the beauty of Greenhorn. It is there that I learned how to use a compass, cook on a campfire, fish for trout, and most of all respect the natural resources Oregon is so blessed with. My family and friends depend on our small water system for safe drinking water, basic camp and household use, and fire suppression. As a member of the Greenhorn community, I support the project to make our water system safer, more efficient, and environmentally sound. Our community respects and protects the watershed we are lucky enough to spend time in. We frequent the surrounding communities and contribute to improving the economy. We are asking for support through grant funds to help us continue to safely enjoy and contribute to our mountain community and be good stewards of our watershed.

Respectfully,
Katie Wilson

Sent from my LG tablet

From: Cindy Martin-Shaw
To: UNGER Jon J
Subject: Letter of support for LNWC"s Jetty Creek Restoration grant proposal
Date: Saturday, February 27, 2016 11:33:31 AM

Friends of Nedonna Marsh is a group of people interested in conserving the intact native salt water wetland that Jetty Creek flows through before it reaches Nehalem Bay. We support the Lower Nehalem Watershed Council's Jetty Creek Fish Passage Restoration grant application to the Oregon Water Resources Department. This grant will work with other approved funding to complete the Oregon Water Enhancement Board's Jetty Creek Fish Restoration grant.

Nedonna Marsh has value for fish, wildlife and people. The Lower Nehalem Watershed Council (LNWC) considers Nedonna Marsh an important habitat for threatened Coho. Nedonna Marsh is the first entrance for these fish from Nehalem Bay into the Jetty Creek spawning area. As well, this marsh is also a resting area for coastal migratory birds. Both visitors and residents enjoy the wildlife viewing.

Friends of Nedonna Marsh has attended LNWC planning sessions and stands behind their grant proposal. This grant would improve Jetty Creek's water quality which is so important to health and vitality of this wetland's ecosystem.

Cindy Martin-Shaw
503-355-3039
Friends of Nedonna Marsh

Sent from my iPad

ORCA: Oregon Coast Alliance
Protecting the Oregon Coast

P.O. Box 857, Astoria OR 97103
(503) 391-0210
www.oregoncoastalliance.org

March 30, 2016

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

Re: Lower Nehalem Watershed Council, WPR-G-2016-NW, Jetty Creek Fish Passage Restoration

Via email: jon.j.unger@wrd.state.or.us

Dear Mr. Unger,

Oregon Coast Alliance (ORCA) is an Oregon nonprofit corporation whose mission is to protect and restore coastal natural resources, and with coastal residents for livable communities.

ORCA fully supports the grant application of the Lower Nehalem Watershed Council to aid in restoration of Coho, fall Chinook and winter steelhead salmon to Jetty Creek. The Watershed Council has secured partial funding from the Oregon Watershed Enhancement Board (OWEB) for this purpose. The current City water intake structure impacts fish migration and hydrologic flows.

This project, as the OWEB project preceding it, has the strong support of the City of Rockaway Beach, an influential local citizens' group, Rockaway Beach Citizens for Watershed Protection and the Oregon Dept. of Fish and Wildlife.

The project is complex, and fittingly has many partners. This project, taken together, will create a natural fishway, reroute it around the City's impoundment, enlarge the City drinking water intake and settling pond, and move the point of diversion – all of which will help reconnect nearly two miles of high quality spawning and rearing habitat in Jetty Creek, the first stream adult salmon come to as they migrate from the Pacific into Nehalem Bay and the last one for out-migrating juveniles in their transition from fresh water to salt water. It will also increase Rockaway Beach's water impoundment capacity, thus improving water availability during critical summer months when demand is high.

ORCA has worked closely with the Rockaway Beach Citizens for Watershed Protection, and is involved with concerned residents in seeking to enhance the water quality in Jetty Creek both for Rockaway Beach's drinking water supply and to restore high quality salmon habitat.

We hope WRD will be able to fund this grant as a crucial part of the partnership to improve fish passage in Jetty Creek, and at the same time improve Rockaway Beach's municipal water supply. It is a highly worthwhile project, supported by residents, the municipality and agencies.

Please place this testimony in the record for this matter.

Sincerely,

Cameron La Follette
Executive Director

From: nancy webster
To: UNGER Jon J
Subject: Letter of support for LNWC Jetty Creek Restoration grant
Date: Wednesday, February 10, 2016 3:56:06 PM

Rockaway Beach Citizens for Watershed Protection, a citizens group working to ensure safe and clean drinking water in Rockaway Beach, supports the Lower Nehalem Watershed Council's Jetty Creek Fish Passage Restoration grant application to the Oregon Water Resources Department. This grant will complement the already-approved Oregon Water Enhancement Board Jetty Creek Fish Restoration grant. We believe that this restoration project will benefit our drinking water and provide needed improvement to fish habitat.

This project will separate the pretreatment holding pond from fish passage and allow Rockaway Beach to increase the size of their pretreatment holding capacity and better manage turbidity. It will reduce treatment cost and help improve water quality.

Currently the only fish passage is through the pretreatment pond. When fish reach the pretreatment pond, few make it past the antiquated fish ladder. A separate fish passage will allow threatened coho unobstructed access to historic spawning areas above the treatment plant. Fishing plays an important role in the local economy.

Jetty Creek watershed has experienced a lot of environmental degradation in the last ten years and this project will be a good start to its repair. This project has a lot community support. The city has cooperated with funds and inkind contributions. Our citizens group have felt welcomed and appreciated during our attendance at planning meetings.

Our community looks forward to return of threatened Coho to our Jetty Creek. Please contact us if you have questions.

Nancy Webster
503-355-2516
Gillian Holbrook
503-360-2879
Rockaway Beach Citizens for Watershed Protection

From:	Kate Taylor
To:	UNGER Jon J
Subject:	WPR-G-2016-NW- Jetty Cr Fish Passage Restoration Jetty Creek Fish Passage Restoration
Date:	Saturday, January 30, 2016 11:21:59 AM

Hi,
I am writing in support of your funding the Jetty Creek Fish Passage Restoration project.

Jetty Creek is our drinking water watershed for 2500 citizens in Rockaway Beach and we would like to see more protections and the potential reintroduction of Coho to the headwaters. It is an important tributary of the Nehalem river and home to wildlife and aquatic species. This project will help open up miles of great habitat for our salmon.

Please consider the importance of this project and how beneficial this will be to our community.

Thank you,
-Kate Taylor

--

Kate Taylor
Frigate Adventure Travel
541.743.1273

Patagonia Ambassador
Loop Tackle Pro Staff
Fishpond Ambassador
Rising Tools Team

Klamath-Lake County Farm bureau
4240 Hwy 39
Klamath Falls, Oregon

To: Jon Unger, Oregon Water Resources;
725 Summer Street NE, Suit A
Salem, Oregon 97301

Klamath-Lake County Farm Bureau is writing this letter in support of Klamath Drainage Districts East Side recycling project (WR-G-2016-SC Klamath East Side Water Recycling Project).
The Klamath Basin is one of the hot spots in the nation when it comes to water. This project will let the District become more efficient and leave more water in the project for fish and other farmers. This project helps with the nonpoint pollution in the Klamath River while utilizing every drop of water for beneficial use.
The Klamath Basin has been working hard to resolve its water issues and we think that this project will help work toward the end goal.

Thank You
Klamath-Lake County Farm Bureau

John Moxley

WATERWATCH

PROTECTING NATURAL FLOWS IN OREGON RIVERS

March 29, 2016

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

Re: Comments, SB 839 Grant and Loan Program

Dear Mr. Unger,

WaterWatch appreciates the opportunity to comment on the SB 839 grant and loan program grant applications. As the Department is aware, WaterWatch was integrally involved in the drafting of SB 839 and the associated rules, thus we are intimately familiar with the program's requirements.

In reviewing the thirty seven applications, we were struck by the number of applications that claim to be providing environmental benefits that result in a "measurable improvement in protected streamflows" that do not do actually accomplish this. ORS 541.673(3) is very deliberate in its use of the words "measurable" and "protected". Endless hours were spent negotiating this language in the 2013 legislative session. Measurable means there must be an identifiable amount of streamflow dedicated instream and protected means the water must be legally protected instream. This was purposeful and deliberate language.

A large number of applications claim that they will improve stream and or reservoir levels for fish, yet most of these same applicants do not commit to using available legal tools necessary to protect this water as contemplated by the governing statute. Given the over appropriated state of the majority of Oregon's streams, providing a measurable improvement in protected streamflows can only be achieved through use of the Conserved Water Act and/or instream transfers/leases that will legally protect water instream against other users. Only a handful of the applications under review commit to this critical step.

If public funds are to be used to finance public projects, the state should ensure that the "environmental benefits" claimed are legally protected into the future for the life of the project. This was the intent of the statute, which is captured in the statutory language. This should be a condition of any funding.

Initial comments specific to proposed projects relating to the public environmental benefit claims include:

WPR-G-2016-E -Adrian Water System Improvement: Aside from the benefits associated with the lining of the wastewater lagoon, there appears to be no/little measureable environmental benefit associated with this project. There are no streamflow improvements associated with this

project, and water quality benefits are in relation to "drinking water" not surface or groundwater resources. Water quality was included in the statute as an environmental benefit as it related to the state's surface and groundwater resources in their natural state, not the water delivered for consumptive use.

WPR-G-2016-E - Beaver Cr Dam Fish Passage and Flow Restoration: WaterWatch is supportive of fish passage efforts. However, it should be noted that fish passage appears to be a regulatory requirement of any future USFS special use permit. As such, this project would be strengthened if it committed a certain percentage of the stored water to downstream fish commensurate with the amount of public funds that will be used to bring the project into regulatory compliance. While we appreciate that the City states it has entered into a 20 year renewable lease agreement with Freshwater Trust, it seem to us that given that public funds will be used for this project the "public benefit" of streamflow augmentation should be required without the Freshwater Trust or any other organization having to pay additional funds. Letters of support from federal and state agencies note the dual goal of the project is fish passage and streamflow augmentation. As such, we urge the WRD to work with the applicant to ensure that streamflow augmentation for the life of the project is committed to as a prerequisite of public funding.

WPR-G-2016-E - Catherine Cr Wastewater Facility Improvements: WaterWatch would support wastewater upgrades that improved water quality of effluent if that treated water were still to be discharged into Catherine Creek. However, that is not what this project proposes. Instead, this project proposes to upgrade effluent treatment in a manner that will increase irrigation and decrease flows to the Creek. At the very least, rather than increase consumptive use, if the effluent is going to be used in the summer time then live flow diversions from the stream should be reduced by an amount equal to the amount stored. We urge the WRD to work with the applicant to explore alternative wastewater treatment options that would help it meet water quality standards without robbing the stream of important flow.

WPR-G-2016-E- Greenhorn Water System Improvement: This project claims that it will help restore late season water flows to the Lightening Creek watershed, reduce diversion of water during the summer months and aid in the protection of bull trout habitat. However, the applicant does not commit to the necessary legal avenues to achieve this (i.e. instream transfer of existing live flow rights, etc.). As such, the environmental benefits claimed cannot be said to provide a measurable improvement in protected streamflows.

WPR-G-2016-E - Haines Water System Compliance Project: While the fish passage and groundwater conservation goals of this project appear positive, there were no letters of support from DEQ or ODFW which makes it difficult to assess whether the environmental benefits claimed have merit. Moreover, the state should require a more aggressive water conservation goal. If I understand the application correctly, the City is committing to reduce its current loss of 45% to 30%. We would encourage the state to require a more robust efficiency goal, closer to 10%.

WPR-G-2016-E- Lostine River Conservation Project: This project will be utilizing the Conserved Water Act to legally protect water instream thus will be measurably improving protected streamflows.

WPR-G-2016-E - Mountain Line Replacement Project: This project claims that it will provide more streamflow below the diversion where bull trout habitat exists; however, it does not commit to legal mechanisms necessary to protect that water instream and in fact states that the City's decrease in diversion will allow irrigator north of town to use the saved water. Absent legal protection of water saved so it remains instream, this cannot be said to measurably improvement protected streamflows as contemplated by the statute.

WPR-G-2016-E- Powder Valley Connector: This project claims to provide additional water in the Wolf Creek Reservoir for bull trout, however it does not commit to protecting the saved water either in the reservoir or instream for these fish. In fact, the application notes that in dry year this will provide better security for irrigators (meaning the fish will not benefit from that water). Letters of support from state agencies note the benefit to bull trout, however unless the applicants utilized the conserved water statute to protect this water there is no guarantee this water will not be used for additional irrigation. Without legal protection, this does not provide a measurable improvement in protected streamflows.

WPR-G-2016-E- Willow Cr Piping Irrigation Laterals: The project claims that this will benefit bull trout, however the applicant does not commit to using the Conserved Water Act to legally protect conserved water for these fish. If public monies are going to be used to support this project, the applicant should be required to go through the Act. Absent that, this project does not provide a measureable improvement in protected streamflows.

WPR-G-2016-NC- JDR Ranch Irrigation Efficiency Project: The applicant "anticipates" that a portion of the conserve project water will be dedicated instream during the irrigation season under the Conserved Water Act. While we appreciate mention of the Act, absent a firm commitment (and a WRD requirement) to use the Act this project does will not provide a measurable improvement in protected streamflows. As noted, the only way to achieve this is through the Conserved Water Act and/or instream leases/transfers for the life of the project.

WPR-G-2016-NC- Painted Hills Reservoir Expansion: This storage project will need a seasonally varying flow prescription in addition to the 25% public benefit requirement. This statutory requirement attaches to all new and expanded projects funded under SB 839. Moreover, the WRD should do a full review of the associated water rights; the underlying water right permit had a development deadline of 2007 and, according to WRIS, no extension of time was filed.

WPR-G-2016-NC- Coe Branch Pipeline And Efficiency Project: The applicant states that this project will result in 1 cfs being left in Clear Branch and/or Laurence Lake Reservoir. It further states this water will be protected when MFID renews its special use permit. A noted with regards to other projects, unless the conservation project is done through the Conserved Water Project this project does not provide a measurable improvement to protected streamflows. There is no guarantee what the outcome of the USFS special use permit will be thus that is not the appropriate vehicle to protect the water instream.

WPR-G-2016-NC- Desolation Creek Natural Water Storage: As we understand the project, it would build at least 275 small dams that will store water that would otherwise reach the John Day. This stored water is subject to SVF prescription and a 25% public benefit, which is not noted in the application. It is unclear if fish passage is contemplated at these dams. An ODFW letter mentions it, but the applicant does not commit to it in the application that we could find. While the instream goals are laudable, without a commitment to protect stored water instream via legal water rights (transfers/leases/secondary storage rights for flow augmentation) this water would be subject to capture by consumptive water right holders and would not provide a measureable improvement to protected streamflows.

WPR-G-2016-NC - Dog River Pipeline Replacement Project: The application states that it this efficiency project will result in increased flows in Dog Creek, East Fork Hood River, Hood River and SF Mill Creek. However, the applicant does not commit to using the Conserved Water Act to protect that water instream, or any other legal mechanism to ensure the saved water will be protected instream. The applicant also does not note how much water will be left instream. And finally, the applicant notes that it is more than doubling the capacity of the pipeline (from 8 mgd to 17 mgd), which seems to imply that they will be attempting to increase water diverted not decrease diversions. The ODFW support letter appears to be based upon the premise that the project will result in increased spring/summer flows in Dog River of 1.5 cfs that will carry down to Mill Creek, as well as fish passage and screening. If the saved water were legally protected instream and fish screening and passage were a condition of the grant, then this would seem a positive project; however, without these commitments the project does not meet the statutory standards for the environmental benefit claimed.

WPR-G-2016-NC- Highline Canal Pipeline: This project commits to using the Conserved Water Act to put .5 cfs of water instream, thus appears to be a project that will measurably improving protected streamflows.

WPR-G-2016-NC-Kingsley Reservoir Expansion and Lowline Pipeline Project: This project has two components—piping and expanded storage. As to the piping project, the project commits to putting 1.5 cfs of saved water instream, however, it does not commit to doing this through the conserved water act. Unless this water is protected instream, it is subject to appropriation by other water rights and thus would not meet the standards of SB 839. As to the storage expansion, the applicant notes that 25% must be dedicated instream (it must also be protected via secondary water rights, which is not noted in the application) but the applicant is uncertain if SVF applies. SVF does apply as it applies to new and expanded storage projects.

WPR-G-2016-NC- Mosier Deep Water Supply Well: While we appreciate the high level of support for this project, it would be helpful to see WRD analysis of this project to understand if stated groundwater and streamflow goals are achievable. It would also be helpful to understand if this will affect groundwater regulation in the basin. Moreover, while it appears that the goal is to relieve pressure off the Upper Columbia River Basalt aquifer, the application also notes that it might allow for "new" irrigation off this same stressed aquifer. These two statements seem to be in conflict. It appears that support for the project is associated with decreasing use of the stressed aquifer as well as increasing flows, thus we suggest any "new" irrigation be struck from the

project. Moreover, any instream flow associated with this project should be legally protected instream.

WPR-G-2016-NC - Umatilla Beneficial Reuse Phase1: The applicant states that in absence of the reuse water the City can draw down the Umatilla and Columbia River and that using reuse water will positively influence flow and temperature. However, the project does not commit to transferring/leasing and/or otherwise protecting what could be called exchange water instream. Without a legal mechanism to protect this water instream, this project will not measurably improve protected streamflows.

WPR-G-2016-NC-West Fork Hood River Irrigation Conservation Development Project: The applicant states that this project could result in up to 3 cfs of instream flow; however the applicant also states the district will not go through the conserved water act to protect these flows. Absent legal protection of instream flow, the project does provide a measureable improvement to protected streamflows. Moreover, the applicant wants credit for past conservation projects under the Act to count towards this project. SB 839 requires environmental benefits attach to the project funded under the Act; past actions cannot count towards the required environmental benefit of the application at issue.

WPR-G-2016-NW - Clackamas ASR Well: The application states in several places that it will reduce Sunrise's dry season diversion from the Clackamas River by 11% and that this will increase flows in the dry season, which is a positive outcome. However, the applicant does not commit to legally protecting this water instream via transfer or other legal mechanism nor does there appear to be a mechanism proposed that would ensure diversions were diminished by 11%. Without legal protection, the increase in flows would not provide a measurable improvement in protected flows, nor would there be anything in place to prohibit Sunrise from continuing to use Clackamas River diversion water if, for example, it ended up being cheaper to use. This project should also be evaluated in concert with Sunrise's water right application that would pull more water during the dry season (which, as I understand it, WRD proposed to deny and Sunrise protested). Note: there are listed fish in the Clackamas system, thus this ASR project is subject to SVF.

WPR-G-2016-NW -Clackamas Water Conservation and Lower Milk Cr Restoration Projects: The application describes a 228/af savings over 15 years and elsewhere describes how the irrigation efficiencies will leave water in the streams – for example, p. 6, Environmental Benefits section which begins "All projects under this application will positively benefit steamflows in some fashion." However, the applicant does not commit to taking the necessary legal measures to protect this water, through use of the conserved water statute or otherwise. In fact, the application describes how one irrigator will be increasing the acreage irrigated under the project. Absent legal protection of conserved water instream, the claimed environmental benefits do not meet the standards of SB 839.

WPR-G-2016-NW- Dallas Water Storage: The project commits to water quality measures (CREP) that appear beneficial and employs state of the art conservation measures. While this project appears to meet statutory goals, it would be helpful to have a DEQ review of claimed

benefits prior to funding decisions. If funded, the CREP commitment should be a condition of funding.

WPR-G-2016-NW- Hazelnut Drip Irrigation Project: This project state that it will put 85% more water into Butte Creek, however it does not commit to doing this through the Conserved Water Act or other mechanism to protect the saved water instream. Unless the water is protected instream, it does not provide measurable improvements to protected streamflows.

WPR-G-2016-NW- Jetty Cr Fish Passage Restoration: This project contemplates both fish passage and also increased storage. While the fish passage project is laudable and something WaterWatch supports as it clearly provides an environmental benefit, it would be helpful to have more information on the storage component of the project. As we understand it, the City is currently storing 50,000 gallons but the new location would store six times that at 300,000 gallons; however, the applicant does not identify this as expanded storage that would be required to dedicate 25% instream and also protect seasonally varying flows. There is also no reference to a new storage right to accommodate this expanded storage. In fact, there is no record of a storage right held by the City of Rockaway on WRIS. All storage projects are required to hold a reservoir permit/certificate. It's difficult to assess the project as a whole without a full understanding of the existing storage right and any new rights needed to increase capacity. It might be that this project should be bifurcated so that the fish passage and increased storage are analyzed independently.

WPR-G-2016-SC-Klamath East Side Water Recycling Project: The applicant claims that the project should result in increased flows but does not commit to employing legal mechanisms to protect the water instream. Absent legal protection, the project will not provide measurable improvement to protected streamflows.

WPR-G-2016-SC-Sun Cr Restoration And Irrigation Efficiency: The project will permanently transfer water instream and thus clearly meets the environmental benefit requirement of SB 839. This is precisely the type of project that should be funded under this program.

WPR-G-2016-SC -Allen Cr Pipeline: This project would provide 100% of the saved water to the applicant, with none dedicated instream. The applicant claims that there will be an increase in baseflows but there is no documentation, nor any letters of support from ODFW, DEQ or BLM. Without water dedicated and protected instream, this project will not measurably improve protected streamflows. This applicant also notes the project might result in increased grazing, which would likely negatively affect the meadows of Big Summit Prairie. It is unclear if the pipe will be sized to the existing water right. Application attachments indicate the applicant will be seeking to increase storage in Big Summit Prairie. Plans to increase storage in Big Summit Prairie are highly controversial and, as we understand it, of concern to both state and federal agencies. If this piping project is connected to and/or will facilitate attempts to increase storage the state needs to analyze the proposal in that larger context.

WPR-G-2016-SC-Madras Ag Water Efficiency And Reuse: This project raises a number of questions about waste, storage of water in ponds without storage permits and other water right questions. It is also unclear if the proposed project has been vetted with agencies, most notably

ODFW and DEQ, to ensure that the claimed environmental benefits would come to fruition. The application does not include letters of support from these agencies or the DRC. It is difficult to assess without more information.

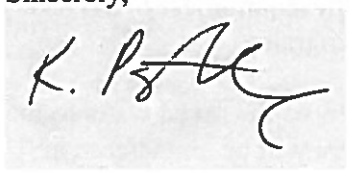
WPR-G-2016-SC-Tumalo Feed Canal Conservation Phase5 WPR-G-2016-SC-Tumalo Feed Canal Conservation Phase5: This widely supported project will dedicate 100% of the saved water instream via the conserved water act. This is precisely the type of project that should be funded by SB 839 funds.

WPR-G-2016-SW-Little Butte Cr Conservation And Quality Improvement: While we appreciate that the applicant is attempting to work through the legal complexities of trying to put water instream under an irrigation district right, unless this can be worked out so that the project goes through the conserved water act to protect saved water instream this project would not be measurably improving protected streamflows.

Conclusion: In our assessment, only a handful of the thirty seven applications before the WRD actually meet the standards and intent of this particular grant and loan program. That said, there are in fact a large number of additional projects that, were they to protect the claimed restoration water instream through existing legal tools, would appear to be positive projects that meet the statutory intent/guidelines. We would urge the WRD to work with those applicants to commit to using legal tools available to protect water instream so that their projects meet the statutory guidelines for the claimed benefit and thus they can be more favorably scored. Absent protection of saved water instream the proposed projects cannot be found to be measurably improving protected streamflows as required by statute and thus do not meet the statutory guideline for that benefit.

Thank you for the opportunity to comment.

Sincerely,



Kimberley Priestley
Senior Policy Analyst

Attachment 3
Technical Review Team Ranking
Water Project Grants and Loans - 2016 Funding Cycle

TRT Ranking	Project Title	County	Funding Requested	Total Cost of Project
1	Lostine River Conservation Project	Wallowa	$1,488,718	$2,132,575
2	Tumalo Feed Canal Conservation Phase 5	Deschutes	$1,299,968	$3,407,155
3	Highline Canal Pipeline	Hood River	$566,299	$784,699
4	Willow Creek Piping Irrigation Laterals	Malheur	$500,355	$785,143
5	Mosier Deep Water Supply Well	Wasco	$917,238	$1,225,013
6	Beaver Creek Dam Fish Passage and Flow Restoration	Union	$600,000	$1,125,700
7	Sun Creek Restoration And Irrigation Efficiency	Klamath	$249,867	$552,734
8	Klamath East Side Water Recycling Project	Klamath	$268,673	$358,231
9	Kingsley Reservoir Expansion and Lowline Pipeline Project	Hood River	$3,000,000	$4,241,000
10	Coe Branch Pipeline And Efficiency Project	Hood River	$985,500	$1,871,390
11	Desolation Creek Natural Water Storage	Grant	$361,709	$504,319
12	Painted Hills Reservoir Expansion	Wheeler	$530,965	$801,079
13	Morrow Regional Water Recycling And Reuse Project	Morrow	$10,094,422	$35,030,968
14	Jetty Creek Fish Passage Restoration	Tillamook	$56,050	$618,607
15	Powder Valley Connector	Union	$1,076,000	$1,440,000
16	Clackamas Water Conservation and Lower Milk Creek Restoration Projects	Clackamas	$300,000	$459,695
17	Dallas Water Storage	Polk	$96,910	$139,461
18	Little Butte Creek Conservation And Quality Improvement	Jackson	$149,330	$569,600
19	West Fork Hood River Irrigation Conservation Development Project	Hood River	$2,557,000	$3,429,645
20	Haines Water System Compliance Project	Baker	$5,372,220	$7,262,169
21	Willakia Vineyard Reservoir Lining And Wetland Restoration	Yamhill	$152,875	$219,195

22	Madras Agricultural Water Efficiency And Reuse	Jefferson	$55,437	$75,887
23	Dog River Pipeline Replacement Project	Hood River	$4,000,000	$8,097,700
24	JDR Ranch Irrigation Efficiency Project	Sherman	$225,193	$300,258
25	Clackamas ASR Well	Clackamas	$1,500,000	$2,000,000
26	Chiloquin Water Supply and Metering Improvement	Klamath	$900,000	$1,200,000
27	Catherine Creek Wastewater Facility Improvements	Union	$2,300,000	$4,681,000
28	Dayton Water System Improvement	Yamhill	$1,940,627	$2,587,503
29	Vale Water System Improvement	Malheur	$5,305,000	$7,505,000
30	Fiddlehead Farm Irrigation Innovation	Multnomah	$25,304	$35,495
31	Umatilla Beneficial Reuse Phase 1	Umatilla	$2,248,344	$2,997,792
32	Allen Creek Pipeline	Crook	$382,400	$706,900
33	Hazelnut Drip Irrigation Project	Marion	$40,716	$54,288
34	Adrian Water System Improvement	Malheur	$1,029,600	$1,372,800
35	Tide Creek Rainwater Collection Project	Columbia	$10,500	$14,585
36	Greenhorn Water System Improvement	Grant	$187,500	$250,000
37	Mountain Line Replacement Project	Baker	$184,800	$308,618
Total			**$50,959,520**	**$97,773,404**

Attachment 4

Public Comments on TRT Ranking

Water Project Grants and Loans - 2016 Funding Cycle

From April 15, 2016 through April 29, 2016, the Water Resources Department solicited public comments on the Technical Review Team (TRT) ranking of applications for Water Project Grants and Loans funding. The Department received a total of 63 comments. The comments referenced 30 of the 37 applications. The table below provides an index of public comments, which are also attached in full.

Index of Public Comments

TRT Rank	Project Name	Comments Received	Commenter	Page No.
6	Beaver Creek Dam Fish Passage and Flow Restoration	1	WaterWatch of Oregon: Ms. Kimberley Priestley	48
7	Sun Creek Restoration and Irrigation Efficiency	2	The Nature Conservancy: Ms. Leslie Bach	44
			WaterWatch of Oregon: Ms. Kimberley Priestley	48
8	Klamath East Side Water Recycling Project	2	The Nature Conservancy: Ms. Leslie Bach	44
			WaterWatch of Oregon: Ms. Kimberley Priestley	48
9	Kingsley Reservoir Expansion and Lowline Pipeline Project	4	Mid-Columbia Economic Development District: Ms. Amanda Hoey	43
			The Nature Conservancy: Ms. Leslie Bach	44
			Oregon Water Resources Congress: Ms. April Snell	41
			WaterWatch of Oregon: Ms. Kimberley Priestley	48
10	Coe Branch Pipeline And Efficiency Project	4	Oregon Water Resources Congress: Ms. April Snell	37
			Mid-Columbia Economic Development District: Ms. Amanda Hoey	43
			The Nature Conservancy: Ms. Leslie Bach	44
			WaterWatch of Oregon: Ms. Kimberley Priestley	48
11	Desolation Creek Natural Water Storage	1		48
12	Painted Hills Reservoir Expansion	2	The Nature Conservancy: Ms. Leslie Bach	44
			WaterWatch of Oregon: Ms. Kimberley Priestley	48
13	Morrow Regional Water Recycling And Reuse Project	-		
14	Jetty Creek Fish Passage Restoration	1	WaterWatch of Oregon: Ms. Kimberley Priestley	48
15	Powder Valley Connector	1	WaterWatch of Oregon: Ms. Kimberley Priestley	48
16	Clackamas Water Conservation and Lower Milk Creek Restoration Projects	1	WaterWatch of Oregon: Ms. Kimberley Priestley	48

TRT Rank	Project Name	Comments Received	Commenter	Page No.
17	Dallas Water Storage	1	WaterWatch of Oregon: Ms. Kimberley Priestley.	48
18	Little Butte Creek Conservation And Quality Improvement	1	WaterWatch of Oregon: Ms. Kimberley Priestley.	48
19	West Fork Hood River Irrigation Conservation Development Project	1	WaterWatch of Oregon: Ms. Kimberley Priestley.	48
20	Haines Water System Compliance Project	1	WaterWatch of Oregon: Ms. Kimberley Priestley.	48
21	Willakia Vineyard Reservoir Lining And Wetland Restoration	-		
22	Madras Agricultural Water Efficiency And Reuse	1	WaterWatch of Oregon: Ms. Kimberley Priestley.	48
23	Dog River Pipeline Replacement Project	14	City of the Dalles: Mr. Dave Anderson	5
			Ms. Dawn Baird	22
			Ms. Teresa Hepker	23
			Ms. Wanda Kelsey	24
			Mr. Bob McFadden	25
			Mid-Columbia Economic Development District: Ms. Amanda Hoey	43
			Mr. John Nelson	26
			Ms. Michell Prunty	27
			Ms. Mary Sallee	28
			Ms. Kim Schafer	29
			City of the Dalles: Mr. Jim Schwinof	30
			Mr. Tom Tramontina	31
			Wasco County Economic Development Commission: Ms. Joan Silver	46
			WaterWatch of Oregon: Ms. Kimberley Priestley	48
24	JDR Ranch Irrigation Efficiency Project	1	WaterWatch of Oregon: Ms. Kimberley Priestley	48
25	Clackamas ASR Well	1	WaterWatch of Oregon: Ms. Kimberley Priestley	48

TRT Rank	Project Name	Comments Received	Commenter	Page No.
26	Chiloquin Water Supply and Metering Improvement	-		
27	Catherine Creek Wastewater Facility Improvements	1	WaterWatch of Oregon: Ms. Kimberley Priestley	48
28	Dayton Water System Improvement	-		
29	Vale Water System Improvement	-		
30	Fiddlehead Farm Irrigation Innovation	-		
31	Umatilla Beneficial Reuse Phase 1	1	WaterWatch of Oregon: Ms. Kimberley Priestley	48
32	Allen Creek Pipeline	1	WaterWatch of Oregon: Ms. Kimberley Priestley	48
33	Hazelnut Drip Irrigation Project	1	WaterWatch of Oregon: Ms. Kimberley Priestley	48
34	Adrian Water System Improvement	1	WaterWatch of Oregon: Ms. Kimberley Priestley	48
35	Tide Creek Rainwater Collection Project	-		
36	Greenhorn Water System Improvement	1	WaterWatch of Oregon: Ms. Kimberley Priestley	48
37	Mountain Line Replacement Project	1	WaterWatch of Oregon: Ms. Kimberley Priestley	48

UNGER Jon J

From:	Dave Anderson <danderson@ci.the-dalles.or.us>
Sent:	Friday, April 29, 2016 1:50 PM
To:	waterprojects
Subject:	Comments on City of The Dalles application - Dog River Pipeline Replacement Project
Attachments:	Letters of Support packet.pdf

Jon Unger, Grant Program Coordinator
725 Summer Street NE, Suite A
Salem, Oregon 97301

Dear Mr. Unger:

I am writing in support of the application for funding submitted by City of The Dalles for the Dog River Pipeline Replacement Project. More specifically, I want to emphasize certain benefits of this project. First, the existing pipeline is over 100 years old, made of wood, and leaking badly. Replacement of this pipeline will save up to 1 million gallons per day of water that is currently lost due to leakage. That is a significant conservation component of the project that will benefit the aquatic habitat of Dog River. Second, the existing pipeline is deteriorated, experiencing corrosion of the wire-wrapping that holds the pipe together, and at risk of catastrophic failure. Since the pipeline currently carries over half of the total annual water supply for the City, it is a critical piece of infrastructure that cannot be allowed to fail. If it does, the safe and reliable water supply upon which City residents and all community industries rely will be lost. The social benefits that are at risk include public health, economic vitality of businesses and industries, and jobs.

I have taken this opportunity to resubmit 15 letters for support for funding of this project. As can be seen from the broad range of supporters, including state and federal agencies, the project is anticipated to provide important environmental, economic, and social benefits. The environmental benefits include reduced water leakage thereby diverting less water and enhancing stream flows, the provision of fish passage and screening facilities, and stream habitat enhancement and protection through construction of a forest roadway stream crossing improvement. Economic benefits include improving the reliability and preventing potential loss of the majority of the City's municipal water supply needed by citizens, businesses and industries, avoiding the higher cost of emergency replacement in case of pipeline failure, and maintaining affordability of water rates that are already well above state averages. Social benefits include maintaining access to adequate quantities of safe drinking water for protection of public health without having to purchase much more expensive bottled water, and water utility rate control; both of these issues most greatly benefit lower income residents. I would also take this opportunity to remind application reviewers that The Dalles has a population with mean household incomes below the poverty level which, at 15%, is higher than the state average.

I would also like to comment on the application review and comment process. I have not been able to find any information being posted that relates to the scoring of the applications, only the TRT rankings. Without access to the scoring information, it is difficult to provide specific useful comments that could address identified or perceived deficiencies in an application and improve scoring. I strongly believe that scoring information should be available to assist commenters in addressing important, possibly poorly-understood, issues related to an application.

Related to a second "process" issue, it is stated on the website that the "Department anticipates the Water Resources Commission (Commission) will reserve a portion of the $14 million for a second funding cycle". If this occurs, I strongly encourage the Department to provide scoring information to the applicants that are unsuccessful in 2016 and that they will have an opportunity to strengthen their applications and re-apply in 2017.

In closing, I strongly urge that the ranking of the critically important Dog River Pipeline Replacement Project, with its many identified public benefits, be improved to the point where it receives funding as requested. Thank you for the opportunity to comment on the initial ranking of funding applications.

Respectfully submitted,

Dave Anderson
Public Works Director
City of The Dalles
1215 W 1st Street
The Dalles, OR 97058
(541) 506-2008

Oregon
Kate Brown, Governor

Department of Fish and Wildlife
The Dalles District Office
3701 West 13th Street
The Dalles OR 97058
541-296-4628
(fax) 541-298-4993

January 8, 2016

Oregon Water Resources Department
Jon Unger-Water Resources Grant Administrator
725 Summer St. NE, Suite A
Salem, OR 97301

Re: Support for Dog River Pipeline Replacement Project

Dear Mr. Unger:

The Oregon Department of Fish and Wildlife (ODFW) supports the City of The Dalles grant application for the replacement of the Dog River Pipeline. The current pipeline is over 100 years old, has considerable leakage issues, and the diversion is not equipped with a fish ladder, or fish screen. This project proposes replacing the pipeline, along with constructing an ODFW approved fish ladder and screen on the diversion.

The Dog River Pipeline diverts water from Dog River, a tributary to the Hood River, where it is ultimately used by the city of The Dalles in its municipal supply. The Hood River has four fish species that are currently listed as a threatened species under the Endangered Species Act (ESA). Diminished streamflow has been identified as a key limiting factor in the recovery of ESA fish throughout the Hood River Basin. Replacement of the leaking pipeline will increase spring and early summer streamflow in Dog River up to 1.5 cubic feet per second. Additionally, water from the Dog River diversion augments streamflow in Mill Creek, which is critical habitat for ESA threatened Middle Columbia steelhead. Stream flow is also limited in Mill Creek, and any increased flow provides a benefit to the aquatic environment.

There are several miles of miles of occupied fish habitat for resident cutthroat trout upstream of the current diversion for the Dog River pipeline. The current diversion structure for the pipeline on the Dog River is not equipped with a fish screen, to prevent fish from being entrained in the pipeline, or any type of fish ladder to allow fish passage around the diversion structure. This project proposes building a fish ladder and fish screen, which prevent fish from being entrained into the pipeline, and will permit volitional passage around the diversion. This will provide a significant benefit to resident cutthroat trout residing in Dog River.

Implementation of this project has potential to provide substantial benefits to fisheries resources in the Hood River Basin, Dog River, and Mill Creek. The ODFW supports this proposal, and urges the Oregon Water Resources to consider this project for grant funding.

Sincerely,

Rod A. French
Mid-Columbia District Fish Biologist

USDA United States Department of Agriculture | Forest Service | Mt. Hood National Forest

Barlow Ranger District
780 NE Court Street
Dufur, OR 97201
541-467-2291
FAX: 541-467-2271

File Code: 2710
Date: January 18, 2016

Dave Anderson
Director of Public Works
City of The Dalles
1215 West 1st Street
The Dalles, OR 97058

Dear Mr. Anderson,

The Mt. Hood National Forest, Barlow Ranger District, supports your effort to secure funding for replacement of the Dog River Pipeline through the Oregon Water Resources Department's Water Supply Development Account grant.

The Dog River pipeline is an important part of the water delivery system that starts on National Forest System lands. The City of the Dalles is a partner in maintaining the natural resources and infrastructure on the National Forest that provides over 70% of the drinking water to the residents living in The Dalles.

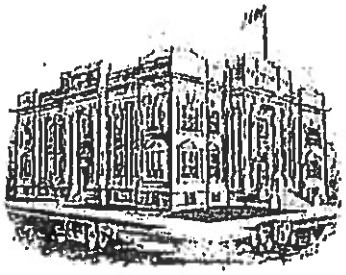
Within the current special use permit, the City of The Dalles is authorized to maintain and improve the infrastructure on National Forest System lands. In regard to the Dog River Pipeline, the City continues to work with the Mt. Hood National Forest to complete the necessary environmental review to replace the pipeline. The National Environmental Policy Act (NEPA) review is scheduled to be completed by September 2016. Once the review is completed, the City will be authorized to complete the necessary improvements to pipeline.

If you have any questions or would like to discuss this matter further, please contact me at (541) 467-5101.

Sincerely,

KAMERON C. SAM
District Ranger

cc: Mary Ellen Fitzgerald, Scott Kaden



WASCO COUNTY

Board of County Commissioners
511 Washington Street, Suite 302
The Dalles, Oregon 97058-2237
(541) 506-2520
Fax: (541) 506-2521

Rod Runyon, *Commission Chair*

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

January 14, 2016

To Whom It May Concern:

As Chair of the Wasco County Board of Commissioners, I support the City of The Dalles' plan to replace the antiquated wooden Dog River Diversion Pipeline which currently supplies 54% of the water to over half the population and the vast majority of businesses in Wasco County. Not only would a replacement line stabilize the water supply for our citizens but it would also support the retention and development of businesses in the County's business/industrial center. In addition, the project would enable an increase of 280 acres of industrial property which would in turn create 200-500 jobs; not to mention the higher-wage jobs created by the project itself.

Dog River Pipeline loses an estimated one-million gallons of water per day – water that would remain in the East Fork Hood River and Hood River to the benefit of the fish populations. The City's plan to replace the wooden pipeline with ductile iron pipe includes the voluntary installation of fish screens and possibly upstream fish passage structures where none currently exist, further benefiting the local aquatic habitat.

Finally, the median income in The Dalles is 11% lower than the state average, with 15% of the households below the poverty level and yet pay above-average water rates. This population cannot bear the burden of the rate increases that would be required to pay for this project without grant funding.

I urge you to approve the City of The Dalles funding application for this vital project.

Sincerely,

Rod Runyon
Commission Chair
Wasco County Board of Commissioners

PORT OF THE DALLES

January 14, 2016

Dave Anderson, Public Works Director
City of The Dalles
Public Works Department
1215 West First Street
The Dalles, OR 97058

RE: Dog River Pipeline Replacement Project

Dear Dave:

The Port of The Dalles strongly supports the City of The Dalles' grant application to replace and improve the Dog River pipeline.

The City of The Dalles has continuously been a strong supporter and partner with the Port in our economic development efforts, and the City's ability to provide an adequate supply of clean water has helped the Port recruit new business to The Dalles. Just this week the Port of The Dalles received our Industrial Site Certification letter from the State of Oregon for our new 60A development, a major component of the certification addresses available and reliable capacity of the infrastructure to the site. Because the Dog River pipeline supplies a majority of the municipal water for the City, its functionality and reliability are very important to the Port, both to our existing businesses, as well as for efforts to recruit new businesses.

Thank you for your effort in this.

Sincerely,

Andrea Klaas, Executive Director

3636 Klindt Drive, The Dalles, OR 97058 | Toll Free: 800.901.7678 | Ph: 541.298.4148 | Fax: 541.298.2136 | portofthedalles.com

OREGON CHERRY GROWERS

January 14, 2016

City of The Dalles
Department Public Works
Dave Anderson, Public Works Director
1215 West 1st Street
The Dalles, Oregon 97058

Dear Dave,

Oregon Cherry Growers is a Grower owned food processing cooperative with 2 operating Plants located in The Dalles. We produce fruit products that are sold throughout North America and the world. Our business has been operating in The Dalles for over 80 years and is a crucial part of the local and regional cherry industry. We are also one of the top 10 private employers in Wasco County.

Our business requires a reliable and affordable source of clean potable water for us to be able to produce our food products. Water is a key part of our food processing systems for both storage of our raw fruit and processing of our fruit into our finished food products.

The Dog River Pipeline Project would help to ensure that we can continue having the reliable, year round water supply we depend on being available to conduct our business. It would also help to support the continued economic development of our community by allowing business' like Oregon Cherry Growers to continue to grow and prosper. The environmental benefits for fish populations and social benefits to the people of The Dalles also align this project with our company values.

Oregon Cherry Growers fully supports the construction of the Dog River Pipeline Project.

Sincerely,

Marty Hutchinson | Plant Manager - Riverside
(W) 541-506-7760
P.O. Box 1577, 801 W 1st St, The Dalles, Oregon 97058

OREGON CHERRY GROWERS INC
http://www.oregoncherry.com | http://www.oregoncherryonline.com

Sustaining the family farms of our co-op members by returning optimum value for their fruit.

Economic Development Commission

January 14, 2016

Tom Byler
Director
Oregon Water Resource Department
725 Summer St. NE Ste A
Salem, OR 97301

Subject: City of The Dalles—Dog River Pipeline Replacement Project

Dear Mr. Byler:

The Wasco County Economic Development Commission (EDC) strongly supports the City of The Dalles in its efforts to replace the over 100 year old wooden pipe that provides access to the majority of the water used in the City's water system. This project is necessary to support a strong community and economy in the City of The Dalles and throughout Wasco County.

The City of The Dalles is the largest in Wasco County, with approximately 14,500 residents currently, and the vast majority of industrial and commercial development in the County. It is the commercial hub for the Mid-Columbia region as well. In order to support existing businesses and residents, a forward looking solution that addresses this failing infrastructure is needed. Addressing the significant leakage, concerns around catastrophic failure of the current pipeline, and adding additional capacity will ensure that the water system in The Dalles remains viable into the future.

This project-and your grant investment-will have significant positive impacts in Wasco County and the region. It will accommodate the use of approximately 280 acres of to-be-developed industrial land where an efficient and reliable water system is needed for business investment. It will provide a more efficient use of our limited water resources that leaves additional in-stream flow that is desperately needed in Dog River and the East Fork of The Hood River in the Hood River Valley. Grant investment will also ensure that water rates remain relatively affordable for the significant low income population in The Dalles' rate payer base.

The EDC is a body made up of representatives throughout Wasco County and is focused on supporting community capacity and job creation. We appreciate your consideration for the City of The Dalles' application and encourage funding the project.

Sincerely,

Joan Silver

Joan Silver, Chair

515 East Second Street The Dalles, OR 97058 ♦ 541-296-2266 ♦ www.co.wasco.or.us/county/wcedc

January 19, 2016

Dave Anderson
Public Works Director
City of The Dalles
1215 West First Street
The Dalles, OR 97058

RE: Letter of Support for the City of the Dalles Dog River Pipeline Project

Dear Mr. Anderson:

The Mid-Columbia Council of Governments (MCCOG) is pleased to submit this letter of support for the City of the Dalles Dog River Pipeline Project. The wooden pipeline that is currently transmitting over half of the City's water is very old and inefficient. With the current drought conditions in not only the State of Oregon, but the entire country, the City of the Dalles can no longer operate a pipeline that is not operating at its peak efficiency. All we need to do is to look at the current conditions in Flint, Michigan and know that our water systems must be 100% safe for our residents.

An inefficient pipeline is also a costly operational problem. The City of the Dalles is a city with 15% of its households below the poverty level for the state, as well as 18% of its residents are senior citizens on fixed incomes. They cannot afford rate increases by the City of the Dalles to continue to maintain and operated a century-old, inefficient pipeline

The City of the Dalles wants to create jobs, opportunity, and promote the goal of sustainable resources. The Dog River Pipeline Project meets this goal because of its focus on water reduction and efficient use of resources. For the sake of the safety of the water system and continued conservation of our most precious resource, our water, MCCOG is firmly in support of this project. Thank you.

Sincerely,

Bob Francis
Executive Director

Mid-Columbia
MCEDD
ECONOMIC DEVELOPMENT DISTRICT

January 14, 2016

Tom Byler
Director
Oregon Water Resource Department
725 Summer St. NE Ste A
Salem, OR 97301

Subject: City of The Dalles—Dog River Pipeline Replacement Project

Dear Mr. Byler:

We are writing to express Mid-Columbia Economic Development District's (MCEDD) support for the City of The Dalles' Water Supply Development Account grant request for the Dog River Pipeline Replacement Project.

The City of The Dalles is the largest city in the Mid-Columbia, with approximately 14,500 residents, and the vast majority of industrial and commercial development in Wasco County. It is the commercial and service hub for the Mid-Columbia region as well. In order to support existing businesses and residents, a forward looking solution that addresses this failing infrastructure is needed. The Dog River Pipeline Replacement Project addresses these severe infrastructure concerns that affect over half of the City's water supply.

Completion of this project will have several significant impacts on The Dalles, and the region as a whole. It will allow for additional business investment in the over 280 acres of industrial land available for development in The Dalles, which makes up a large portion of the region's relatively constrained industrially zoned land. This project will also have positive impacts in Hood River County by addressing the current leakage of over 1 million gallons per day it ensures that our limited water resources are efficiently used and provides an opportunity for needed in-stream flow to increase in Dog River and the East Fork of the Hood River.

MCEDD annually publishes the Mid-Columbia's Comprehensive Economic Development Strategy (CEDS) that provides the framework for our work to support a strong regional economy. The CEDS identifies developing and maintaining municipal water supplies as essential to the creation of economic opportunity in the Mid-Columbia. With this in mind, we appreciate your consideration of The City of The Dalles' application and encourage funding the project.

Sincerely,

Amanda Hoey, Executive Director

North Wasco County School District No. 21
Office of the Superintendent

January 13th, 2016

Oregon Water Resources Department
Water Supply Development Account grant

To Whom It May Concern:

This is a letter of support for The City of The Dalles request for a grant to help complete the ***Dog River Pipeline Replacement Project***. The current pipeline is over one hundred years old and relies on antiquated wooden infrastructure. The Dog River Pipeline currently carries about 54% of the City's annual municipal water supply. This pipeline has deteriorated, is leaking, and at serious risk of catastrophic failure. It is estimated that approximately 1 million gallons per day of water leaks from the current wooden structure at high flows.

The project will replace the aged wooden pipeline with a ductile iron pipe and the project will voluntarily install fish screens on the pipeline intake and likely install upstream fish passage structures where none currently exist in Dog River. The pipeline is located on US Forest Service property and authorized through a Special Use Permit. Through this project, ***the capacity of the pipeline will be increased from 8 million gallons per day to 17 million gallons per day to meet future municipal water demands.***

This project is vital to our economy and to livability within our community. If the pipeline fails, the City loses half of its annual water supply. The environmental benefits of this project include eliminating the leakage, allowing up to 1 million gallons per day to remain in Dog River which then flows in to the East Fork Hood River and Hood River additionally benefiting the fish populations in those stream systems. It will also augment stream flows in South Fork Mill Creek which supports one of the easternmost runs of indigenous winter steelhead trout, a species listed as *"threatened"*, in the Columbia River Basin. The augmented segment of South Fork Mill Creek is the best spawning/rearing habitat in the Mill Creek system.

This project will also benefit low-income residents by providing continued access to high quality affordable water supplies provided by the City's municipal water system. Approval of this funding request especially benefits the lower-income residents since any grant funds awarded are monies that don't need to be provided by rate payers. Currently, The Dalles has higher water rates being paid by a population with a higher percentage of minorities and lower income residents as compared to state averages, therefore a greater financial burden for all residents. Approval of this funding request will help mitigate future water rate increases that directly benefit all residents, and especially our low-income community.

For all of the above reasons, North Wasco County School District 21 is very supportive of this request and hopeful *The Oregon Water Resources Department* will fund this project.

If you have any questions, please feel free to contact me directly at 541.506.3420.

Sincerely,

Candy Armstrong, Superintendent
North Wasco County School District 21

3632 West 10th Street • The Dalles, OR 97058
541-506-3420 • Fax 541-298-6018
www.nwasco.k12.or.us

MCMC A PLANETREE HOSPITAL

1700 E 19th St.
The Dalles, OR 97058
Tel. 541-296-1111
Fax 541-296-7600
www.mcmc.net

January 18, 2016

To Whom It May Concern:

I would like to personally offer my support for The City of The Dalles and the proposed Dog River Pipeline Replacement Project.

As President and CEO of the hospital here in The Dalles, I am very invested in not only the structural efforts of this revitalization project, but the economic and environmental benefits as well. The current wooden pipeline is in great need of repair not only for safety reasons, but to recapture the high level of valuable resources that are currently leaking from this structure at a high volume rate.

Our city and local governments have dedicated countless hours and resources to make this project a reality and I encourage you to approve this grant application on their behalf.

Sincerely,

Duane W. Francis
President & CEO

THE DALLES MAIN STREET

thedallesmainstreet.org

Dave Anderson
City of The Dalles Public Works
1215 West First Street
The Dalles, OR 97058

Re: Dog River Pipeline Replacement Project

Dear Dave,

The Dalles Main Street Organization expresses strong support for The City of The Dalles application for a Water Supply Development Account Grant from the Oregon Water Resources Department (WRD) to help fund the replacement of the Dog River Diversion Pipeline.

The Dalles Main Street Organization is a 501©3 nonprofit that uses a National 4-point approach, tremendous support from the community, and numerous volunteers to revitalize and preserve our historic downtown.

The Dog River Pipeline is a 100+ year old wooden water transmission pipeline which clearly needs replacement to secure an adequate and constant supply of water to the Downtown. The replacement is also needed to reduce water loss and leakage. Both points are of particular concern because of our location in a dry region, recent drought conditions, and because the Downtown expects significant development and expansion in the coming years and has already begun to see such expansion.

Downtown The Dalles has over 200 businesses that rely and expect access to high quality and affordable water supplies. Our Downtown is in the midst of revitalization and growth which will result in increased demand. The upgrade of the pipeline is absolutely required for the survival and growth of our downtown.

Sincerely,

Matthew Klebes
Executive Director

404 W 2nd St. The Dalles, OR 97058 | Tel: 541-370-2966 | Fax: 541-296-1688 | Email: tdmainstreet@gorge.net

NORTHERN WASCO COUNTY PUD

PEOPLE'S UTILITY DISTRICT

January 19, 2016

Oregon Water Resources Department

To whom it may concern,

Northern Wasco County People's Utility District (NWCPUD) supports the City of The Dalles (City) Dog River Pipeline Replacement Project. NWCPUD is the electrical service provider within the City limits and urban growth boundary and share the same customer base as the City.

The Dog River Pipeline Replacement Project is important needed infrastructure improvements to the 3.5 mile long, 100+ year old wooden transmission pipeline to ensure ample supplies of water to the City. This pipeline currently carries 54% of the City's annual municipal water supply and leaks approximately 1 million gallons of water per day at high flows.

The City, in replacing the pipeline, will provide environmental benefits by eliminating leakage, allowing water to remain in the stream systems, voluntarily install fish screens on the intake and upstream fish passage structures where none currently exist.

The City has a higher population of Hispanic (17%) and residents over the age 65 (18%) as compared to the State of Oregon averages of 12% and 14% respectively (2010 Census) and median household income for The Dalles is $44,465 compared to the statewide average of $50,251 (2013 data). Approval of this funding request will especially benefit the lower-income residents of the City as this will offset any needed rate increases and decrease the financial burden for those that can least afford it.

Again NWCPUD supports the Dog River Pipeline Replacement Project and is necessary for ongoing benefit and future growth to the community.

Thank you,

Roger M. Kline
General Manager
Northern Wasco County PUD
(541) 296-2226

Public Health
Prevent. Promote. Protect.

NORTH CENTRAL PUBLIC HEALTH DISTRICT

"Caring For Our Communities"

419 East Seventh Street
The Dalles, OR 97058-2676
541-506-2600
www.ncphd.org

January 15, 2016

To Whom It May Concern:

As the Health Officer for North Central Public Health District, I am in strong support of the city of The Dalles' application for an Oregon Water Resources Department grant to aid funding the replacement of the Dog River Pipeline. North Central Public Health District serves Wasco, Sherman and Gilliam Counties. The vast majority of residents of Wasco County live in the greater The Dalles area.

In public health, we are committed to ensuring the health and safety of all the residents in our jurisdiction. Having a reliable, safe water supply is essential for the health of any community. The current pipeline, which is over 100 years old, carries more than half of The Dalles' municipal water supply. This pipeline is leaking, and at risk for complete failure. Disruption of the water supply to a city can lead to public health catastrophes.

The proposed project will eliminate the aged pipeline with a ductile iron pipe. This will correct the current leakage of approximately 1 million gallons per day (MGD) of water, and increase the capacity of the pipeline from 8 MGD to 17 MGD, to meet future water demands.

The award of the requested grant will be a direct benefit to the residents of The Dalles, many of whom are elderly and living on fixed incomes. Our residents already have higher than average water utility rates, despite the median household income in The Dalles being below the state average.

Without support from the Oregon Water Resources Department, those most vulnerable in The Dalles will see further utility rate increases. This will cause an additional strain on those already struggling to care for their families and themselves.

Thank you for consideration of the grant application. Please contact me if I can be of further assistance.

Sincerely Yours,

Miriam D. McDonell, MD, FACOG
Health Officer, North Central Public Health District
Medical Examiner, Wasco County & Sherman County
mimim@co.wasco.or.us

PEOPLE • PARKS • PROGRAMS

NWC PARKS & RECREATION DISTRICT

January 15, 2016

RE: Dog River Pipeline Replacement Project

To Whom It May Concern:

Northern Wasco County Parks & Recreation District is pleased to support the City of The Dalles in their application for the Water Supply Development Account grant for the Dog River Pipeline Replacement Project. The funding of this project will continue to allow the City of The Dalles to provide access to high quality water for the citizens of The Dalles through replacement of a century old wooden water pipeline.

Northern Wasco County Parks & Recreation District is responsible for operating parks, trails, and recreation facilities for the citizens of The Dalles. We recently opened a new 50 meter outdoor pool and aquatic center to the public and rely heavily on the City of The Dalles municipal water system to consistently supply water for our operational use. A failure of the Dog River Pipeline could significantly impact our ability to provide clean and safe facilities for the citizens of The Dalles and the surrounding community. The project will positively impact our local economy and provide environmental benefits to our watershed and habitat through the elimination of up to one million gallons of water loss per day.

I hope you will strongly consider The City of The Dalles grant request. Please feel free to contact me with any questions.

Warmest Regards,

Phil Lewis, CPRP | Executive Director
Northern Wasco County Parks & Recreation District
541-296-9533
phil@nwprd.org

THE DALLES AREA
CHAMBER OF COMMERCE
The Dalles. Simply Sensational.

January 19, 2016

Tom Byler
Director
Oregon Water Resource Department
725 Summer St NE Ste A
Salem OR 97301

Subject: City of The Dalles – Dog River Pipeline Replacement Project

Dear Mr. Byler:

We are writing to express The Dalles Area Chamber of Commerce's (TDACC) Support for the City of The Dalles' Water Supply Development Account grant request for the Dog River Pipeline Replacement Project.

The City of The Dalles is the largest city in the Mid-Columbia, with approximately 14,500 residents with the majority of the industrial and commercial development in Wasco County. It is truly the commerical and service hub for the Mid-Columbia region as well. In order to support existing businesses and residents, a solution that addresses this failing infastructure is needed. The Dog River Pipeline Replacement Project addresses these server infastructure concerns that affect over half of the City's water supply.

Completion of the project will have several impacts on The Dalles and our region as a whole. It will allow for additional business investment in the over 280 acres of industrial land available for development in The Dalles, which makes up a very large portion of the region's industrially zoned land that is relatively constrained.

As the Chamber for The Dalles area we are always in support of improvements that will help our appeal, functionality, and efficiency for relocation of individuals and businesses!

Sincerely,

Lisa Farquharson
President / CEO

The Dalles Area Chamber of Commerce ◆ 404 West 2nd Street ◆ The Dalles, Oregon 97058
541-296-2231 . 800-255-3385 . (fax) 541-296-1688

UNGER Jon J

From: Dawn Baird <dawn12359@gmail.com>
Sent: Tuesday, April 26, 2016 4:02 PM
To: waterprojects
Subject: The Dalles Waterline Project

Dear Mr. Unger,

I am writing to urge you to help The Dalles waterline project get funded. With the scarcity of water on the east side of the mountains, we cannot afford to lose a million gallons of water per day!

The line is over 100 years old and is made of wood. I encourage you to do everything possible to help the citizens of The Dalles with this project!

Thanks very much for your effort.

Sincerely,

Dawn Baird
950 Pomona St. W #169
The Dalles, OR 97058
541-993-4670

UNGER Jon J

From: Teresa Hepker <tchepker@gmail.com>
Sent: Wednesday, April 27, 2016 7:10 PM
To: waterprojects
Subject: The Dalles water grant application

The Dalles gets half its water from a 100 year old wooden pipeline that could fail any day, and leaks millions of gallons a month. Please give this grant application the highest priority.

Teresa Hepker

UNGER Jon J

From: wanda kelsey <wack1956@gmail.com>
Sent: Wednesday, April 27, 2016 8:36 PM
To: waterprojects
Subject: Funds for infrastructure improvements

Dear Jon Unger ,
I understand that the city of The Dalles, Oregon is being considered for a grant for funds for infrastructure improvements. I would just like to give my support and hope that we are seriously considered for these funds. As we have an 100 year old wooden stave pipe that is leaking about 1 million gallons of water a day. This is a risk of catastrophic failure and needs to be fixed. So please consider the city of The Dalles when deciding where to allot your funds. Thank you.
Wanda Kelsey
The Dalles. Oregon
Sent from my Fire

UNGER Jon J

From: Bob McFadden <bobinthedalles@gmail.com>
Sent: Wednesday, April 27, 2016 1:47 PM
To: waterprojects
Subject: Comment on 2016 Funding Cycle Dog River Pipeline project
Attachments: PastedGraphic-1.tiff

I am submitting these comments in hope that it will raise awareness of the criticality of the City of The Dalles Dog River Pipeline project.

The Dog River pipeline was put into the ground over 100 years ago. It provides somewhere between 53-54% of the water needs of the city. It has been a priority project for more than 20 years. The loss of the pipeline through catastrophic failure would place serious stress on the water delivery system and would have a tremendous adverse reactions socially, culturally, and economically.

The leakage factor alone of approximately 1 million gallons a day would, if it were in a visible state, be cause for emergency action.

The project has matching funds from the city. A continuous source of water is a critical piece of the marketability of the Port of The Dalles property.

Bob McFadden
Principal Broker
Copper West Properties
President
Port of The Dalles Commission
BobInTheDalles@gmail.com
541-340-1900

UNGER Jon J

From: John Nelson <auroearth@icloud.com>
Sent: Thursday, April 28, 2016 3:20 PM
To: waterprojects
Cc: Izetta F. Grossman
Subject: Dog River Pipeline Replacement Project

Jon Unger, Grant Program Coordinator

Dear Sir,

I would like to make comment on the Dog River Pipeline Replacement Project. The present pipeline was constructed over 100 years ago. This pipeline supplies more than 50 % of the City of The Dalles' water supply. It is an important, if not critical component of our fresh water supply system. When originally built the pipeline was constructed with wooden pipe. After more than 100 years leaks have developed and have over the years been patched and repaired. This pipeline has served us well, but now is the time to build a new line which will have greater capacity to carry fresh water to our city. The old line is now failing. It is continually developing new leaks and has reached the point considered to be critical and in need of replacement. The pipeline now leaks approximately one million gallons per day in the spring. This is not good for the environment and is extremely wasteful.

The good thing about the timeliness of proposed Dog River Pipe Replacement is that the City of The Dalles presently has the matching funds necessary to move forward with this project's construction. I urge you to place this project at the top of your list of worthy and urgent projects to be addressed in this grant cycle.

Thank you for your consideration,

John Nelson
Board member of The Dalles Watershed Council City of The Dalles Planning Commissioner

UNGER Jon J

From: Michell Prunty <michell.prunty@gmail.com>
Sent: Tuesday, April 26, 2016 9:50 PM
To: waterprojects
Subject: The Dalles Project Grant Request

Mr. Unger,

I am writing to urge you to act on The Dalles Project. Our infrastructure project, The Dog River line, is deteriorating rapidly and leaking 1,000,000 gallons of water per day. Considering it transfers over half of the city's water, if it fails, it will be catastrophic. As is, the city has been unable to keep up with the required infrastructure improvements on it's own, and as a result our current water and sewer bill is already the highest in the state, 58% higher than the average bill.

I am a local real estate agent and property manager, and the current stress on the local population can be seen everywhere. With an assist from your grant program, Mr. Anderson has said we can get approval for a new line this fall. From reading over their plans, it sounds like they've paid specific attention to the local environmental needs in addition to the line, with an eye to conservation for the local environment. Overall, this is a basic project that our city needs and is overall well thought-out.

Thank you for your consideration!
-Michell

Michell Prunty
Realtor, Katie Henry Real Estate
Mobile: **541-250-2402**
Email: michell.prunty@gmail.com

Connect with me on Linkedin

UNGER Jon J

From: Mary Sallee <2008sallee@gmail.com>
Sent: Wednesday, April 27, 2016 9:20 AM
To: waterprojects
Subject: Grant Support: The Dalles Project

Dear Mr. Unger,
I am writing you as a result of a recent article I read regarding the water conditions in my town of The Dalles. I read the article in our local paper just over 15 minutes ago, and felt compelled to write you. I urge you to award grant money to fix the Dog River line. I fear that without needed repairs, the town will lack sufficient water for our residents.

The most shocking data I can reiterate are the following points:
-The current pipeline is 100 years old and made of wood, leaking about 1 million gallons of water a day (during peak usage).
-This pipeline provides approximately 54% of the total water for the city, failure of which would create emergency situations for the general population.

(Information taken from: The Dalles Chronicle, "Boost City Project Rank", Published April 26, 2016)

I implore you to take immediate action on The Dalles project and consider the population which depends upon this pipeline. If I can do anything to help speed this process, please let me know.

Sincerely,

Mary Sallee
2222 E 13th Street
The Dalles, OR 97058

UNGER Jon J

From: Kim Schafer <Kim.Schafer@Airgas.com>
Sent: Wednesday, April 27, 2016 2:36 PM
To: waterprojects
Subject: Water project funding

Dear Commissioners,

Please give The Dalles watershed pipeline replacement project a greater need rating than some of the other requesting statewide projects.
As you know, this water shed is a primary source of water for The Dalles and it is a gravity fed source of water that is being wasted if the pipeline is not replace.
A new replacement line will keep our water department from having to use the well water and pumps during the summer and fall months.
I understand that our local officials have secured funding for most of this project. We just need your ok to proceed and to get this on track for the next construction cycle for the watershed area.

Thank-you,
Kim Schafer Inside Sales
Kim.Schafer@Airgas .com
The Dalles W213 541-296-5466
2007 W 2nd St , The Dalles, Or 97058

UNGER Jon J

From: Jim Schwinof <jschwinof@ci.the-dalles.or.us>
Sent: Friday, April 29, 2016 11:58 AM
To: waterprojects
Subject: Water Project Grants Public Comment

I would like to ask the Oregon Water Resource Department to reconsider the ranking of the Dog River Pipeline Replacement Project which currently sits at the 23rd position. This pipeline needs to be replaced before catastrophic failure occurs which would substantially increase replacement costs and have a substantial effect on the water supply to our community. Currently the 100 year old pipeline is losing approximately 1 million gallons each day due to the failing integrity of the pipe. The rate payers in this community, who are paying higher than average water rates, have raised one half of the money for this project, even though the average income is 15% below the poverty level.

So, please reconsider the priority of this project as you consider the overall impact to the community of The Dalles.

Thank you.

Jim Schwinof
Development Inspector/Project Manager
City of The Dalles
313 Court Street
The Dalles, OR 97058
(541) 296-5481 ext. 1131
(541) 288-6386 (mobile)
jschwinof@ci.the-dalles.or.us

UNGER Jon J

From: Tom Tramontina <tramontt638@hotmail.com>
Sent: Thursday, April 28, 2016 8:41 AM
To: waterprojects
Subject: Public Comment - DOG RIVER PIPELINE REPLACEMENT PROJECT

Attn.: Jon Unger, Grant Program Coordinator

I am writing in support of the request by the city of The Dalles for a grant to fund a portion of the ***Dog River Pipeline Replacement Project,*** as both a water rate payer and a payer of taxes at both the state and federal level. The 3.5 mile long water line to be replaced transfers about 54% of the water utilized by the city's customers from Dog River to the South Fork of Mill Creek. The pipeline is of wood stave construction, more than 100 years old (well beyond its service life), and loses an estimated 15% of the water passing through it due to leakage. Using 2014-15 data, the annual water loss would amount to approximately 126 million gallons.

The project will replace the deteriorated wooden pipeline with 24" ductile iron pipe having an expected service life of 100 years and an increase in capacity from the current 8 million gallons per day to 17 million gallons per day to meet future needs. Replacement of the line will stop unintended water loss meaning more water will remain in the stream for habitat needs in Dog River and East Fork of the Hood River.

The total project cost is $8,097,700 so the local match for the project is slightly greater than 50%.

For reasons discussed above I am supportive of this grant request and hopeful the Oregon Water Resources Department will fund this project.

Sincerely,

Tom Tramontina
P.O. Box 1157
The Dalles, OR. 97058

Sent from Mail for Windows 10

CITY OF BEND

710 NW Wall Street
PO Box 431
Bend, OR 97709
541-388-5505 TEL
Relay Users Dial 7-1-1
541-385-6676 fax
bendoregon.gov

Jon Unger, Grant Program Coordinator
725 Summer Street NE, Suite A
Salem, Oregon 97301
503.986.0869
waterprojects@wrd.state.or.us

Date: April 25, 2016

SUBJECT: LETTER OF SUPPORT, TUMALO IRRIGATION DISTRICT, **TUMALO FEED CANAL PHASE 5**

Dear Mr. Unger:

As OWRD is aware, the City of Bend and Tumalo Irrigation District (TID) share a key resource, the water produced within the Tumalo Creek Watershed (the City diverts high quality drinking water from Bridge Creek, a tributary of Tumalo Creek). We are also one of the largest patrons of TID, and have been partnering on matters relating to this watershed since 1926. We have seen TID become a leader in voluntary water conservation efforts, beginning with joint efforts as a result of the April 1986 City of Bend—Deschutes County River study that led to elimination of the leaky Columbia Southern diversion high up the Tumalo Watershed, to the recent series of Bend Feed and Tumalo Feed Canal Piping and conservation Projects (CW-9, CW-37 and others). We support their long term plans of piping their entire district!

We understand Tumalo Feed Canal Phase 5 will pipe over 1 mile of open leaky canal, and estimates an additional 3.22 cfs of permanent instream transfer, which includes 1.8 cfs in Tumalo Creek and 1.39 cfs to the Little Deschutes River. We understand that 100% of the water will be protected instream through a new senior water right held by the state.

We believe this project to be a perfect example of the type of project the Water Supply Development Account, established by Senate Bill 839 (2013) to fund Water Project Grants and Loans, is designed to support -- the development of water resource projects having economic, environmental and community-social-cultural benefits.

Our City Council has restated its commitment to restoration of Tumalo Creek by adopting an updated 2016 Council goal of "*Protecting natural resources to sustain Bend's high quality of life*", with a key objective of restoration of Tumalo Creek. The use of these funds will allow yet another phase of this goal to be met. The City supports this project and use of state funds.

The City will continue to work cooperatively on a variety of other joint stewardship projects to further the goals for restoring Tumalo Creek, and ultimately removing it from current listings from the EPA's 303(d) list for temperature. An achievable goal that is within reach, which this project will help achieve. We thank the state for developing this fund and acknowledging the community support for this project.

Should you have any questions on this letter of support, please call.

Sincerely,

CITY OF BEND

Eric King,
City Manager, City of Bend

TROUT UNLIMITED
DESCHUTES CHAPTER #552

Jon Unger, Grant Program Coordinator
725 Summer Street NE, Suite A
Salem, Oregon 97301
503.986.0869
waterprojects@wrd.state.or.us

To Whom it May Concern:

Deschutes Chapter 552 of Trout Unlimited strongly supports Tumalo Irrigation District's Phase V piping project on its Tumalo Feed Canal. Remarkable progress has been made in restoring instream flows in Tumalo Creek since the 1990s, when reach B would regularly run dry during the irrigation season. TID piping projects also contribute to improved flows in Crescent Creek, of significant value for the ESA listed *Oregon Spotted Frog.*

In addition to improving instream flows in Tumalo Creek directly, increasing number of studies have validated the priority to be place on restoring Tumalo Creek cold inflows to the Middle Deschutes, as detailed in the TID application, for both water quality and fisheries of the middle Deschutes.

The benefits of phase V piping go beyond the direct benefits. Completion of piping in the Tumalo Feed Canal will allow piping of lateral canals within the district. While it is my understanding that current system improvement planning by TID will provide firm estimates of this value, preliminary estimates are that piping of laterals could provide a multiplicative factor for conserved water from phase V as well as provide energy conservation for TID patrons by allowing delivery of pressurized water.

I have been involved in Tumalo Creek and Middle Deschutes River issues for the past 5 years. I also serve on the Deschutes River Conservancy board and the Basin Study Work Group. I know of no other piping projects that provide so many direct benefits. Completion of canal piping in Tumalo Irrigation District should be a top priority for funding.

Sincerely,

Michael Tripp
President, Deschutes Chapter 552, Trout Unlimited.
mtripp@bendcable.com

Oregon Water Resources Congress

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

April 29, 2016

Jon Unger, Grant Program Coordinator
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 Tumalo Irrigation District's (TID) grant application for its Tumalo Feed Canal Phase 5 conservation project in Bend, Oregon. OWRC urges the Oregon Water Resources Department (WRD) to provide matching funds for this project from the Water Supply Development Account loan and grant program established under SB 839.

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 that include conservation, like the one being undertaken by TID.

In the 2013 Legislative Session, OWRC was part of the original coalition of diverse water stakeholders that successfully advocated for the passage and funding of SB 839 resulting in the Water Supply Development Account loan and grant program. Since its inception, OWRC has been highly engaged and supportive of developing a viable program that would give rise to a competitive application process that would attract the finest water projects our state has to offer. TID's Tumalo Feed Canal Phase 5 Project is exactly the type of conservation and efficiency effort OWRC and its partners imagined when we advocated for the passage of SB 839, and we believe it meets the fundamental intent behind that bill.

The Tumalo Feed Canal Project is a part an ongoing endeavor started by the district to pipe approximately six miles of open irrigation canal. Phase 5 will be the longest stretch piped, completing over one mile. Tumalo has been working to pipe the canal since 2005, and when completed it will conserve an estimated 20cfs, which is currently lost due to seepage and evaporation that occurs in open basalt based canals. Additionally, 100% of the water conserved will be returned and protected instream and is being incrementally certified as each phase of the project is completed.

TID's Tumalo Feed Canal piping 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 the broader population of Oregon. This project will greatly benefit the Deschutes Basin watershed, improving not only stream flows for key fish species but also habitat conditions for federally listed Oregon Spotted Frog. It will place valuable water instream and improve the quality and quantity of water in local rivers and streams.

This type of conservation 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, both instream and out of stream. Furthermore, this project will leverage other funding sources and help the Deschutes Basin continue to implement collaborative solutions.

OWRC wholeheartedly supports full funding of TID's grant application for its Tumalo Feed Canal Phase 5 project from the Water Supply Development Account loan and grant program. It is a wise investment that will yield numerous public benefits and is the caliber of project that was envisioned by the 2013 Legislature when the program was created. The project will expand innovative methods and technologies to conserve water, improve water quality, increase efficiency, benefit fish and other key species habitat, leverage other funding sources, and ensure that the needs of irrigated agriculture are still met. Thank you for your consideration of our comments.

Sincerely,
April Snell
Executive Director

Oregon Water Resources Congress

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

April 29, 2016

Jon Unger, Grant Program Coordinator
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 Middle Fork Irrigation District's (MFID) grant application for its Coe Branch Pipeline and On-farm Irrigation Efficiency project in Hood River, Oregon. OWRC urges the Oregon Water Resources Department (WRD) to provide matching funds for this project from the Water Supply Development Account loan and grant program established under SB 839.

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 that include conservation and efficiency, like the one being undertaken by MFID.

In the 2013 Legislative Session, OWRC was part of the original coalition of diverse water stakeholders that successfully advocated for the passage and funding of SB 839 resulting in the Water Supply Development Account loan and grant program. Since its inception, OWRC has been highly engaged and supportive of developing a viable program that would give rise to a competitive application process that would attract the finest water projects our state has to offer. MFID's Coe Branch Pipeline and On-farm Irrigation Efficiency project is exactly the type of conservation and efficiency effort OWRC and its partners imagined when we advocated for the passage of SB 839, and we believe it meets the fundamental intent behind that bill.

The Coe Branch Pipeline and On-farm Irrigation Efficiency project consists of two projects that will work together to address the districts water supply needs while also improving ecological function throughout the Hood River Basin. One project will increase efficiency by upgrading irrigation equipment on 200 acres of land, while the other project will create a pipeline that will route water diverted from Coe Branch to an already existing settling pond, where sand can settle out before the irrigation water is delivered. These projects will increase operational efficiency, improve irrigation water reliability, and leave an additional 1cfs of water in Clear Branch Dam and the Laurance Lake reservoir for fish habitat.

MFID's Coe Branch Pipeline and On-farm Irrigation Efficiency 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 the broader population of Oregon. It will keep valuable water in MFID's reservoirs adding both water quality and quantity benefits to the Hood River Basin. This will greatly benefit the watershed habitat and specifically it will improve rearing habitat for the only viable population of Bull Trout in the Hood River Basin.

This type of combined irrigation efficiency and conservation 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, both instream and out-of-stream. Futhermore, this project was one of several recommended actions from the recent Hood River Basin planning study which included broad stakeholder input and feasibility funding from WRD's Water Conservation, Reuse and Storage Grant Program.

OWRC wholeheartedly supports full funding of MFID's grant application for its Coe Branch Pipeline and On-farm Irrigation Efficiency project from the Water Supply Development Account loan and grant program. It is a wise investment that will yield numerous public benefits and is the caliber of project that was envisioned by the 2013 Legislature when the program was created. The project will expand innovative methods and technologies to conserve water, improve water quality, increase efficiency, benefit fish habitat, leverage other funding sources, and ensure that the needs of irrigated agriculture are still met. Thank you for your consideration of our comments.

Sincerely,
April Snell
Executive Director

Oregon Water Resources Congress

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

April 29, 2016

Jon Unger, Grant Program Coordinator
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 Fork Irrigation District's (EFID) grant application for its Highline Canal pipeline conservation project in Hood River, Oregon. OWRC urges the Oregon Water Resources Department (WRD) to provide matching funds for this project from the Water Supply Development Account loan and grant program established under SB 839.

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 that include conservation, like the one being undertaken by EFID.

In the 2013 Legislative Session, OWRC was part of the original coalition of diverse water stakeholders that successfully advocated for the passage and funding of SB 839 resulting in the Water Supply Development Account loan and grant program. Since its inception, OWRC has been highly engaged and supportive of developing a viable program that would give rise to a competitive application process that would attract the finest water projects our state has to offer. EFID's Highline Canal Pipeline Project is exactly the type of conservation effort OWRC and its partners imagined when we advocated for the passage of SB 839, and we believe it meets the fundamental intent behind that bill.

The Highline Canal Pipeline Project will pipe the 12,000 foot Highline Later diversion ditch. When complete this project will improve instream flows and water quality on the East Fork River; increase operational efficiency; and improve overall irrigation water reliability. Additionally, the project will result in a 0.5 cfs Conserved Water Allocation, which will directly benefit the stream reach below EFID's diversion, one of the best spawning and rearing habitats on the East Fork Hood River.

EFID's Highline Canal Pipeline 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 the broader population of Oregon. It will place valuable water instream and improve the quality and quantity of water in local rivers and streams in the Hood River Basin.

This project will greatly benefit the overall watershed habitat, specifically improving habitat conditions for threatened winter Steelhead, native populations of spring Chinook, and Coho salmon species. This type of conservation 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, both instream and out-of-stream. Futhermore, this project was one of several recommended actions from the recent Hood River Basin planning study which included broad stakeholder input and feasibility funding from WRD's Water Conservation, Reuse and Storage Grant Program.

OWRC wholeheartedly supports full funding of EFID's grant application for its Highline Canal Pipeline project from the Water Supply Development Account loan and grant program. It is a wise investment that will yield numerous public benefits and is the caliber of project that was envisioned by the 2013 Legislature when the program was created. The project will expand innovative methods and technologies to conserve water, improve water quality, increase efficiency, benefit fish habitat, leverage other funding sources, and ensure that the needs of irrigated agriculture are still met. Thank you for your consideration of our comments.

Sincerely,
April Snell
Executive Director

Oregon Water Resources Congress

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

April 29, 2016

Jon Unger, Grant Program Coordinator
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 Farmers Irrigation District's (FID) grant application for its Reservoir Expansion and Pipeline project in Hood River, Oregon. OWRC urges the Oregon Water Resources Department (WRD) to provide full amount of matching funds for this project from the Water Supply Development Account loan and grant program established under SB 839.

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 that include conservation and storage, like the one being undertaken by FID.

In the 2013 Legislative Session, OWRC was part of the original coalition of diverse water stakeholders that successfully advocated for the passage and funding of SB 839 resulting in the Water Supply Development Account loan and grant program for water projects. Since its inception, OWRC has been highly engaged and supportive of developing a viable program that would give rise to a competitive application process that would attract the finest water projects our state has to offer. FID's Reservoir Expansion and Pipeline project is exactly the type of hybrid storage and conservation effort OWRC and its partners imagined when we advocated for the passage of SB 839, and we believe it meets the fundamental intent behind that bill.

The Reservoir Expansion and Pipeline project consists of two projects that will work together to address the FID's water supply needs while also improving ecological function throughout the Hood River Basin. One project will increase the storage capacity in the upper Kingsley Reservoir, while the other project will replace 11,500 feet of pipeline in the district. When completed this project will:

- Raise the height of the upper Kingsley dam by 9 feet, adding an additional 501 acre-feet of storage without requiring a new diversion of water;
- Replace 11,500 feet of severely damaged and leaking pipeline, saving approximately 3 cfs in loss and improving instream flows and water quality in Green Point Creek; and
- Increase operational efficiency and improve overall irrigation water reliability.

FID's Reservoir Expansion and Pipeline 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 the broader population of Oregon. It will place valuable water instream and improve the quality and quantity of water in local rivers and streams. This project will greatly benefit the Hood River Basin watershed; including improving habitat conditions for threatened winter and summer Steelhead as well as spring Chinook and Coho.

This type of combined storage and conservation 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, both instream and out-of-stream. Futhermore, this project was one of several recommended actions from the recent Hood River Basin planning study which included broad stakeholder input and feasibility funding from WRD's Water Conservation, Reuse and Storage Grant Program.

OWRC wholeheartedly supports full funding of FID's grant application for its Reservoir Expansion and Pipeline project from the Water Supply Development Account loan and grant program. It is a wise investment that will yield numerous public benefits and is the caliber of project that was envisioned by the 2013 Legislature when the program was created. The project will expand innovative methods and technologies to conserve water, create additional water storage capacity, improve water quality, increase efficiency, benefit fish habitat, leverage other funding sources, and ensure that the needs of irrigated agriculture are still met. Thank you for your consideration of our comments.

Sincerely,
April Snell
Executive Director

Mid-Columbia
MCEDD
ECONOMIC DEVELOPMENT DISTRICT

April 29, 2016

Jon Unger, Grant Program Coordinator
725 Summer Street NE, Suite A
Salem, Oregon 97301

Subject: Oregon Water Resources Department Water Projects Grants and Loans

Dear Mr. Unger,

I am writing to comment regarding the ranking and funding recommendations for the Oregon Water Resources Department Water Projects Grants and Loans. Four important projects in our region are listed in the top ten ranking published for public comment. I encourage retaining or elevating the position of these projects as they each provide significant economic and environmental benefits to the region:

- Highline Canal Pipeline Project (#3)
- Mosier Deep Water Supply well (#5)
- Kingsley Reservoir Expansion and Lowline Pipeline project (#9)
- Coe Branch Pipeline and Efficiency Project (#10)

In addition, Dog River Pipeline, currently listed as #23 by OWRD, is included in our Mid-Columbia Comprehensive Economic Development Strategy listing of priority investments. The pipeline provides 50% of the water supply for the City of The Dalles and the project would address failures in this critical infrastructure serving the largest population base in the region. It is *essential* to retain the four projects listed above in final funding. However, I also encourage inclusion of the Dog River Pipeline project in the list of approved projects for funding, recognizing it as a regional priority and understanding the economic impact of the project.

Successful completion of these projects requires the participation of OWRD as a funder. Therefore, I encourage distribution of the full $14 million available for grants and loans. Reserving funds for another round of projects in 2017 would simply postpone implementation of projects that are ready to proceed immediately. It would delay the benefits of these projects which are primed to provide benefits to our communities and regional economy through increased water conservation and greater water resource availability. I urge you to distribute the full amount of available funding now and provide due consideration to the projects listed above.

Sincerely,

ap Sherry Bork

Amanda Hoey
Executive Director

MCEDD is an equal opportunity employer, lender and provider.
Contact MCEDD at 541-296-2266; TTY 711

The Nature Conservancy
Protecting nature. Preserving life.™

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nature.org/oregon

April 27, 2016

Jon Unger
Oregon Water Resources Department
725 Summer Street NE
Salem, OR 97310

Re: TRT ranking and funding recommendations for Water Project Grants and Loans

Dear Mr. Unger,

Thank you for the opportunity to comment on the ranking and funding recommendations for the Water Project Grants and Loans. As one of the groups directly involved in development of the program, we are very interested in the implementation and outcomes of this program.

Given the Technical Review Team's "recommendation" that the Commission fund the projects in ranked order, we are limiting our current comments to those within the top twelve. We also have some general comments on the process, below.

In terms of the projects, we are supportive of several of the top twelve, including the Lostine River (ranked number 1), the Tumalo Feed Canal (ranked number 2), the Highline Canal Pipeline (ranked number 3), and the Sun Creek Restoration project (ranked number 7). All of these projects demonstrate a strong balance among the three public benefit criteria, and more importantly, all of these use existing legal tools such as the Instream Water Rights Act and the Conserved Water Act to **legally** protect water instream on a permanent basis. We feel that these projects exemplify the letter and spirit of SB839, and should be a model for current and future projects.

Several other projects, including Willow Creek (ranked number 4), Klamath East Side (ranked number 8) and Coe Branch Pipeline (ranked number 10) have stated instream benefits, however no legal protections are described for these projects. These appear to be good projects that generally meet the objectives of SB839. We believe that to receive a high ranking for environmental benefits based on instream flow restoration, projects must demonstrate legal and permanent protection of these benefits. These programs use public money to advance water management, and as such, there should be strong accountability for public benefit. Oregon has been a leader in the area of instream water rights, and the Oregon Water Resources Department should continue to demonstrate that leadership, as well as accountability to the public.

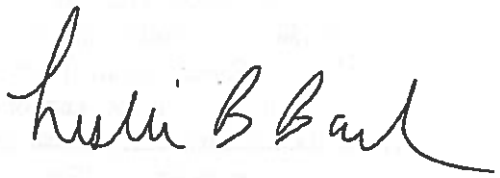
Two of the top twelve projects have a water storage component, Kingsley Reservoir Expansion (ranked number 9) and Painted Hills Reservoir Expansion (ranked number 12). Both projects note that 25% of the storage will go to instream uses, which is an important environmental benefit. However, to ensure this protection over time, the instream portion of the reservoir right should be codified as an instream water right. Additionally, the Kingsley project claims instream benefits from pipeline improvements. These water savings should be protected using the

Conserved Water Act. Finally, since these are storage projects, SB839 requires identification and protection of Seasonally Varying Flows (SVFs).

We would also like to comment on the overall process. SB839 requires the Technical Review Team to provide a recommendation to the Water Resources Commission on projects to be funded. We do not feel that simply saying that these should be funded in ranked order constitutes a recommendation. This implies that if funds were sufficient, all projects merit funding. Some of these projects do not meet the requirements of SB839, particularly the public benefits requirements, and should not be included in a list of funding recommendations. We believe that it is important for the Technical Review Team to identify those projects that do not meet the SB839 requirements. This is critical to both provide the public with the best available information and the best set of projects, as well as to provide current and future project applicants with clear guidelines and examples of good projects and project proposals.

We are happy to work with the TRT and any of the project applicants on the environmental aspects of these projects, particularly the development of SVFs. Please let us know if we can be of assistance. Thank you again.

Sincerely,



Leslie Bach
Director of Freshwater Programs

Economic Development Commission

April 27, 2016

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

Subject: City of The Dalles—Dog River Pipeline Replacement Project

Dear Mr. Unger:

The Wasco County Economic Development Commission (EDC) strongly supports the City of The Dalles and Wasco County Soil and Water Conservation District in their efforts to address major challenges in the County's water resources. The City is working to replace the over 100 year old wooden pipe that provides access to 50% of the water used in the City's water system. Wasco County Soil and Water Conservation District's Mosier Wells project is vital to the short and long term viability of the Mosier community and its surrounding environment. The EDC encourages you to consider the importance of these projects to the community as you finalize your rankings by increasing its ranking.

A forward looking solution that addresses the failing Dog River Pipeline is needed. The City of The Dalles is the largest in Wasco County, with approximately 14,500 residents currently, and the vast majority of industrial and commercial development in the County. The Dog River Pipeline is vital to sustaining the community as the commercial hub for the Mid-Columbia region and supporting existing businesses and residents. Addressing the substantial leakage and concerns around catastrophic failure of the current 100 year old pipeline will not only ensure that the water system in The Dalles remains viable into the future but also support stronger watersheds surrounding Dog River and the East fork of the Hood River. Resolving the over 1 million gallon per day leakage from the pipeline during peak flows will provide a more efficient use of our region's limited water resources that leaves additional in-stream flow that is desperately needed in the Hood River Valley. The City has planned for this project, and remains committed to providing significant matching funds to the pipe line.

The Mosier Wells project will have significant impact on the agricultural uses and environment surrounding the City of Mosier as well as the City's own ability to adequately and reliably provide water to their citizens. The comingling wells in the watershed have caused significant declines in the aquifers near Mosier, and are creating challenging conditions in-stream in Mosier creek during the summer as well as with the City of Mosier's water resources. This project has been a priority of the EDC for many years, and the EDC encourages funding to address the largest irrigators to mitigate both environmental and community impacts.

The EDC is a body made up of representatives throughout Wasco County and is focused on supporting community capacity and job creation. The EDC conducts an annual process where it ranks community enhancement projects based on their importance to the County. In 2015, the Dog River

Pipeline ranked 4th in priority. The Mosier Wells project was ranked as a priority in 2014 and 2015 processes, and a related project for the City of Mosier's water supply is ranked 1st in 2016.

The EDC also encourages OWRD to utilize the full $14 million available for this biennium. With $51 million in projects seeking funding and ready for implementation in 2016, waiting until 2017 only delays projects from moving forward. We appreciate the availability of funds to address these key issues for communities around the State and encourage you to move forward with these investments.

We appreciate your consideration for the City of The Dalles' and Mosier Well's applications and encourage funding these two projects.

Sincerely,

Joan Silver

Joan Silver, Chair

WATERWATCH

PROTECTING NATURAL FLOWS IN OREGON RIVERS

April 29, 2016

Jon Unger
Oregon Water Resources Department
725 Summer Street NE
Salem, OR 97310

Re: Comments, SB 839 Grant and Loan Program Recommendations

Dear Mr. Unger,

Thank you for this opportunity to comment. As the Department is aware, WaterWatch was integrally involved in the drafting of SB 839 and the associated rules. As such, we have a strong understanding not only of the statutory mandates, but also the stated intent of the Governor's office in pursuing a water supply development program.

As a general matter, it is important to note that the SB 839 funding program was not meant to fund all projects that came in the door. The intent was only to provide public funding to projects that would provide demonstrable social, economic and environmental benefits to the citizens of Oregon. To that end, the governing statute includes sideboards to ensure this, including a mandate that the Commission only issue grants and/or loans to projects that provide benefits in all three categories of public benefits.

In this instance, WRD recommends funding of <u>all</u> the projects in the order of ranking. The implication here is that if there were adequate funds available, all the proposals submitted to the Department would be funded. As noted, this was not the intent of the funding source; this fund was supposed to be narrowly applied to projects that genuinely provided solid public benefits in all three categories. We do not believe the WRD's action in this regard sets good precedent going forward, and in fact provides a platform for unworthy projects to go to the legislature to ask for additional money. To remedy this, we urge the WRD and/or the WRC to limit funding recommendations to those projects that meet statutory standards, ranked highest in their scoring, and for which there is funding available at this time.

As to the specifics of the projects themselves, on March 29, 2016 WaterWatch submitted comments specific to the thirty seven applications in front of the Department. These comments are attached and incorporated by reference. As noted in those comments, with regards to the public environmental benefits claimed, only a handful of the applications that claimed "measurable improvement to protected streamflows" actually committed to using the legal tools available to make sure these flows were realized (i.e. conserved water act, instream transfers).

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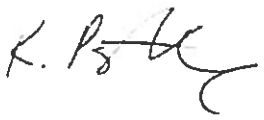
The governing statutes and rules grant WRD wide discretion to condition grant disbursement upon a demonstration that benefits will be realized in a timely fashion and/or any other condition it deems necessary to ensure the project provides public benefits claimed. We would urge the WRD (and Commission) to require projects that claimed, and were ranked, based on their commitment that their project would provide a "measurable improvement in protected streamflows" to be required to use legal tools to achieve this claimed benefit. If the applicant refuses, the state should not fund the project.

Unless the WRD conditions the proposed grants to require applicants to use legal tools available to protect water instream then we would oppose funding of the projects on the grounds that the projects that claim this particular benefit do not meet the statutory standards. Please see our attached comments for specifics.

Thank you for consideration of our comments.

Sincerely,



Kimberley Priestley
Senior Policy Analyst

Enclosures

WATERWATCH

PROTECTING NATURAL FLOWS IN OREGON RIVERS

March 29, 2016

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

Re: Comments, SB 839 Grant and Loan Program

Dear Mr. Unger,

WaterWatch appreciates the opportunity to comment on the SB 839 grant and loan program grant applications. As the Department is aware, WaterWatch was integrally involved in the drafting of SB 839 and the associated rules, thus we are intimately familiar with the program's requirements.

In reviewing the thirty seven applications, we were struck by the number of applications that claim to be providing environmental benefits that result in a "measurable improvement in protected streamflows" that do not do actually accomplish this. ORS 541.673(3) is very deliberate in its use of the words "measurable" and "protected". Endless hours were spent negotiating this language in the 2013 legislative session. Measurable means there must be an identifiable amount of streamflow dedicated instream and protected means the water must be legally protected instream. This was purposeful and deliberate language.

A large number of applications claim that they will improve stream and or reservoir levels for fish, yet most of these same applicants do not commit to using available legal tools necessary to protect this water as contemplated by the governing statute. Given the over appropriated state of the majority of Oregon's streams, providing a measurable improvement in protected streamflows can only be achieved through use of the Conserved Water Act and/or instream transfers/leases that will legally protect water instream against other users. Only a handful of the applications under review commit to this critical step.

If public funds are to be used to finance public projects, the state should ensure that the "environmental benefits" claimed are legally protected into the future for the life of the project. This was the intent of the statute, which is captured in the statutory language. This should be a condition of any funding.

Initial comments specific to proposed projects relating to the public environmental benefit claims include:

WPR-G-2016-E -Adrian Water System Improvement: Aside from the benefits associated with the lining of the wastewater lagoon, there appears to be no/little measureable environmental benefit associated with this project. There are no streamflow improvements associated with this

project, and water quality benefits are in relation to "drinking water" not surface or groundwater resources. Water quality was included in the statute as an environmental benefit as it related to the state's surface and groundwater resources in their natural state, not the water delivered for consumptive use.

WPR-G-2016-E - Beaver Cr Dam Fish Passage and Flow Restoration: WaterWatch is supportive of fish passage efforts. However, it should be noted that fish passage appears to be a regulatory requirement of any future USFS special use permit. As such, this project would be strengthened if it committed a certain percentage of the stored water to downstream fish commensurate with the amount of public funds that will be used to bring the project into regulatory compliance. While we appreciate that the City states it has entered into a 20 year renewable lease agreement with Freshwater Trust, it seem to us that given that public funds will be used for this project the "public benefit" of streamflow augmentation should be required without the Freshwater Trust or any other organization having to pay additional funds. Letters of support from federal and state agencies note the dual goal of the project is fish passage and streamflow augmentation. As such, we urge the WRD to work with the applicant to ensure that streamflow augmentation for the life of the project is committed to as a prerequisite of public funding.

WPR-G-2016-E - Catherine Cr Wastewater Facility Improvements: WaterWatch would support wastewater upgrades that improved water quality of effluent if that treated water were still to be discharged into Catherine Creek. However, that is not what this project proposes. Instead, this project proposes to upgrade effluent treatment in a manner that will increase irrigation and decrease flows to the Creek. At the very least, rather than increase consumptive use, if the effluent is going to be used in the summer time then live flow diversions from the stream should be reduced by an amount equal to the amount stored. We urge the WRD to work with the applicant to explore alternative wastewater treatment options that would help it meet water quality standards without robbing the stream of important flow.

WPR-G-2016-E- Greenhorn Water System Improvement: This project claims that it will help restore late season water flows to the Lightening Creek watershed, reduce diversion of water during the summer months and aid in the protection of bull trout habitat. However, the applicant does not commit to the necessary legal avenues to achieve this (i.e. instream transfer of existing live flow rights, etc.). As such, the environmental benefits claimed cannot be said to provide a measurable improvement in protected streamflows.

WPR-G-2016-E - Haines Water System Compliance Project: While the fish passage and groundwater conservation goals of this project appear positive, there were no letters of support from DEQ or ODFW which makes it difficult to assess whether the environmental benefits claimed have merit. Moreover, the state should require a more aggressive water conservation goal. If I understand the application correctly, the City is committing to reduce its current loss of 45% to 30%. We would encourage the state to require a more robust efficiency goal, closer to 10%.

WPR-G-2016-E- Lostine River Conservation Project: This project will be utilizing the Conserved Water Act to legally protect water instream thus will be measurably improving protected streamflows.

WPR-G-2016-E - Mountain Line Replacement Project: This project claims that it will provide more streamflow below the diversion where bull trout habitat exists; however, it does not commit to legal mechanisms necessary to protect that water instream and in fact states that the City's decrease in diversion will allow irrigator north of town to use the saved water. Absent legal protection of water saved so it remains instream, this cannot be said to measurably improvement protected streamflows as contemplated by the statute.

WPR-G-2016-E- Powder Valley Connector: This project claims to provide additional water in the Wolf Creek Reservoir for bull trout, however it does not commit to protecting the saved water either in the reservoir or instream for these fish. In fact, the application notes that in dry year this will provide better security for irrigators (meaning the fish will not benefit from that water). Letters of support from state agencies note the benefit to bull trout, however unless the applicants utilized the conserved water statute to protect this water there is no guarantee this water will not be used for additional irrigation. Without legal protection, this does not provide a measurable improvement in protected streamflows.

WPR-G-2016-E- Willow Cr Piping Irrigation Laterals: The project claims that this will benefit bull trout, however the applicant does not commit to using the Conserved Water Act to legally protect conserved water for these fish. If public monies are going to be used to support this project, the applicant should be required to go through the Act. Absent that, this project does not provide a measureable improvement in protected streamflows.

WPR-G-2016-NC- JDR Ranch Irrigation Efficiency Project: The applicant "anticipates" that a portion of the conserve project water will be dedicated instream during the irrigation season under the Conserved Water Act. While we appreciate mention of the Act, absent a firm commitment (and a WRD requirement) to use the Act this project does will not provide a measurable improvement in protected streamflows. As noted, the only way to achieve this is through the Conserved Water Act and/or instream leases/transfers for the life of the project.

WPR-G-2016-NC- Painted Hills Reservoir Expansion: This storage project will need a seasonally varying flow prescription in addition to the 25% public benefit requirement. This statutory requirement attaches to all new and expanded projects funded under SB 839. Moreover, the WRD should do a full review of the associated water rights; the underlying water right permit had a development deadline of 2007 and, according to WRIS, no extension of time was filed.

WPR-G-2016-NC- Coe Branch Pipeline And Efficiency Project: The applicant states that this project will result in 1 cfs being left in Clear Branch and/or Laurence Lake Reservoir. It further states this water will be protected when MFID renews its special use permit. A noted with regards to other projects, unless the conservation project is done through the Conserved Water Project this project does not provide a measurable improvement to protected streamflows. There is no guarantee what the outcome of the USFS special use permit will be thus that is not the appropriate vehicle to protect the water instream.

WPR-G-2016-NC- Desolation Creek Natural Water Storage: As we understand the project, it would build at least 275 small dams that will store water that would otherwise reach the John Day. This stored water is subject to SVF prescription and a 25% public benefit, which is not noted in the application. It is unclear if fish passage is contemplated at these dams. An ODFW letter mentions it, but the applicant does not commit to it in the application that we could find. While the instream goals are laudable, without a commitment to protect stored water instream via legal water rights (transfers/leases/secondary storage rights for flow augmentation) this water would be subject to capture by consumptive water right holders and would not provide a measureable improvement to protected streamflows.

WPR-G-2016-NC - Dog River Pipeline Replacement Project: The application states that it this efficiency project will result in increased flows in Dog Creek, East Fork Hood River, Hood River and SF Mill Creek. However, the applicant does not commit to using the Conserved Water Act to protect that water instream, or any other legal mechanism to ensure the saved water will be protected instream. The applicant also does not note how much water will be left instream. And finally, the applicant notes that it is more than doubling the capacity of the pipeline (from 8 mgd to 17 mgd), which seems to imply that they will be attempting to increase water diverted not decrease diversions. The ODFW support letter appears to be based upon the premise that the project will result in increased spring/summer flows in Dog River of 1.5 cfs that will carry down to Mill Creek, as well as fish passage and screening. If the saved water were legally protected instream and fish screening and passage were a condition of the grant, then this would seem a positive project; however, without these commitments the project does not meet the statutory standards for the environmental benefit claimed.

WPR-G-2016-NC- Highline Canal Pipeline: This project commits to using the Conserved Water Act to put .5 cfs of water instream, thus appears to be a project that will measurably improving protected streamflows.

WPR-G-2016-NC-Kingsley Reservoir Expansion and Lowline Pipeline Project: This project has two components—piping and expanded storage. As to the piping project, the project commits to putting 1.5 cfs of saved water instream, however, it does not commit to doing this through the conserved water act. Unless this water is protected instream, it is subject to appropriation by other water rights and thus would not meet the standards of SB 839. As to the storage expansion, the applicant notes that 25% must be dedicated instream (it must also be protected via secondary water rights, which is not noted in the application) but the applicant is uncertain if SVF applies. SVF does apply as it applies to new and expanded storage projects.

WPR-G-2016-NC- Mosier Deep Water Supply Well: While we appreciate the high level of support for this project, it would be helpful to see WRD analysis of this project to understand if stated groundwater and streamflow goals are achievable. It would also be helpful to understand if this will affect groundwater regulation in the basin. Moreover, while it appears that the goal is to relieve pressure off the Upper Columbia River Basalt aquifer, the application also notes that it might allow for "new" irrigation off this same stressed aquifer. These two statements seem to be in conflict. It appears that support for the project is associated with decreasing use of the stressed aquifer as well as increasing flows, thus we suggest any "new" irrigation be struck from the

project. Moreover, any instream flow associated with this project should be legally protected instream.

WPR-G-2016-NC - Umatilla Beneficial Reuse Phase1: The applicant states that in absence of the reuse water the City can draw down the Umatilla and Columbia River and that using reuse water will positively influence flow and temperature. However, the project does not commit to transferring/leasing and/or otherwise protecting what could be called exchange water instream. Without a legal mechanism to protect this water instream, this project will not measurably improve protected streamflows.

WPR-G-2016-NC-West Fork Hood River Irrigation Conservation Development Project: The applicant states that this project could result in up to 3 cfs of instream flow; however the applicant also states the district will not go through the conserved water act to protect these flows. Absent legal protection of instream flow, the project does provide a measureable improvement to protected streamflows. Moreover, the applicant wants credit for past conservation projects under the Act to count towards this project. SB 839 requires environmental benefits attach to the project funded under the Act; past actions cannot count towards the required environmental benefit of the application at issue.

WPR-G-2016-NW - Clackamas ASR Well: The application states in several places that it will reduce Sunrise's dry season diversion from the Clackamas River by 11% and that this will increase flows in the dry season, which is a positive outcome. However, the applicant does not commit to legally protecting this water instream via transfer or other legal mechanism nor does there appear to be a mechanism proposed that would ensure diversions were diminished by 11%. Without legal protection, the increase in flows would not provide a measurable improvement in protected flows, nor would there be anything in place to prohibit Sunrise from continuing to use Clackamas River diversion water if, for example, it ended up being cheaper to use. This project should also be evaluated in concert with Sunrise's water right application that would pull more water during the dry season (which, as I understand it, WRD proposed to deny and Sunrise protested). Note: there are listed fish in the Clackamas system, thus this ASR project is subject to SVF.

WPR-G-2016-NW -Clackamas Water Conservation and Lower Milk Cr Restoration Projects: The application describes a 228/af savings over 15 years and elsewhere describes how the irrigation efficiencies will leave water in the streams – for example, p. 6, Environmental Benefits section which begins "All projects under this application will positively benefit steamflows in some fashion." However, the applicant does not commit to taking the necessary legal measures to protect this water, through use of the conserved water statute or otherwise. In fact, the application describes how one irrigator will be increasing the acreage irrigated under the project. Absent legal protection of conserved water instream, the claimed environmental benefits do not meet the standards of SB 839.

WPR-G-2016-NW- Dallas Water Storage: The project commits to water quality measures (CREP) that appear beneficial and employs state of the art conservation measures. While this project appears to meet statutory goals, it would be helpful to have a DEQ review of claimed

benefits prior to funding decisions. If funded, the CREP commitment should be a condition of funding.

WPR-G-2016-NW- Hazelnut Drip Irrigation Project: This project state that it will put 85% more water into Butte Creek, however it does not commit to doing this through the Conserved Water Act or other mechanism to protect the saved water instream. Unless the water is protected instream, it does not provide measurable improvements to protected streamflows.

WPR-G-2016-NW- Jetty Cr Fish Passage Restoration: This project contemplates both fish passage and also increased storage. While the fish passage project is laudable and something WaterWatch supports as it clearly provides an environmental benefit, it would be helpful to have more information on the storage component of the project. As we understand it, the City is currently storing 50,000 gallons but the new location would store six times that at 300,000 gallons; however, the applicant does not identify this as expanded storage that would be required to dedicate 25% instream and also protect seasonally varying flows. There is also no reference to a new storage right to accommodate this expanded storage. In fact, there is no record of a storage right held by the City of Rockaway on WRIS. All storage projects are required to hold a reservoir permit/certificate. It's difficult to assess the project as a whole without a full understanding of the existing storage right and any new rights needed to increase capacity. It might be that this project should be bifurcated so that the fish passage and increased storage are analyzed independently.

WPR-G-2016-SC-Klamath East Side Water Recycling Project: The applicant claims that the project should result in increased flows but does not commit to employing legal mechanisms to protect the water instream. Absent legal protection, the project will not provide measurable improvement to protected streamflows.

WPR-G-2016-SC-Sun Cr Restoration And Irrigation Efficiency: The project will permanently transfer water instream and thus clearly meets the environmental benefit requirement of SB 839. This is precisely the type of project that should be funded under this program.

WPR-G-2016-SC -Allen Cr Pipeline: This project would provide 100% of the saved water to the applicant, with none dedicated instream. The applicant claims that there will be an increase in baseflows but there is no documentation, nor any letters of support from ODFW, DEQ or BLM. Without water dedicated and protected instream, this project will not measurably improve protected streamflows. This applicant also notes the project might result in increased grazing, which would likely negatively affect the meadows of Big Summit Prairie. It is unclear if the pipe will be sized to the existing water right. Application attachments indicate the applicant will be seeking to increase storage in Big Summit Prairie. Plans to increase storage in Big Summit Prairie are highly controversial and, as we understand it, of concern to both state and federal agencies. If this piping project is connected to and/or will facilitate attempts to increase storage the state needs to analyze the proposal in that larger context.

WPR-G-2016-SC-Madras Ag Water Efficiency And Reuse: This project raises a number of questions about waste, storage of water in ponds without storage permits and other water right questions. It is also unclear if the proposed project has been vetted with agencies, most notably

ODFW and DEQ, to ensure that the claimed environmental benefits would come to fruition. The application does not include letters of support from these agencies or the DRC. It is difficult to assess without more information.

WPR-G-2016-SC-Tumalo Feed Canal Conservation Phase5 WPR-G-2016-SC-Tumalo Feed Canal Conservation Phase5: This widely supported project will dedicate 100% of the saved water instream via the conserved water act. This is precisely the type of project that should be funded by SB 839 funds.

WPR-G-2016-SW-Little Butte Cr Conservation And Quality Improvement: While we appreciate that the applicant is attempting to work through the legal complexities of trying to put water instream under an irrigation district right, unless this can be worked out so that the project goes through the conserved water act to protect saved water instream this project would not be measurably improving protected streamflows.

Conclusion: In our assessment, only a handful of the thirty seven applications before the WRD actually meet the standards and intent of this particular grant and loan program. That said, there are in fact a large number of additional projects that, were they to protect the claimed restoration water instream through existing legal tools, would appear to be positive projects that meet the statutory intent/guidelines. We would urge the WRD to work with those applicants to commit to using legal tools available to protect water instream so that their projects meet the statutory guidelines for the claimed benefit and thus they can be more favorably scored. Absent protection of saved water instream the proposed projects cannot be found to be measurably improving protected streamflows as required by statute and thus do not meet the statutory guideline for that benefit.

Thank you for the opportunity to comment.

Sincerely,

K. Priestley

Kimberley Priestley
Senior Policy Analyst

Attachment 5
Project Evaluation Summaries
Water Project Grants and Loans – 2016 Funding Cycle

Background

In 2013, the Oregon Legislature passed Senate Bill 839, establishing the Water Supply Development Account to provide grants and loans for water development projects that have economic, environmental and social/cultural benefits. Projects must provide benefits in each of these three categories. The Department may award grants and loans to evaluate, plan, and develop instream and out-of-stream water projects approved by the Water Resources Commission. The Water Resources Department currently has $14 million authorized by the Legislature to provide funding for eligible projects.

The Department received 37 complete applications by the January 19, 2016 deadline for the 2016 funding cycle. Members of a Technical Review Team (TRT) evaluated each of the applications and established a ranking of the projects.

Document Description

The following are project and evaluation summaries for the 37 proposed water projects evaluated by the TRT. Information provided on each proposed study includes a TRT ranking, Department funding recommendation, a project summary adapted from the application, and an evaluation summary focused on the three public benefit categories. The application evaluation summaries are organized by the TRT ranking order. The Department recommends funding the top nine ranked projects in the 2016 funding cycle.

Recommended for Funding

Not Recommended for Funding

Lostine River Conservation Project

Project Rank: *1 out of 37*

Recommendation: *Recommended for Funding*

Project Information

Applicant: Freshwater Trust

Funding Requested: $1,488,718

Total Project Cost: $2,132,575

Project Summary: The proposed project located in Wallowa County would convert 1100 acres of predominately flood irrigation land to pressurized pivot sprinkler. The goal of the project is to improve water use efficiency, increase agricultural production, and enhance Lostine River instream flows for Endangered Species Act (ESA) listed fish species. The project is a collaboration between the Freshwater Trust, Nez Perce Tribe and an irrigator, and seeks to work toward meeting instream flow targets identified by the Draft ESA Recovery for Northeast Oregon Snake River Spring and Summer Chinook Salmon and Snake River Steelhead Populations while keeping agricultural production whole in Wallowa County. The proposed project would:

1) Convert 980 acres to pivot irrigation through the installation of pivots, pumps, mainlines and electrical upgrades; and
2) Transfer 1250 acre feet of water instream to increase Lostine River flows by approximately 7 cubic feet per second (CFS) in May, June and July.

Evaluation Summary

The project was strong in all three public benefit categories. The *economic* benefit of the project includes an increase in farmland productivity and economic activity (such as an increase in sales). Irrigation with pivot sprinklers would result in an increase in production of export-grade forage. In the *environmental* benefit category, the project would improve water quality conditions, such as surface water temperatures and sediment loads, as well as improve ESA-listed fish habitat conditions in the Lostine River by using the Allocation of Conserved Water program to legally protect water instream. The *social/cultural* benefit of the project includes partnerships between environmental non-profits, agriculture, and tribes as well as a measurable improvement in conditions for a tribal community. Specifically, the Nez Perce tribal community supports the project as a means to enhance the tribal fishery connected to the Lostine and Wallowa Rivers.

Tumalo Feed Canal Conservation Phase 5

Project Rank: *2 out of 37*

Recommendation: *Recommended for Funding*

Project Information

Applicant: Tumalo Irrigation District

Funding Requested: $1,299,968

Total Project Cost: $3,407,155

Project Summary: The Tumalo Feed Canal Conservation Project is a multi-phased effort to pipe approximately six miles of open irrigation basalt canal. Tumalo Irrigation District has completed three successful phases of this project; Phase IV is currently in construction and is expected to be operational by the irrigation season in 2016. Each successful phase of the project incrementally eliminates the approximately 50% seepage loss caused by the open basalt canals and creates a new senior instream water right held by the State of Oregon in Tumalo Creek and the Deschutes River during the summer, and Crescent Creek, the Little Deschutes River, and the Upper Deschutes River during the winter. With the completion of Phase IV, 2.5 of 6 miles of the canal will be piped (12,968 ft). The proposed project would complete the fifth phase and pipe over one mile (5500 feet) of canal. The goal of the proposed project is to conserve water and increase instream flows. The proposed project would:

1) Install 5500 feet (~1 mile) of 84-inch HDPE pipe;
2) Install outlet structure, outlet slide gate/controls and weholite pipe to steel pipe connection;
3) Construct 5500-linear-foot ditch-rider road;
4) Install 2 laterals, turnouts and AV/VR vaults; and
5) Restore and landscape 5500 linear feet.

Evaluation Summary

The project was strong in all three public benefit categories. The *economic* benefit includes the enhancement of infrastructure and increases in operational efficiency. The pressurization of the water system would eliminate the need for retention ponds and pumping. In addition, automation of the headgate would increase efficiency in the operation and management of water in real-time. The *environmental* benefit of the project includes using the Allocation of Conserved Water (ACW) program to legally protect water instream in areas with listed species. The project demonstrated strength in the *social/cultural* public benefit category by promoting recreation and scenic values as well as the local food system. The project would help secure water for irrigators that contribute to the local food system and would result in increased summer flows in the Deschutes River and enhanced recreation opportunities.

Highline Canal Pipeline

Project Rank: *3 out of 37*

Recommendation: *Recommended for Funding*

Project Information

Applicant: East Fork Irrigation District

Funding Requested: $566,299

Total Project Cost: $784,699

Project Summary: The Highline Lateral is a diversion ditch that begins at the end of the Dukes Valley Lateral Canal near Gilhouley Road in Hood River County and serves 321 acres. The proposed project would pipe the open ditch sections, which total approximately 12,000-linear feet (~2.3 miles). The goals of the proposed project are to improve instream flows and water quality on the East Fork Hood River, to increase operational efficiency for East Fork Irrigation District, and to improve irrigation and water reliability for East Fork Irrigation District patrons. The proposed project would install 6,000 linear feet of 15-inch PVC pipe and 6,000 linear feet of 12-inch PVC pipe.

Evaluation Summary

The project was strong in the *environmental* benefit category and moderate in the *economic* and *social/cultural* benefit category. The *economic* benefit of the project includes the improvements to infrastructure, an increase in the number of irrigated acres, as well as time savings associated with reduced canal maintenance. In terms of *environmental* benefit, the project would conserve water and use the Allocation of Conserved Water program to legally protect water instream in the East Fork Hood River. The East Fork Hood River is an area of great concern for fish habitat that would benefit from increased instream flows. The project would also improve water quality by eliminating the delivery of sediment and nutrients coming off the agricultural and residential lands along the ditch into the main-stem Hood River. *The social/cultural* benefit of the project includes the promotion of local food systems as well as the strong collaborative process associated with the project.

Willow Creek Piping Irrigation Laterals

Project Rank: *4 out of 37*

Recommendation: *Recommended for Funding*

Project Information

Applicant: Malheur Watershed Council

Funding Requested: $500,355

Total Project Cost: $785,143

Project Summary: The proposed project would pipe approximately 22,000 feet (~4.2 miles) of lateral irrigation canals in the Willow Creek area within the Vale Oregon Irrigation District in Malheur County. Water shortages have become increasingly frequent in recent years. The piping would not only reduce water losses from seepage and evaporation (estimated savings of 1,950 acre feet per year), but would also pressurize the system and allow farmers to convert from furrow irrigation to sprinkler systems. The goal of the proposed project is to prevent water loss from seepage and evaporation, address water quality and bull trout habitat issues, and provide economic benefit to a county with Oregon's highest poverty rate. The proposed project would install: solar units to power debris screens, 13 debris screens, 12 cement headwalls, and approximately 22,000 feet of pipe.

Evaluation Summary

The project was strong in *economic* and *social/cultural* benefit and moderate in *environmental* benefit. In terms of *economic* benefit, the project improves infrastructure through modernization of the irrigation system and results in greater opportunity to enhance farmland and crop productivity. Continued improvement in water conservation would also benefit the farm economy of Malheur County by reducing the number of fallowed acres. It is estimated that in recent years, farmers let 20% of district lands (7,000 acres) lie fallow because of water shortages. The reduction in fallow acres and the potential for an estimated 25% to 35% increase in crop yields under sprinklers will support Malheur County agriculture. The *environmental* benefit includes improving water quality in the Malheur River and Willow Creek. The conversion of irrigation systems from flood and furrow to sprinkler would reduce the amount of bacteria, nutrients, and sediment that is deposited into the streams. The *social/cultural* benefit includes improving scenic values through water quality improvements in Willow Creek and the Malheur River as well as the promotion of local food systems. In addition, the project demonstrated strong collaboration.

Mosier Deep Water Supply Wells

Project Rank: *5 out of 37*

Recommendation: *Recommended for Funding*

Project Information

Applicant: Wasco County Soil and Water Conservation District

Funding Requested: **$917,238**

Total Project Cost: $1,225,013

Project Summary: Groundwater levels in the upper Columbia River Basalt aquifers in the Mosier Creek watershed have declined nearly 200 feet over the past 40 years in the Mosier area, which threatens the community water supply and reduces streamflow in hydraulically connected Mosier Creek. Groundwater from the upper (Pomona and Priest Rapids) Columbia River Basalt Group aquifers is the primary source of water for domestic, municipal, and irrigation uses in the Mosier area. The goal of the proposed project is to drill two deep water supply wells to reduce demand on the upper and administratively withdrawn Columbia River Basalt aquifers near Mosier to improve long-term groundwater supply availability and streamflows in Mosier Creek. The proposed project would:

1) Install two wells to depths of approximately 1,200 and 1,700 feet;
2) Install pipeline; and
3) Install two pumps.

Evaluation Summary

The project was strong in the *social/cultural* benefit category and moderate in the *economic* and *environmental* benefit categories. The *economic* benefit of the project includes an improvement in water resource infrastructure for both the farmland served by the wells and all lands that are accessing water from the upper aquifers. The project would directly benefit two water users by exchanging their water supply from the upper to the lower aquifers, and would likely benefit other water users, agriculture, and the community of Mosier as well. In terms of *environmental* benefit, the proposal to distribute water demand over multiple aquifers benefits both the over-stressed upper aquifers (by reducing withdrawals from these aquifers) and the hydraulically-connected Mosier Creek, which is negatively impacted by the continued decline in the upper aquifers. This could prove to be a model as part of the regional water-supply solutions in other areas underlain by basalt aquifers. The project demonstrated benefit in the *social/cultural* category through the local collaboration on this effort and the potential to increase water supplies for agriculture and the community of Mosier.

Beaver Creek Dam Fish Passage and Flow Restoration

Project Rank: *6 out of 37*

Recommendation: *Recommended for Funding*

Project Information

Applicant: City of La Grande

Funding Requested: **$600,000**

Total Project Cost: $1,125,700

Project Summary: The City of La Grande owns and operates the La Grande Reservoir, an impoundment on Beaver Creek, in the upper Grande Ronde River watershed in Union County. When the dam was constructed in 1915, fish passage was not considered. In order to retain the reservoir as a water supply source, the City of La Grande must make major modifications to the existing infrastructure to facilitate fish passage, reduce leaks, and modernize the dam. The proposed project would:

1) Install approximately 67 precast-concrete-vortex weirs with 7 precast-concrete, off-channel, resting pools at Beaver Creek Dam;
2) Modify the existing diversion and main intake diversion structures including installation of grade control;
3) Install woody debris structures and rock clusters at the downstream end of the project to create scour pools for fish habitat; and
4) Install streambed simulation materials downstream of the Cove Creek and West Beaver Creek intake structures.

Evaluation Summary

The project, which would allow the city to retain its water supply source, was strong in the *social/cultural* public benefit category and moderate in the *economic* and *environmental* benefit categories. The *economic* benefit of the project includes potential job creation and economic activity associated with an increased ability to provide water to citizens in the future. In terms of *environmental* benefit, this area represents important salmon habitat and the proposed project includes opening up fish habitat, restoring fish passage, and bringing the facility into compliance with Oregon's fish passage laws, while providing a reliable municipal water supply source. The strong *social/cultural* benefit of the project is centered on maintaining the key water supply source for the City of La Grande. The project also demonstrated a high level of collaboration to achieve the public benefits.

Sun Creek Restoration and Irrigation Efficiency

Project Rank: *7 out of 37*

Recommendation: *Recommended for Funding*

Project Information

Applicant: Trout Unlimited

Funding Requested: $249,867

Total Project Cost: $552,734

Project Summary: The proposed project in Klamath County would support the recovery of native fish (redband trout and Endangered Species Act listed bull trout) in Sun Creek. The goal of the proposed project is to increase instream flows in Sun Creek through the transfer of certificated water rights instream. The proposed project would:

1) Purchase two water right certificates (10902 & 10903); and
2) Transfer the rights instream.

Evaluation Summary

The project was strong in two of the three public benefit categories (*environmental* and *social/cultural*) and was low in economic public benefit. In the *environmental* benefit category, this project proposes a very innovative approach to reducing poor-quality tail-water and would likely contribute high-quality water to Klamath Lake. The project, which would legally protect water instream, would have an immediate *environmental* benefit for native state sensitive redband trout, and threatened bull trout and spotted frogs. An increase in instream flow in Sun Creek would improve habitat for bull trout and spotted frogs. Redband trout would benefit from the increased instream flow in Sun Creek allowing successful recolonization. The project will also have benefits to other native fish in the Wood River system such as two endangered sucker species. The project demonstrates strong *social/cultural* benefit through improvements in conditions for the Klamath Tribe as well as collaboration surrounding the project. The project demonstrated *economic* benefit associated with increased tourism and recreation opportunities; although this benefit would be strengthened by greater quantification of that benefit. While the *economic* benefit of the project was lower, the strong benefit in the two other public benefit categories bolstered the rank of the project.

Klamath East Side Water Recycling Project

Project Rank: *8 out of 37*

Recommendation: *Recommended for Funding*

Project Information

Applicant: Klamath Drainage District

Funding Requested: $268,673

Total Project Cost: $358,231

Project Summary: The Klamath Drainage District in Klamath County is situated in Southern Oregon on the lakebed of the historic Lower Klamath Lake. The goal of the proposed project is to augment water supply on the east side of the District by efficiently reusing 16,204 AF of drainage water prior to discharging to the Klamath River through the Straits Drain and. The proposed project would collect drainage water from 10,803 acres of agricultural land lying on the east side of the District (District size is 27,000 acres) and convey it to a proposed pumping station that will lift it back into the irrigation canal (North Canal) for reuse on 6,206 acres. The proposed project would:

1) Install grating, discharge piping, intake piping, sump pipe pump (6,000 gallons per minute mix flow) motor (40 HP), CT/switchgear cabinet, 37-foot trash rack, flow meter, 36-inch headgate, steel top plate, flap gate valve and air release valve; and
2) Construct concrete trash rack structure.

Evaluation Summary

The project was strong in all three public benefit categories. The *economic* benefit of the project includes job retention and increased economic activity related to an increased ability to keep lands in production. Use of drainage water has the potential to meet water need and potentially reduce diversion from the Klamath River, which could result in job retention associated with fisheries and recreation. The *environmental* benefit of the project includes improvements to water quality through the reduction of phosphorus and other pollutants by reapplying water to lands. In the *social/cultural* public benefit category the project would support local food systems by increasing water reliability that will allow continuation of crop production. In addition, letters of support from impacted parties demonstrated collaboration.

Kingsley Reservoir Expansion and Lowline Pipeline Project

Project Rank: *9 out of 37*

Recommendation: *Recommended for Funding*

Project Information

Applicant: Farmers Irrigation District

Funding Requested: $3,000,000

Total Project Cost: $4,241,000

Project Summary: Farmers Irrigation District has historically had water supply shortages in its upper and middle lands during dry years. Results from the Hood River Basin Study (2015) indicate that these water shortages will be more frequent and severe in the future. The goals of this project are to alleviate water supply shortages in Farmers Irrigation District and to increase instream flow for threatened winter and summer steelhead, spring chinook, and coho. The proposed project would:

1) Raise the height of the Kingsley Dam by 9 feet increasing storage volume by 501 acre feet; and
2) Replace 11,500 feet (~2.2 miles) of leaking pipe with 30-inch HDPE pipe.

Evaluation Summary

The project, which supports agriculture, water conservation, improved instream flows, and the food economy, demonstrated strong *environmental* and *social/cultural* benefit and moderate *economic* benefit. In the *economic* benefit category, the project would enhance infrastructure associated with an existing reservoir as well as the associated conveyance system in order to increase the reservoir storage potential and secure water supplies to keep agricultural land in production. The *environmental* benefit of the project is tied to the conservation of water and an increase in streamflows in Green Point Creek. In addition to legally protecting a portion of the water conserved through the pipeline project, 25% of the newly developed water associated with the increased reservoir capacity would be released instream as required by the statute governing this funding program. In addition a seasonally varying flow prescription would be required. In terms of *social/cultural* benefit, the project demonstrated broad stakeholder support, including support from the Confederated Tribes of Warm Springs. In addition the increased water reliability provided by the project would promote local food systems.

The nine projects listed above complete the Department's funding recommendation for the 2016 funding cycle of Water Project Grants and Loans.

Coe Branch Pipeline and Efficiency Project

Project Rank: *10 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: Middle Fork Irrigation District

Funding Requested: **$985,500**

Total Project Cost: $1,871,390

Project Summary: Coe Branch is a glacier-fed tributary of the Middle Fork Hood River in Hood River County. The high sediment load in Coe Branch restricts Middle Fork Irrigation District's ability to fully utilize this water source during irrigation season because the sediment plugs micro irrigation systems and requires extensive on-farm filtering and backflushing. The proposed project would route water from the Coe Branch diversion to an existing settling pond, where sand would settle out, before delivering the water on-farm via an existing pipeline. Additionally, the proposed project would facilitate on-farm irrigation upgrades on 200 acres of agricultural land. The goal of the proposed project is to increase on-farm water conservation in the Middle Fork Irrigation District allowing use of water from the Coe Branch Diversion and decreased reliance on Laurance Lake stored water to improve lake levels and associated downstream flows. To achieve this goal, the proposed project would:

1) Install Coe Creek Conservation conduit including pipe, electrical conduit, stream crossings, and infrastructure associated with the settling pond; and
2) Upgrade on-farm irrigation on 200 acres of agricultural land.

Evaluation Summary

The project was deemed strong in the *social/cultural* benefit category and demonstrated moderate public benefit in the *economic* and *environmental* benefit categories. The economic benefit would include short-term job creation and the potential for long-term job retention of agriculture-based jobs. In addition, the project would promote efficiency by removing sediment from delivered water, thereby reducing the amount of filtration required on-farm. The *environmental* benefit includes improving water quality and flow downstream of Laurance Lake. The s*ocial/cultural* benefit includes the innovative collaborative partnership associated with the project that engaged a variety of stakeholders as well as the promotion of local food systems through increased water reliability.

Desolation Creek Natural Water Storage

Project Rank: *11 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: North Fork John Day Watershed Council

Funding Requested: $361,709

Total Project Cost: $504,319

Project Summary: Desolation Creek is located at the headwaters of the John Day River system. Property owned by Desolation Creek, LLC contains over 40 perennial freshwater springs. The goal of the proposed project is to enact beneficial hydrologic changes in Desolation Creek by extending the time that water remains on the landscape and delaying release of that water. To achieve this goal, the proposed project would:

1) Install 275 small woody debris dams;
2) Install four analog beaver structures;
3) Plant 2,000 aspen trees and 25 cottonwood trees;
4) Install 57,939 feet (~11 miles) of 4-strand wildlife friendly riparian protection fence;
5) Produce a film on project; and
6) Undertake monitoring activities.

Evaluation Summary

The project was strong in the *environmental* and *social/cultural* benefit categories and was moderate in the *economic* benefit category. In terms of *environmental* benefit, the project would increase water quality and help ecosystems become more resilient to climate change by extending the period in which cold water contributions occur. *The social/cultural* benefit of the project includes local involvement and youth educational opportunities for watershed awareness among youth, the promotion of recreational access, as well as increased monitoring data. The *economic* benefit of the project includes short-term job creation.

Painted Hills Reservoir Expansion

Project Rank: *12 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: Pape Properties, Inc.

Funding Requested: $530,965

Total Project Cost: $801,079

Project Summary: Painted Hills Reservoir is located near the confluence of Bridge Creek and Bear Creek in Wheeler County. The proposed project would raise the existing dam to increase storage capacity by 500 acre feet, 25 percent of which would be dedicated to instream use, and install irrigation infrastructure to increase agricultural production and reduce power usage. The project goal is to improve: 1) irrigation efficiency and agricultural productivity on the Bridge Creek Ranch, 2) steelhead and chinook productivity in the Bridge Creek Watershed, 3) tourism and public benefit within the Bridge Creek Watershed, and 4) the economy of Wheeler County, specifically Mitchell area businesses. The proposed project would:

1) Raise existing Painted Hills Dam to increase reservoir capacity;
2) Complete road work including bridge installation; and
3) Install PVC pipe, pump and pivot.

Evaluation Summary

The project was strong in the *environmental* benefit category and was moderate in the *economic* and *social/cultural* benefit categories. In terms of *economic* benefit, the project would improve the tourism economy in the area as well as modernize the irrigation infrastructure of the Bridge Creek Ranch. The *environmental* benefit of the project includes the release of stored water for instream benefit in Bridge Creek as well as conservation of water through more efficient irrigation. The *social/cultural* benefit of the project includes the promotion of recreation and scenic values near the Painted Hills National Monument.

Morrow Regional Water Recycling and Reuse Project

Project Rank: *13 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: Port of Morrow

Funding Requested: $10,094,422

Total Project Cost: $35,030,968

Project Summary: Within the past five years, the Port of Morrow has grown into the second largest port in Oregon. Industries located within and around the Port generate effluent water that has been reused through land application. With the arrival of new industries, effluent water production has increased and is outpacing the current land application system. Several farms southeast of the Port currently have limited water supplies as a result of curtailed deep basalt aquifer wells. The goal of the proposed project is to manage increased effluent water production by piping it to farms, as well as utilizing the pipeline to facilitate the delivery of freshwater. The proposed project would:

1) Construct a lined pond;
2) Install a pipeline;
3) Construct a Columbia River pump station; and
4) Drill three wells.

Evaluation Summary

The project was strong in the *economic* benefit category and was moderate in the *environmental* and *social/cultural* benefit category. In terms of *economic* benefit, the project proposes an innovative plan to improve agricultural efficiency and increase economic activity in the region. The project would allow for more efficient use of industrial waste/processing/cooling water in a region with high water need. The project would provide additional water to large numbers of acres to allow to for the growth of higher value crops and put additional acres into production. This would result in new jobs in both agricultural production as well as in the processing field. The *environmental* benefit of the project includes the potential to limit groundwater diversions in a Ground Water Limited Area and improve water quality by decreasing nitrate loads. The *social/cultural* benefit of the project includes the promotion of local food systems through increased irrigated acreage and production.

Jetty Creek Fish Passage Restoration

Project Rank: *14 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: Lower Nehalem Watershed Council

Funding Requested: $56,050

Total Project Cost: $618,607

Project Summary: Jetty Creek is located just upstream from the mouth of Nehalem River in Tillamook County, two miles north of the City of Rockaway Beach. The City's existing impoundment and spillway is the only remaining fish passage barrier on Jetty Creek, which has been identified as critical habitat for Oregon Coast Coho salmon, a listed species under the Federal Endangered Species Act. In addition, sediment accumulates in the current impoundment and requires regular dredging to maintain function and storm events cause spikes in raw water turbidity, resulting in increased treatment costs. The goal of the proposed project is to resolve a number of issues affecting the quality and quantity of the City of Rockaway Beach's raw water storage, as well as address the only remaining fish barrier on Jetty Creek. The proposed project would:

1) Construct a fishway;
2) Install a weir box;
3) Reconstruct stream channel;
4) Revegetate disturbed areas; install boulders; place gravel/sand in fishway; install large wood; install flow level sensors;
5) Install 60ml HDPE Liner and sand base;
6) Install aggregate for access road; and
7) Haul sediment.

Evaluation Summary

The project was strong in the *social/cultural* benefit category and moderate in the *economic and environmental* benefit categories. In terms of *economic* benefit, the project would enhance the City of Rockaway's municipal drinking water infrastructure, which would support the tourism industry that is the main economic driver in the community. The *environmental* benefit of the project includes increased habitat availability for fish through the installation of fish passage as well as the conservation of water through the lining of a municipal storage pond. The project demonstrated strong *social/cultural* benefit through the collaboration surrounding the effort as well as the public-health related improvements to drinking water quality through the reduction in turbidity.

Powder Valley Connector

Project Rank: *15 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: Powder Valley Water Control District

Funding Requested: $1,076,000

Total Project Cost: $1,440,000

Project Summary: MaHarry-Blevins ditch is an 8,090 foot open irrigation ditch that delivers water from Wolf Creek Reservoir to irrigators within the Powder Valley Water Control District in Baker and Union Counties. A 2013 system optimization study found that ditch losses amounted to 1,350 acre feet or 13 percent of total Wolf Creek Reservoir volume. The P-2 pipeline connects to the MaHarry-Blevins ditch and has seven laterals that provide water to 15 landowners who grow potatoes, alfalfa, mint, grains and pasture for cattle. The project goal is to conserve water through the piping of the MaHarry-Blevins ditch increasing both conveyance efficiency and allowing the District to leave water in Wolf Creek Reservoir to benefit bull trout. The proposed project would: construct a 6,980-foot-long (~1.3 miles), 35-inch-diameter pipeline with automated control valves to replace the ditch from Wolf Creek Reservoir to the P-2 pipeline inlet.

Evaluation Summary

The project was strong in the e*conomic* benefit category and was moderate in the *environmental* and *social/cultural* benefit categories. The *economic* benefit of the project include short-term job creation related to project permitting, design, and construction as well as the potential for retention of 25 jobs that rely on the efficient delivery of water to irrigate crops. In addition, the project would increase efficiency and time savings as a result of infrastructure improvements that would lead to a precise allocation of water to meet irrigation needs. The project would provide moderate *environmental* benefit through water conservation and addressing the 22% water loss currently experience by the MaHarry-Blevins open ditch. The project would provide the *social/cultural* benefit of reducing the public health threat of bacterial contamination of crops by enclosing the water delivery system.

Clackamas Water Conservation and Lower Milk Creek Restoration Projects

Project Rank: *16 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: Clackamas Soil and Water Conservation District

Funding Requested: **$300,000**

Total Project Cost: $459,695

Project Summary: The proposed project consists of three irrigation efficiency projects and one riparian and instream restoration project in Clackamas County. The irrigation efficiency projects would result in conversion of irrigation systems from solid-set or big-gun sprinkler irrigation to micro-irrigation and would also include precision agricultural techniques to monitor soil moisture and evapotranspiration rates. Two of the three irrigation projects are drawing from surface water (Butte Creek and Johnson Creek). The third project is drawing water from a well. The riparian and instream restoration project would restore hydrologic connectivity to an eroded section of Milk Creek by re-establishing a natural functioning floodplain. The goal of the proposed projects is to restore, enhance and improve natural resources and their use within Clackamas County. The proposed project would:

1) Install irrigation and monitoring infrastructure at three sites; and
2) Complete restoration work on Milk Creek including clearing, dewatering, excavation, installation of log jams, planting, fish salvage, and monitoring.

Evaluation Summary

The project was strong in the *environmental* benefit category and was moderate in the *economic* and *social/cultural* benefit categories. An e*conomic* benefit of the project is infrastructure improvement through the installation of new irrigation infrastructure. The conversion from big gun to drip, as well as the adoption of irrigation water management practices to reduce runoff and soil erosion, would increase property values. The *environmental* benefit includes water quality benefits associated with: 1) a reduction in fertilizer use and runoff 2) the placement of woody structures and native vegetation, and 3) conservation associated with a reduction in the amount of water that would be diverted from Johnson Creek. In the *social/cultural* benefit category the proposed project took advantage of existing collaborative planning efforts through the Agricultural Water Quality Management Area Plan and other basin-wide implementation plans, as well as described a benefit to local food systems through the increased productivity associated with water conservation measures.

Dallas Water Storage

Project Rank: *17 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: La Creole Orchards

Funding Requested: $96,910

Total Project Cost: $139,461

Project Summary: La Creole Orchards is located on 45 acres south of Dallas in Polk County, where it is bisected by North Fork Ash Creek. La Creole Orchards currently has 10 acres of oil olives planted with plans to add an additional 20 acres. Two wells were drilled on the property and both have low yields (1-2 gallons per minute). A sump well was developed that has a higher yield (3-4 gallons per minute). Without a means of storing groundwater, the wells are insufficient to meet irrigation needs. The goal of the proposed project is to secure adequate water storage. The proposed project would:

1) Install two above-ground lined water storage tanks for a combined capacity of 940,000 gallons;
2) Install floating covers;
3) Install a pump in the sump well; and
4) Implement a riparian buffer project on 4.1 acres along North Fork Ash Creek.

Evaluation Summary

The project was strong in the *economic* benefit category and was moderate in the *environmental* and *social/cultural* benefit categories. The e*conomic* benefit of the project includes the potential for several permanent full-time jobs associated with commercial olive crop production as well as an increase in economic activity resulting from having sufficient water to expand the olive orchard an additional 3,500 olive trees. An *environmental* benefit of the project is conservation of water through an innovative floating reservoir cover to reduce evaporation as well as installation of an efficient irrigation system. In the *social/cultural* benefit category the proposed project demonstrated a high level of collaboration as well as a conservation and community-oriented perspective.

Little Butte Creek Conservation and Quality Improvement

Project Rank: *18 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: Jackson Soil and Water Conservation District

Funding Requested: **$149,330**

Total Project Cost: $569,600

Project Summary: The Little Butte Creek Watershed drains into the Rogue River in Southwestern Oregon. The watershed supplies water for municipalities, agriculture, recreation and wildlife needs. The goal of the proposed project is to promote water conservation. The proposed project, located in Jackson County, would convert flood irrigation to sprinkler and pipe a conveyance ditch. The project would be implemented in two phases with phase 1 converting an area of 93 acres and phase 2 converting an area of 33 acres. The proposed project would:

1) Implement phase 1 of project including installing diversion, pumphouse, pump and filters station, main pipeline and pivot sprinklers; and
2) Implement phase 2 of the project including installation of pump and filter station, main pipeline, wheel lines with movers, center pivot, wiper and booster, and conveyance lining pipe.

Evaluation Summary

The project was moderate in all three benefit categories (*economic, environmental,* and *social/cultural).* The *economic* benefit of the project includes enhancement of infrastructure through the installation of new irrigation systems as well as increases in energy efficiency through the use of an energy efficient variable-frequency-drive pump. An *environmental* benefit of the project is increased water conservation as a result of improved water application efficiency and the piping of a leaking ditch. In the *social/cultural* benefit category the project demonstrated strong collaboration as the project is a result of a basin-wide effort.

West Fork Hood River Irrigation Conservation Development Project

Project Rank: *19 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: Dee Irrigation District

Funding Requested: $2,557,000

Total Project Cost: $3,429,645

Project Summary: In 2012-13, Dee Irrigation District in Hood River County, replaced its 4.5-mile mainline canal with large-diameter pipe and dedicated the conserved water instream but did not complete the distribution system which consists of old pipe that is not capable of being pressurized. The proposed project goal is to complete the water distribution system work and improve irrigation water delivery and on-farm irrigation management in the 870-acre Dee Irrigation District in order to address irrigation shortfalls and low summer flows in the West Fork Hood River. The proposed project would:

1) Purchase land for the pump station siting;
2) Construct a variable frequency drive pump station;
3) Construct a 31,711 foot (~6 miles) pipeline; and
4) Implement on-farm irrigation system upgrades on 171 acres.

Evaluation Summary

The project was moderate in all three benefit categories (*economic, environmental,* and *social/cultural).* The *economic* benefit of the project include an increase in economic activity as a result of greater water security for irrigators as well as the potential for improving or stabilizing fisheries, resulting in economic growth through the sport fishing industry. An *environmental* benefit of the project is water conservation. Through the implementation of conservation activities, the proposed project would work to ensure that an existing Allocation of Conserved Water (ACW) transfer remains valid. In the *social/cultural* benefit category the project considers basin-wide water needs through collaboration when planning for water supplies and the proposed project demonstrates an array of stakeholder engagement.

Haines Water System Compliance Project

Project Rank: *20 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: City of Haines

Funding Requested: **$5,372,220**

Total Project Cost: $7,262,169

Project Summary: The City of Haines water system is out of compliance with Oregon Health Authority (OHA) and Safe Drinking Water Act regulations. The system, including portions that are over 100 years old, contains elements that are failing and pose risks to the environment, public health and safety, and inhibit economic growth. The project goal is to bring the City of Haines into compliance with OHA regulations, safeguard the health and safety of residents and the health of the ground water aquifer, provide fish passage, and improve infrastructure allowing the City of Haines to support economic development and adapt to the demands of climate change over the next century. The proposed project would:

1) Abandon Well #1 and Well #2;
2) Upgrade Well #3 including auxiliary power, a new disinfection system, well controls, and pump and waste piping;
3) Construct a 300-foot, 800-gallons-per-minute well (Well #4) and pump house;
4) Construct a 350,000 gallon standpipe tank;
5) Replace 16,050 feet (~3 miles) of 2-inch, 4-inch, 6-inch, and 8-inch pipe; and
6) Install 19 new fire hydrants.

Evaluation Summary

The project was strong in the *economic* benefit category and was moderate in the *environmental* and *social/cultural* benefit categories. The *economic* benefit of the project includes the potential for increases in economic activity as a result of the economic growth that may be facilitated by the enhancement of municipal infrastructure and a reliable municipal water system. An *environmental* benefit of the project is that the culvert replacements open up useful fish habitat within the basin. In the *social/cultural* benefit category the project would support health and safety of residents by bringing the water system into compliance with Oregon Health Authority (OHA) and Safe Drinking Water Act regulations.

Willakia Vineyard Reservoir Lining and Wetland Restoration

Project Rank: *21 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: Ste. Michelle Wine Estates

Funding Requested: $152,875

Total Project Cost: $219,195

Project Summary: The proposed project is located at the Willakia Vineyard outside Amity in Yamhill County, and would include lining a leaking reservoir, restoration and expansion of a wetland, and an initiative to increase public understanding of sustainability. The goal of the proposed project is to increase water use efficiency, enhance ecosystem stability, create economic growth, promote sustainability awareness, and increase available water within the local watershed. The proposed project would:

1) Install a 40 mm HDPE liner in reservoir; and
2) Increase wetland from 2.68 acres to approximately 5 acres including pre-plant prep (herbicide pest removal), planting of wetland species and post-plant wetland management (replanting, watering, pest management).

Evaluation Summary

The project was strong in the *economic* benefit category and was moderate in the *environmental* and *social/cultural* benefit categories. The *economic* benefit of the project includes the potential for job creation as a result of an increase in vineyard acreage. In addition, increased wine production would increase economic activity. The *environmental* benefit of the project includes increased water use efficiency through conservation methods as well as an increase in wetlands capacity for storage and treatment. In the *social/cultural* benefit category the project would result in the promotion of recreation and scenic values. Specifically, the project would promote wine tourism in Yamhill County.

Madras Agricultural Water Efficiency and Reuse

Project Rank: *22 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: Jefferson County SWCD

Funding Requested: $55,437

Total Project Cost: $75,887

Project Summary: The proposed project will take place on four different properties in Jefferson County within the Middle Deschutes Watershed. The project would consist of cleaning out several existing tail water ponds and installing a gravity-fed pipeline for water reuse in the Campbell Creek drainage. The proposed project would reduce the amount of tail-water runoff and sediment transport in the project area. The goal of the proposed project is to promote agricultural water reuse, efficiency and improved water quality. The proposed project would:

1) Install 2,725 feet of 10-inch pipe, weir and irrigation pump;
2) Clean three ponds; and
3) Clean and expand one pond.

Evaluation Summary

The project was strong in the *social/cultural* benefit category and was moderate in the *economic* benefit category and low in the *environmental* benefit category. The *economic* benefit of the project includes short-term job creation and increased economic activity. While the project could result in a reduced sediment input into the Deschutes River, the *environmental* benefit of the project lacked quantification. In the *social/cultural* benefit category the project would promote recreation and scenic values in the Deschutes River. In addition the project demonstrated collaborative process in its development.

Dog River Pipeline Replacement Project

Project Rank: *23 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: City of the Dalles

Funding Requested: $4,000,000

Total Project Cost: $8,097,700

Project Summary: The Dog River Pipeline is a 3.5-mile–long, 100+-year-old, wood-stave water transmission pipeline that transfers water from Dog River to South Fork Mill Creek to supply water to the City of The Dalles. The pipeline that provides 54 percent of the City's municipal supply is deteriorating, leaking, and at risk of failure. The goal of the proposed project is to ensure future municipal supply and to promote fish screening and passage in Dog River. The proposed project would:

1) Install 19,697 feet (~3.7 miles) of 24-inch class 52 ductile iron pipe;
2) Install an arch culvert on Brooks Meadow Creek crossing; and
3) Install fish screen and passage system.

Evaluation Summary

The project was moderate in all three benefit categories. An *economic* benefit of the project is the enhancement of municipal infrastructure. The new pipeline would greatly enhance the reliability of a critical portion of municipal water system infrastructure. The *environmental* benefit of the project includes the conservation of water by reducing leaks and installing fish screens and passage at the Dog River pipeline inlet. In the *social/cultural* benefit category the project would provide for public health by ensuring a reliable municipal water supply.

JDR Ranch Irrigation Efficiency Project

Project Rank: *24 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: JDR Ranch LLC

Funding Requested: $225,193

Total Project Cost: $300,258

Project Summary: The goal of the proposed project, located in Sherman County, is to improve water delivery infrastructure on the JDR ranch to increase water and energy efficiency, improve instream flows, and reduce riparian area intrusion that results from annual intake system installation and removal. The proposed project would:

1) Construct pivot ancillary infrastructure;
2) Construct a pump station;
3) Construct sumps;
4) Construct pivot bases;
5) Install two pivots; and
6) Complete electrical work.

Evaluation Summary

The project was strong in the *economic* and *social/cultural* benefit categories and was low in the social/cultural benefit category. The *economic* benefit of the project includes the enhancement of irrigation infrastructure, power savings associated with pump efficiency, and enhanced economic value associated with tourism as a result of legally protected the conserved water instream. The *environmental* benefit of the project includes the conservation of water through more efficient application methods and the legal protection of water instream, although the amount to be protected was not identified. In the *social/cultural* benefit category, the project could be strengthened by further demonstration of the *social/cultural* benefits of the project.

Clackamas ASR Well

Project Rank: *25 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: Sunrise Water Authority

Funding Requested: $1,500,000

Total Project Cost: $2,000,000

Project Summary: Sunrise Water Authority provides drinking water to nearly 50,000 people across a 22-square-mile service area, encompassing the cities of Happy Valley and Damascus, along with surrounding areas of unincorporated Clackamas County. Sunrise Water Authority meets the majority of customer demand with Clackamas River water and anticipates that demand for water will increase in the future. In an effort to avoid reliance on a single-source, Sunrise secured a limited license that allows aquifer storage and recovery in up to five wells. Sunrise Water Authority installed one well and seeks to expand the system. The proposed project goal is to further develop Sunrise Water Authority's underground storage capacities to avoid reliance on Clackamas River Water. The proposed project would:

1) Drill a well; and
2) Construct a pump station.

Evaluation Summary

The project was moderate in all three benefit categories (*economic*, *environmental*, and *social/cultural).* An *economic* benefit of the project is the enhancement of municipal infrastructure. Aquifer storage and recovery could enable Sunrise to meet rising water demands associated with increases in district demand. In the *environmental* benefit category, the project could potentially benefit water levels in the Ground Water Limited Area (Damascus). In the *social/cultural* benefit category the project would provide additional scientific data on water quality as well as the aquifer characteristics.

Chiloquin Water Supply and Metering Improvement

Project Rank: *26 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: City of Chiloquin

Funding Requested: $900,000

Total Project Cost: $1,200,000

Project Summary: The Water Master Plan for the City of Chiloquin in Klamath County has identified three capital improvements: 1) increase water supply reliability through the replacement of the City's water supply well infrastructure, 2) add a new water supply well, and 3) replace all water meters. The goal of the proposed project is to increase water supply reliability and system redundancy, and accurately account for water use in the City of Chiloquin. The proposed project would accomplish the following:

1) Construct and install new well infrastructure, including reaming well, casing and sealing to 110 feet, pump, column, shaft, motor, pump station electrical supply, pump house, pump station piping, valves, flowmeter, 310 feet of 10 inch pipe, manual transfer switch, SCADA system, and chlorination system;
2) Replace meters, including installation of 324 3/4-inch to 5/8-inch meters, installation of six 1 ½-inch meters, antenna, and software/equipment for vehicle; and
3) Install new pump and pump house for the existing well, including installation of prefabricated pump house, pump, column, shaft, motor, variable frequency drive, pump station piping, valves, flowmeter and motor control center.

Evaluation Summary

The project was strong in the *social/cultural* benefit category and has moderate *economic* benefit and low *environmental* benefit. The *economic* benefit of the project includes the enhancement of the municipal water supply and metering infrastructure. While the installation of meters would likely result in the conservation of water, the *environmental* benefit would be strengthened additional documented benefit. In addition, the proposed project could be strengthened if there were other environmental benefits. In the *social/cultural* benefit category, benefit includes an improvement in conditions for tribal communities (the City of Chiloquin is approximately 50% Native American) ,as well as an increase in public safety by improving the existing water supply, and adding resiliency and redundancy to the system.

Catherine Creek Wastewater Facility Improvements

Project Rank: *27 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: City of Union

Funding Requested: $2,300,000

Total Project Cost: $4,681,000

Project Summary: The City of Union currently discharges its municipal treated wastewater effluent into Catherine Creek for the majority of the year. The project goal is to eliminate discharge of municipal effluent into Catherine Creek by applying the effluent onto Eastern Oregon Agricultural Research Center and Buffalo Peak Golf Course lands. The proposed project would:

1) Modify existing Wastewater Treatment Facility (WWTF) piping; construct 5,500-foot (~1 mile), 8-inch pipeline from existing WWTF effluent pump station to new storage ponds;
2) Modify existing effluent pump; electrical, controls and instrumentation installation;
3) Construct two 6-acre, lined storage ponds with an estimated capacity of 31.3 million gallons;
4) Install 300-gallons-per-minute (gpm) irrigation pump station;
5) Install fence and security signs;
6) Install irrigation infrastructure at effluent application site;
7) Install 100 gallon-per-minute pump at storage ponds; and
8) Install low head supplemental irrigation water supply pump (200 gpm) and 1,100 feet of 6-inch pipe.

Evaluation Summary

The project was strong in the *economic* public benefit category and moderate in the *environmental* and *social/cultural* public benefit categories. The *economic* benefit of the project includes new temporary and potentially permanent jobs and increases in economic activity. The project would promote innovation through the proposed approach to remove wastewater discharge from Catherine Creek. The *environmental* benefit of the project includes water quality improvements resulting from reducing/eliminating discharge of treated wastewater effluent into Catherine Creek, and efforts to contain and avoid runoff of the wastewater effluent as it is applied for irrigation. In the *social/cultural* public benefit category, the project would promote public health and recreation opportunities through water quality improvements.

Dayton Water System Improvement

Project Rank: *28 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: City of Dayton

Funding Requested: $1,940,627

Total Project Cost: $2,587,503

Project Summary: The proposed project, located in Yamhill County, consists of several improvements that are intended to increase the City of Dayton's access to water and make the production and delivery of water to customers more efficient, reliable, and resilient. The proposed project would:

1) Replace watershed transmission line, including installation of 8800 feet (~1.7 miles) of 12-inch transmission main, boring under highways, and connecting to existing waterlines;
2) Develop fisher farm well, including wellhead improvements, methane stripper and control building,
3) Install pipe and connections to city system, electrical and controls, power generator, electrical and controls; and
4) Install variable frequency drives on two existing municipal wells.

Evaluation Summary

The project was moderate in the *economic* and *social/cultural* benefit categories and low in the *environmental* benefit category. The *economic* benefit of the project includes the improvement of municipal infrastructure as well as the potential for an increase in economic activity resulting from construction of a water transmission line that may facilitate the development of commercial/industrial lands. While the replacement of the water transmission line would conserve water, the low *environmental* benefit of the project could be improved by legally protecting a portion of the conserved water instream and generally providing more information and greater quantification of the environmental benefit of the project. In the *social/cultural* public benefit category, the project would promote public health and safety by replacing the leaky transmission line and reducing the likelihood of contamination of the water supply system.

Vale Water System Improvement

Project Rank: *29 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: City of Vale

Funding Requested: $5,305,000

Total Project Cost: $7,505,000

Project Summary: The City of Vale is currently out of compliance with Oregon Heath Authority Drinking Water Services regulations and the Safe Drinking Water Act. Vale's drinking water contains arsenic levels that exceed the maximum contaminant level. In addition, Vale's water system lacks capacity in supply, storage, and reliability. The goal of the proposed project is to address issues in the City of Vale's water system to bring it into compliance with drinking water regulations. The proposed project would:

1) Construct a coagulation filtration arsenic treatment facility, including a treatment building, piping, process pumps, coagulation filtration arsenic treatment equipment and media, backwash recovery storage tanks, electrical, controls and instrumentation, supervisory control, data acquisition (SCADA) and telemetry, security fencing and standby power generator system;
2) Modify the Washington Street Well Pump Station including piping modifications, well pump replacement, pump station controls and electrical modifications, new standby generator system, supervisory control, data acquisition, SCADA, and telemetry improvements;
3) Install 8,500 feet (~1.6 miles) of 10-inch transmission pipeline to deliver water from the Washington Street Well Pump Station to the new arsenic treatment facility;
4) Demolish existing 200,000 gallon Airport Water Storage Reservoir;
5) Install 700,000 gallon Airport Water Storage Reservoir; and
6) Improve existing booster pump station including controls, instrumentation, electrical, SCADA, telemetry and pressure monitoring.

Evaluation Summary

This project was moderate in the *economic* and *social/cultural* benefit categories and low in the *environmental* benefit category. The *economic* benefit included potential job creation and increased economic activity that may occur if a safe drinking water source was secured. The construction of an arsenic treatment facility would improve municipal infrastructure and provide the safe drinking water needed to support future economic growth. While the project would result in water conservation as a result of an efficient water treatment process, the *environmental* benefit of the project was limited. In terms of *social/cultural* benefit, the project would improve public health through the removal of toxic arsenic from drinking water.

Fiddlehead Farm Irrigation Innovation

Project Rank: *30 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: Fiddlehead Farm

Funding Requested: $25,304

Total Project Cost: $35,495

Project Summary: Fiddlehead Farm is a certified-organic, small family farm in Corbett growing mixed vegetables for local markets. Currently the farm is irrigated exclusively with municipal water. The goal of the proposed project is to develop a rainwater catchment system in order to provide the farm with lower cost water and higher returns, provide resiliency against excessively hot summers and climate variability, improve crop health and yields, and reduce the farm's use of Gordon Creek water that is delivered by the City of Corbett's water system. The proposed project would:

1) Install a 39,600-gallon rainwater catchment system including tanks, filters and a pump; and
2) Create a video to illustrate system design and function.

Evaluation Summary

The project demonstrated moderate benefit in all three public benefit categories (*economic, environmental,* and *social/cultural).* The *economic* benefit of the project includes an increase in innovation through the installation of a rainwater catchment system. The *environmental* benefit of the project includes a reduction in the reliance on surface water flows to meet irrigation needs. In the *social/cultural* benefit category, the project would promote local food systems through the increased production of organic produce that would be supplied to local markets.

Umatilla Beneficial Reuse Phase 1

Project Rank: *31 out of 37*

Recommendation: *Not Recommended for Funding at this Time*

Project Information

Applicant: City of Umatilla

Funding Requested: $2,248,344

Total Project Cost: $2,997,792

Project Summary: Currently, industrial wastewater generated by the Port of Umatilla is treated with domestic wastewater from the City of Umatilla and discharged into the Columbia at the John Day Pool. The proposed project would construct an approximately three-mile pipeline to allow industrial wastewater to be delivered to the West Extension Irrigation District for beneficial reuse. The proposed project goal is to reduce water competition in the Umatilla Basin between industrial and agricultural users, and to create infrastructure to support dual-use recycled industrial wastewater. The proposed project would:

1) Install 12,000 linear feet (~2.3 miles) of reuse pipe;
2) Install and upgrade electronics and controls; and
3) Connect a control structure to a pump exchange canal.

Evaluation Summary

The project was moderate in the *economic* and *social/cultural public* benefit categories and low in the *environmental* public benefit category. In terms of *economic* benefit, the proposed project would address water supply shortages for irrigators within the West Extension Irrigation District, while also allowing for the further development of the Port of Umatilla. While the project could potentially reduce demand on freshwater through the use of recycled water, the project could be improved by increasing the level of detail and quantification of the *environmental* benefit as well as potentially broadening the scope of the project to increase *environmental* benefit. In the *social/cultural* benefit category the project demonstrated collaboration with the Confederated Tribes of the Umatilla Indian Reservation.

Allen Creek Pipeline

Project Rank: *32 out of 37*

Recommendation: *Not Recommended for Funding at this Time*

Project Information

Applicant: Waibel Ranches LLC

Funding Requested: $382,400

Total Project Cost: $706,900

Project Summary: Big Summit Prairie is a large privately owned meadow in the Ochoco National Forest in Crook County. There is an existing 1,800 acre foot reservoir (Allen Creek Reservoir) at the north-eastern end of the meadow. Currently, the adjacent landowner to the west has a right to store up to 800 acre feet of water in Allen Creek Reservoir for irrigation. Every year, the 800 acre feet of water is delivered to the adjacent land owner's property line. Water is currently delivered by an open, unlined ditch that has seepage losses estimated at over 30%. The proposed project would install a pipeline with an inlet at the reservoir near the bottom of the dam, allowing more efficient delivery of Allen Creek Reservoir water to the adjacent land owner. The goal of the project is to conserve water. The proposed project would:

1) Install 13,000 feet (~2.5 miles) of 20-inch HDPE pipe; and
2) Fabricate flow control/measurement structures.

Evaluation Summary

The project was deemed to have moderate *economic* benefit and low *environmental and social/cultural* benefit. The *economic* benefit includes an additional month of irrigation on 500-600 acres of meadow pasture. There was concern that this project potentially would not result in net *environmental* benefit; thus, the project would be strengthened by increased environmental benefit. Overall, the proposed project would be strengthened by broader public benefits, increased collaboration, and increased quantification of the public benefits.

Hazelnut Drip Irrigation Project

Project Rank: *33 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: Jonathan Edmonds

Funding Requested: $40,716

Total Project Cost: $54,288

Project Summary: The proposed project is an irrigation efficiency project in Marion County. The project would convert an existing big-gun/hand-line irrigation system to a drip irrigation system. The goal of the proposed project is to efficiently irrigate a newly planted 50-acre hazelnut orchard. The proposed project would:

1) Install a self-flushing filtration system and zone regulator electronics;
2) Install a 300 gallons-per-minute pump; and
3) Install drip tubing.

Evaluation Summary

This project was deemed low in all three public benefit categories. While conservation would be helpful to regulation within the Butte Creek basin by providing more water to downstream users, the overall *public benefit* with this project was poorly defined. There is limited information in the project proposal about *economic benefits*. The *environmental benefit* would be enhanced if the project proposed to legally protect a portion of conserved water instream, or provided some other environmental benefit. The *social/cultural* benefit could be enhanced by increasing the scope to include collaboration with other water users in the basin such as other irrigators, conservation groups, or municipalities.

Adrian Water System Improvement

Project Rank: *34 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: City of Adrian

Funding Requested: $1,029,600

Total Project Cost: $1,372,800

Project Summary: The City of Adrian currently relies on three wells to meet municipal demand. To meet peak summer demands the City drilled a fourth well. While the capacity of the new well is sufficient to meet the 20-year demand projection, the well has high levels of arsenic and border-line high levels of uranium and nitrate. The proposed project would:

1) Extend electrical services to the new well;
2) Install a submersible pump/motor in the new well;
3) Construct approximately 3,000 feet of 6-inch water transmission pipeline from the new well to an existing 6-inch water main; and
4) Construct a new groundwater treatment facility that would include coagulation, pressure filtration, and adsorption to address the arsenic, uranium, and nitrate.

Evaluation Summary

The project was deemed *moderate* in the *social/cultural* public benefit category and low in the *economic* and *environmental* public benefit categories. In terms of *social/cultural* benefit, the project would promote public health and safety by addressing uranium, arsenic, and nitrate concerns in the drinking water in a rural, low-income community. Overall, the proposed project would be strengthened by broader public benefits and increased quantification of the public benefits. For example, including additional explanation of the expected improvement of groundwater levels would better demonstrate the potential *environmental* benefit of the project.

Tide Creek Rainwater Collection Project

Project Rank: *35 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: Canaan Hill Farm

Funding Requested: **$10,500**

Total Project Cost: $14,585

Project Summary: The goal of the proposed project is to increase orchard yields on Canaan Hill Farm in Columbia Country by installing a rainfall collection system. To achieve this goal, the proposed project would accomplish the following:

1) Install six 3,000 gallon water tanks; and
2) Install a pump pressure tank and plumbing.

Evaluation Summary

The project was low in all three public benefit categories. While small farm storage of rain water is an innovative approach to address water supply needs, the public benefit is limited. The public benefit could be strengthened by including a more clear description of the water need and by partnering with other water users to potentially broaden the scope of public benefits.

Greenhorn Water System Improvements

Project Rank: *36 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: City of Greenhorn

Funding Requested: $187,500

Total Project Cost: $250,000

Project Summary: The City of Greenhorn's current water system utilizes two springs to meet water needs. The goal of the proposed project is to protect public health and improve water use efficiency by making improvements to the water system. The proposed project would:

1) Improve the West Spring source including spring box and spring outlet line;
2) Install a flow meter, screen and livestock fencing;
3) Improve the East Spring source including installation of new vaults for spring source and spring outlet, and securing entrance to mine shaft;
4) Improve the existing water storage tank;
5) Install a 4,000-gallon storage tank; and
6) Install distribution line and truck filling station.

Evaluation Summary

The project demonstrated low benefit in all three public benefit categories. While proposed project clearly identified necessary fixes to the City of Greenhorn's water system, the project, as proposed, would provide limited public benefit. The project public benefits could potentially be strengthened by expanding the project scope to address other water supply needs in the basin. The environmental benefit would be enhanced by clearly stating how the project would achieve the instream protection it proposes.

Mountain Line Replacement Project

Project Rank: *37 out of 37*

Recommendation: *Not Recommended for Funding at This Time*

Project Information

Applicant: City of Baker City

Funding Requested: $184,800

Total Project Cost: $308,618

Project Summary: Located in the Elkhorn Mountains of the Wallowa-Whitman National Forest, the Mountain Line is the main supply line to Baker City's municipal reservoirs and treatment facility. The line was constructed in the 1920's/1930's and consists of three-foot sections of 12-inch concrete pipe. The Mountain Line will eventually become inoperable from increased fractures, root intrusions, and deteriorating joints. Baker City lacks a backup water source in case of line failure. The goal of the proposed project is to replace the Mountain Line to meet future municipal needs. The proposed project would:

1) Demolish the existing concrete pipe; and
2) Install approximately 1 mile of 20-inch polyvinyl chloride (PVC) pipe.

Evaluation Summary

The project was deemed low in all three public benefit categories. While the proposed project is an important component of solidifying the Baker City water system, there was limited information about the potential e*conomic, environmental, and social/cultural* benefits that would be achieved through the project. The project could be strengthened through additional explanation and demonstration of public benefit in all three categories. The project benefits could also be enhanced by working with others in the basin to broaden the scope of the public benefit of the project.