



MEMORANDUM

TO: Water Resources Commission

FROM: Thomas M. Byler, Director

SUBJECT: Agenda Item D, November 15, 2018
Water Resources Commission Meeting

Water Project Grants and Loans - Funding Recommendations

I. Introduction

This report describes the multi-agency Technical Review Team (TRT) evaluation process, public comments received, and the Department's funding recommendations for the 2018 Water Project Grants and Loans funding cycle. The Commission will be asked to award funding.

II. Background

In 2013, the Oregon Legislature passed Senate Bill 839, establishing the Water Project Grants and Loans funding opportunity, which provides funding for water projects that have economic, social, and environmental public benefits. This supports Recommended Action 13.E in the Integrated Water Resources Strategy. In June 2015, the Commission adopted rules establishing procedures and requirements for water resource projects to receive funding. After adoption of rules in June 2015, the Commission in May 2016 awarded nine grants totaling \$8,891,118. In 2017, the Commission awarded four grants totaling \$6,282,232.

The 2018 application deadline was April 25, 2018, and the Department received 19 complete applications requesting a total of \$15,998,829 in grants and loans. Eighteen applications requested grant funds ranging from \$153,351 to \$2,134,353. The Department received one loan application requesting \$673,106 in program funds. See Attachment 1 for a list of all complete applications received.

There is approximately \$13,800,000 in unobligated funds currently available for the Commission to award during this cycle and the 2019 funding cycle.

III. Grant Application Review Process

After the application deadline, all applications were reviewed for eligibility and completeness. The Department solicited written comments on complete applications during a 60-day public comment period from May 22, 2018 through July 20, 2018. During this first comment period, the Department received comments from eight individuals and organizations addressing 17 of the applications. See Attachment 2 for a compilation of the comments received.

A multi-agency TRT evaluated the applications and developed funding recommendations for the Commission. The TRT consisted of staff from the Department, as well as Regional Solutions, and the Departments of Environmental Quality, Fish and Wildlife, Business Development, and Agriculture. See Attachment 1 for the TRT project ranking and funding recommendations.

The Department contacted affected Indian tribes directly to solicit comments on complete applications where project work would be conducted on lands where the tribe may have an interest. Affected tribes were invited to serve as members of the TRT, but instead chose to submit comments for consideration by the TRT, or if later in the process, for consideration by the Department and Commission. See Attachment 3 for an example of the Department's invitation to the tribes and for the two comments received from tribes at various stages in the process.

The TRT met to discuss the public benefits of each project and consider comments submitted by tribes and the public. The TRT then scored applications based on the potential economic, environmental, and social/cultural public benefits described in the applications and the comments received. A maximum score of 30 points is available in each of the economic, environmental, and social/cultural public benefit categories. A proposed project can receive up to 10 additional preference points; up to five points for legally protecting water instream and up to five points for collaboration (both listed in the "Other" category). The maximum public benefit score is 100 points. See Attachment 4 for the public benefit scoring criteria and Attachment 5 for the Department's *Guidance on the Evaluation of Public Benefits*.

The Department calculated a combined public benefit score for each project and prepared a draft ranking in order of greatest public benefit. The TRT then reviewed the draft ranking and made a final funding recommendation. See Attachment 6 for all complete applications received and the TRT project ranking, evaluation summaries, and funding recommendations.

The TRT rankings and recommendations were published on the Department's website and distributed on the Water Resources Development Program's list-serve for a 30-day public comment period, which took place from August 22 through September 21. During the second comment period, the Department received comments from 11 individuals and organizations addressing 3 applications, as well as providing general program-related comments. See Attachment 7 for the public comments received.

Comments were received on 1) the Mosier Deep Water Supply Well project, 2) The Dalles Municipal Watershed Dog River Pipeline Replacement project, and 3) the Painted Hills Reservoir Expansion project. The comments provided on the Mosier Well project consisted of letters supporting the project proposal. Some comments related to the Dog River project were in favor of the project, while others opposed the project as proposed in the application. Comments on the Painted Hills project were directed to the Department to ensure statutory and regulatory project compliance. Additionally, comments of concern were received from the Confederated Tribes of Warm Springs opposing the Dog River project (included in Attachment 3).

The Department carefully evaluated the comments to determine if new information was provided that would require reconvening the TRT to re-evaluate the funding recommendation. Upon

review, no new information was submitted requiring a re-evaluation by the TRT; however, the Commission may consider the comments in developing their final funding decision.

IV. 2018 Funding Award Recommendations

Based on the TRT ranking, public comments, and staff review, the Department recommends funding the top eight of the nineteen applications (Table 1). This funding recommendation takes into account the availability of funds and statutory provisions to review applications annually. If approved by the Commission, Department staff will work with recipients to develop grant agreements. Release of grant funds is contingent on applicants obtaining all applicable local, state, and federal permits and regulatory approvals, as well as meeting match fund requirements.

Table 1. 2018 Funding Recommendations (all grants)

<i>Project Name</i>	<i>Project Type</i>	<i>Grant Funding Request</i>	<i>Total Cost of Project</i>	<i>Funding Recommendation</i>
Johnston Lane Conservation Project	Conservation	\$606,343	\$808,458	\$606,343
Dee Flat Water Conservation Project	Water Infrastructure Conservation, Flow Restoration & Protection	\$1,600,000	\$2,688,587	\$1,600,000
Tumalo Feed Canal Phase 6	Conservation, Flow Restoration & Protection	\$1,297,542	\$6,744,744	\$1,297,542
Painted Hills Reservoir Expansion	Above-Ground Storage	\$581,990	\$1,086,667	\$581,990
Sterling Park Stormwater Recharge Project	Below-Ground Storage, Flow restoration & Protection	\$862,500	\$1,150,000	\$862,500
Galls Creek Irrigation Conversion Project	Water Infrastructure, Conservation, Flow Restoration & Protection	\$153,351	\$213,913	\$153,351
Flat Creek Watershed Enhancements	Above-Ground Storage, Water Infrastructure, Conservation	\$196,029	\$391,458	\$196,029
The Dalles Municipal Watershed Dog River Pipeline Replacement Project	Water Infrastructure, Conservation	\$1,000,000	\$8,097,700	\$1,000,000
Total		\$6,297,755	\$21,181,527	\$6,297,755

V. Summary

The funding recommendation includes the applications that demonstrated the greatest public benefits. As recommended, this would result in eight grant awards totaling \$6,297,755. This would leave approximately \$7,500,000 available for the 2019 funding cycle.

VI. Alternatives

The Commission may consider the following alternatives:

1. Adopt the funding recommendation contained in Table 1 of this report to fund eight applications for a total award of \$6,297,755.
2. Adopt a modified funding recommendation.
3. Direct the Department to further evaluate the applications and return with a revised recommendation.

VII. Recommendation

The Director recommends Alternative 1, to adopt the staff funding recommendations contained in Table 1 of this report to fund eight applications for a total award of \$6,297,755.

Attachments:

1. TRT Ranking and Funding Recommendation
2. Public Comments on Applications
3. Affected Indian Tribes
4. Excerpt from Division 93 Rules on Scoring
5. Guidance on the Evaluation of Public Benefits
6. Funding Recommendation and Application Evaluation Summaries
7. Public Comments Received on the TRT Funding Recommendation

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Technical Review Team Ranking Water Project Grants and Loans – 2018 Funding Cycle

The Department solicited grant and loan applications through April 25, 2018. During that time the Department received 19 complete applications requesting nearly \$16 million in project implementation funds. The Technical Review Team (TRT) reviewed, scored, and ranked each application. The TRT scoring criteria was based upon the *Guidance on the Evaluation of Public Benefits* document. The rank and score is based on the combined public benefit score for the public benefits as described in the project application. An application could score up to 30 points in each of the economic, environmental, and social/cultural public benefit categories. A proposed project could receive up to 10 additional preference points; up to 5 points for legally protecting water instream and up to 5 points for collaboration (these are listed in the “Other” category). There is a maximum public benefit score of 100 points.

Below is the TRT application ranking and funding recommendation for the 2018 funding cycle of Water Project Grants and Loans. The eight applications in Table 1 are recommended for funding by the TRT. These represent the projects with the greatest public benefits as evaluated by the TRT. The applications in Table 2 are not recommended for funding at this time. While all of the applications demonstrated some measure of public benefit, the projects in Table 2 are not recommended for funding due to insufficient public benefit demonstrated in the application, and/or other reviewer concerns about project implementation. The TRT determined that, as submitted, applications ranked 9 through 19 did not demonstrate sufficient public benefits to justify funding at this time. While the proposed projects associated with those applications may have public benefits, as submitted, the applications did not demonstrate or support those benefits consistent with the criteria identified in the *Guidance on the Evaluation of Public Benefits* document.

Water Project Grants and Loans – 2018 Funding Cycle

Table 1. Applications Recommended for Funding

TRT Rank	2018 Funding Cycle Application	*Funding Request	Public Benefit Category Score Breakdown				Total Score
			Economic	Environmental	Social/Cultural	Other	
1	Johnston Lane Conservation Project	\$606,343	17.5	19.5	19.5	8	64.5
2	Dee Flat Water Conservation Project	\$1,600,000	13.5	20	19	7.5	60
3	Tumalo Feed Canal Phase 6	\$1,297,542	16	22	13.5	8	59.5
4	Painted Hills Reservoir Expansion	\$581,990	17.5	20.5	17	3	58
5	Sterling Park Stormwater Recharge Project	\$862,500	12	18.5	17	7	54.5
6	Galls Creek Irrigation Conversion Project	\$153,351	14.5	18.5	12.5	5	50.5
7	Flat Creek Watershed Enhancements	\$196,029	11.5	13.5	19.5	3.5	48
8	The Dalles Municipal Watershed Dog River Pipeline Replacement Project	\$1,000,000	15	11	17.5	3	46.5
TOTAL		\$6,297,755					

Table 2. Applications Not Recommended for Funding At This Time

TRT Rank	2018 Funding Cycle Application	*Funding Request	Public Benefit Category Score Breakdown				Total Score
			Economic	Environmental	Social/Cultural	Other	
9	Mosier Deep Water Supply Well	\$671,724	10	8	17.5	4.5	40
10	Palmer Creek Irrigation Upgrade Project	\$582,713	22	7	10	0	39
11	Smith Ditch Water Delivery Improvement	\$590,902	11	12.5	10.5	4.5	38.5
12	Threemile Joint Fish Screen and Piping Project	\$948,461	9	9.5	12	5.5	36
13	Newport Citywide Advanced Metering Infrastructure	\$636,119	11.5	6	14	3	34.5
14	COID G-4 Lateral Piping Project	\$349,728	12.5	7	9	3	31.5
15	Fishhawk Lake & Stream Water Supply & Quality Improvement Project* – Loan	\$673,106	11.5	6	13	0	30.5
16	Fishhawk Lake & Stream Water Supply & Quality Improvement Project* – Grant	\$584,068	11.5	6	13	0	30.5
17	Beaver Creek East Reservoir Above-Ground Storage	\$654,900	12.5	8.5	7	2.5	30.5
18	Lafayette Water Transmission Intertie to McMinnville	\$1,875,000	13	1.5	10.5	3.5	28.5
19	Amity Water Distribution Line Replacement and Reservoir Site Improvements	\$2,134,353	6.5	6	11	0	23.5

*Request includes grant and loan funds



Water Project Grants and Loans

Public Comments Received

2018 Funding Cycle Applications



Document Description

The Department received 19 complete applications for the 2018 funding cycle of Water Project Grants and Loans. Public comment on the applications was accepted from May 22, 2018 through July 20, 2018. Administrative rule [OAR 690-093-0090(1)(c)] identifies that the Technical Review Team (TRT) considers comments from applicants and the public. The purpose of this document is to provide the TRT with the comments received during the public comment period. Public comments on 2018 funding applications are in the order and page number listed below.

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July 20, 2018

Water Resources Department
725 Summer St N.E., Suite "A"
Salem, OR 97301-1271

Re: Comments, SB 839 Water Development Loan and Grant Program Applications

Dear Grant Coordinator,

WaterWatch appreciates the opportunity to comment on the SB 839 grant and loan program grant applications prior to review by the Technical Team. 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.

As was the case in previous years, we were again 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 actually accomplish this. SB 839 is very deliberate in its use of the words "measurable" and "protected". See ORS 541.673(3). This language was heavily negotiated. Measurable means there must be an identifiable amount of streamflow dedicated instream and protected means the water must be legally protected instream.

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 (CWA) 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 not only documentable, but are legally protected into the future for the life of the project. This was the intent of the statute. We urge the technical team to score projects accordingly (i.e. without legal protection of saved water instream, scoring should be zero for this particular public environmental benefit metric, or in some cases -1).

A separate, but related, issue is that for those projects that do commit to using the CWA, the Act requires a minimum of 25% of the saved water to be dedicated instream. If public funding exceeds 25%, then the percentage of water protected instream must be commensurate to the public funding provided. The WRD should ensure that any grants that are awarded are consistent with the CWA and that the percentage dedicated instream matches the percentage of public funding.

And finally, SB 839 Section 7(3) requires the technical review team include "affected Indian Tribes". Many of the 2018 applications affect tribal lands/waters/interests, including but not limited to Dog River/the City of the Dalles, Dee Irrigation, Tumalo Feed Canal and COID lateral projects. For these and other relevant projects the OWRD should include tribes in the technical review as intended by statute.

Project Specific Comments: In addition to the overarching points noted above, we have the following initial comments on specific applications.

Amity Water Distribution Line Replacement and Reservoir Site Improvements (\$2,134,353): This project states that it will result in a .26 cfs increase in flow in the South Yamhill River and that this will improve all environmental benefits outlined in ORS 541.673(3). That said, the Amity project does not commit to protecting this water instream. Unless this water is protected instream the project will not result in a measurable improvement in protected streamflows and should be scored accordingly (0). Similarly, if the water is not protected instream the water quality benefits connected to higher streamflows cannot be claimed and it should be scored accordingly (0). Ditto for the claim that this will promote recreation and scenic values (0). As to water conservation, while this project will clearly conserve water, the claims that it will leave water instream are meaningless unless they go through the conserved water act to legally protect this water instream.

Beaver Creek--East Reservoir Water Supply and Irrigation Project (Crooked River Basin, \$654,900): This application seeks public funds to fund the majority of the cost of a new storage project in the Crooked River basin above Prineville Dam. As the WRD is aware, in late 2014 the Crooked River Collaborative Jobs and Security Act of 2104 passed Congress and was signed into law by President Obama. This new federal law authorizes the storage and release of nearly half the water stored behind Prineville Reservoir for downstream fish and wildlife. Earlier this year, the BOR transferred the existing irrigation storage right to a right that allows for storage for downstream fish. Filling of the reservoir on an annual basis is paramount for fulfilling the intent of the Act. The Act directs releases for downstream fish, which means that the reservoir will likely be drawn down to levels not previously experienced on a regular basis. Access to all water provided under the Bureau's storage right of paramount importance to the annual refilling of the reservoir and the fulfillment of the Act. While the BOR right is senior to the project that is requesting SB 839 funds, the WRD has stated that it will not regulate against junior upstream reservoirs because of a required 10 cfs bypass at Bowman Dam. This means that any new storage project above Prineville Reservoir will injure the downstream BOR storage water right by storing flows that would otherwise be going to downstream fish. To that end, the WRD should not only not be issuing any new rights that would jeopardize filling into the future, it most certainly should not be spending public funds to support a project that will so clearly harm downstream fish and wildlife.

Additionally, the application is flawed on a number of fronts. For instance, among other things, (1) there is no discussion of the Seasonally Varying Flow (SVF) that would be required if this grant were approved (which will affect amounts allowed to be stored), (2) measurement condition does not note what measures will be taken to ensure that no water is diverted outside the 6 week storage season (i.e. recording should take place year round), (3) 25% of stored water is the minimum required by statute, not the maximum, (4) this water must be protected instream, not "may" be protected, and (5) the 25% must be direct release from the reservoir to the stream as flow augmentation water, not "return flow" as it is stated throughout the application. All in all, this is a project that will directly harm fish in the Crooked River. Under SB 839 technical reviewers are required to assess negative environmental impacts of any project. This project should be scored accordingly with a -1 environmental benefit. We urge the state to reject this application.

COID, G-4 Lateral Piping (\$349,727): COID is proposing to put 100% of the conserved water instream, thus its claim that it will measurably improve streamflows meets statutory standards. If public funds are going to be used to fund private projects, it is this type of public benefit that should accrue (100% of conserved water being protected instream). That said, in this instance COID does not commit to protecting the water upon completion of the piping but rather they give themselves up to five years to commit to this crucial step. The public benefit should be realized upon completion, and we would urge the WRD to work with COID to ensure this occurs (if funded). Additionally, the amount of conserved water should be verified (before/after verification) so that the full potential of this public investment is

realized (if funded). Moreover, any grant should be conditioned upon COID going through the CWA, as that is what they are committing to in the application.

Dee Flat Water Conservation Project (\$1,600,000): This project notes that it will save 2 cfs and that it will protect 1 cfs of this two cfs for two months (60 days) under the Conserved Water Act. The District notes that it cannot irrigate other lands. Any water that is not protected instream can in fact be picked up by users downstream, thus the public benefit of measurably improving protected streamflows is limited to be 1 cfs for 60 days. While we support this applicant's commitment to put some water instream through the CWA, the project could be strengthened if it were to commit to putting the full amount of saved water instream and/or putting the committed saved water (1 cfs) instream for the duration of the irrigation season not just two months. Moreover, the applicant notes that it will consult with ODFW and the Tribes about which months to protect the 1 cfs of water instream but does not commit to a time definite in this application. This should be worked out before the technical team scores this application as this is a critical piece of information. For instance, water saved instream in August and September is likely much more meaningful to fish that water committed instream in March or April when spring flows in the system are higher. And finally, any grant should be conditioned to ensure that the commitments made in the application will carry forward (using the CWA, not irrigating other lands, etc).

Fishhawk Lake (\$584,060): The project claims "measurable improvement in protected streamflows", however it does not commit to releasing and protecting any of the stored water for instream flow augmentation. As noted, unless the applicant commits to legally protecting streamflows the scoring under this particular public benefit must be zero. Moreover, to the extent that project is in fact creating additional storage (by virtue of clearing lake sedimentation), the applicant should be required to provide 25% of the water instream. Water quality claims should be documented/verified by DEQ.

Flat Creek Watershed Enhancements (\$196,029): While the application notes that a goal of this project is to increase last season flows in Flat Creek, there are no commitments to dedicate water instream under this project. Moreover, all statements related to reservoir release schedules to aid fish migration are in narrative form, there is no commitment under this application to actually operate the reservoirs in this manner. Moreover, to the extent that this project will enhance existing storage capacity, the applicant should be required to provide 25% of the water instream. All in all, it appears that there are no commitments to operate this project to achieve the many environmental benefits claimed. Scoring should reflect this.

Gails Creek Irrigation Conservation Project (\$153,351): As we read the application, the applicant commits to putting the whole of the project through the Conserved Water Act and commits to putting 75% of the saved water instream. We support this approach. That said, there are some qualifying statements in the application about expanding acreage which potentially conflict with this commitment. Before this is scored by the technical team, and certainly before this goes before the Commission (if recommended for funding), the WRD should get clarity on this. We could support this project if it does put the whole of the project through the Conserved Water Act (and thus results in 75% of the saved water instream). However, if, on the other hand, it only puts a percentage instream based on being able to fully expand use from the current 11 acres to 45 acres, then we would need to reassess this application¹.

Johnson Lane Conservation Project (\$606,343): WaterWatch supports the work of the Freshwater Trust to improve streamflows in the Wallowa Basin. We appreciate and support the applicant's commitment

¹ The only avenue to expand water use under the existing rights to additional lands beyond the current 11 acres is to use the conserved water statute. Water saved via conservation that does not go through the CWA cannot expand use to additional lands. Transfer of water, as noted, can occur, but expansion under the transfer cannot.

to permanently restore 2.3 cfs per second instream, which from the application materials appears to be 100% of the water saved via this efficiency project.

McMinnville Water Transmission Intertie (\$1,875,000): As the application is presented currently, this project appears to have zero environmental benefit. The benefits claimed are not claims that are appropriate under this scoring criteria, for instance, not developing a groundwater source does not count as “a measurable improvement in groundwater levels that enhances environmental conditions in groundwater restricted areas or other areas”. Similarly, putting in an intertie does not constitute conservation. Nor does the watering of hanging flower baskets promote recreation and scenic values². That said, there is value to regional water supply planning. To that end, we urge the OWRD to work with the applicant and other cities that will be dependent upon the intertie (i.e. Carlton), to commit to actions such as getting off sensitive streams (i.e. City of Carlton/Panther Creek). If Lafayette and the other noted cities were to commit to this, there would be demonstrable environmental benefits to warrant funding.

Mosier Deep Well Water Supply (\$671,724): While we understand the groundwater issues facing the Mosier area, the environmental benefit claims for this project related to streamflow, water quality and groundwater replenishment do not meet the statutory standards. The statute requires demonstrable benefits, not assumptions. Additionally, this is a source switching project not a water conservation project thus that, also, should be scored accordingly. That said, we would encourage WRD to work with applicant ahead of scoring to explore options to make the environmental claims “demonstrable” (i.e. legally protect water instream to meet streamflow and water quality claims, protect groundwater saved from other users, etc.).

Newport, Citywide Advanced Metering Infrastructure (\$636,119): WaterWatch is a strong proponent of water measurement/reporting. However, we are still assessing this project to better understand if claimed environmental benefits could be strengthened to ensure a measurable improvement to protected streamflows and a measurable improvement in the quality of surface water. As currently described, it appears that these would not meet statutory standards for these claimed benefits.

Painted Hills Reservoir Expansion (\$581,990): As required by SB 839, 25% of the new storage must go to instream flow augmentation. The applicant notes that this is the intention. That said, the applicant states that this crucial step will not take place until the first 500 af has been stored and the claim of beneficial use is submitted. SB 839 requires 25% of newly stored water to be provided instream. This is a requirement whether or not the full amount is realized and/or before the COBU deadline. In other words, as soon as the reservoir expansion is built and the project is storing water this requirement must be met. To achieve this, if this project is funded, the grant should require submission of a flow augmentation water right application immediately and/or submission of an ODFW application. Moreover, the water right should carry through into the John Day, not stop at the mouth of Bridge Creek which appears to be the intent here. Again, this is fish water. This cannot be captured by irrigators either in Bridge Creek or in downstream in the John Day River. Without these conditions the instream benefit could be years out and/or easily circumvented. Additionally, the applicant should also be made aware that storing of water, even under an existing right, is subject to Seasonally Varying Flow (SVF) requirements. The 25% provided instream is separate and distinct from the SVF. The SVF requirement should be included in the project task sections/benchmarks.

Palmer Creek Irrigation Upgrade Project (\$582,713): This is an agricultural enhancement project. The environmental benefits claimed do not meet statutory standards. The water from the BOR will be for irrigation, not fish and wildlife. Scoring should reflect this. Moreover, the application is confusing in that the narrative appears to contemplate spreading saved water from efficiency projects to new lands,

² The promotion of recreation and scenic values in the statute was intended to be tied directly to river values.

but there are also statements as to new permits (assumed). Water spreading is not allowed unless the applicant goes through the Conserved Water Statute (which would also require a percentage of the water go instream). OWRD should provide technical reviewers with a clear narrative of the water right standing of this project.

Smith Ditch Water Delivery Improvement (\$590,902): The application notes that this project will utilize the Conserved Water Act to permanently dedicate the 100% of the saved water instream. WaterWatch supports this approach. That said, the application is a bit confusing in spots as it notes in the introductory paragraph that the water will be permanently “leased” instream. We assume this a misstatement, but we would ask the WRD to confirm the applicant’s intent to permanently transfer this instream as part of the grant. Since public funds would be funding this project, there should be no future payment to the “lease” water instream. Moreover, as with a number of other conservation projects, we would urge the state to verify the conserved water (before/after verification) to ensure the maximum public benefit for the funds expended (if funded), and to condition the grant to ensure utilization of the CWA as represented. Moreover, to better assess the value of the water instream vis a vie other projects, ODFW should be consulted (there were no letters of support from any fish agencies).

The Dalles Municipal Watershed Dog River Pipeline replacement project (\$1,000,000): This is at least the third time this applicant has applied for SB 839 funds and WaterWatch continues to oppose funding for this project. According to the project description, this project will double the City’s capacity from 8 million gallons to 17 million gallons to supply future municipal use. While we appreciate that the City has committed to bypass flow of .5 in August, September and October, the fact is that this project will result in a two-fold increase in diversions into the future and, importantly, the applicant is not proposing to protect this water past its diversion point. All in all, it appears the project will have a negative impact on streamflows that exist today. Additionally, the application is somewhat misleading in that it states that the 1.55 cfs currently lost to leakage won’t need to be diverted, leading the reader to believe this water will remain instream, yet the pipe allows for doubling of the current diversion and the City only commits to bypassing .5 cfs instream for three months so clearly the applicant is not contemplating leaving the 1.55 cfs instream. And, as noted, the City does not commit to protecting this water instream, only bypassing it, thus it is available to other water users downstream (and does not “measurably improve protected streamflows” as claimed). It is also important to note that the City’s water right for Dog River allows the City to divert the full amount of water in the stream, thus without a year-round commitment for bypass flows (and protection of these flows instream) the City could dewater the stream 9 months of the year into the future (this is especially true at the City has just submitted an ASR application for the state to increase diversion of winter flows, counting on this project being completed/funded). The increased diversion contemplated by this application and the potential dewatering of this stream raises Endangered Species Act concerns/issues. Dog River is an important stream for imperiled fish, including chinook, coho, cutthroat and steelhead. Numerous private, non-governmental, state, federal and tribal interests are working to restore streamflows in the Hood River Basin; to fund a project that would allow double the diversion runs contrary to these many efforts. All in all, this project appears to do more harm than good in the long run by virtue of the fact they will double their diversion of water from Dog River and they are protecting zero water instream (bypass does not equal protection). Under the rules, when evaluating the environmental benefits for a project, the Technical Team must look at the “changes in environmental conditions” expected to result from the project, which includes both positive and negative impacts. OAR 690-93-0090(2)(b). We encourage the Technical Team to take a hard look at the potential negative effects of this project and score accordingly. Also, it is critical that the technical team consult with the Confederated Tribes of the Warm Springs Reservation as is contemplated by SB 839.

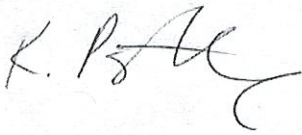
Threemile Joint Fish Screen and Piping Project (\$948,461): The applicant commits to using the Conserved Water Act to protect ½ of the saved water instream. While WaterWatch supports this approach (using the Conserved Water Act), it is unclear to us how much of the project has been funded by other public funds. This grant would cover less than ½ of the cost, thus if this is the only public funding used the 1 cfs falls within the CWA's percentage requirements. However, if the match funding is also coming from public funds then the amount of the conserved water should equal the proportion of public funds as contemplated by the Act. While this sounds like a win-win project, the technical team should be briefed on all existing funding streams and also the commitments made to protect water instream under those grants to ensure that public benefits noted in this application would be in addition to any commitments made under other grants. The WRD should also verify the amount conserved (before/after verification).

Tumalo Feed Canal Phase 6 (\$1,297,542): TID commits to putting the project through the Conserved Water Act and dedicating 100% of the saved water instream. WaterWatch supports this approach. As with other applications, we urge the WRD to verify the amount conserved (before/after verification) to ensure the full benefit committed to by the applicant. This is a win-win project of the type contemplated by SB 839.

Conclusion: We would urge the technical team to score those projects that do in fact provide protected water instream highest, as they provide the highest public environmental benefit. SB 839's environmental benefit standards require demonstrated benefits, not simply assumptions and/or statement of what "might" be. The only way to ensure streamflow and water quality benefits is to protect water instream. On the flip side, the technical team must also look at the negative impacts of project applications, and score appropriately those applications for which there are significant environmental concerns, including but not limited to increased diversions, lack of water availability, endangered species concerns and injury/harm to downstream users/values.

Thank you for the opportunity to comment.

Sincerely,



Kimberley Priestley
Senior Policy Analyst

July 20, 2018

Oregon Water Resources Department
725 Summer St. NW, Ste A
Salem, OR 97301



Subject: Letter of Support for Central Oregon Irrigation District
OWRD Water Project grant application for G-4 Lateral Piping Project

Dear OWRD Technical Review Team:

Famers Conservation Alliance (FCA) fully supports Central Oregon Irrigation District's (COID) grant application requesting OWRD Water Project Grant funds for the proposed G-4 Lateral Piping Project. The project builds on successful efforts by COID to incrementally pipe its conveyance system. This project will pipe 4,660 feet of COID's G-4 Lateral, an open conveyance that loses water through seepage. The project will eliminate water losses and improve water quality and fish habitat by allocating conserved water instream through Oregon's Allocation of Conserved Water Program.

This piping project will also improve delivery efficiency and reduce maintenance costs for the District and patrons by eliminating a rotation system that has caused flooding and damaged roads and property. Piping will supply pressurized water which will allow patrons to be able to utilize more efficient irrigation practices such as sprinkler irrigation and remove costly pumps, conserving water while realizing energy savings.

FCA, a non-profit organization focused on irrigation modernization, is working to help irrigation districts conserve water, become more efficient by modernizing conveyance systems, and protect fish and the environment. FCA is currently working with COID to develop a comprehensive environmental assessment for the District's Pilot Butte Canal system that includes the proposed project. The G-4 Lateral Piping Project will provide many benefits to COID, their patrons, the community, and the environment that are aligned with FCA's goals. Due to the numerous benefits of this project, FCA is in full support of funding this project.

Sincerely,

Julie O'Shea
Executive Director
Farmers Conservation Alliance

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

From: Dr. C. Sue McCullough [<mailto:suzemac@mac.com>]

Sent: Monday, June 11, 2018 2:56 PM

To: WRD_DL_waterprojects

Subject: Fishhawk Lake Project

Improving the Fishhawk Lake dam through the installation of a sluice gate on the current drop drain provides for:

1. Reducing the potential for flooding through overtopping the dam by bringing the dam into compliance with Oregon dam safety regulations;
2. Reducing the risk of downstream destruction of lives and property due to flooding;
3. Improving the stability of the dam to withstand a seismic event;
4. Increasing the capacity of the lake to hold more water, also reducing the risk of flooding;
5. Increasing the amount of control over water flow downstream and water capacity in the lake;
6. Reducing the accumulation of silt and debris that contributes to poor water quality in the lake, e.g. above normal water temperature and turbidity, and below normal oxygenation;
7. Reducing the danger of an algae bloom as has recently negatively affected Detroit Lake and the city of Salem through reduction in the amount of silt accumulation and the hypoxia that occurs along with it;
8. Improving ecological conditions in the lake for cold water fish species, including Coho Salmon, Cutthroat Trout, Pacific Lamprey and Steelhead through more effective and efficient removal of accumulated and entering silt and debris, and sending colder water, silt and debris downstream in a more normal fashion than current conditions permit, thereby improving downstream habitat as well;
9. Improving survivability for juvenile fish species through improved water conditions and improved juvenile migration opportunity;
10. Protecting and improving the economic viability of a rural community that is an economic lifeblood for the two counties in which it resides, providing over \$2 million annually in support of local businesses and county tax revenues.

Funding this grant proposal will assure these outcomes and the future of this scenic and treasured part of northwest Oregon. I strongly urge your approval of this project!

Dr. C. Sue McCullough
Suzemac@mac.com

Dear OWRD:

I am writing this letter in support of the Wasco County SWCD's grant application to secure additional funding for the Mosier Deep Water Supply Wells project, previously funded under Water Supply Development Account Grant # GA-0304-17.

Mosier has been working for many years to remedy our declining groundwater levels so that we can have a sustainable water supply for our community. We've developed a three prong strategy: Conservation, Fixing Commingling Wells, and Developing New Water Sources.

Conservation efforts continue with all users, including orchardists, the City of Mosier, and rural homeowners. The Mosier Million is being used to fix our highest priority commingling wells. The first deep well has been drilled and is being used to irrigate one of Mosier's biggest orchards.

Now, we must continue the project by constructing the second deep well for another of Mosier's biggest orchards. By moving these two large irrigators to a new source of water, we hope to make the water supply of the upper aquifers sustainable for other Mosier users, including the City of Mosier.

I strongly encourage you to fund this grant request.

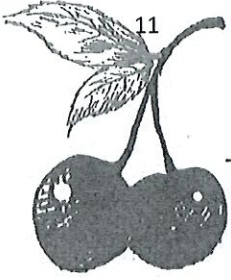
Best Regards,

Kristen McNall

Mosier Watershed Council CoChair

Mosier Landowner

Mosier Citizen



Merry-Go-Round, LLC

1656 Walker Farm Road
Mosier, Ore 97040
541.490.1475

Oregon Water Resources Department
Attention: Kim Ogren
725 Summer Street NE, Suite A
Salem, OR 97301

Dear Ms. Ogren,

We are writing this letter to support Wasco County SWCD's grant application to secure additional funding for the Mosier Deep Water Supply Wells project.

We were recipients of funding for the first of the deep wells. We spent considerable personal funds as our share of the project because we believe in its importance to the community as well as ourselves. We feel it would be a shame to quit this project when it is only half way finished.

Bryce has been involved with the Mosier Watershed Council since its inception, often as Chair or CoChair. The consensus of the Council is that these two deep water wells are an essential part of our three prong strategy to remedy our declining groundwater levels.

We urge you to fund the application Wasco County SWCD's grant application.

Sincerely,

Bryce Molesworth (bryce@gorge.net)

Allene Molesworth

RECEIVED

JUL 20 2018

OWRD

July 20, 2018

Oregon Water Resources Department
725 Summer St. NW, Ste A
Salem, OR 97301



Subject: Letter of Support for Tumalo Irrigation District
OWRD Water Project grant application for Tumalo Feed Canal Phase 6

Dear OWRD Technical Review Team:

Famers Conservation Alliance (FCA) fully supports Tumalo Irrigation District's (TID) grant application requesting OWRD Water Project Grant funds for the proposed Tumalo Feed Canal Phase 6. The project builds on successful efforts by TID to incrementally pipe the Tumalo Feed Canal and other parts of its conveyance system. This project will pipe 2,920 feet of TID's Tumalo Feed Canal and seven laterals. This section of the Tumalo Feed Canal is over a century old and loses water through the underlying porous basalt. The project will eliminate water losses and improve water quality and fish habitat by allocating conserved water instream through Oregon's Allocation of Conserved Water Program.

This piping project will restore stream flow in Tumalo Creek, increasing flows during the summer when flows are often limited. It will conserve additional water in Crescent Lake, which will be released into Crescent Creek, the Little Deschutes River and the Deschutes River during the spring, fall, and winter when flows in these reaches are limited. Piping will also supply pressurized water which will allow patrons to be able to utilize more efficient irrigation practices such as sprinkler irrigation and remove costly pumps, conserving water while realizing energy savings.

FCA, a non-profit organization focused on irrigation modernization, is working to help irrigation districts conserve water, become more efficient by modernizing conveyance systems, and protect fish and the environment. FCA is currently working with TID to develop a comprehensive modernization strategy and environmental assessment for the entire district that includes the proposed project. The Tumalo Feed Canal Phase 6 project will provide many benefits to TID, their patrons, the community, and the environment that are aligned with FCA's goals. Due to the numerous benefits of this project FCA is in full support of funding this project.

Sincerely,

A handwritten signature in cursive script that reads 'Julie O'Shea'.

Julie O'Shea
Executive Director
Farmers Conservation Alliance



CITY OF BEND

July 19, 2018

Sent via US mail

710 NW WALL STREET
PO Box 431
BEND, OR 97709
541-382-5505 Tel
541-385-6676 Fax
www.bendoregon.gov

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

MAYOR
Casey Roats

Re: Water Project Grant Application for Tumalo Irrigation District Feed Canal Phase 6 Piping

MAYOR PRO TEM
Sally Russell

Dear Grant Program Coordinator:

CITY COUNCILOR
Nathan Boddie
Barb Campbell
Bruce Abernathy
Justin Livingston
Bill Moseley

The City of Bend (City) has reviewed the Tumalo Irrigation District's (TID) application for SB 839 Grant Funding for piping of Tumalo Feed Canal Phase 6 (Application). The City is writing in support of TID's application for grant funding.

CITY MANAGER
Eric King

The City supports TID's efforts to pipe its distribution system, conserve water and to increase flows in Tumalo Creek. Conservation of flows in Tumalo Creek is of particular interest to the City due to the creek's ecological and recreational value to city residents and visitors, and because more than half of the City's annual water supply is sourced from the Tumalo Creek watershed. Consequently, the health of the watershed and maintaining streamflows in Tumalo Creek are of great interest to the City. TID's water conservation efforts are also an important element in the broader flow restoration effort underway in the Upper Deschutes Basin.

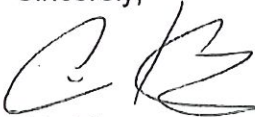
CITY ATTORNEY
Mary A. Winters

The City is also writing to comment on the details of how water conserved by this project will be protected in Tumalo Creek. The Application specifies that 6.84 cfs of water will be returned to Tumalo Creek through a new senior instream water right held by the State of Oregon, and that 1,740.12 acre-feet will be protected in Crescent Creek during the storage season, a total of

4,178 acre-feet of water.¹ The City understands that TID will submit a new conserved water application for review and approval by Oregon Water Resources Department for a portion of the water conserved through the Phase 6 piping effort.² This application process will present an opportunity for review of the seasonality and distribution of conserved water to match the historic utilization of Tumalo Creek and Crescent Lake under TID's water rights. These more detailed aspects of the seasonality and distribution of water protected instream will be resolved through the Allocation of Conserved Water application process. Therefore, the City wants to ensure that there is consideration of the potential that the seasonality and distribution of the 4,178 acre-feet of water protected instream could vary slightly from what is proposed in the Application.

Please contact me at 541-693-2118 if you have any questions about the City's comments. If you have any technical questions, please contact the City's water rights consultant, Adam Sussman at GSI Water Solutions. Adam's telephone number is 541-257-9001.

Sincerely,



Eric King
City Manager
citymanager@bendoregon.gov

¹ TID's calculations for Tumalo Creek are based on an assumption of 6.84 cfs for 180 days (2,438 acre-feet in Tumalo Creek).

² The application states that Phase 6 would include piping the remaining 2,920 feet of the Tumalo Feed Canal above Upper Tumalo Reservoir (resulting in 2.12 cfs of water conservation) and seven laterals (resulting in 4.72 cfs of water conservation). The piping of the Tumalo Feed Canal is part of Conserved Water Project 37 (CW-37), while the piping of the seven laterals would be captured in a new conserved water application.



DESCHUTES RIVER CONSERVANCY

July 17, 2018

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

Re: 2018 Water Project Grants and Loans Application Comments

Dear Grant Program Coordinator:

Thank you for the opportunity to provide comments on the applications the Oregon Water Resources Department (the Department) received for the 2018 cycle of Water Project Grants and Loans. We strongly support the Department's use of funding to evaluate, plan, and develop instream and out-of-stream water projects that have economic, environmental, and social/cultural benefits and are encouraged by the number of applicants to the program this year. The Deschutes River Conservancy (DRC) offers the following comments regarding applications in the Deschutes Basin.

1. **Beaver Creek-East Reservoir Above-Ground Storage (\$654,900)/ *Young's Farm Blue Mountain Holdings, LLC***

DRC appreciates that this application, to divert and store 134 AF of Beaver Creek in an off-channel reservoir to use for irrigating, will also contribute 33.5 AF to Beaver Creek during the summer months to augment low streamflow. With summer flows ranging from 0 to 5 cfs, the flows released from this project could provide instream benefit to Beaver Creek, which supports sensitive redband trout. The application, however, fails to adequately address two key factors that will affect the environmental outcomes of this project.

First, and most importantly, approval of this or any new storage permit or facility above Prineville Reservoir will adversely affect the amount of water available for storage in Prineville Reservoir and hence available for environmental use under the Crooked River Collaborative Jobs and Security Act of 2104, which allocated a significant portion of Prineville Reservoir storage to downstream fish and wildlife use. Although this project would hold a storage right junior to the Bureau of Reclamation's right to store water for downstream fisheries use under the Act, the Department has stated it will not regulate against junior upstream reservoirs. DRC urges the technical review team to consider this significant negative environmental impact on downstream fish and wildlife when scoring this application.

Secondly, the application states that the "*maximum* release of stored water for instream purposes is 25%". (application page 6, emphasis added). While the law does not require more than 25% of newly developed water to be dedicated to

instream use (ORS 541.681(2)), it does not contemplate less. This is especially the case with this application, where the project proposes to divert water from a creek that supports sensitive species, triggering the Department to determine seasonally varying flows that it will use to condition the new or existing water storage permit issued for this project. ORS 541.689.

2. **G-4 Lateral Piping Project (\$349,728) / Central Oregon Irrigation District (COID)**

The DRC strongly supports COID's application to pipe approximately 4500' of open, earthen canal. Piping the G-4 lateral will allow for the termination of an inefficient rotation system, the installation of measurable deliveries for each patron on the lateral and the conservation of .10 cfs of water that will be returned and protected in the Deschutes River. In addition, patrons served by the project are currently working with NRCS to obtain EQIP funds to improve their irrigation practices by switching from flood irrigation to sprinkler systems, resulting in more water savings. While the amount of water conserved by piping this single lateral is not in itself significant, with over 200 miles of COID private laterals, this project is critical to demonstrating how eliminating cumbersome rotation systems, installing measurable deliveries for each patron, and implementing on-farm efficiencies at scale will result in significant water savings over time and make market-based incentive programs (i.e. instream leasing, temporary transfers) more accessible.

3. **Tumalo Feed Canal Phase 6 (\$1,297,542) / Tumalo Irrigation District**

The DRC strongly supports Tuamlo Irrigation District's proposal to fund Phase 6, the final phase, of its Tumalo Feed Canal piping project which will pipe 2,920' of open irrigation basalt canal and conserve 6.84 cfs in Tumalo Creek and 1,740.12 AF in Crescent Creek during the storage season. Restoring flows in Tumalo Creek is one of DRC's top priorities, particularly as recent analyses indicate restored flows in Tumalo Creek are key to reducing temperatures in the Middle Deschutes and providing important redband trout refugia in summer months. This project also provides needed benefit in Crescent Creek, a stronghold for the threatened Oregon spotted frog.

The Deschutes River Conservancy (DRC) restores streamflow and improves water quality in the Deschutes Basin using a coordinated, collaborative and voluntary approach. Founded in 1996 as a consensus-based, multi-stakeholder organization, the DRC's Board of Directors includes diverse representation from irrigated agriculture, hydro-power, tribal, environmental and governmental (federal, state and local) interests.

Thank you for the opportunity to provide comment.

Sincerely,

Natasha Bellis

Natasha Bellis
Program Manager



Water Project Grants and Loans Affected Indian Tribes



Document Description

As required by ORS 541.669, the Department forwards applications that have passed preliminary review along to representatives of affected Indian Tribes. To fulfill this requirement, the Department contacted the Legislative Commission on Indian Services regarding applications received for the 2018 Water Project Grant and Loan funding cycle. The Department provided information on the location of the projects requesting funding, and requested assistance to match the applications to the correct tribes.

An invitation was then sent to the identified tribes detailing three opportunities to participate in the review of applications seeking funding. A copy of the correspondence is attached. The tribes received a list of all proposed projects in which they may have a potential interest and links to the online posting of the project applications and attachments. Additionally, a brief project description, project location, and information regarding ground disturbing activities were provided.

The Department has taken similar steps in 2016 and 2017 to engage affected tribes. Additionally, the Department has included information regarding the funding opportunity and solicited feedback regarding the preferred method(s) of engagement, through the Cultural and Natural resource clusters and the Department's tribal engagement efforts.

The Cow Creek Band of Umpqua Tribe of Indians provided the attached response to the Galls Creek Irrigation Conversion Project application.

The Confederate Tribes of the Warm Springs provided the attached comment on the funding recommendation of the Dalles Municipal Watershed Dog River Pipeline Replacement Project.

Dear Tribal Representative,

In 2013, the Oregon Legislature passed Senate Bill 839, establishing the Water Supply Development Account to provide grants and loans for water projects to evaluate, plan, and develop instream and out-of-stream water projects that result in public benefits. Eligible projects include: conservation, reuse, above-ground storage, below-ground storage, streamflow protection or restoration, water distribution, conveyance or delivery systems, and other water resource development projects that result in have economic, environmental and social/cultural benefits. Projects must provide benefits in each of these three categories to be eligible for funding.

The 2018 application deadline was April 25, 2018. The Department received eighteen complete grant applications and one loan application requesting nearly \$16 million in project implementation funds.

The Department would like to provide potentially affected Indian Tribes with the opportunity to participate in the review of applications seeking Water Project Grants and Loan funding. There are a number of ways affected Indian Tribes may participate.

Opportunity to participate:	Description of review opportunity	Dates
Technical Review Team (TRT) member	This involves serving as a member of the Technical Review Team and scores and ranks applications based on 18 potential public benefits. The commitment includes a few conference calls, reviewing applications, an all-day meeting to discuss applications, and scoring projects using the score sheets provided by the Department. If you want to serve on the TRT please contact the Department ASAP.	June - July 2018
Provide government-to-government comments for consideration by TRT during scoring	Affected Tribes can provide OWRD their comments on applications via government-to-government relations and OWRD will share those comments with the TRT for the TRT to consider the comments as they score and rank projects and develop a funding recommendation list.	Comments needed by July 16, 2018 for consideration by TRT
Public comment period on applications	Complete applications are posted online for a 60-day public comment period, during which Affected Tribes can submit public comments, if they so choose.	May 22, 2018 - July 20, 2018

For your use, attached to this email you will find a workbook with a list of all proposed projects in which your Tribe may have a potential interest. Individual tab sheets provide a brief project description, location, and information regarding ground disturbing activities. Links to the applications and attachments are included in the workbook.

We respectfully invite your participation, review and comments, but it is not a requirement. Please feel free to contact me with any questions regarding this matter at 503-986-0869.

Sincerely,

Becky Williams

Becky,

Thank you for contacting the Cow Creek Band of Umpqua Tribe of Indians' Cultural Resources Program concerning the Galls Creek Irrigation Conversion Project in Township 36 South, Range 3W, Section 33. We have conducted a review of the project and do not have any concerns with the project as currently proposed. With that said, the area has never been surveyed by a professional archaeologist and it would be important to remind the application (and their chosen contractor) that work should stop if cultural materials are inadvertently discovered during the project and that they must contact the Oregon State Historic Preservation Office. If you have any questions, please let me know.

Thanks,

Jęrzmy W. Johnson

Archaeologist, RPA
Cow Creek Band of Umpqua Tribe of Indians
2371 NE Stephens St.
Roseburg, OR 97470
jjohnson@cowcreek.com
Office: (541) 677-5575
Cell: (541) 900-0508



Confederated Tribes of Warm Springs, Oregon
PO Box C
Warm Springs, OR 97761
Phone: 541-553-1161
Fax: 541-553-1924

September 26, 2018

Via First Class Mail

Water Resources Commission
Oregon Water Resources Department
725 Summer St. N.E., Suite A
Salem, Oregon 97301-1271

**Re: The Confederated Tribes of Warm Springs' Comments, SB 839 Grant Application
The Dalles Municipal Watershed Dog River Pipeline Replacement Project**

Dear Commissioners:

The Confederated Tribes of the Warm Springs Reservation of Oregon ("Tribe") appreciates the opportunity to comment on The Dalles Municipal Watershed Dog River Pipeline Replacement Project grant application ("Project"). The Project proposes to design and construct 3.5 miles of new ductile iron pipe, replacing a wooden pipeline that was installed in the early 20th Century in order to eliminate water leakage and reduce reliance on groundwater well use in a Critical Groundwater Area. The Project also proposes to enhance its flow measuring systems, to install fish screens and fish passage facilities, and to benefit instream flows for the benefit of important fish species including Steelhead, Coho salmon, and Chinook salmon. The Project does not propose to legally protect water instream. The multi-agency Technical Review Team ("TRT") has nonetheless recommended funding the Project. The Tribe asks that the Commission not approve funding for this Project, pending further evaluation of the economic, environmental, and social or cultural benefits of the Project in accordance with Senate Bill 839.

The Tribe is a federally recognized, self-governing, sovereign Indian tribe. The Tribe is the legal successor in interest to the Indian signatories to the Treaty between the United States of America and the Tribes and Bands of Middle Oregon, which was executed on June 25, 1855, and ratified by Congress on March 8, 1859 (12 Stat. 963) ("1855 Treaty" or "Treaty"). The 1855 Treaty recognizes the Tribe as a sovereign entity, possessing inherent rights to provide for the general welfare of its people, including the right to manage its natural resources for the benefit of its people.

The Treaty ceded approximately 10 million acres of land to the United States, while reserving 640,000 acres for a permanent homeland in the Deschutes Basin, which is now known as the Warm Springs Reservation. The Treaty expressly reserves rights to the Tribe for its members to go outside (or "off") the Warm Springs Reservation to all of the lands and waters that it had used prior to the treaty to hunt, fish, gather roots, berries, and medicines and to pasture



livestock. Those rights have been defined and upheld by federal courts since the early 1900's, meaning that the Tribe has legally enforceable Treaty-reserved rights throughout its ceded lands. In addition, the 1855 Treaty-reserves rights in areas beyond the lands ceded by the Treaty if those areas were being used by Tribal members from time to time at or before the time they entered the Treaty.

The Hood River basin is within the lands that the Tribe ceded to the United States in the 1855 Treaty. The Tribe has legally enforceable treaty-reserved rights to fish, hunt, and gather traditional foods throughout the Hood River basin. Those rights include not only the right to take fish but also have fish to take. *See United States v. Washington*, 853 F.3d 946, 962 – 66 (2017) *aff'd by equally divided court* 138 S.Ct. 1832 (2018) (tribal treaties contain enforceable right to have fish available for harvest). The Tribe is concerned that the proposed Project impairs its treaty-reserved fishery in the Hood River basin. The Tribe shares many of the same concerns that WaterWatch expressed about the Project in its July 20, 2018 and September 21, 2018 comment letters to the Department.

Before making any funding determination, the Commission should require that the evaluation of the Project expressly assess the Project's impact on the Tribe's treaty-reserved rights. Indeed, the Tribe interprets Senate Bill 839 to require such an evaluation. *See* ORS 541.673(2)(e), 3(a)(D), and 4(b) and (e). The Project should be funded only if the Commission determines that the Project will not impair the Tribe's treaty-reserved rights.

The Tribe also wishes to express its concern about the process that the Department has undertaken to assemble the TRT. SB 839 requires that any technical review team include representatives of "affected Indian tribes." ORS 541.669(3). For the reasons set forth in this letter, the Tribe is plainly an affected Indian tribe for purposes of this Project. Had a representative of the Tribe been included on the TRT, the Tribe believes that many of its concerns could have been addressed and resolved at that time.

Very truly yours,



ROBERT A. BRUNOE
General Manager, Branch of Natural Resources
The Confederated Tribes of the Warm Springs
Reservation of Oregon

cc (via email): Becky Williams, Grants Coordinator (WRD_DL_waterprojects@oregon.gov)

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.



OREGON



WATER RESOURCES
DEPARTMENT

WATER PROJECT GRANTS AND LOANS

GUIDANCE ON THE EVALUATION OF PUBLIC BENEFITS

January 2018



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Water Project Grants and Loans

Guidance on the Evaluation of Public Benefits

Overview of Application Review Process

After receiving an application for a Water Project Grant or Loan, the Oregon Water Resources Department reviews the application to ensure it is complete. Complete applications are posted online for a 60-day public comment period. Next, an inter-agency Technical Review Team (TRT) reviews the public comments and evaluates the applications based on demonstration of economic, environmental and social/cultural public benefits. The TRT then develops a project ranking, which is posted for a 30-day public comment period. Finally, the Department presents the TRT ranking, public comments, and funding recommendations to the Water Resources Commission for a funding decision.

Overview of Application Scoring

When evaluating an application, the TRT examines public benefits in three categories: economic, environmental, and social/cultural. A project must provide some benefit in each of the three categories in order to be eligible for funding. Each category contains six specific public benefits for a total of 18 possible public benefits. A project is not required to score points in each of the 18 public benefits, but projects that provide the greatest public benefit have the best chance of receiving funding.

When applicants describe the project's public benefits in their application, they should include a description of the conditions prior to and following project implementation, and clearly demonstrate the extent to which the project will provide public benefits, and, if applicable, how it will improve conditions. When possible, applicants should quantify the project's public benefits. The TRT will only consider public benefits derived from the tasks and project scope contained within the application. Public benefits related to future phases of the project (beyond the scope of the project) or unrelated activities will not be considered in public benefit scores and should not be included in the application. Likewise public benefits related to past activities will not be considered.

When making a funding decision, the Water Resources Commission (Commission) considers: 1) the public benefits as evaluated by the TRT; 2) public comments received on the TRT ranking; and 3) funding projects of diverse sizes, types and geographic locations. As outlined in statute, the Commission also considers three preferences: 1) a preference for partnerships and collaborative projects; 2) a preference for projects that provide a measurable improvement in protected streamflow, if a project proposes to divert water; and 3) a preference for projects that provide a measurable increased efficiency of water use, if a project proposes to increase efficiency.

Document Purpose

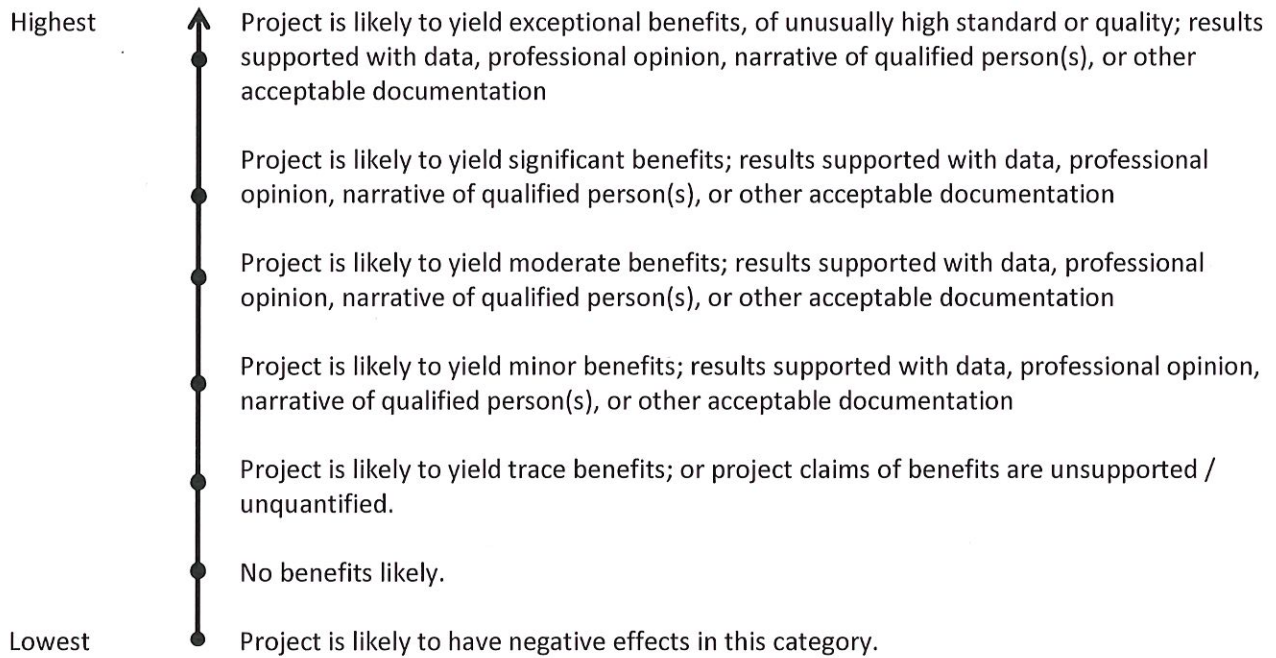
This document provides an overview of each of the public benefits, describes how the TRT will score the benefits, and provides recommendations for what information an application should include when describing a project's public benefits.

Contact

If you have any questions about the evaluation of public benefits, please contact us by email at waterprojects@wrd.state.or.us or by phone at 503-986-0869.

Seven-Point Scale Used in Evaluation of Public Benefits

Each of the public benefits will be graded on a seven-point scale (see below).



Category 1. Economic benefits

The evaluation of economic benefits of a project is based on the change in economic conditions expected to result from the project and demonstrated in the application.

1a. Does the project create or retain jobs?

Job creation means the project would result in new jobs. Retention means the project would prevent the loss of jobs. Job creation and retention benefits may include direct effects within the organization that owns or operates the project, or it may include indirect effects on retail customers or consumers of the project. Temporary jobs resulting from project implementation will not receive as high of a score as permanent job creation or retention.

Application tip: Quantify the number and identify the type of jobs to be created or retained as a result of the project. Describe the value of the increase or retention of jobs to the local economy.

5	<i>Exceptional</i> increases in job creation or retention
4	<i>Significant</i> increases
3	<i>Moderate</i> increases
2	<i>Minor</i> or short-term increases
1	<i>Trace</i> increases OR benefit claims are unsupported or unquantified
0	Job creation or retention is <i>unlikely</i>
-1	<i>Losses or decreases</i> in jobs

1b. Does the project increase economic activity?

Economic activity is associated with the production, distribution, and consumption of goods and services. Such economic activity could occur within one or more entities/businesses and includes an increase in production, gross sales, or net revenue compared to the year preceding project completion. It also includes but is not limited to the arrival of new firms, renewed contracts, and increased orders.

5	<i>Exceptional (five or more years) increase in economic activity</i>
4	<i>Significant (three to four years) increase</i>
3	<i>Moderate (one to two years) increase</i>
2	<i>Minor, short-term (less than one year) increase</i>
1	<i>Trace increase OR benefit claims are unsupported or unquantified</i>
0	<i>Increased economic activity not likely to occur</i>
-1	<i>Losses or decreases in economic activity</i>

1c. Does the project increase efficiency or innovation?

Increase in efficiency means the project would make improvements in performance or functionality resulting in less effort or waste. Increase in innovation means that new, creative solutions and ideas would be implemented. Examples of increases in efficiency and innovation include water system efficiencies such as system redundancy (back-up, inter-ties), innovative production techniques, energy savings (e.g., the energy required to move, treat, or heat water), and time savings.

5	<i>Exceptional increase in efficiency or innovation</i>
4	<i>Significant increases</i>
3	<i>Moderate increases</i>
2	<i>Minor increases</i>
1	<i>Trace increases OR benefit claims are unsupported or unquantified</i>
0	<i>Increased efficiency or innovation not likely</i>
-1	<i>Decreases in efficiency or innovation</i>

1d. Does the project enhance infrastructure, farmland, public resource lands, industrial lands, commercial lands or lands having other key uses?

Enhancement of infrastructure, farmland, public resource lands, industrial lands, commercial lands and other lands means that the value of such lands would increase as a result of project implementation. This includes an increase in the re-sale or rental value of the land or improvements, including: maintained, repaired, or upgraded infrastructure; maintained or buffered riparian areas; and maintained or improved soils.

5	<i>Exceptional enhancements of infrastructure or land, increasing property value</i>
4	<i>Significant enhancements</i>
3	<i>Moderate enhancements</i>
2	<i>Minor enhancements</i>
1	<i>Trace enhancements OR benefit claims are unsupported or unquantified</i>
0	<i>Enhancements not likely</i>
-1	<i>Infrastructure or lands that are degraded or removed from productive uses</i>

1e. Does the project enhance the economic value associated with: tourism, recreation, fishing (recreational or commercial), fisheries involving native fish of cultural significance to Indian tribes, or other economic values resulting from restoring or protecting water instream?

Examples of enhancement of these economic values include increases in: daily park fees, tour guide revenues, boat or gear rentals, fishing licenses, or hospitality and lodging.

5	<i>Exceptional</i> increased value of tourism, recreation, fishing, fisheries involving native fish of cultural significance to Indian tribes, or other economic values resulting from restoring or protecting water instream
4	<i>Significant</i> increased value
3	<i>Moderate</i> increased value
2	<i>Minor</i> increased value
1	<i>Trace</i> increased value <i>OR</i> benefit claims are <i>unsupported or unquantified</i>
0	Enhanced values <i>not likely</i>
-1	Decrease in the economic value of tourism, recreation, fishing, fisheries involving native fish of cultural significance to Indian tribes, or other economic values resulting from restoring or protecting water instream

1f. Does the project result in increases in irrigated land for agriculture?

Increases in irrigated land for agriculture mean that the numbers of acres (acreage) to be irrigated after project completion would be greater than what could previously be irrigated. Acreage can include lands that were never historically in production or lands that were historically in production but were taken out of production as a result of insufficient water supply.

Application tip: Highlight the amount of land currently in production in the area, identify the quantity of additional acreage to be irrigated, and calculate the percentage increase in irrigated acreage that would result from the project.

5	<i>20 percent or more increase</i> in irrigated acreage
4	<i>15-19 percent increase</i>
3	<i>10-14 percent increase</i>
2	<i>5-9 percent increase</i>
1	<i>1-4 percent increase OR</i> benefit claims are <i>unsupported or unquantified</i>
0	Increased irrigated land <i>not likely</i>
-1	<i>Decreases</i> irrigated land for agriculture

Category 2. Environmental benefits

The evaluation of the environmental benefits of a project is based on the change in environmental conditions expected to result from the project and demonstrated in the application.

2a. Does the project result in measurable improvements in protected streamflows?

Protected streamflow means water that remains in or is released into the natural channel and is legally protected by the State in order to achieve one or more of the following:

- (A) Supports the natural hydrograph;
- (B) Improves floodplain function;

- (C) Supports state- or federally-listed sensitive, threatened or endangered fish species;
- (D) Supports native fish species of cultural importance to Indian tribes; **or**
- (E) Supports riparian habitat important for wildlife.

*Application tip: To score in this category an application **must** describe the legal means by which water would be protected by the State, as well as the quality, timing, duration or other value this streamflow would contribute.*

5	75-100 percent of new project water (or equivalent volume) is protected instream or streamflow is exceptionally improved
4	50-74 percent of new project water (or equivalent volume) is protected instream or streamflow is significantly improved
3	25-49 percent of new project water (or equivalent volume) is protected instream or streamflow is moderately improved
2	5-24 percent of new project water (or equivalent volume) is protected instream or streamflow is somewhat improved
1	1-4 percent of new project water (or equivalent volume) is protected instream or trace amounts of streamflow are protected instream <i>OR</i> benefit claims are <i>unsupported or unquantified</i>
0	Improvements in protected streamflow <i>unlikely OR streamflow would not be legally protected by the State</i>
-1	Decreases protected streamflow (e.g., proposes to reverse an instream lease)

2b. Does the project result in measurable improvements in groundwater levels that enhance environmental conditions in groundwater restricted areas or other areas?

Measurable improvements in groundwater levels mean that groundwater declines would be reduced or eliminated and/or groundwater levels would increase. Stabilization or improvements in groundwater levels could come from aquifer storage and recovery, artificial recharge projects, natural recharge, or discontinued / reduced groundwater use.

Application tip: Use quantitative measurements to indicate that any improvements would be measurable. If applicable, indicate if these improvements would occur in groundwater restricted area.

5	<i>Exceptional</i> improvements in groundwater levels
4	<i>Significant</i> improvements
3	<i>Moderate</i> improvements
2	<i>Minor</i> improvements
1	<i>Trace</i> improvements <i>OR</i> benefit claims are <i>unsupported or unquantified</i>
0	Improved groundwater levels <i>not likely</i>
-1	Groundwater declines

2c. Does the project result in measurable improvements in the quality of surface water or groundwater?

Water quality parameters include but are not limited to: temperature, dissolved oxygen, contaminated sediments, toxic substances, bacteria, or nutrients. Improvements could result from a higher quality of water discharged to surface water or injected into groundwater, or from increased flow, or from treatment or filtration of water already in the environment.

Application tip: Any improvement must be measurable or quantifiable. One must be able to measure or determine the change in quality before and after project implementation.

5	<i>Exceptional</i> improvements in water quality
4	<i>Significant</i> improvements
3	<i>Moderate</i> improvements
2	<i>Minor</i> improvements
1	<i>Trace</i> improvements <i>OR</i> benefit claims are <i>unsupported or unquantified</i>
0	Improved water quality <i>not likely</i>
-1	<i>Decreases</i> in water quality

2d. Does the project result in water conservation?

Water conservation is a means of eliminating waste or otherwise improving the efficiency of water use by modifying the technology or method of diverting, transporting, applying, or recovering water.

Application tip: Identify the quantity of water saved, by comparing what water would be needed to accomplish the task after project completion with what was previously used to achieve the same task.

5	<i>21 percent or more</i> reduction in water use to achieve the same outcomes
4	<i>11-20 percent</i> reduction
3	<i>6-10 percent</i> reduction
2	<i>1-5 percent</i> reduction
1	<i>Trace (<1 percent)</i> reduction <i>OR</i> benefit claims are <i>unsupported or unquantified</i>
0	Water conservation <i>not likely</i>
-1	<i>Additional water used</i> to achieve the same outcomes (e.g., sacrificing water efficiency for energy/pumping efficiency)

2e. Does the project increase ecosystem resiliency to climate change impacts?

Ecosystem resiliency to climate change means increasing the ecosystems ability to adapt to changes in climate or positively respond to the impacts of climate change. This includes: increasing streamflow, increasing natural storage (e.g., wetlands, upland meadows), decreasing water temperature, protecting or enhancing cold-water habitat, restoring floodplain connectivity and backwater habitats, restoring stream buffers, decreasing coastal erosion and inundation, or decreasing risk of drought, fire, plant disease, or invasive species outbreak.

5	<i>Exceptional</i> improvements in ecosystem resiliency to climate change
4	<i>Significant</i> improvements
3	<i>Moderate</i> improvements
2	<i>Minor</i> improvements
1	<i>Trace</i> improvements <i>OR</i> benefit claims are <i>unsupported or unquantified</i>
0	Improvements in ecosystem resiliency to climate change <i>not likely</i>
-1	<i>Decreases</i> in ecosystem resiliency to climate change

2f. Does the project address limiting ecological factors in the project watershed?

A limiting ecological factor is an environmental condition that limits the growth, abundance, or distribution of an organism or a population of organisms in the project watershed. Examples of limiting factors may include, but are not limited to: improvement of fish passage, habitat for sensitive, threatened and endangered species, water quality, or streamflow.

Application tip: To score in this category an application must include citation of public reports, peer reviewed scientific studies, or other substantiating documentation from a state or federal agency to verify the limiting ecological factor's presence in the watershed.

5	<i>Exceptional progress towards removing limiting ecological factors</i>
4	<i>Significant progress</i>
3	<i>Moderate progress</i>
2	<i>Minor progress</i>
1	<i>Trace progress OR benefit claims are unsupported or unquantified</i>
0	<i>Not likely to address limiting ecological factors in the project watershed OR documentation verifying limiting ecological factor not included in the application</i>
-1	<i>Exacerbates limiting ecological factors in the project watershed</i>

Category 3. Social or Cultural benefits

The evaluation of the social/cultural benefits of a project is based on the change in social or cultural conditions expected to result from the project and demonstrated in the application.

3a. Does the project promote public health, public safety, and local food systems?

This public benefit includes: protection of drinking water sources, repair of septic systems/field, maintenance and repair of other water infrastructure, treatment and protection of drinking water itself, improved emergency response and advisory systems (e.g., WARN network, fish consumption advisories, water contact advisories, etc.), improved or protected water quality for human consumption and human contact (e.g., removal or prevention of toxics, contaminants of concern, bacteria), and the promotion of self-reliant and resilient food networks that connect food producers and food consumers in the same geographic region.

5	<i>Exceptional improvements in public health, public safety or local food systems</i>
4	<i>Significant improvements</i>
3	<i>Moderate improvements</i>
2	<i>Minor improvements</i>
1	<i>Trace improvements OR benefit claims are unsupported or unquantified</i>
0	<i>Improvements in public health, public safety or local food systems not likely</i>
-1	<i>Degrades public health, public safety or local food systems</i>

3b. Does the project improve conditions for Oregon's environmental justice communities (e.g., minority or low-income communities, economically distressed rural communities, tribal communities, or other communities traditionally underrepresented in public processes)?

Environmental justice communities in Oregon are minority or low-income communities, economically distressed rural communities, tribal communities, or other communities traditionally underrepresented in public processes.

Application tip: Identify which of those communities would benefit from the project and quantify these benefits. Demonstrate that project-siting decisions have been examined and approved by affected landowners and affected environmental justice communities.

5	<i>Exceptional</i> benefits to environmental justice communities, <u>and</u> environmental justice communities were consulted in the process of developing projects
4	<i>Significant</i> benefits <u>and</u> environmental justice communities were consulted
3	<i>Moderate</i> benefits <u>and</u> environmental justice communities were consulted
2	<i>Minor</i> benefits <u>and</u> environmental justice communities were consulted
1	<i>Trace</i> benefits <u>and</u> environmental justice communities were consulted; <i>OR</i> benefit claims are <i>unsupported or unquantified</i>
0	Improved conditions <i>not likely</i>
-1	Worsen conditions for environmental justice communities

3c. Does the project promote recreation and scenic values?

Recreation and scenic values include recreational fishing, motorized boating, non-motorized boating, other forms of water-based recreation, swimming, fishing, hunting, wildlife viewing, sightseeing, hiking, photography, and aesthetic values. To promote those values means the project would improve the quality of or access to the examples identified.

Application tip: Evidence to support this benefit can be provided in the form of qualitative information, which may include interviews, professional opinion, or surveys.

5	<i>Exceptional</i> promotion of recreation or scenic values
4	<i>Significant</i> promotion
3	<i>Moderate</i> promotion
2	<i>Minor</i> promotion
1	<i>Trace</i> promotion <i>OR</i> benefit claims are <i>unsupported or unquantified</i>
0	Benefit to recreation and scenic values <i>not likely</i>
-1	Detracts from recreation and scenic values

3d. Does this project contribute to the body of scientific data publicly available in this state?

Contributing to the body of scientific data means collecting new scientific information and making it available to the public. For example, data could be collected from water quality or habitat monitoring; groundwater studies or other investigations; stream gages; or monitoring wells. Contributions could also come from conducting a Seasonally Varying Flow analysis. Collection of scientific data is not sufficient to achieve this public benefit---the data must be made publicly available.

Application tip: Describe the equipment and/or methods that would be used and whether the data would be made available to the public. Note how equipment would be calibrated and maintained.

5	<i>Exceptional</i> contributions of new data to the body of scientific data publicly available in the state
4	<i>Significant</i> contributions
3	<i>Moderate</i> contributions
2	<i>Minor</i> contributions
1	<i>Trace</i> contributions <i>OR</i> benefit claims are <i>unsupported or unquantified</i>
0	Contribution <i>not likely</i>
-1	N/A

3e. Does this project promote state or local priorities, including but not limited to the restoration and protection of native fish species of cultural significance to Indian tribes?

A state or local priority is one that is identified in a plan, strategy, or study such as Oregon’s Integrated Water Resources Strategy, a place-based integrated water resources plan, the Oregon Plan for Salmon and Watersheds, state and local water quality plans, species and habitat conservation or recovery plans/strategies, forestry plans, regional solutions priorities, local economic development plans, state or local hazard mitigation plans, etc. The Oregon Department of Fish and Wildlife maintains a list of native fish species:

<http://www.dfw.state.or.us/fish/crp/freshwater.asp>.

5	<i>Exceptional</i> role supporting a state or local priority
4	<i>Significant</i> role
3	<i>Moderate</i> role
2	<i>Minor</i> role
1	<i>Very minor</i> role OR benefit claims are <i>unsupported or unquantified</i>
0	No promotion of state or local priorities
-1	Runs counter to state or local priorities

3f. Does this project promote collaborative basin planning efforts, including but not limited to efforts under the state Integrated Water Resources Strategy?

Collaborative basin planning efforts incorporate public processes that are transparent and inclusive of diverse interests.

Application tip: Demonstration of a collaborative planning effort may include publicly noticed meetings, posting agendas and decisions so they were publicly available, the inclusion of multiple types of water users represented in the process (e.g., instream interests, agricultural, municipal, domestic and industrial users), evidence that the project is supported by the community, and evidence that the project was identified in a Place-Based Integrated Water Resources Plan or another collaboratively developed strategic plan.

5	<i>Exceptional:</i> Project was identified in a collaboratively developed plan that is supported by all basin interests and where the public had meaningful opportunities to provide input
4	<i>Significant:</i> Project was identified by a collaborative group that includes representation of multiple interests and where the public had meaningful opportunities to provide input
3	<i>Moderate:</i> The public was notified of the project and had meaningful opportunities to provide input
2	<i>Minor:</i> The public was notified of the project and had minimal opportunities to provide input
1	Claims are <i>unsupported or unquantified</i>
0	Stakeholders with differing perspectives were <i>not informed nor consulted</i> about the project
-1	Stakeholders with differing perspectives were <i>excluded</i> during project development



Water Project Grants and Loans Applications Evaluation Summaries – 2018 Funding Cycle



August 22, 2018

Background

In 2013, the Oregon Legislature passed Senate Bill 839, establishing the Water Supply Development Account to provide grants and loans for projects that address an instream or out-of-stream water supply need and result in economic, environmental and social/cultural benefits. The 2018 application deadline was April 25, 2018. The Department received 19 complete applications requesting a total of \$15,998,829 in grants and loans.

Document Description

The following are evaluation summaries for complete grant applications received for the 2018 Water Project Grants and Loans funding cycle. The multi-agency Technical Review Team (TRT) provided comments on each application, scored applications based on the criteria identified within the Guidance on the Evaluation of Public Benefits, and made a funding recommendation for the Water Resources Commission (Commission) based on that evaluation and available funds. The following evaluation summaries highlight TRT comments gathered by the Department during the application evaluation process, and are prepared for the Commission's consideration and review. Applicants are encouraged to contact the Grant Program Coordinator to request a review meeting and receive additional evaluation feedback. The evaluation summaries are listed in order of the TRT ranking.

The evaluation summary includes a combined public benefit score, which the TRT used to rank proposed projects. A table is also provided that shows a breakdown of the application score by category. An application could score up to 30 points in each of the economic, environmental, and social/cultural public benefit categories. A proposed project could receive up to 10 additional preference points; up to 5 points for legally protecting water instream and up to 5 points for collaboration (these are listed in the "Other" category). There is a maximum public benefit score of 100 points.

Next Steps

The Department is soliciting public comment on the TRT ranking and funding recommendation through 5:00 pm on September 21, 2018. Information on how to submit a public comment is available on the webpage. Public comments submitted on the TRT ranking and funding recommendation will be presented to the Commission who will make a funding decision. The tentative date for the Commission to make its funding decision is November 15-16, 2018.

More Information

If you have questions please contact Grant Program Coordinator, Becky Williams, at 503.986.0869 or WRD_DL_waterprojects@oregon.gov.

2018 Applications

Johnston Lane Conservation Project 3

Dee Flat Water Conservation Project..... 4

Tumalo Feed Canal Phase 6..... 5

Painted Hills Reservoir Expansion 6

Sterling Park Stormwater Recharge Project 7

Galls Creek Irrigation Conversion Project 8

Flat Creek Watershed Enhancements 9

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Threemile Joint Fish Screen and Piping Project 14

Newport Citywide Advanced Metering Infrastructure 15

Central Oregon Irrigation District G-4 Lateral Piping Project..... 16

Fishhawk Lake & Stream Water Supply & Quality Improvement Project..... 17

Beaver Creek East Reservoir Above-Ground Storage..... 18

Lafayette Water Transmission Intertie to McMinnville..... 19

Amity Water Distribution Line Replacement and Reservoir Site Improvements 20

Johnston Lane Conservation Project

TRT Recommendation: Recommended for Funding

Project Information (adapted from application)

Applicant Name: The Freshwater Trust, Ken and Bobbie Baker, and Perry Johnston

County: Wallowa

Funding Requested: \$606,343 Grant

Total Project Cost: \$808,458

Project Summary: The proposed Project is to convert approximately 300 acres of flood irrigated land to a center pivot irrigation system, with anticipated outcomes of improving water management and crop productivity on private land in Wallowa County in the Wallowa River basin. The Project proposes legally protecting approximately 2.3 cfs in conserved water instream, with a goal of improving instream flows for ESA-listed Chinook salmon and steelhead in the Lostine River. Additionally, the water rights not served by the new center pivot system would be transferred instream after project completion. The Project outcomes are expected to encourage other irrigators in the basin to consider participation in regionally-available conservation programs.

Technical Review Team Score and Comments

Combined Public Benefit Score: 64.5

<u>Public Benefit Category Score Breakdown</u>			
Economic	Environmental	Social/Cultural	Other
17.5	19.5	19.5	8

Economic: The proposed project outcomes would promote increases in water and labor efficiency. Improvements to recreational and commercial fisheries are another anticipated economic benefit directly resulting from additional water instream. Based on the ditch's close proximity to an active cut bank, the proposed project seeks to mitigate the potential economic impact in the event the ditch is lost. The application provided clear details and quantification needed to support the anticipated public benefits.

Environmental: The conversion of approximately 300 acres of flood irrigated land to a center pivot system has a strong likelihood to improve water quality due to the elimination of contaminant transport into surface water. The project proposes to legally protect 100% of the conserved water instream. An outcome of the project is an increase in flows to the Lostine River, which is a significant river for fish. The application provided clear details supporting the anticipated strong environmental benefits.

Social/Cultural: The proposed project is a result of collaboration between a non-profit organization and private landowners. The Nez Perce Tribe supports the proposed project based on the anticipated enhancement to fisheries with important cultural significance. The application provided detailed plans for sharing scientific data publicly. Anticipated results of the proposed project support scenic and recreational value of the river.

Other Notes: Based on the success of a similar project on neighboring lands, the anticipated feasibility of the project is thoroughly understood.

Dee Flat Water Conservation Project

TRT Recommendation: Recommended for Funding

Project Information (adapted from application)

Applicant Name: Dee Irrigation District

County: Hood River

Funding Requested: \$1,600,000 Grant

Total Project Cost: \$2,688,587

Project Summary: The Project proposes to replace approximately 6 miles of open canal and old, unpressurized High Density Polyethylene pipe. Anticipated Project outcomes include 1) conserving water, 2) increasing irrigation water reliability, 3) legally protecting water instream and increasing flows, 4) energy savings, and 5) potential reduction of risks to water quality through the upgrade and pressurization of Dee Irrigation District's distribution piping system. The proposed upgrades are designed to eliminate 7 end spills and approximately 50 individual pumps. The proposal of a fully-enclosed and pressurized distribution system, anticipates benefits which will improve irrigation water reliability and availability to the 870 acres in the Dee Flat, leave an estimated 2 cfs of water instream during the critical summer months (1 cfs will be protected through the Allocation of Conserved Water Program), reduce energy use by an estimated 340,000 kilowatt hours per year, and eliminate the potential water quality impacts to the West Fork and East Fork from the 7 end spills and their associated drainages. Another anticipated Project benefit is to increase instream flows, with the intention to enhance spawning and juvenile rearing habitat for Endangered Species Act listed population of spring Chinook, summer and winter steelhead, and coho.

Technical Review Team Score and Comments

Combined Public Benefit Score: 60

<u>Public Benefit Category Score Breakdown</u>			
Economic	Environmental	Social/Cultural	Other
13.5	20	19	7.5

Economic: An economic strength of the proposed project is short-term job creation and jobs retained, which is well-supported with the detail provided. Another outcome of the proposed project is to enhance fisheries of cultural significance by increasing instream flow. Additional detail to support increased agricultural yield would better support these stated economic claims in the application.

Environmental: An environmental strength of the proposed project is to legally protect 50% of conserved water legally instream through the Allocation of Conserved Water Program. The project proposal to protect water instream is limited to 60 days of the irrigation season. The project, as proposed, would do away with current end spills which would result in the environmental benefit of eliminating discharges of sediment, pesticides and bacteria into the surface water.

Social/Cultural: A strength of the proposed project is the measurable improvements anticipated to fisheries of high value to tribal communities as a result increased stream flows and improved water quality. The proposed project was identified in collaborative planning processes with public engagement opportunities as documented in the application details.

Tumalo Feed Canal Phase 6

TRT Recommendation: Recommended for Funding

Project Information (adapted from application)

Applicant Name: Tumalo Irrigation District

County: Deschutes

Funding Requested: \$1,297,542

Total Project Cost: \$6,744,744

Project Summary: The Tumalo Feed Canal Conservation Project is a multi-phased effort to pipe approximately six miles of open irrigation basalt canal. This application requests funding for Phase 6, which is intended to complete the Tumalo Feed Canal and mitigate water lost to seepage and evaporation in the primary District transmission canal. This phase will pipe 2,920 ft. of the Tumalo Feed Canal in addition to seven laterals totaling 3,380 length-feet: Gill, Lacy, Highline, Parkhurst, Steele, Rock Springs, and 2 Rivers Laterals. Phase 6 alone will conserve 6.84 cfs of water to be returned to Tumalo Creek and 1,740.12 acre-feet in Crescent Creek during the storage season (total of 4,178 acre-feet). One-hundred percent of the publicly-funded conserved water will be protected instream through a new senior water right held by the State of Oregon.

Technical Review Team Score and Comments

Combined Public Benefit Score: 59.5

<u>Public Benefit Category Score Breakdown</u>			
Economic	Environmental	Social/Cultural	Other
16	22	13.5	8

Economic: The proposed project anticipates improvements in system efficiency as a direct outcome of the work. An economic strength of the project proposal is a potential increase in property values based on the increase in useable land. The review team commented that the application could be improved by providing more information and focusing details on the role of this phase of work.

Environmental: The application proposes to legally protect 100% of the water conserved as a result of the project instream. The review team commented that flow restoration to Tumalo Creek, as a result of the proposed project, would serve to benefit fish and other habitat conditions. Improvements in water quality conditions are anticipated as a result of the proposed project.

Social/Cultural: An anticipated project outcome of improved instream flow supports the scenic value and recreational opportunities.

Other Notes: The application provides supporting details for project feasibility and likelihood of the claimed public benefits being achieved.

Painted Hills Reservoir Expansion

TRT Recommendation: Recommended for Funding

Project Information (adapted from application)

Applicant Name: Bridge Creek Ranch, LLC

County: Wheeler

Funding Requested: \$581,990 Grant

Total Project Cost: \$1,086,667

Project Summary: The Project proposes to raise the Painted Hills reservoir's capacity from 800 acre-feet to 1,300 acre-feet and to add irrigation, conveyance, and water monitoring infrastructure to increase Bridge Creek Ranch's agricultural productivity and efficiency, as well as, to increase both water quality and quantity in Bridge Creek and Bear Creek (and the John Day River). By adding new irrigation infrastructure, the Project intends to improve agricultural production on 45 acres by increasing irrigation efficiency from 50% to 90-95%. The project also anticipates reducing power consumption used for irrigation by 20-25% on over 400 acres. This Project anticipates benefits to both Bridge and Bear Creek's steelhead and salmonid populations by providing an additional 125 acre-feet of water to be discharged to both streams during the summer low-flow period. This is equivalent to a 0.685 cfs increase for up to 92 days, which is anticipated to provide a 34% increase over recent summer base flows in Bridge Creek. Additional Project goals are to improve the ecological and economic development of the rural working community in this arid climate by providing increased water storage and streamflow, and by providing permanent tourism and agricultural jobs, as well as seasonal construction positions.

Technical Review Team Comments

Combined Public Benefit Score: 58

<u>Public Benefit Category Score Breakdown</u>			
Economic	Environmental	Social/Cultural	Other
17.5	20.5	17	3

Economic: An economic strength of the proposed project is an anticipated increase in irrigation efficiency and increases in crop yield. An additional benefit of the proposed project is an increase in energy efficiency. The application could be improved by supplying additional detail on current outdoor recreational conditions to assess the potential changes anticipated by the proposed project.

Environmental: The project proposes to legally protect 25% of newly developed water instream as required for storage projects under this funding opportunity. The project provides detail regarding anticipated water temperature improvements in Bridge Creek based on anticipated releases of cooler water.

Social/Cultural: The proposed project provides substantial detail regarding temperature data collection and information sharing plans. The proposed project anticipates a positive impact of job retention and a potential for small increases in employment in an area of experiencing a declining population and low median household income.

Other Notes: The Department notes that development of a Seasonally Varying Flow Prescription does not apply to the project as proposed, based on the timing of when the reservoir would fill.

Sterling Park Stormwater Recharge Project

TRT Recommendation: Recommended for Funding

Project Information (adapted from application)

Applicant Name: Clean Water Services and the City of Beaverton

County: Washington

Funding Requested: \$862,500 Grant

Total Project Cost: \$1,150,000

Project Summary: The proposed Project is designed to capture and treat residential stormwater as a source for aquifer storage and recovery (ASR) at an existing groundwater well located in Sterling Park in Beaverton, Oregon. The stored stormwater would be recovered in the summer for non-potable uses, including irrigation and streamflow enhancement/temperature mitigation at Summer Creek. By creating an alternative source of supply for non-potable applications, this project anticipates leaving more water instream, benefiting native and endangered fish species in the Tualatin River, and offsetting groundwater usage in the Bull Mountain-Cooper Mountain Critical Groundwater Area. Additionally, by storing and reusing stormwater for beneficial purposes, the Project expects a reduction in excessive erosion and hydromodification by reducing peak stormwater flows in tributary streams to the Tualatin River.

Technical Review Team Score and Comments

Combined Public Benefit Score: 54.5

<u>Public Benefit Category Score Breakdown</u>			
Economic	Environmental	Social/Cultural	Other
12	18.5	17	7

Economic: The proposed project represents an innovative approach to collect and treat stormwater through aquifer storage and recovery for non-potable uses. The project proposal could benefit from providing details on revenue generated from the purple pipe and the corresponding offset to the long-term well maintenance costs.

Environmental: An environmental benefit of the proposed project is an anticipated reduction in stormwater contaminants commonly discharged into the surface water. The application could be improved by ensuring clear and consistent explanation about injection, withdrawal, and instream estimates for the proposed project. The review team commented that there was uncertainty regarding the potential impacts to surface water flows as a result of the proposed project.

Social/Cultural: The proposal for data collection and public information sharing were substantive in content, and thorough in detailing publication methods. The application could be improved by including demographic information regarding the anticipated housing development potentially served, and details to support benefits to low income communities.

Other Notes: The review team noted that there may be practical and regulatory challenges to providing protected instream flows. The proposed project likely may not fit in the exempt category from water right regulation.

Galls Creek Irrigation Conversion Project

TRT Recommendation: Recommended for Funding

Project Information (adapted from application)

Applicant Name: Jackson Soil & Water Conservation District and JTE Ranch

County: Jackson

Funding Requested: \$153,351 Grant

Total Project Cost: \$213,913

Project Summary: The Project proposes replacing push-up dams with a pump at the lower point of diversion, which would fill two ponds on the east side of Galls Creek. A second pump at the lower pond would provide water to two center pivot irrigation systems and additional "big gun" sprinklers. The landowner proposes abandoning the upper point of diversion, Pfiel ditch, and fields on the west side of Galls Creek, and transferring those water rights to the fields above the Gold Crest ditch and additional fields on the east side of Galls Creek. The new irrigation system anticipates reducing inefficiencies by eliminating all return flows to Galls Creek and replacing the Gold Crest conveyance ditch with a closed pipe. An intended outcome of the proposed Project is that removal of the two push-up dams would restore more than two miles of fish migration habitat, and eliminate return flows preventing bacteria contamination and stream temperature increases, thereby improving water quality in Galls Creek. The Project proposes to improve stream flows by returning a portion of the conserved water back in Galls Creek through the Allocation of Conserved Water Program.

Technical Review Team Score and Comments

Combined Public Benefit Score: 50.5

<u>Public Benefit Category Score Breakdown</u>			
Economic	Environmental	Social/Cultural	Other
14.5	18.5	12.5	5

Economic: There is a projected increase in per acre agricultural yield as a result of the proposed project. The application could be improved by including supporting details and clear language, regarding claimed improvements to economic activity. The application included information to support potential increases to property values.

Environmental: The project proposes to legally protect 75% of conserved water instream. Another environmental benefit is the removal of push-up dams included in the proposed project, which will improve fish passage. The application could be strengthened with additional details on current water quality conditions and a proposal to measure anticipated improvements, both of which would better support and explain water quality benefit claims.

Social/Cultural: The proposed project anticipates improving spawning and migration conditions for summer steelhead. The application included several letters of support for the proposed project and the benefits of restoring stream connectivity.

Flat Creek Watershed Enhancements

TRT Recommendation: Recommended for Funding

Project Information (adapted from application)

Applicant Name: South Fork John Day Watershed Council & Cascade Pacific Resource Conservation and Development

County: Grant

Funding Requested: \$196,029 Grant

Total Project Cost: \$391,458

Project Summary: The Project proposes updating the delivery headgate for the Roosevelt Reservoir, and excavating the Pinchot reservoir back to its permitted water holding capacity, making it capable of supplying irrigation water to a 40-acre Food Plot Field during the mid- to late-growing season, July-August. The current delivery system is a wheel line, and a goal of the Project is to improve water application efficiency by using a center pivot. Improved function of the Aldrich reservoirs, Roosevelt and Pinchot are an anticipated Project outcome. The Project includes installing a new fish screen and diversion, as well as conducting engineering, design, and cultural surveys.

Technical Review Team Score and Comments

Combined Public Benefit Score: 48

<u>Public Benefit Category Score Breakdown</u>			
Economic	Environmental	Social/Cultural	Other
11.5	13.5	19.5	3.5

Economic: An economic strength of the proposed project is the anticipated impact in the area for youth employment opportunities. Another benefit is that the proposed project anticipates reductions to crop damage and increases in agricultural yields for wildlife forage. The application could be improved by providing more detail regarding the economic benefits as a result of improved recreational opportunities.

Environmental: An environmental strength is that a fish screen is included in the proposed project. The proposed project could be improved by legally protecting water instream. The application could also be strengthened with additional details regarding the water quality monitoring plan and expected water quality benefits.

Social/Cultural: The anticipated improvements to recreation and scenic value for wildlife viewing are a strength of the proposed project. The outcome of restored reservoir storage capacity would serve to improve fire suppression efforts if needed.

The Dalles Municipal Watershed Dog River Pipeline Replacement Project

TRT Recommendation: Recommended for Funding

Project Information (adapted from application)

Applicant Name: City of The Dalles

County: Hood River

Funding Requested: \$1,000,000 Grant

Total Project Cost: \$8,097,700

Project Summary: The Project proposes to design and construct 3.5 miles of new ductile iron pipe, replacing a wooden pipeline built before World War I, eliminate 1 million gallons of water leakage or a 12.5% loss at peak levels per day, reduce reliance on well use in a Critical Groundwater Area, enhance flow metering systems, install fish screens and upstream fish passage structure, benefit instream flows during critical periods for important fish species such as Steelhead, Coho, and Chinook and help in securing a vibrant economic future for the community and surrounding areas.

Technical Review Team Score and Comments

Combined Public Benefit Score: 46.5

<u>Public Benefit Category Score Breakdown</u>			
Economic	Environmental	Social/Cultural	Other
15	11	17.5	3

Economic: The proposed project benefits the water supply system with improvements to infrastructure security. The review team commented that there is an economic benefit from pipe replacement being scheduled prior to system failure. Providing additional detail supporting potential economic improvements as a result of the project would improve the proposal.

Environmental: The project does not propose to legally protect water instream and, therefore, claims to improve protected stream flows were unsupported. The proposed project includes installation of fish screens which provides an environmental benefit. The application could be improved by including details to support claims of improvements in groundwater levels.

Social/Cultural: Improvements to long term public health and safety are anticipated as a result of the proposed project. The application could be improved by broadening efforts to engage with minority or low-income populations. Additionally, the application could be improved by providing specific details of the anticipated water rate improvements projected as a result of this project.

Mosier Deep Water Supply Well

TRT Recommendation: Not Recommended for Funding at this time

Project Information (adapted from application)

Applicant Name: Wasco County Soil & Water Conservation District and Wade Root

County: Wasco

Funding Requested: \$671,724 Grant

Total Project Cost: \$906,911

Project Summary: As proposed, the Project would complete construction of the second of two deep wells, which would result in removal of the two largest irrigators from the compromised aquifers in the Mosier Critical Groundwater Area. An outcome of the proposal is that withdrawals from the upper Columbia River Basalt aquifers would be reduced by between 660 and 990 acre feet per year. Completion of this project anticipates an increase in the long-term availability of the groundwater supply for Mosier's vital agricultural community and for the community at large, while also benefiting water quantity and quality in Mosier Creek.

Technical Review Team Score and Comments

Combined Public Benefit Score: 40

<u>Public Benefit Category Score Breakdown</u>			
Economic	Environmental	Social/Cultural	Other
10	8	17.5	4.5

Economic: The proposed project strengthens on-farm job retention forecast and anticipates short-term job creation. The anticipated project outcomes may serve to improve water availability for junior water users. The application could be strengthened by broadening efforts for community economic improvement gains.

Environmental: Increases in base flows in Mosier Creek are an anticipated project outcome. The application could be improved with details supporting the anticipated long term improvements to instream flows. The project does not propose to legally protect water instream.

Social/Cultural: The proposed project indicates collaboration between the Soil Water Conservation District and a private landowner. An additional strength of the proposed project is the open process and availability of information. The proposed project is identified in a wider water planning approach by the local watershed council. The application provides supporting information and plans detailing project data sharing.

Other Notes: The proposed project is ready to be implemented and has demonstrated feasibility.

Palmer Creek Irrigation Upgrade Project

TRT Recommendation: Not Recommended for Funding at this time

Project Information (adapted from application)

Applicant Name: Timothy and Suzanne Kreder

County: Yamhill

Funding Requested: \$582,713 Grant

Total Project Cost: \$1,003,803

Project Summary: The Project proposes to upgrade an existing agricultural irrigation system by expanding infrastructure and using water-saving technology. The aim is to give the system the capacity to effectively deliver enough water for higher-value crops on more acres. A Project goal is to make it possible for farmers in Yamhill County to use more of the water stored in the Willamette Valley Project reservoirs. The first phase of the Project would be the implementation of drip tube irrigation and remote soil moisture monitoring and control system for greater water savings in a 55 acre blueberry field, which is currently irrigated using overhead impact sprinklers. The second phase would be replacing the existing pump with an energy-efficient higher-capacity pump and extending the existing mainline pipe with 10.1 ft. of underground 8 inch PVC mainline pipe to irrigate another 79 acres. The intent is to save water by using drip irrigation and remote soil moisture monitoring and control systems, rather than a big gun sprinkler. The third phase would be the construction of a small reservoir and secondary pumping site connected to center pivot and linear drip irrigation systems with 1700 ft. of underground 8-inch PVC mainline pipe. The third phase would irrigate another 92 acres.

Technical Review Team Score and Comments

Combined Public Benefit Score: 39

Public Benefit Category Score Breakdown				
Economic	Environmental	Social/Cultural	Other	
22	7	10	0	

Economic: An economic strength of the proposed project is the potential for agricultural job creation based on anticipated increases in crop production yields. The application details the potential for increases in economic activity which was well-quantified and specific. The project proposes to result in an increase in irrigated acres.

Environmental: The project proposes to establish cover crops which have the potential to reduce sediment and pesticide runoff as an environmental benefit. The review team commented that Palmer Creek is primarily an irrigation conveyance system and the project, as proposed, does not address the system's potential lead to stranded fish. While instream flow protection benefits are claimed, the project does not propose to legally protect water instream.

Social/Cultural: The application could be improved with broadening efforts to participate in local/regional planning. The proposal could benefit with more details regarding data collection and sharing.

Smith Ditch Water Delivery Improvement

TRT Recommendation: Not Recommended for Funding at this time

Project Information (adapted from application)

Applicant Name: Baker Valley Soil and Water Conservation District

County: Baker

Funding Requested: \$590,902 Grant

Total Project Cost: \$799,152

Project Summary: The Project proposes to pipe a section of the ditch to conserve water and provide protection from future ditch breaches. Such breaches into Baker City could result in the loss of the ability to use the ditch and irrigate 2,230 acres of agricultural land. A 3,550 ft. section of the open ditch will be replaced with 48" DR41HDPE fusion welded pipe which will be installed in the existing ditch for all but one portion of the project area. Regular flow measurements to determine the exact ditch loss will be conducted in the year leading up to the pipeline installation and 100% of the live flow amount (estimated currently at 0.53 cfs) would be legally protected instream.

Technical Review Team Score and Comments

Combined Public Benefit Score: 38.5

<u>Public Benefit Category Score Breakdown</u>			
Economic	Environmental	Social/Cultural	Other
11	12.5	10.5	4.5

Economic: A strength of the proposed project is the improvement to infrastructure security. The application could be strengthened by providing additional details on types and numbers of jobs supported by the water supply project.

Environmental: The project proposes to legally protect 100% of the conserved water. The application could be improved by providing additional details and documentation supporting potential environmental benefits.

Social/Cultural: The proposed project anticipates public safety benefits by improving security against ditch failure. The proposal could be improved by expanding efforts to coordinate with, and engage, the local community. Supporting details and additional documentation would strengthen the application.

Threemile Joint Fish Screen and Piping Project

TRT Recommendation: Not Recommended for Funding at this time

Project Information (adapted from application)

Applicant Name: Wasco County Soil & Water Conservation District and Rock Creek District Improvement Company

County: Wasco

Funding Requested: \$948,461 Grant

Total Project Cost: \$2,543,296

Project Summary: The Threemile Joint Fish Screen Project proposes to eliminate 16,000 feet of open ditch in two neighboring Irrigation Districts and convert it to pipe, saving 2 cfs. Half of the saved water (1 cfs) would be converted to a senior instream water right on a currently over-allocated stream. The Project proposal includes eliminating two unscreened fish passage barriers and installing a new fish friendly diversion and Farmers Conservation Alliance screen. The instream water right would restore flow in to up to 14 miles of natural stream that has been seasonally dewatered for the last century.

Technical Review Team Score and Comments

Combined Public Benefit Score: 36

<u>Public Benefit Category Score Breakdown</u>			
Economic	Environmental	Social/Cultural	Other
9	9.5	12	5.5

Economic: The proposed project anticipates the creation of short-term jobs and the retention of agricultural jobs. The project is likely to enhance the value and recreational quality of public lands commonly used for hunting and outdoor recreational purposes. The application could be improved with including supporting details and additional information for review team consideration.

Environmental: The project proposes to legally protect 50% of the conserved water instream through the Allocation of Conserved Water program. The portion of conserved water identified in the application is not likely to substantially improve conditions for fish. A strength of the proposed project is the inclusion of fish screen installation.

Social/Cultural: The application could be improved by providing additional documentation of the support and collaborative efforts between the two irrigation districts affected by the proposed project.

Other Notes: The application could be improved by documenting and supporting anticipated changes as a result of the proposed project.

Newport Citywide Advanced Metering Infrastructure

TRT Recommendation: Not Recommended for Funding at this time

Project Information (adapted from application)

Applicant Name: City of Newport

County: Lincoln

Funding Requested: \$636,119 Grant

Total Project Cost: \$1,507,782

Project Summary: The proposed Project represents the third and final phase of its water conservation project. The City plans to complete the installation of updated Advanced Metering Infrastructure (AMI) technology to improve water management and meet growing demand for clean water supply in the coastal community. Installation of the AMI technology, telemetry equipment, and billing software would enable the City and its water users to quickly identify leaks and wasteful water practices by delivering real-time information to water users through online portals. Anticipated benefits to the City, industrial and commercial water users, and residents include savings of time, money, and water resources. Ultimately, outcomes of the Project expect results in water conservation, energy savings, improved water management, and increased resiliency to man-made and natural disasters.

Technical Review Team Score and Comments

Combined Public Benefit Score: 34.5

Public Benefit Category Score Breakdown			
Economic	Environmental	Social/Cultural	Other
11.5	6	14	3

Economic: The application proposes an innovative technology with the potential to increase system efficiency and identify leaks in the system. The application could be improved by providing additional details regarding how the project proposes to improve system repairs.

Environmental: The proposed project's strength is the ability to identify areas of water loss and opportunities for efficiency. The project, as currently proposed, does not include actions to implement actual water loss reduction or conservation. While instream flow protection benefits are claimed, the project does not propose to legally protect water instream.

Social/Cultural: A strength of the proposed project is the timely information water users will receive to identify opportunities for system improvement. The proposed project promotes priorities identified in the City Water System Master Plan and public notice and outreach efforts were employed in planning. The application included a detailed proposal for information and data sharing efforts.

Central Oregon Irrigation District G-4 Lateral Piping Project

TRT Recommendation: Not Recommended for Funding at this time

Project Information (adapted from application)

Applicant Name: Central Oregon Irrigation District

County: Deschutes

Funding Requested: \$349,728 Grant

Total Project Cost: \$470,190

Project Summary: This Project proposes piping approximately 4660 ft. of open, earthen canal as Phase One of Central Oregon Irrigation District's (COID's) System Improvement Plan (SIP). The current configuration of this lateral serves eight patrons in a rotation with a total of approximately 127 acres with a disparate mix of both flood and pressurized irrigation distribution, causing challenges in managing and delivering water. This Project intends to mitigate water loss by installing individual, measurable deliveries for each patron served by the G-4. The Project anticipates conserving 0.10 cfs of water to return and legally protect instream in the Deschutes River. This Project will connect to the Pilot Butte Canal (PBC), one of COID's two main transmission canals that will be enclosed in pipe in multiple phases with estimated completion in 2031.

Technical Review Team Score and Comments

Combined Public Benefit Score: 31.5

<u>Public Benefit Category Score Breakdown</u>			
Economic	Environmental	Social/Cultural	Other
12.5	7	9	3

Economic: An economic strength of the proposed project is the potential for increased short-term and seasonal employment. The application could be strengthened by providing more detail on other economic measures and increases realized that would be realized by the project.

Environmental: An anticipated improvement, which would result from the project, is reduced seepage and water loss through piping the conveyance system. The application could be strengthened by including the legal protection water instream as part of this project proposal, rather than as a future action to be conducted 5 years after project completion. The application detailed limiting ecological factors; however, the application would have benefitted from additional information on how the project would directly address those factors.

Social/Cultural: A strength of the proposed project is that it is part of, and supported by, a collaborative process. The application could be improved by providing details on the proposed plan for making project data and information publicly available. The proposed project could be improved by including supporting details for anticipated benefits to tribal communities.

Fishhawk Lake & Stream Water Supply & Quality Improvement Project

TRT Recommendation: Not Recommended for Funding at this time

Project Information (adapted from application)

Applicant Name: Fishhawk Lake Reserve & Community and the Upper Nehalem Watershed Council

County: Clatsop, Columbia

Funding Requested: \$584,068 Grant

Funding Requested: \$673,106 Loan

Total Project Cost: \$918,675

Project Summary: This Project proposes construction of an 8' x 10' controlled sluice gate within the existing drop-drain spillway designed to operate simultaneously with high-water weather events to scour the bottom of the lake and flush both existing and incoming sediment downstream. The gated spillway is expected to pass a quantity of 2000-5000 cubic yards or more of sediment per year, based on two high-water weather events per year (depending on rainfall amount and storm duration). Goals of the Project include restoring the depth and available water in the lake, adding ecological benefits to the lake and downstream habitat with improved water temperatures, lessening turbidity, increasing oxygenation levels, and replenishing the streambed with gravels, sediments and debris deposits.

Technical Review Team Score and Comments

Combined Public Benefit Score: 30.5

<u>Public Benefit Category Score Breakdown</u>			
Economic	Environmental	Social/Cultural	Other
11.5	6	13	0

Economic: The proposed project represents an innovative approach to promote flushing sediments downstream. The project's innovative approach is not supported by other case studies which would support the likelihood of project success. The application could be strengthened by focusing on economic public benefits anticipated as a result of direct changes resulting from the proposed project.

Environmental: The project does not propose to legally protect water instream and, therefore, claims to improve protected stream flows were unsupported. The review team commented that there may be a potential for unintended environmental impacts based on the quantity and type of material passed through the system. The proposed project could be strengthened by including fish passage and screens.

Social/Cultural: An anticipated improvement to public safety is a strength of the proposed project, based on improvements to the dam. The application could be strengthened by providing more detail to demonstrate the change in recreational conditions as a result of the proposed project.

Beaver Creek East Reservoir Above-Ground Storage

TRT Recommendation: Not Recommended for Funding at this time

Project Information (adapted from application)

Applicant Name: Young's Farm Blue Mountain Holdings, LLC

County: Crook

Funding Requested: \$654,900 Grant

Total Project Cost: \$873,200

Project Summary: The Project proposes to store water in a 134 acre-foot off-channel reservoir in Crook County within the Crooked River watershed of the Upper Deschutes Basin. The Project goals include outcomes that intend to improve and increase agricultural production on the Blue Mountain Holdings irrigation grazing pastures and enhance instream flows for listed sensitive-critical Rainbow Trout, sensitive Great Basin Redband Trout, and the listed sensitive Brook Lamprey. The Project proposes to legally protect 25% of annually-stored water as instream flows in the dry summer months. Additionally, to address seepage losses, approximately 750 feet of new PVC piping infrastructure from the POD will be installed, thereby avoiding pumping into the existing earthen ditch, to the reservoir, and pipe from the reservoir to the irrigated place of use.

Technical Review Team Score and Comments

Combined Public Benefit Score: 30.5

<u>Public Benefit Category Score Breakdown</u>			
Economic	Environmental	Social/Cultural	Other
12.5	8.5	7	2.5

Economic: The application provided clear information regarding the anticipated number and detail, of short term and seasonal jobs, created directly resulting from the proposed project. The application provided details supporting potential increases to on-farm economic activity, however, the application would be improved with additional detail regarding economic improvements for the community. More detail and quantification would support the benefit claim of infrastructure enhancement as a project outcome.

Environmental: The proposed project intends to legally protect 25% of newly developed stored water instream as required for above-ground storage projects seeking grant funds. The application acknowledges that the Oregon Water Resources Department will determine the timing of these releases in consultation with the Oregon Department of Fish and Wildlife to maximize instream benefits. The water right for the proposed project is in process. The application could be strengthened by including details on the means to measure and document water quality conditions resulting from the proposed project.

Social/Cultural: The application could be strengthened by providing additional detail for the intended social/cultural public benefits. The proposal claimed that the project would increase publicly available information, however this benefit claim would be strengthened by describing how the collected project data and information would be made publicly available.

Lafayette Water Transmission Intertie to McMinnville

TRT Recommendation: Not Recommended for Funding at this time

Project Information (adapted from application)

Applicant Name: City of Lafayette

County: Yamhill

Funding Requested: \$1,875,000 Grant

Total Project Cost: \$2,800,000

Project Summary: The Project proposes construction of an 8,800 foot, 12-inch water line and pump station from the City of McMinnville to Lafayette. If funded this project is designed to allow Lafayette to receive water from McMinnville Water & Light in order to supplement the City's water supply source and avoid summer water-use restrictions. In the winter, the City is able to utilize spring water, but that source is not an option in the summer, thus the City is completely reliant on a diminishing joint groundwater system shared with the City of Dayton. An additional goal of the water intertie Project is to support the future growth needs of Lafayette for the next 20 years.

Technical Review Team Score and Comments

Combined Public Benefit Score: 28.5

<u>Public Benefit Category Score Breakdown</u>			
Economic	Environmental	Social/Cultural	Other
13	1.5	10.5	3.5

Economic: The proposed project would likely result in a significant enhancement of infrastructure and provide an increase in system efficiency. Avoiding a building moratorium may be a potential outcome of the proposed project. The application could be improved by providing additional detail to support claimed economic improvements.

Environmental: The proposed project could be improved by considering potential opportunities to participate in a broader effort to achieve environmental benefits. While the project claims improvements in protected instream flow, the project does not propose to legally protect water instream.

Social/Cultural: The proposed project would provide improvement to fire safety and public security for the community. The application demonstrated the regional cooperation and planning for the proposed project. The application could be improved with additional detail to document information regarding the project's role in ensuring an emergency water supply.

Amity Water Distribution Line Replacement and Reservoir Site Improvements

TRT Recommendation: Not Recommended for Funding at this time

Project Information (adapted from application)

Applicant Name: City of Amity

County: Yamhill

Funding Requested: \$2,134,353 Grant

Total Project Cost: \$2,845,804

Project Summary: The proposed Project is to design and implement improvements to the reservoir, replace seven pipelines as well as a transmission line, and install new fire hydrants. To bring the reservoir back online the proposal includes replacing valving and controls to restore storage capacity. Replacement of old corroded pipes and asbestos concrete material which have deteriorated is anticipated to improve water quality and reduce water loss from 43% to 15%. A goal of the Project also to reduce bottlenecking (succession of pipes of different diameters restricting water pressure) by upsizing lines resulting in an increase in water flow to enhance water pressure and fire protection. Other goals of the project are to enhance conservation, restore storage volume, and improve water infrastructure reliability and dependability.

Technical Review Team Score and Comments

Combined Public Benefit Score: 23.5

<u>Public Benefit Category Score Breakdown</u>			
Economic	Environmental	Social/Cultural	Other
6.5	6	11	0

Economic: An anticipated outcome of the proposed project is the ability to fill a currently unfunded position by supporting it financially through efficiencies and cost savings gained by the project. The application supports, with documentation, the potential energy savings and improvements in efficiency as a result of the proposed project. The review team commented that the application could have been improved by discussing additional economic public benefits which may be likely outcomes of the proposed project.

Environmental: The project proposal anticipates conservation gains through water loss reduction and provided supporting evidence and details. The review team observed that the project does not propose to legally protect water instream which would improve the environmental score. The application could be improved with details to support claims regarding how water quality would improve as a result of the proposed project.

Social/Cultural: The proposed project supported the strong likelihood of improved public health and safety benefits that would be realized. The application could have been strengthened by providing additional detail and evidence for engagement with and improvements for, minority, low-income, and economically distressed populations.

Other Notes: The proposed project demonstrated feasibility and design readiness to proceed once funding is secured.



Water Project Grants and Loans

Public Comments Received

2018 Funding Recommendations



Document Description

After the Technical Review Team ranks projects based on their public benefits, the Commission is required by statute to provide an additional public comment opportunity. The TRT ranking and recommendations were published on the Department's website and distributed on the Water Resources Development Program's listserve for a 30-day public comment period which took place August 20 through September 21, 2018. The Department received comments from 11 individuals and organizations on three applications. Public comments on the 2018 TRT funding recommendation are in the order and page number listed below. The Department carefully reviewed the comments to determine if new information was provided. The Department provides further discussion regarding the public comments in the Staff Report.

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September 21, 2018

Water Resources Department
725 Summer St N.E., Suite "A"
Salem, OR 97301-1271

Re: Comments, SB 839 Water Development Loan and Grant Program Recommendations for Funding

Dear Water Development Loan and Grant Coordinator,

WaterWatch appreciates the opportunity to comment on the Technical Team's SB 839 grant and loan program funding recommendations to the Commission. 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.

Before commenting on individual project application recommendations, we wanted to note two ongoing concerns with the program. First, we are very concerned about what appears to be disregard of the statutory directive that the Technical Team include representatives of "affected Indian tribes." ORS 541.669(3). As WaterWatch has noted in previous testimony to the Commission and comments to the Department, many of these projects do appear to affect the interests of Tribes. For instance, in the 2018 applications, at a minimum projects in the Hood River (Dog River, Dee Irrigation), Deschutes (COID, Tumalo ID, Beaver Creek/Crooked) and John Day (Painted Hills Reservoir, Flat Creek) all should have been reviewed and ranked by the Confederated Tribes of the Warm Springs Reservation. As we understand it, this has not happened to date, which means the technical review process is not proceeding in accordance to statute. We see this as a fatal flaw in the Technical Team recommendations to the Commission related to these projects. These, and possibly other, applications should be sent to the Tribes for review/ranking before they advance to the Commission.

Second, as we testified to verbally at the December 2017 WRC meeting, we have serious concerns as to the ranking of environmental benefits by agencies that do not have any expertise in the area, especially on projects where no data is submitted to back environmental claims made by applicants. In reviewing the scores that came from individual technical team members in both 2017 and 2018 we have found that some projects have wildly varying scores amongst some agencies with regards to environmental benefit. For instance, in 2017 the City of the Dalles Dog River project received low scores from agencies with water expertise (ODFW-5, WRD-2) and high scores from the more development oriented agencies (Reg Solutions-22, ODA-21). In 2018 the same project again garnered some wide swings, with DEQ giving it a 3, ODA a 21. Similarly, in 2017 Power Valley Connector (which OWRC funded) garnered low scores from the water agencies (ODFW-6, WRD-8) and high scores from the development agencies (Reg Solutions-22, ODA-21). Two additional illustrative examples in 2018 include Beaver Creek/Crooked Reservoir which received a -1 (negative 1) from ODFW and an 18 from ODA, and Palmer Creek which received 0 from ODFW and 21 from ODA. On the flip side, for projects which the environmental benefit was clear and demonstrable, scoring across agencies was largely consistent (e.g. 2017--Opal Springs Fish Passage, North Fork Sprague Conservation project; 2018-- Johnson Lane, Tumalo, Dee Flat).

Generally, it appears that in cases where the environmental benefits are in fact demonstrable, agency scoring is similar. However, in cases where projects might not have documentable or demonstrable environmental benefits, the natural resource agencies with more direct knowledge of the resource, scored the projects low. On the flip side, the business/development agencies without fishery/water quality/instream expertise scored them high, at least for those select projects that appear to have some significance to these agencies, for instance, being a “regional priority” or a project that will directly benefit agriculture.

These discrepancies lead us to believe that, in select cases, the criteria is not being applied accurately and thus might result in projects being recommended that do not truly provide “demonstrable” public environmental benefits as required by statute. The statutes are very clear on this point, environmental benefits must, in all cases, be demonstrable, and in three of six noted ranking criteria, must also be “measurable”. ORS 541.683(1)(b), ORS 541.673(3)(a),(b) and (c). If an environmental claim is not backed by sufficient data to corroborate the claim, it should be scored accordingly (zero) regardless of whether a project is a regional priority and/or of some other significance to an agency.

Ultimately it is the Commission that is responsible for ensuring funding decisions are in accordance with law, as they are the final decision maker on the grants/loans. ORS 541.669(3). Statutes direct the Commission to use the evaluation system to assign final scorings and rankings to the project. ORS 541.673 (1). Statutes also obligate the Commission to granting monies to the projects that have the greatest public benefit and will best achieve the outcomes set forth in statute. *Id.* If Technical Team recommendations to the Commission are not based on criteria as required by statute, this could undermine Commission assessment and action on grants and loans; it could also require significant work on the part of the Commission to ensure that its final ranking decisions adhere to statutory criteria. We urge the state to set in place safeguards to ensure against this ongoing problem into the future.

In addition these general points, we offer the following comments on the Technical Team recommendations with regards to specific projects. These comments are in addition to the public comments we submitted prior to technical team review (which we incorporate by reference and are attached).

The Dalles Municipal Watershed Dog River Pipeline replacement project (\$1,000,000): This is at least the third time this applicant has applied for SB 839 funds and WaterWatch continues to oppose public funding for this project. The reasons for this include but are not limited to:

1. According to the project description, the pipeline replacement will double the City’s capacity from 8 million gallons to 17 million gallons (from 12.4 to 26.3 cfs). This will significantly increase diversions from Dog River, which is a negative not positive effect, and should be fully accounted for in the Commission’s final “environmental benefit” calculation.
2. The City’s water right for Dog River allows the City to divert the full amount of water in the stream (every drop); thus without a year-round commitment for bypass flows (as opposed to their offer of a .5 cfs bypass for only three months) the City could fully dewater the stream nine months of the year into the future. This should be fully accounted for in the Commission’s final “environmental benefit” calculation.

3. The more than doubling of the existing diversion contemplated by this application and the potential dewatering of Dog River raises Endangered Species Act concerns/issues. Dog River is an important stream for imperiled fish, including chinook, coho, cutthroat and steelhead. Numerous private, non-governmental, state, federal and tribal interests are working to restore streamflows in the Hood River Basin; to fund a project that would allow the City to double its current diversion and potentially dewater the river nearly year round runs contrary to these many efforts.
4. The City states it will provide a bypass flow of .5 in August, September and October. That said, the City is not committing to using the Conserved Water Act or transfer statutes to legally protect this water instream. Nor is there any legal mechanism to ensure that this bypass flow becomes a condition of use of the City's certificate. The Commission should disregard this commitment as anything that should factor into scoring under any of the environmental benefit factors (not just in evaluating a measurable increase in protected streamflows, but also ecosystem resiliency in the face of climate change, addressing limiting ecological factors, water quality, etc).
5. The City's application is misleading in that, throughout the application, it makes claims as to improved streamflows that are not in fact backed by instream commitments. For instance, the application states that the current diversion loses 1.55 cfs per day and that this loss will be eliminated by this project and that water that is lost to leakage does not need to be diverted and may remain instream in support of the natural hydrograph of Dog River (Application at 16). This statement ignores the fact that the project would allow the doubling of the diversion, allows full dewatering of the stream nine months of the year and that the applicant provides zero commitment to legally protect the saved 1.55 cfs instream; in fact, the statement as to the 1.55 cfs is in direct conflict to the City's proposal to an unprotected bypass flow of only .5 cfs only three months of the year. Similarly, the applicant notes that Dog River flows into SF Mill Creek, claiming that this will support listed species in SF Mill Creek (application at 16). What the applicant fails to note is that this water that flows into SF Mill Creek is then diverted to Crow Creek Reservoir. There are numerous other examples of these kinds of statements; it is unclear to the public if this affected Technical Team scoring or not.
6. Funding of this project will allow revival of a portion of a water right that, by all accounts, should have been cancelled by the state years ago. While the City's water right allows them to divert the whole of Dog River, the City's application materials are very clear that the maximum capacity of its Dog River diversion has been limited to 12.4 cfs for the last one hundred and seven years (since 1911). The forfeiture statutes are clear that unless a water right holder's facilities could divert the full rate and duty and the holder was otherwise ready, willing and able to use the entire amount of the water allowed under a water right, there is a presumption of forfeiture for the amount not diverted for five years or more. ORS 540.610(1). This water has not been used in over a century and the City's diversion does not have, and has not ever had, the capacity to withdraw over 12.4 cfs. Given the facts, we would encourage the state to proceed with cancellation of the unused portion of the water right (limiting the right to 12.4 cfs) not fund a project that would grant it access to this long unused, and arguably forfeited, water.
7. As noted in the City's 2014 Water Management and Conservation Plan (WMPC), water diverted from Dog River ultimately flows into the Crow Creek Reservoir. See City of the Dalles, 2014 WMPC at 2-1, 2-25. The application notes that the City is planning on expanding Crow Creek

Reservoir by 30 feet, increasing capacity from 267 million gallons to 550 million gallons. As such, the applicant is subject to the SB 839 requirements for above ground storage projects, namely that it must dedicate 25% of the newly developed water instream and that any new diversion (here anything above 12.4 cfs) is subject to seasonally varying flows. The applicant fails to note this in its application; and instead leaves the “storage specific project requirement” questions unmarked (Application pg. 24)¹.

8. Dog River has a junior instream water right. The doubling of the diversion will negatively impact these protected flows. This should have resulted in a -1 score on the “measurable improvement in protected streamflow” ranking criteria from every agency.
9. As noted in our general comments, ranking criteria for environmental benefits on some projects appears to have been incorrectly applied by select agencies. For this project, for instance, the water quality ranking criteria allows points for projects that provide “a measurable improvement in the quality of surface water or groundwater.” ORS 541.673(3)(c). The applicant claim under this criteria is that: “the project will protect the potential degradation of surface water from eventual failure of the existing pipeline and the associated erosion and sedimentation that would occur.” (App at 17). The applicant’s claim does not meet the criteria because (1) the project does not “improve” the quality of surface or groundwater as it stands currently and (2) conjectures about what would or would not happen if there were a potential collapse of the pipeline sometime in the future is not “measurable” by any stretch of the imagination. As such, the water quality parameter should have scored a zero across the board. ODFW and DEQ scored it correctly with a 0, other agencies granted points, with ODA providing the highest with 4 out of a possible 5 points. This is one of many examples of the failure of individual technical team members to accurately score the project in accordance with the statutory criteria provided.
10. The City’s Special Use permit required from the US Forest Service has not been renewed (the process stalled in 2016); until environmental effects are evaluated and an SUP granted, it’s premature for the state to make a funding commitment to this project. ORS 541.692(1) prohibits disbursement of funds until all applicable local, state and federal permits are “obtained”.
11. The Confederated Tribes of the Warm Springs Reservation were not included in the technical review team that evaluated this project in direct conflict with ORS 541.669(3).

In closing, the fact is that The City of the Dalles Dog River pipeline replacement project will result in a two-fold increase in diversions into the future, could expedite the full dewatering of Dog River nine months of the year, has serious endangered species implications, should be (but apparently is not) dedicating 25% of the new water instream and protecting SVF flows, and runs contrary to Oregon’s forfeiture statutes should all be factored into the environmental benefits calculation. The City could in fact offer true public environmental benefits in the form year-round protected streamflow needed for fish, but has chosen not to. All in all, it appears the project will have a significant negative impact on streamflows and is not something that public monies should be invested in.

¹ Per statute, incomplete applications are supposed to be returned to the applicant by OWRD. ORS 541.669(2). The applicant did not check the required boxes (either yes or no) with regards to storage, thus it is incomplete. This application never should have advanced to the Technical Review team for scoring.

Painted Hills Reservoir Expansion (\$581,990): As required by SB 839, 25% of the new storage must go to instream flow augmentation. The applicant notes that this is the intention. That said, the applicant states that this crucial step will not take place until the first 500 af has been stored and the claim of beneficial use is submitted. SB 839 requires 25% of newly stored water to be provided instream; the statute does not allow any variances from this. This is a requirement whether or not the full amount is realized and/or before the COBU deadline. If this project is to be funded, the Commission must ensure that 25 percent of the water is provided instream from the first storage season forward; regardless of amount stored or status of the permit. The WRD did not provide any response to this in their “other notes” section in the project evaluation summary. As such, we are asking the Commission to direct the Department to condition the grant with this requirement if it moves forward with funding.

To most easily and clearly achieve this, if this project is funded, the grant should require submission of a flow augmentation water right application and/or submission of an ODFW application immediately². Given this is stored water and not live flow, this water must be protected instream against all live flow rights of any priority date all the way down to the Columbia, again, whether or not there is a secondary right attached. This water cannot be diverted in Bridge Creek or the downstream John Day River. These points all need to be conditions of use in the grant contract and also sent to the watermaster so s/he understands his/her obligation to shepherd this stream to the Columbia, secondary water right or not.

In our comments to the Technical Team we noted that because the project expands existing storage the application is subject to Seasonally Varying Flow (SVF) requirements. In the application evaluation there is a note that the WRD has determined that a SVF prescription does not apply to the project proposed, based on the timing of when the reservoir would fill. We disagree; however we will have this conversation with WRD offline.

Remaining Technical Team recommendations: Rather than reiterate our comments on all the other projects in this document, we are simply attaching our July 2018 comments to the Technical Team to these and incorporate them by reference into these comments. Our comments of July 2018 still stand. We will note that as a general matter, WaterWatch lends its support to the Johnson Lane project and the Tumalo Feed Canal Phase 6. We also believe that the Dee Flat project generally meets the SB 839 goals/requirements; however the OWRD should condition the grant to ensure that the commitments made by the applicant carry into the future.³ While some of the other recommended projects appear worthy (i.e. Gall Creek, Flat Creek), the applications were too vague on the instream commitments to gain a real understanding of what environmental benefits will actually result, and carry forward permanently into the future. We believe that the OWRD should ask for clarity on these points before they go before the Commission (our questions are noted in the attached July 2018 comments). Other concerns with select projects are noted in our July 2018 comments. And finally, WaterWatch very much supports the Technical Team’s recommendation to not fund the Beaver Creek East Reservoir.

Grant Conditions: SB 839 grants the state the authority to condition the grants to require that the recipient complete and operate the funded project as described in the loan or grant application. ORS

² That said, it should be noted that SB 839 created broad new authority for the OWRD to protect instream flows, whether or not a secondary water right is attached. This granting of broad authority to protect instream flows is distinct from authorities in other section of statute (Instream Water Rights Act, Conserved Water Act, Scenic Waterway Act).


³ i.e. a commitment to defer to ODFW/Tribes on which three months the 1 cfs of conserved water is put instream; using the Conserved Water Statute for the committed instream amount; MFID will not use saved water on other lands. Again, these are all commitments made in the application.

541.692(2). The governing statute is also clear that the WRD may require that before commencing the operation of a funded project, the recipient demonstrate that the public benefits identified for the project will be realized in a timely fashion. *Id.* The WRD can terminate, reduce or delay funding if the recipient does not comply with any of these provisions. *Id.*

We would urge the Commission to direct the OWRD to condition each grant contract with all the public environmental benefit commitments and/or claims asserted in the applications. Without this type of follow through, there is no real accountability. We are especially concerned about the many environmental claims that applicants are making in applications that are unsubstantiated; if these claims become part of the grant contract than the OWRD and/or Commission have some recourse if they do not come to fruition.

Thank you for the opportunity to comment.

Sincerely,



Kimberley Priestley
Senior Policy Analyst

Attachment



July 20, 2018

Water Resources Department
725 Summer St N.E., Suite "A"
Salem, OR 97301-1271

Re: Comments, SB 839 Water Development Loan and Grant Program Applications

Dear Grant Coordinator,

WaterWatch appreciates the opportunity to comment on the SB 839 grant and loan program grant applications prior to review by the Technical Team. 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.

As was the case in previous years, we were again 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. SB 839 is very deliberate in its use of the words "measurable" and "protected". See ORS 541.673(3). This language was heavily negotiated. Measurable means there must be an identifiable amount of streamflow dedicated instream and protected means the water must be legally protected instream.

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 (CWA) 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 not only documentable, but are legally protected into the future for the life of the project. This was the intent of the statute. We urge the technical team to score projects accordingly (i.e. without legal protection of saved water instream, scoring should be zero for this particular public environmental benefit metric, or in some cases -1).

A separate, but related, issue is that for those projects that do commit to using the CWA, the Act requires a minimum of 25% of the saved water to be dedicated instream. If public funding exceeds 25%, then the percentage of water protected instream must be commensurate to the public funding provided. The WRD should ensure that any grants that are awarded are consistent with the CWA and that the percentage dedicated instream matches the percentage of public funding.

And finally, SB 839 Section 7(3) requires the technical review team include "affected Indian Tribes". Many of the 2018 applications affect tribal lands/waters/interests, including but not limited to Dog River/the City of the Dalles, Dee Irrigation, Tumalo Feed Canal and COID lateral projects. For these and other relevant projects the OWRD should include tribes in the technical review as intended by statute.

Project Specific Comments: In addition to the overarching points noted above, we have the following initial comments on specific applications.

Amity Water Distribution Line Replacement and Reservoir Site Improvements (\$2,134,353): This project states that it will result in a .26 cfs increase in flow in the South Yamhill River and that this will improve all environmental benefits outlined in ORS 541.673(3). That said, the Amity project does not commit to protecting this water instream. Unless this water is protected instream the project will not result in a measurable improvement in protected streamflows and should be scored accordingly (0). Similarly, if the water is not protected instream the water quality benefits connected to higher streamflows cannot be claimed and it should be scored accordingly (0). Ditto for the claim that this will promote recreation and scenic values (0). As to water conservation, while this project will clearly conserve water, the claims that it will leave water instream are meaningless unless they go through the conserved water act to legally protect this water instream.

Beaver Creek--East Reservoir Water Supply and Irrigation Project (Crooked River Basin, \$654,900): This application seeks public funds to fund the majority of the cost of a new storage project in the Crooked River basin above Prineville Dam. As the WRD is aware, in late 2014 the Crooked River Collaborative Jobs and Security Act of 2104 passed Congress and was signed into law by President Obama. This new federal law authorizes the storage and release of nearly half the water stored behind Prineville Reservoir for downstream fish and wildlife. Earlier this year, the BOR transferred the existing irrigation storage right to a right that allows for storage for downstream fish. Filling of the reservoir on an annual basis is paramount for fulfilling the intent of the Act. The Act directs releases for downstream fish, which means that the reservoir will likely be drawn down to levels not previously experienced on a regular basis. Access to all water provided under the Bureau's storage right of paramount importance to the annual refilling of the reservoir and the fulfillment of the Act. While the BOR right is senior to the project that is requesting SB 839 funds, the WRD has stated that it will not regulate against junior upstream reservoirs because of a required 10 cfs bypass at Bowman Dam. This means that any new storage project above Prineville Reservoir will injure the downstream BOR storage water right by storing flows that would otherwise be going to downstream fish. To that end, the WRD should not only not be issuing any new rights that would jeopardize filling into the future, it most certainly should not be spending public funds to support a project that will so clearly harm downstream fish and wildlife.

Additionally, the application is flawed on a number of fronts. For instance, among other things, (1) there is no discussion of the Seasonally Varying Flow (SVF) that would be required if this grant were approved (which will affect amounts allowed to be stored), (2) measurement condition does not note what measures will be taken to ensure that no water is diverted outside the 6 week storage season (i.e. recording should take place year round), (3) 25% of stored water is the minimum required by statute, not the maximum, (4) this water must be protected instream, not "may" be protected, and (5) the 25% must be direct release from the reservoir to the stream as flow augmentation water, not "return flow" as it is stated throughout the application. All in all, this is a project that will directly harm fish in the Crooked River. Under SB 839 technical reviewers are required to assess negative environmental impacts of any project. This project should be scored accordingly with a -1 environmental benefit. We urge the state to reject this application.

COID, G-4 Lateral Piping (\$349,727): COID is proposing to put 100% of the conserved water instream, thus its claim that it will measurably improve streamflows meets statutory standards. If public funds are going to be used to fund private projects, it is this type of public benefit that should accrue (100% of conserved water being protected instream). That said, in this instance COID does not commit to protecting the water upon completion of the piping but rather they give themselves up to five years to commit to this crucial step. The public benefit should be realized upon completion, and we would urge the WRD to work with COID to ensure this occurs (if funded). Additionally, the amount of conserved water should be verified (before/after verification) so that the full potential of this public investment is

realized (if funded). Moreover, any grant should be conditioned upon COID going through the CWA, as that is what they are committing to in the application.

Dee Flat Water Conservation Project (\$1,600,000): This project notes that it will save 2 cfs and that it will protect 1 cfs of this two cfs for two months (60 days) under the Conserved Water Act. The District notes that it cannot irrigate other lands. Any water that is not protected instream can in fact be picked up by users downstream, thus the public benefit of measurably improving protected streamflows is limited to be 1 cfs for 60 days. While we support this applicant's commitment to put some water instream through the CWA, the project could be strengthened if it were to commit to putting the full amount of saved water instream and/or putting the committed saved water (1 cfs) instream for the duration of the irrigation season not just two months. Moreover, the applicant notes that it will consult with ODFW and the Tribes about which months to protect the 1 cfs of water instream but does not commit to a time definite in this application. This should be worked out before the technical team scores this application as this is a critical piece of information. For instance, water saved instream in August and September is likely much more meaningful to fish that water committed instream in March or April when spring flows in the system are higher. And finally, any grant should be conditioned to ensure that the commitments made in the application will carry forward (using the CWA, not irrigating other lands, etc).

Fishhawk Lake (\$584,060): The project claims "measurable improvement in protected streamflows", however it does not commit to releasing and protecting any of the stored water for instream flow augmentation. As noted, unless the applicant commits to legally protecting streamflows the scoring under this particular public benefit must be zero. Moreover, to the extent that project is in fact creating additional storage (by virtue of clearing lake sedimentation), the applicant should be required to provide 25% of the water instream. Water quality claims should be documented/verified by DEQ.

Flat Creek Watershed Enhancements (\$196,029): While the application notes that a goal of this project is to increase last season flows in Flat Creek, there are no commitments to dedicate water instream under this project. Moreover, all statements related to reservoir release schedules to aid fish migration are in narrative form, there is no commitment under this application to actually operate the reservoirs in this manner. Moreover, to the extent that this project will enhance existing storage capacity, the applicant should be required to provide 25% of the water instream. All in all, it appears that there are no commitments to operate this project to achieve the many environmental benefits claimed. Scoring should reflect this.

Gails Creek Irrigation Conservation Project (\$153,351): As we read the application, the applicant commits to putting the whole of the project through the Conserved Water Act and commits to putting 75% of the saved water instream. We support this approach. That said, there are some qualifying statements in the application about expanding acreage which potentially conflict with this commitment. Before this is scored by the technical team, and certainly before this goes before the Commission (if recommended for funding), the WRD should get clarity on this. We could support this project if it does put the whole of the project through the Conserved Water Act (and thus results in 75% of the saved water instream). However, if, on the other hand, it only puts a percentage instream based on being able to fully expand use from the current 11 acres to 45 acres, then we would need to reassess this application¹.

Johnson Lane Conservation Project (\$606,343): WaterWatch supports the work of the Freshwater Trust to improve streamflows in the Wallowa Basin. We appreciate and support the applicant's commitment

¹ The only avenue to expand water use under the existing rights to additional lands beyond the current 11 acres is to use the conserved water statute. Water saved via conservation that does not go through the CWA cannot expand use to additional lands. Transfer of water, as noted, can occur, but expansion under the transfer cannot.

to permanently restore 2.3 cfs per second instream, which from the application materials appears to be 100% of the water saved via this efficiency project.

McMinnville Water Transmission Intertie (\$1,875,000): As the application is presented currently, this project appears to have zero environmental benefit. The benefits claimed are not claims that are appropriate under this scoring criteria, for instance, not developing a groundwater source does not count as “a measurable improvement in groundwater levels that enhances environmental conditions in groundwater restricted areas or other areas”. Similarly, putting in an intertie does not constitute conservation. Nor does the watering of hanging flower baskets promote recreation and scenic values². That said, there is value to regional water supply planning. To that end, we urge the OWRD to work with the applicant and other cities that will be dependent upon the intertie (i.e. Carlton), to commit to actions such as getting off sensitive streams (i.e. City of Carlton/Panther Creek). If Lafayette and the other noted cities were to commit to this, there would be demonstrable environmental benefits to warrant funding.

Mosier Deep Well Water Supply (\$671,724): While we understand the groundwater issues facing the Mosier area, the environmental benefit claims for this project related to streamflow, water quality and groundwater replenishment do not meet the statutory standards. The statute requires demonstrable benefits, not assumptions. Additionally, this is a source switching project not a water conservation project thus that, also, should be scored accordingly. That said, we would encourage WRD to work with applicant ahead of scoring to explore options to make the environmental claims “demonstrable” (i.e. legally protect water instream to meet streamflow and water quality claims, protect groundwater saved from other users, etc.).

Newport, Citywide Advanced Metering Infrastructure (\$636,119): WaterWatch is a strong proponent of water measurement/reporting. However, we are still assessing this project to better understand if claimed environmental benefits could be strengthened to ensure a measurable improvement to protected streamflows and a measurable improvement in the quality of surface water. As currently described, it appears that these would not meet statutory standards for these claimed benefits.

Painted Hills Reservoir Expansion (\$581,990): As required by SB 839, 25% of the new storage must go to instream flow augmentation. The applicant notes that this is the intention. That said, the applicant states that this crucial step will not take place until the first 500 af has been stored and the claim of beneficial use is submitted. SB 839 requires 25% of newly stored water to be provided instream. This is a requirement whether or not the full amount is realized and/or before the COBU deadline. In other words, as soon as the reservoir expansion is built and the project is storing water this requirement must be met. To achieve this, if this project is funded, the grant should require submission of a flow augmentation water right application immediately and/or submission of an ODFW application. Moreover, the water right should carry through into the John Day, not stop at the mouth of Bridge Creek which appears to be the intent here. Again, this is fish water. This cannot be captured by irrigators either in Bridge Creek or in downstream in the John Day River. Without these conditions the instream benefit could be years out and/or easily circumvented. Additionally, the applicant should also be made aware that storing of water, even under an existing right, is subject to Seasonally Varying Flow (SVF) requirements. The 25% provided instream is separate and distinct from the SVF. The SVF requirement should be included in the project task sections/benchmarks.

Palmer Creek Irrigation Upgrade Project (\$582,713): This is an agricultural enhancement project. The environmental benefits claimed do not meet statutory standards. The water from the BOR will be for irrigation, not fish and wildlife. Scoring should reflect this. Moreover, the application is confusing in that the narrative appears to contemplate spreading saved water from efficiency projects to new lands,

² The promotion of recreation and scenic values in the statute was intended to be tied directly to river values.

but there are also statements as to new permits (assumed). Water spreading is not allowed unless the applicant goes through the Conserved Water Statute (which would also require a percentage of the water go instream). OWRD should provide technical reviewers with a clear narrative of the water right standing of this project.

Smith Ditch Water Delivery Improvement (\$590,902): The application notes that this project will utilize the Conserved Water Act to permanently dedicate the 100% of the saved water instream. WaterWatch supports this approach. That said, the application is a bit confusing in spots as it notes in the introductory paragraph that the water will be permanently “leased” instream. We assume this a misstatement, but we would ask the WRD to confirm the applicant’s intent to permanently transfer this intream as part of the grant. Since public funds would be funding this project, there should be no future payment to the “lease” water instream. Moreover, as with a number of other conservation projects, we would urge the state to verify the conserved water (before/after verification) to ensure the maximum public benefit for the funds expended (if funded), and to condition the grant to ensure utilization of the CWA as represented. Moreover, to better assess the value of the water instream vis a vie other projects, ODFW should be consulted (there were no letters of support from any fish agencies).

The Dalles Municipal Watershed Dog River Pipeline replacement project (\$1,000,000): This is at least the third time this applicant has applied for SB 839 funds and WaterWatch continues to oppose funding for this project. According to the project description, this project will double the City’s capacity from 8 million gallons to 17 million gallons to supply future municipal use. While we appreciate that the City has committed to bypass flow of .5 in August, September and October, the fact is that this project will result in a two-fold increase in diversions into the future and, importantly, the applicant is not proposing to protect this water past its diversion point. All in all, it appears the project will have a negative impact on streamflows that exist today. Additionally, the application is somewhat misleading in that it states that the 1.55 cfs currently lost to leakage won’t need to be diverted, leading the reader to believe this water will remain instream, yet the pipe allows for doubling of the current diversion and the City only commits to bypassing .5 cfs instream for three months so clearly the applicant is not contemplating leaving the 1.55 cfs instream. And, as noted, the City does not commit to protecting this water instream, only bypassing it, thus it is available to other water users downstream (and does not “measurably improve protected streamflows” as claimed). It is also important to note that the City’s water right for Dog River allows the City to divert the full amount of water in the stream, thus without a year-round commitment for bypass flows (and protection of these flows instream) the City could dewater the stream 9 months of the year into the future (this is especially true at the City has just submitted an ASR application for the state to increase diversion of winter flows, counting on this project being completed/funded). The increased diversion contemplated by this application and the potential dewatering of this stream raises Endangered Species Act concerns/issues. Dog River is an important stream for imperiled fish, including chinook, coho, cutthroat and steelhead. Numerous private, non-governmental, state, federal and tribal interests are working to restore streamflows in the Hood River Basin; to fund a project that would allow double the diversion runs contrary to these many efforts. All in all, this project appears to do more harm than good in the long run by virtue of the fact they will double their diversion of water from Dog River and they are protecting zero water instream (bypass does not equal protection). Under the rules, when evaluating the environmental benefits for a project, the Technical Team must look at the “changes in environmental conditions” expected to result from the project, which includes both positive and negative impacts. OAR 690-93-0090(2)(b). We encourage the Technical Team to take a hard look at the potential negative effects of this project and score accordingly. Also, it is critical that the technical team consult with the Confederated Tribes of the Warm Springs Reservation as is contemplated by SB 839.

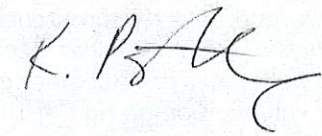
Threemile Joint Fish Screen and Piping Project (\$948,461): The applicant commits to using the Conserved Water Act to protect ½ of the saved water instream. While WaterWatch supports this approach (using the Conserved Water Act), it is unclear to us how much of the project has been funded by other public funds. This grant would cover less than ½ of the cost, thus if this is the only public funding used the 1 cfs falls within the CWA's percentage requirements. However, if the match funding is also coming from public funds then the amount of the conserved water should equal the proportion of public funds as contemplated by the Act. While this sounds like a win-win project, the technical team should be briefed on all existing funding streams and also the commitments made to protect water instream under those grants to ensure that public benefits noted in this application would be in addition to any commitments made under other grants. The WRD should also verify the amount conserved (before/after verification).

Tumalo Feed Canal Phase 6 (\$1,297,542): TID commits to putting the project through the Conserved Water Act and dedicating 100% of the saved water instream. WaterWatch supports this approach. As with other applications, we urge the WRD to verify the amount conserved (before/after verification) to ensure the full benefit committed to by the applicant. This is a win-win project of the type contemplated by SB 839.

Conclusion: We would urge the technical team to score those projects that do in fact provide protected water instream highest, as they provide the highest public environmental benefit. SB 839's environmental benefit standards require demonstrated benefits, not simply assumptions and/or statement of what "might" be. The only way to ensure streamflow and water quality benefits is to protect water instream. On the flip side, the technical team must also look at the negative impacts of project applications, and score appropriately those applications for which there are significant environmental concerns, including but not limited to increased diversions, lack of water availability, endangered species concerns and injury/harm to downstream users/values.

Thank you for the opportunity to comment.

Sincerely,



Kimberley Priestley
Senior Policy Analyst



September 17, 2018

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

515 E 2nd St • The Dalles, OR 97058

p: [541] 296-2266 •

www.co.wasco.or.us/businesses/

Pioneering pathways to prosperity.

Subject: City of The Dalles—Dog River Pipeline Replacement Project + Wasco County SWCD—Mosier Deep Wells

Dear Mr. Byler:

The Wasco County Economic Development Commission (EDC) strongly supports efforts to efficiently manage water resources to support community and economic development and protect the natural resources that support our community's agricultural foundation. We encourage you to fund both the City of The Dalles Dog River Pipeline as recommended by technical staff as well as add the Mosier Deep Wells project into the funding pool for this year. With resources available to the program, funding of projects with urgent needs is critical to ensuring that solutions are implemented to water resource challenges before the situations become worse.

The City of The Dalles is the largest city in Wasco County, with approximately 15,500 residents currently. The Dog River Pipeline is vital to the City's role as a commercial and industrial hub for the Mid-Columbia region and supporting existing businesses and residents as well as a large portion of the employment within Wasco County. The City of The Dalles has worked for many years on efforts to replace the over 100-year-old wooden pipe that provides access to 54% of surface water used in the City's water system. They have had numerous opportunities for the public to engage around these planning efforts to ensure buy-in for this critical project. Addressing the substantial leakage and concerns around catastrophic failure of the current 100 year old pipeline prior to failure is critical for this community and its economy. Grant investment will also ensure that water rates remain relatively affordable for the significant low income population (13.5% of residents are in poverty) in The Dalles' rate payer base.

The Mosier Deep Wells project is essential to securing the economic future of the Mosier area for both the City and its surrounding agricultural producers. The project addresses the largest users of commingling wells. Challenges with water availability have depressed real estate transactions and directly threatened irrigated agriculture, which is the foundation for the local economy. The Mosier community has been working on a three-part plan that includes conservation, repair of commingling wells, and development of new sources of water to alleviate draw-down of the main aquifers used in the valley. Completion of the Mosier Deep Water Supply Wells project is the next step that needs to be taken in this three-part plan. If we do not halt groundwater declines, Mosier's economy and residential base will not be sustainable. This project is ready to move forward and has begun addressing the largest user, but in order for it to have the needed impact on groundwater in the area, the SWCD needs to address the second well in a timely fashion.

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 in the County. In 2018, the Mosier Deep Wells project ranked 2nd and the Dog River Pipeline ranked 5th in priority. We appreciate your consideration for the City of The Dalles' and Wasco County SWCD's applications and encourage funding of both projects.

Sincerely,

Kathy Ursprung, Chair

September 20, 2018

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

Subject: Public Comments - Mosier Deep Water Supply Well

The City of Mosier would like to provide public comments in support of the Mosier Deep Water Supply Well project.

The City has been grappling with an insufficient water supply for many years, which has impacted the sales of properties in the city. The Mosier Deep Water Supply Well project, when completed, is expected to relieve demand on the main groundwater aquifer used by the City of Mosier and the surrounding community.

The City of Mosier requires a sustainable water supply to support its current residents, as well as for the development of new housing, and new businesses. This project will benefit the City of Mosier's economy by improving the reliability of the water supply, which in turn will maintain property values and improve the ability of the community to attract and retain businesses and jobs.

This project is the culmination of many years of planning by the Mosier Watershed Council and its partners. The Oregon Water Resources Department has made a significant commitment over the years to the Mosier groundwater issue, and this project would bring to fruition those long-term efforts.

All the pieces are in place for the project's completion. Public contracting has been done, archeological surveys and water rights have been obtained. The site has been prepared, and the contractor has been scheduled. Root Orchards, where the well will be built, has committed funds, and Wasco Soil and Water Conservation District has also arranged a loan on behalf of Root Orchards to finance the project.

Eliminating the declines in the aquifer used by the City would be of immense benefit to the City's residents, and to stabilizing and growing its economy. The City of Mosier strongly supports funding of the Mosier Deep Water Supply Well, and completion of the project.

Sincerely,



Arlene Burns
Mayor
City of Mosier
P.O. Box 456 / 208 Washington Street
Mosier, OR 97040

September 16, 2018

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

RE: Public Comments – Mosier Deep Water Supply Well

We are writing on behalf of Mosier Grange #234. to provide comments on the Oregon Water Resources Department (OWRD) grant application for the Mosier Deep Water Supply Well, which is proposed for construction at Root Orchards.

Mosier Grange members include both members of the agricultural community of Mosier and non-agricultural members - all of us are consumers of water; domestic, municipal, or for irrigation. We are greatly concerned and have a stake in all discussions and decisions affecting the Mosier Watershed. The declining groundwater levels in Mosier's Watershed has a serious impact on all aspects of our economy, and to the long-term sustainability of Mosier. The proposed Mosier Deep Water Supply is a critical piece of the solution - the long-term availability of a water supply for all of Mosier.

It is our belief that this is a critical juncture in Mosier's ongoing process to ensure our sustainability.

The project pieces thus far accomplished are 1)Public contacting is complete, 2) Archeology is complete, 3) Water rights for Root Orchards has been obtained, 4)Site prep is complete, 5) The contractor has extensive knowledge and is ready to begin and time is critical for going forward at the agreed upon price - The contractor gained critical experience on the first well, constructed for Bryce Molesworth, to bring to this 2nd proposed well, 6) Financing has been arranged and may not be available if the project is postponed.

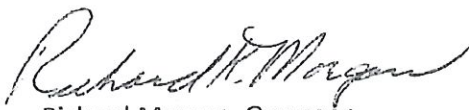
Mosier Grange relies on its annual Cherry Sales for the bulk of its operating funds. The Grange is a pivotal entity in the community. We provide a meeting place for groups and families, we are designated a Red Cross shelter to be activated in times of emergency, we sponsor a local domestic violence shelter, the Mosier Community School Peace Garden, local 4-H youth, provide a place for families to meet and a dinner following the loss of a loved one and aid to local community members when emergencies strike.

Mosier Grange #234 believes that now is the time for this project to go forward, for the benefit of the whole community, our local economy, and for the health of Mosier's watershed.

For the sake of the Mosier community, Mosier Grange #234 members strongly urge you to approve this grant proposal.

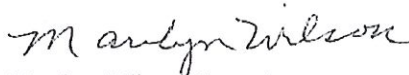
Sincerely,

Mosier Grange #234



Richard Morgan, Overseer
 Mosier Grange #234

1650 Morgensen Rd, Mosier, OR 97040



Marilyn Wilson, Secretary

September 21, 2018

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

Dear Grant Program Coordinator,

Thank you for the opportunity to comment on the Mosier Deep Water Supply Well grant request. I have had a 32-year history with the groundwater issues near Mosier and would like to take this opportunity to highlight the ongoing economic and environmental impacts to the Mosier watershed due to the current declining groundwater levels and emphasize the need to complete the Mosier Deep Wells project.

Declining groundwater levels in the Mosier area have plagued local water users for decades. While at the Oregon Water Resources Department (OWRD), I researched the problem and worked with local landowners, the Mosier Watershed Council, and the Wasco County Soil and Water Conservation District and their consultant (GSI) to identify and implement solutions to the water-level decline problem.

Research shows that the water level decline in the Mosier area stems from two principal problems: overuse of at least one of the basalt aquifers, and commingling of the uppermost basalt aquifers (Lite and Grondin, 1988; Burns et al., 2013). In spite of withdrawal orders issued by the Water Resources Commission in 1988, water levels near Mosier continue to decline and have resulted in flowing artesian wells no longer flowing, some pumping yields that are no longer adequate for the intended uses, and some wells and parts of aquifers that are now dry. The most severely depleted aquifers are relied upon as a domestic source, so removing the largest volume user from the upper aquifer system will increase sustainability of the supply for those who can least afford to drill a properly constructed well deeper in order to seek another water supply.

Reducing the pumping stress within the upper aquifers, along with abandoning and replacing commingling wells is paramount in an effort to halt the groundwater-level decline. Construction of the Root deep well is central to a strategy to reduce the pumping stress on the upper aquifers.

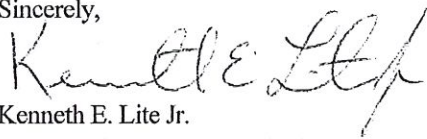
Commingling wells in the Mosier area is an issue that has been difficult to address. It took over 20 years to successfully remedy the commingling problem in a single relatively high yielding municipal well in Mosier watershed. However recently the local stakeholders working together with OWRD have generated Special Area Well Construction Standards to reduce the chances of future commingling problems and have abandoned and replaced 9 commingling wells so far, with another 7 wells scheduled for abandonment and replacement over the next year.

The declining groundwater-levels near Mosier are more than an inconvenience and economic burden to the water users; it has also resulted in impacts to groundwater-dependent ecosystems through decreased spring discharge and decreased baseflow in streams. Research has shown that decades of groundwater-level declines near Mosier have nearly eliminated groundwater discharge to Mosier Creek over a mile long reach (Lite and Grondin, 1988; Lite, 2013). Additionally, it has been shown that annual groundwater pumping in the uppermost basalt aquifer also has a seasonal impact on the baseflow in Mosier Creek (Lite and LaMarche, 2014; Jones, 2016).

The now completed Molesworth well and the proposed Root well are designed to allow pumping in an aquifer that is not known to be hydraulically connected to Mosier Creek or any nearby drainages. Reducing the pumping stress on the upper aquifers by shifting some of the Mosier area groundwater pumping to a deeper aquifer will benefit other upper aquifer users by prolonging the viability of the aquifers, and it will reduce the impact to groundwater-dependent ecosystems and surface water users.

Thank you again for the opportunity to comment on this vital grant request. Please don't hesitate to contact me if you have questions.

Sincerely,



Kenneth E. Lite Jr.

Hydrogeologist: Semi-Retired

References Cited:

- Burns, E.R., Morgan, D.S., Lee, K.K., Haynes, J.V., and Conlon, T.D., 2012, Evaluation of Long-Term Water-Level Declines in Basalt Aquifers near Mosier, Oregon: U.S. Geological Survey Scientific Investigations Report 2012-5002, 134p.
- Jones, C.B., 2016, Groundwater – Surface Water Interactions near Mosier, Oregon [M.S. thesis]: Portland, Oregon, Portland State University, 170p.
- Lite, K.E., Jr., and Grondin, G.H., 1988, Hydrogeology of the Basalt Aquifers near Mosier, Oregon - A Ground Water Resource Assessment: Oregon Water Resources Ground Water Report no. 33, 119p
- Lite, K.E., Jr., 2013, The influence of depositional environment and landscape evolution on groundwater flow in Columbia River Basalt—Examples from Mosier, Oregon, *in* Reidel, S.P., Camp, V.E., Ross, M.E., Wolff, J.A., Martin, B.S., Tolan, T.L., and Wells, R.E., eds., The Columbia River Flood Basalt Province: Geological Society of America Special Paper 497, p. 429–440
- Lite, K.E. and LaMarche, J. L., 2014, Investigating Groundwater / Surface Water Interaction in Columbia River Basalt near Mosier, Oregon, Geological Society of America Annual Meeting Presentation, Paper No. 195-11.

September 17, 2018

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

RE: Public Comments – Mosier Deep Water Supply Well

I am writing on behalf of Mosier Fruit Growers Association to provide comments on the Oregon Water Resources Department grant application for the Mosier Deep Water Supply Well, which is proposed for construction at Root Orchards.

Mosier Fruit Growers Association was formed in 1907 to provide a more organized entity to market goods and purchase supplies for our farming community. Our members and those who contract with us all have a vested interest in the health of the Mosier Watershed. The long-standing problem Mosier faces with its declining groundwater levels is a serious issue for our families, our family farms, and our local economy and surrounding community. The availability of a reliable water supply for all of Mosier is a critical piece to our survival. The proposed Mosier Deep Water Supply is a significant and critical piece in our tool box as we move forward to a solution to a sustained water supply.

Mosier Fruit Growers Association over the past 111 hundred years has played an important part in the local economy and the Mosier community. Our growers farm over 400 acres and employ over 150 seasonal and part to full time employees. We are a part of the many orchards, vineyards, farms and other agricultural enterprises employing hundreds of seasonal and part time workers and bringing in thousands of people to the Mosier area during harvest for local u-pick operations, cherry stand sales and more recently tasting rooms for our local cider and wine makers. These activities are vital to our local economy. Mosier continues to grow; we have increasing new residential construction, many drawn to our area by our quality of life and recreational opportunities. Tourism is increasingly important to our local businesses and growth of new businesses. A long-term reliable water supply is a critical part of the successful future of our farmers, our families, our community.

We believe it is important for this project to move forward at this time as all the pieces required to accomplish this project have been satisfied and Root Orchards and the contractor are ready to mobilize. Any postponement and further delay will put the project in peril as costs increase and funds currently set aside may no longer be available.

This project will benefit the whole community, our local economy, and the health of Mosier's watershed.

For the sake of our Mosier community, Mosier Fruit Growers Association members strongly urge you to approve this grant proposal.

Sincerely,



Kenneth Hudson
 President, Mosier Fruit Growers Association
 P O Box 302, Mosier, OR 97040

OWRD

SEP 19 2018

RECEIVED



September 21, 2018

HOUSE OF REPRESENTATIVES

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

Subject: Public Comments - Mosier Deep Water Supply Well

I am writing in support of the OWRD grant application for the Mosier Deep Water Supply Well, which is proposed for construction at Root Orchards. The project aims to address water supply needs in the Mosier community, and to restore and protect stream flows in the Mosier watershed. Groundwater declines have had a negative impact on the local economy and have reduced stream flow in Mosier Creek.

The Mosier area water situation has been identified as a critical area that needs investment to reverse the course of aquifer depletion. It has strong support from the community and has been ranked 2nd in priority for 2018 by Wasco County Economic Development Commission, as well as ranking 4th regionally by the Mid-Columbia Economic Development District.

All the pieces are in place to accomplish this project. 1) Public contracting has been done. 2) Archeological surveys are done. 3) Water rights have been obtained. 4) Site preparation has been completed. 5) The contractor is knowledgeable, experienced with our area, and ready to mobilize. This is our opportunity to have this contractor do the work at the agreed upon price. 6) This contractor gained critical experience on the first deep well, which was constructed for Bryce Molesworth, to bring to this 2nd well. 7) The Wasco Soil and Water Conservation District has arranged a loan on behalf of Root Orchards, to finance the project. 8) Root Orchards has set aside funds that may not be available in the future. 9) Oregon Water Resources Department has made a significant commitment to the Mosier groundwater issue. This project will support OWRD's long term efforts and other groundwater efforts being made in Mosier and will provide data on the hydrogeology of the Mosier aquifers. 10) Wasco SWCD is committed to the project and has contributed tens of thousands of dollars in resources to see the project through.

This project meets OWRD's mission to address Oregon's water supply needs, to restore and protect stream flows and watersheds, and to ensure long-term sustainability of Oregon's ecosystems, economy, and quality of life. I believe it is important to take advantage of this "perfect storm" of opportunity, and strongly encourage you to support this grant request.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Bonham".

Daniel Bonham



Wasco County Soil & Water Conservation District

2325 River Road, Suite 3
The Dalles, OR 97058-3551

Tel: (541) 296-6178 ext. 3, Fax: (541) 296-7868, E-mail: wasco.swcd@oacd.org

September 21, 2018

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

Subject: Public Comments - Mosier Deep Water Supply Well

The Wasco County Soil & Water Conservation District requests that OWRD fund the Root deep well replacement project in consideration of the following:

The Root deep irrigation replacement well is a key element of the strategy to increase the reliability of the source of water supply to residential and agricultural users and reduce impacts to flows in Mosier Creek during the summer irrigation season. Recent research has demonstrated that pumping has become the most significant factor contributing to recent water level declines in the two shallowest basalt aquifers, the Pomona and Priest Rapids. Further, pumping these aquifers has started to affect streamflow in Mosier Creek during the irrigation season. One element of the overall strategy for arresting water level declines in the Mosier Creek watershed is to find an alternate source of supply for the two largest groundwater users in the watershed with the objective of balancing withdrawals with recharge in the shallow basalt aquifers. The recently completed Molesworth deep irrigation well removed the largest single source of withdrawals from the Priest Rapids aquifer. The second and equally important piece of this final strategy element is to address declines in the Pomona aquifer by replacing the capacity of existing wells that withdraw the greatest volume of water from the Pomona aquifer for the following reasons:

- (1) The Pomona aquifer is the shallowest of the basalt aquifers in the Mosier watershed, and is relied upon by several residences for their domestic source of supply. Replacing the supply of the greatest volume user in the aquifer will increase the sustainability of the supply for those (domestic) users who can least afford to drill a deeper well or seek another water supply.
- (2) The aquifer also in the past has been a constant source of baseflow to Mosier Creek. However, Cullen Jones (2016) noted that Mosier Creek now transitions to a gaining stream to losing, coincident with the timing of drawdowns in the Pomona during summer irrigation season. Jones measured base flow losses of up to 40% during a few irrigation seasons. An objective of the deep well irrigation replacement strategy is to reduce or eliminate loss of streamflow to the aquifers in the summer by reducing groundwater withdrawals from the Pomona aquifer.

The Root deep well replacement project is shovel-ready and has a high likelihood of success because productive aquifers have been identified and we are prepared to manage the subsurface conditions, based on experience from the last well. The District has completed public contracting to select a drilling contractor, the archeological survey has been completed, water rights have been approved and preparation of the well site has been completed. The benefit of some the expenditures will be lost if the project is not funded such as expense of public bidding/contracting by consultant and District staff time.

In this regard, the District, OWRD and well owner have committed significant funding to the project that may not be available to complete this piece of the solution in the future, including:

- (1) The remainder of OWRD grant (approximately \$170K) that can offset the ask on the current grant and allow to start project ASAP. This would reduce the current ask to approximately \$500,000.
- (2) District matching funds
- (3) A DEQ loan (to be matched by OWRD)
- (4) Funds committed Wade Root

This combination and amount of committed funds may not be available in the future, and thus this grant cycle may be a one-time opportunity.

Another consideration is that the District has a price commitment from contractor that will lapse. Future project costs will likely be significantly more expensive in future because of inflation, recent steel tariffs, increases in fuel prices, etc.

Beyond on-farm (Reed) job retention and short-term job creation (drilling, etc.), the project will provide a longer-term economic benefit by improving the reliability of the water supply for domestic users, maintaining property values and improving the ability of the community to attract and retain employers and jobs.

This project is a high priority for Wasco County SWCD, Wasco County Area Watershed Councils, the Mosier Watershed Council, City of Mosier, Wasco County, Mid-Columbia Economic Development District, and many other partners and stakeholders. We have widespread community support for the project, resources aligned to execute the project immediately upon funding, and a committed landowner who is willing to make a significant capital investment in this project for the benefit of the broader community. Wasco County SWCD strongly encourages OWRD to fund this request.

Sincerely,



Shilah Olson

District Manager

September 14, 2018

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

Subject: Public Comments - Mosier Deep Water Supply Well

I am writing to provide comments on the OWRD grant application for the Mosier Deep Water Supply Well, which is proposed for construction at Root Orchards.

As the owner of Root Orchards, I have a unique perspective on the impact and benefits of this project for the Mosier community and watershed. Root Orchards is a 5th generation family farm with over 140 acres of sweet cherries in the Mosier Valley and one of the 2 largest irrigators.

The entire Mosier community, including the Town of Mosier, relies on groundwater for domestic, municipal, and irrigation water for our crops. The long-standing problem with declining groundwater levels has a serious continuing impact on all aspects of our economy, and to the long-term sustainability of Mosier. The proposed Mosier Deep Water Supply Well is critical to the solution of this problem, the long-term availability of a water supply for all of Mosier.

We currently have in place all the pieces to accomplish this project. 1) Public contracting is done. 2) Archeology is done. 3) Water rights have been obtained. 4) Site prep is done. 5) The contractor has extensive knowledge and is ready to mobilize. This is our one chance to get them at the agreed upon price. 6) This contractor gained critical experience on the first well, constructed for Bryce Molesworth, to bring to this 2nd well. 7) Wasco SWCD has arranged a loan on behalf of Root Orchards, to finance the project. 8) And finally, Root Orchards has set aside funds that may not be available in the future.

Root Orchards employs 20 employees at full to part-time, and an additional 65 seasonal employees during peak season. At Root Orchards there exists a strong U-Pick business that brings in thousands of people to Mosier over the cherry season. There are plans at Root Orchards to expand the U-Pick dynamic with different varieties of fruits that will help bring more people in during the summer and into the fall months. We are one of many local orchards and vineyards, and agriculture is vital to our local economy. Meanwhile, new residents continue to move to the area, drawn by Mosier's quality of life and recreational opportunities, and tourism is increasingly important to our local businesses and the growth of new businesses. None of this will be possible without a long-term reliable water supply.

Root Orchards believes that now is the time for this project to go forward, for the benefit of the whole community, for our economy, and for the health of our watershed.

For the sake of the Mosier community I strongly urge you to approve this grant proposal.

Sincerely,

Wade Root
 Root Orchards
 697 Dry Creek Rd
 Mosier, OR 97040
 541-490-8095

Wade Root 9/15/18

September 21, 2018

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

Subject: Public Comments - Mosier Deep Water Supply Well

I am writing on behalf of both the Mosier Watershed Council and the Wasco County Area Watershed Councils in support of the grant application for the Mosier Deep Water Supply Well, which is proposed for construction at Root Orchards. The project aims to address water supply needs in the Mosier community, and to restore and protect stream flows in the Mosier watershed. Groundwater declines have had a negative impact on the local economy and have reduced stream flow in Mosier Creek.

The Mosier area water situation has been identified as a critical area that needs investment to reverse the course of aquifer depletion. It has strong support from the community and has been ranked 2nd in priority for 2018 by Wasco County Economic Development Commission, as well as ranking 4th regionally by the Mid-Columbia Economic Development District.

This project is shovel-ready and awaiting funding: 1) Public contracting has been done. 2) Archeological surveys are done. 3) Water rights have been obtained. 4) Site preparation has been completed. 5) The contractor is knowledgeable, experienced with our area, and ready to mobilize. This is our opportunity to have this contractor do the work at the agreed upon price. 6) This contractor gained critical experience on the first deep well, which was constructed for Bryce Molesworth, to bring to this 2nd well. 7) The Wasco Soil and Water Conservation District has arranged a loan on behalf of Root Orchards, to finance the project. 8) Root Orchards has set aside funds that may not be available in the future. 9) Oregon Water Resources Department has made a significant commitment to the Mosier groundwater issue. This project will support OWRD's long term efforts and other groundwater efforts being made in Mosier and will provide data on the hydrogeology of the Mosier aquifers. 10) Wasco SWCD is committed to the project and has contributed tens of thousands of dollars in resources to see the project through.

This project meets OWRD's mission to address Oregon's water supply needs, to restore and protect stream flows and watersheds, and to ensure long-term sustainability of Oregon's ecosystems, economy, and quality of life. The Watershed Council members strongly encourage you to support this grant request, as there are partnerships and existing funding opportunities that may not exist in the future.

Sincerely,



Abbie Forrest
Watershed Coordinator

September 20, 2018
Oregon Water Resources Department
Grant Program Coordinator
725 Summer St NE, Suite A
Salem, OR 97301

Subject: Public Comments - Mosier Deep Water Supply Well

Mosier Watershed Council would like to provide public comments in support of the Mosier Deep Water Supply Well project.

The Mosier Watershed Council (MWC) has been working on the issue of declining water levels in Mosier area wells for over a decade. Water levels have declined over 200' in the last 40 years. Rumors of water issues have impacted area real estate transactions, and orchardists are using significantly more power to pump water. If the trend of declining water levels is not halted Mosier's economy and population will not be sustainable.

The Mosier Deep Water Supply Well project, when completed, is expected to relieve demand on the main groundwater aquifer used by the Mosier community. This project will benefit the Mosier area's economy by improving the reliability of the water supply, which in turn will maintain property values and improve the ability of the community to attract and retain businesses and jobs.

This project is the culmination of years of planning by the Mosier Watershed Council and its partners. The Oregon Water Resources Department has made a significant commitment over the years to the Mosier groundwater issue, and this project would bring to fruition those long-term efforts. The first deep well has proven that this project will be successful in providing a new source of water. However, in order to accomplish the goal of alleviating pressure on the upper aquifers that are used by the city and other orchardists and landowners we need to have both of our largest orchards using this new water source.

All the pieces are in place for the project's completion. Public contracting has been done, archeological surveys and water rights have been obtained. The site has been prepared, and the contractor has been scheduled. Root Orchards, where the well will be built, has committed funds, and Wasco Soil and Water Conservation District has also arranged a loan on behalf of Root Orchards to finance the project.

Eliminating the declines in the aquifer used by the Mosier community is essential to stabilizing and improving its economy, as well as to sustaining flows in Mosier Creek, which supports our fisheries.

Completion of this project has been listed as the #2 priority project in 2018 by the Wasco County Economic Development Commission. The entire community depends on our wells. The Mosier Watershed Council strongly urges you to approve this grant proposal.

Best Regards,
Kristen McNall
Co-Chair
Mosier Watershed Council

