



Oregon

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Oregon Watershed Enhancement Board

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MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Mark Grenbemer, Southwest Oregon Regional Program Representative
Miriam Hulst, Acquisitions Specialist

SUBJECT: Agenda Item G: OWEB Grant Award Recommendations
Region 2, Southwest Oregon
March 18- 19, 2009 OWEB Board Meeting

I. Introduction

This staff report describes the Southwest Oregon Regional Review Team recommendations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 42 applications for a total request of \$4,022,347 including \$1,500,000 for two Acquisitions. The Regional Review Team (RRT) recommended 31 applications for approximately \$1,967,132, and reviewed the two Acquisition applications. Staff recommend 24 applications for a total award of \$1,382,370: \$853,711 for Restoration; \$73,465 for Education/Outreach; \$291,745 for Monitoring; and \$163,449 for Technical Assistance. Staff also recommend one Acquisition application for a total of \$1,300,000.

III. Regional Review Team Recommendations

The Southwest Oregon Regional Review Team (RRT) met in Bandon in January 2009 to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a "do fund" or "no fund" recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The Region 2 RRT recommended 17 Restoration applications for \$1,371,341; three Education/Outreach applications for \$105,182; six Monitoring applications for \$317,480; and five Technical Assistance applications for \$173,129.

The RRT recommended special conditions for three Education/Outreach, two Monitoring, one Technical Assistance, and five Restoration applications. Minor to moderate budget reductions were recommended for one Education/Outreach, two Monitoring, three Technical Assistance applications, and two Restoration applications. Staff concur with these recommendations.

Increased budgets were recommended for one Monitoring and one Restoration application. Application 209-2052 continues and expands the volunteer water quality monitoring program of the Partnership for the Umpqua Rivers. This was the top-ranked Monitoring application, and the RRT recommended adding \$7,000 to support analysis of the data and tracking project effectiveness. Application 209-2037 (Williams Creek Ditch Improvement Project) proposes to construct head-gates and install measuring devices in 11 irrigation ditches in Williams Creek, a tributary to the Applegate River, with the goal of leaving more water instream during the irrigation season. Williams Creek provides critical habitat for coho, Chinook, steelhead, cutthroat and Pacific lamprey. This was the top-ranked Restoration application, and the RRT recommended adding \$5,000 for effectiveness monitoring and analysis. Staff concur with both of these recommendations.

Restoration application 209-2027 (Illinois Valley Riparian Tree Planting Project) was recommended to be funded for only one year, reducing the budget by nearly half; however, this application was ranked 17 of 17 and falls below the staff-recommended funding line.

The funding of the staff-proposed restoration projects in Region 2 will result in 1,190 pieces of large wood being placed instream in over 15.37 miles of stream; 0.60 miles of stream bank being stabilized using bioengineered techniques; the placement of 8 boulder weirs over 0.5 miles; one livestock crossing placed to remove livestock from the stream channel; 3.5 acres of riparian area planted using native species; 1.2 miles of riparian zone protected through fencing; the treatment of noxious weeds over 1.3 acres of riparian zones; and the restoration of access by steelhead and coho to 0.29 miles of stream by replacing a undersized culvert.

IV. Special Issues

The RRT recommended funding for Williams Creek Culvert Replacement (209-2043), and ranked the application 10 out of 17. Application 209-2043 proposes to replace a culvert that is the top priority road-related fish passage project on the Umpqua National Forest. Oregon coastal coho, steelhead and coastal cutthroat use Williams Creek, which has some of the best remaining habitat in the Middle North Umpqua fifth field watershed. Replacing the culvert with a bridge would provide access to 4.37 miles of habitat. However, the full cost of the project is more than \$2.7 million. The application submitted to OWEB indicated that the applicant had applied for \$2.1 million in federal forest highway funding. This funding did not come through. As a result, staff do not recommend this application for funding. However, the project has been submitted for federal stimulus funding through the U.S. Forest Service.

V. Acquisition Applications

Two land acquisition applications were received from Region 2 this grant cycle. Both are ready for a Board decision at the March meeting. One is recommended for funding; the other is not recommended for funding.

A. Elk River and Rock Creek Land Acquisition (209-110)

Western Rivers Conservancy (WRC) requests \$200,000 to repay loans it took to purchase a 170-acre property in the Elk River watershed, near Port Orford, in Curry County. WRC states that it acted quickly to purchase the property because the land was on the verge of conversion to a rural home site.

1. Ecological Benefits

The application states that the property contains 80 acres of lowland riparian woodland and shrubland, 0.5 miles of Rock Creek (both banks), and approximately 300 feet of Elk River frontage. The application also states that the property contains “scattered Sitka spruce trees (less than 5 acres).” Sitka spruce forest is an OWEB priority ecosystem. According to the application, the property supports coho salmon, fall-run Chinook salmon (Elk River), foothill yellow-legged frog, and northern red-legged frog. The application states that the project is consistent with five of OWEB’s conservation principles for land acquisition: securing a transition area, restoring function to an area that requires active restoration to achieve its conservation purpose, protecting a site with exceptional biodiversity, improving connectivity of habitat, and complementing an existing network of conserved sites.

The property shares a boundary corner with the Kahn Tract, a previously funded OWEB acquisition. The property is surrounded by Siskiyou National Forest Late-Successional Reserve and Riparian Reserve lands. Timber was recently harvested on approximately 70 acres of the property. The application states that active restoration is needed in the harvested area but also states that the area has been replanted.

The RRT felt that the proposed acquisition has unexceptional conservation values. The members agreed that although the Elk River system is an important salmon producer, hatchery strays are a problem and Rock Creek does not contribute an appreciable amount of fish to Elk River. The RRT, did however, acknowledge that the Elk River – Rock Creek confluence could constitute salmon refugia and that Rock Creek temperatures are good.

The RRT came to agreement that nearly all of the property’s ecological value is contained in the southern part of the site, and that the recent upland harvest and considerable invasive species threat make the rest of the site an undesirable investment. The RRT pointed out that the property is located on the fringe of an area that is already well protected. The RRT also pointed out that although the application states that active restoration is needed to achieve the project’s conservation purpose, it states that passive restoration is the primary management approach planned for the property. The RRT felt that passive restoration is not likely to be successful because the site is infested with gorse. Lastly, the RRT noted that the property had been at risk of only one home site and concluded that that did not constitute a severe development threat.

2. Capacity to Sustain the Ecological Benefits

The application states that WRC intends for the Elk River Land Trust to own and manage the property. The application further states that the South Coast Land Conservancy has agreed (pending approval from its Board) to assume ownership and management of the property should Elk River Land Trust be unable to continue to own and manage the property “according to the spirit and conditions of this grant.” The Elk River Land Trust has a small volunteer staff. WRC is committed to helping the Elk River Land Trust develop and implement a robust management plan for the property.

3. Educational Benefits

The application states that the South Coast Watershed Council and other entities may use the site on an infrequent basis to demonstrate naturally functioning habitat in the Elk River basin. The property will not be closed to the public, but no signs or other encouragement for public use will be implemented.

The RRT felt that the project has low educational merit because it does not contain noteworthy systems and it is difficult to access. The RRT also felt that the application did not present a strong commitment to education.

4. Partners, Project Support and Community Effects

The Elk River Land Trust will own and manage the property with management support from the South Coast Watershed Council. The property taxes have been in forest deferral, and thus are low. The property will remain on the tax rolls. The application states that protecting and enhancing salmon and steelhead habitat in the Elk River can have significant positive impacts on the local and regional economy because fishing is a major part of the region's commerce. Little information was provided regarding the nature of community support for the project.

5. Legal and Financial Terms

WRC applied to the National Fish and Wildlife Foundation (NFWF) for a \$50,000 stewardship endowment; the request was recently not funded by NFWF.

6. Conclusion

In November 2008, the Acquisitions Subcommittee decided not to proceed with a due diligence review because it felt that 0.5 miles of Rock Creek and approximately 300 feet of Elk River frontage did not constitute significant aquatic resources, and 40 percent of the property does not contain priority species because it was recently harvested. The RRT concluded that the project has low ecological and educational value. Therefore, staff and the Acquisitions Subcommittee do not recommend funding for the Elk River and Rock Creek Land Acquisition application.

B. Table Rocks Acquisition (209-113)

The Nature Conservancy (TNC) requests \$1.3 million for the purchase of 1,690 acres on Upper and Lower Table Rocks, near Medford, in Jackson County. The Table Rocks, large basalt mesas rising 700 feet above the Rogue Valley floor, are widely recognized biodiversity hotspots.

1. Ecological Benefits

The application states that 100 percent of the property proposed for acquisition contains OWEB priority ecosystems, plant communities, and species. Specifically, the application claims that the property contains 663 acres of oak woodland, 746 acres of Oregon upland prairie and savanna, and 281 acres of Northern California claypan vernal pools. A footnote in the application states that, per the Oregon Natural Heritage Information Center, the Northern California claypan vernal pool ecological system meets the criteria for inclusion as an OWEB priority, and its omission from the OWEB list was an oversight.

The application states that the property contains 14 of the 23 rare and at-risk plant communities listed in OWEB's Rogue Basin priorities for land acquisition. Examples of the rare and at-risk plant communities cited in the application are white oak/buckbrush/Idaho fescue, white oak-black oak/poison oak, annual hairgrass vernal pool, and bracted popcorn-flower – purslane speedwell vernal pool. The application further states that the acquisition will benefit OWEB priority bird species such as blue-gray gnatcatcher, Lewis' woodpecker, oak titmouse, and white-breasted nuthatch; OWEB priority plant species such as meconella, Henderson's bentgrass, Gentner's fritillaria, big-flowered wooly meadowfoam, slender meadowfoam, Agate Desert lomatium, and coral-seeded allocarya; and OWEB priority mammal species including fringed bat and Townsend's big-eared bat. The application also states that the project will protect common kingsnake and threatened vernal pool fairy shrimp. The property contains federally designated critical habitat for the vernal pool fairy shrimp.

The Table Rocks application states the project is consistent with five of OWEB's conservation principles for land acquisition: protecting a large intact area, protecting a site with exceptional biodiversity, securing a transition area, improving connectivity of habitat, and complementing an existing network of conserved sites.

The RRT felt that the project has very high ecological merit, and noted the presence of extensive vernal pools. The team also commented on the rapid decline of oak ecosystems in the area, and agreed that the project constitutes a good oak conservation opportunity. The RRT also noted that the site's connectivity to other conservation sites is good, and that its large size makes fire a potentially feasible management tool. Several RRT members mentioned that there is considerable development pressure in Jackson County, and that this project presents an opportunity to avert development-driven increased demand for water. In all, the RRT felt that the project constitutes a rare, one-time conservation opportunity, one that should be taken lest it be lost.

2. Capacity to Sustain the Ecological Benefits

TNC believes that public ownership is the most appropriate long-term scenario for the proposed Table Rocks property. The property is adjacent to 1,280 acres designated an Area of Critical Environmental Concern by the Bureau of Land Management (BLM), and is in an area widely used and appreciated by outdoor recreationists. TNC is in talks with Oregon Parks and Recreation Department (OPRD) on the premise that OPRD will eventually assume ownership of the property.

TNC is fully committed to owning and managing the property for as long as it takes to arrange for the most appropriate public ownership. Even though TNC anticipates that it will eventually transfer the property to public ownership, it intends to remain involved in the management of the property by entering into a memorandum of understanding with the eventual title holder and other project partners to cooperatively manage the property for biodiversity conservation and low-impact recreation. TNC owns and manages 1,881 acres of fee and easement lands on Lower Table Rock, and has three full-time staff working in the Medford area.

3. Education Benefits

The application states that TNC and the BLM have offered well-attended education events such as guided hikes to the public for 25 years at Table Rocks, and that acquisition of the proposed property will offer additional education opportunities. The application further states that the public will have year-round access to the property, but that open access will be limited to hiking with signage to protect fragile habitats. The application lastly states that other passive recreational activities might be considered if they do not conflict with efforts to conserve biodiversity at the site. These issues will be addressed during the development of a management plan for the property.

4. Partners, Project Support, and Community Effects

TNC envisions eventually transferring the property to OPRD, and working together with OPRD, BLM, Oregon Department of Fish and Wildlife, and the U.S. Fish and Wildlife Service (USFWS) to manage the property. USFWS is considering contributing funds to the purchase of the property.

The project has wide community support. The application states that the project is supported by the Jackson County Board of Commissioners, the Seven Basins Watershed Council, and the Jackson Soil and Water Conservation District. There is tremendous public interest in the Table Rocks.

5. Legal and Financial Terms

OWEB funds are requested for 33 percent of the purchase price of the property. TNC is currently seeking additional sources of funding.

TNC initially envisioned that OWEB would invest in and place a conservation easement on the entirety of the 1,690-acre property. However, the title review revealed the presence of federal mineral reservations and possible environmental concerns related to past military use on approximately 420 acres of the property. These issues would be costly or impossible to rectify to OWEB's satisfaction, and could conflict with an OWEB conservation interest in that acreage. Therefore, staff recommend that OWEB only invest in and place a conservation easement over the portion of the property that is not encumbered by the federal mineral reservations and environmental concerns. Excluding that portion of the property from the conservation easement would not lessen the importance of the conservation investment. All of the vernal pool fairy shrimp critical habitat originally proposed for protection would still be included in the conservation easement, and OWEB's investment would not exceed the fair market value of the portion of the property covered by the conservation easement.

Staff are working with TNC to address several title exceptions pertaining to the portion of the property planned for inclusion in OWEB's conservation easement, but do not anticipate encountering significant problems in completing the remaining title work.

TNC believes that public ownership is the most appropriate long-term scenario for the proposed Table Rocks property, and thus has begun talks with Oregon Parks and Recreation Department (OPRD), as discussed in Capacity to Sustain Ecological Benefits

section above. TNC is fully committed to owning and managing the property for as long as is necessary to arrange for the most appropriate public ownership.

An appraisal of the property was conducted by Glen Crouch of Real Property Consultants. The appraisal was reviewed by the U.S. Department of the Interior's Appraisal Services Directorate. The federal reviewers determined that the appraisal report was prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA). The federal review and approval is sufficient for OWEB's needs, and thus staff did not ask OWEB's independent review appraiser to review the appraisal.

A Phase 1 Environmental Site Assessment (ESA) was conducted for the property by Hahn and Associates, Inc. A review of the ESA by the Oregon Department of Environmental Quality (DEQ) determined that the report conforms to the American Society for Testing and Materials (ASTM) standard required by OWEB. The DEQ review revealed the need for soil sampling on the portion of the property formerly owned by the federal government. The need for additional environmental due diligence, combined with the difficulty of removing federal mineral reservations, resulted in staff and TNC's decision, described above, to have OWEB only invest in and develop a conservation easement that excludes the portion of the property formerly owned by the federal government.

6. Conclusion

Staff initially anticipated recommending TNC's Big Creek application (Region 1, 209-105) for funding at the March Board meeting instead of the Table Rocks application. However, in recent days, TNC has determined that the need to complete the Table Rocks transaction is more pressing than the need to complete the Big Creek transaction. TNC anticipates purchasing the Table Rocks property by May 2009. Therefore, staff recommend funding for the project, contingent on resolution of the remaining title issues, and based on the explicit understanding that TNC is fully committed to robust management of the property both before and after the property is transferred to public ownership. When TNC has identified a public entity to be the property's long-term titleholder, and has entered into a memorandum of understanding to cooperatively manage the property with the title holder and other partners primarily for the conservation of biodiversity, TNC will submit its request to the Board for approval of the transfer of the property.

V. Staff Recommendations

Staff recommend funding 13 of the 17 Restoration applications; two of the three Education/Outreach applications; five of the six Monitoring applications; and four of the five Technical Assistance applications. Staff and the Acquisitions Subcommittee recommend the Board fund one of the two acquisition applications.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as "do fund" to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff "do fund" recommendations to the Board. For some "do fund"

projects, the amount shown in the table may be the staff funding recommendation rather than the RRT recommendation.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 2 - Southwest Oregon
Acquisition Application Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Funding by OWEB Staff
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-113	Table Rocks Acquisition **	1,300,000
Total		\$1,300,000

** Fund with Conditions

Region 2 - Southwest Oregon
Restoration Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
209-2037	Williams Creek Ditch Improvement Project □ / Effectiveness Monitoring \$5,000	25,155		25,155	1
209-2042	Harvey Creek Instream Restoration	156,730		156,730	2
209-2047	Upper Dean Creek Instream Restoration - Phase I	53,410		53,410	3
209-2053	Middle Jackson Creek Restoration *	151,878		151,878	4
209-2036	Quartz Creek Salmon Habitat Restoration	66,233		66,233	5
209-2041	Coquille North Fork-Moon Creek Instream 2009	40,837		40,837	6
209-2055	South Sisters Structure Placement Phase IV	141,298		141,298	7
209-2044	Kennedy Creek Livestock Crossing II **	34,779		34,779	8
209-2035	Vannoy Creek Stream Enhancement **	25,137		25,137	9
209-2043	Williams Creek Culvert Replacement ◇	257,000		257,000	10
209-2039	Coquille Myrtle-Dement Creek Instream 2009	48,658		48,658	11
209-2038	Coquille North and East Fork Riparian Restoration **	47,119		47,119	12
209-2064	Murphy Creek Large Wood Phase 2 **	46,465		46,465	13
209-2029	Wrights Creek Fish Passage Improvement **	16,012		16,012	14
209-2045	Hall Ranch Stream Restoration *	67,644		67,644	15
209-2025	Williams River Watershed Fine Sediment Reduction	159,553	750	160,303	16
209-2027	Illinois Valley Riparian Tree Planting Project *	32,683		32,683	17
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,370,591	\$750	\$1,371,341	
Total Restoration Projects Recommended for Funding by Staff to Board		\$853,711	\$0	\$853,711	

* Listed Amount Reflects Recommended Reduction □ Listed Amount Reflects Recommended Increase ** Fund with Conditions ◇ submitted for federal stimulus funding

Region 2 - Southwest Oregon
Education Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
209-2051	Watersheds 101 Education & Outreach */**	50,000	1
209-2062	Bear Creek Regional Education Project **	23,465	2
209-2061	Watershed Technical Science Education Training (WTSET) **	31,717	3
Total Education Projects Recommended for Funding to Staff by RRT		\$105,182	
Total Education Projects Recommended for Funding by Staff to Board		\$73,465	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 2 - Southwest Oregon
Monitoring Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
209-2052	PUR Water Quality Monitoring □	53,113	1
209-2058	Coos Watershed Hydrological and Meteorological Monitoring 2009-2011	43,843	2
209-2056	North Umpqua Pacific Lamprey Monitoring **	57,956	3
209-2048	PUR Fish Population and Habitat Monitoring **	123,658	4
209-2050	Upper South Umpqua Life-Cycle Monitoring 2009 *	13,175	5
209-2049	Umpqua Basin Stream Gage Monitoring *	25,735	6
Total Monitoring Projects Recommended for Funding to Staff by RRT		\$317,480	
Total Monitoring Projects Recommended for Funding by Staff to Board		\$291,745	

* Listed Amount Reflects Recommended Reduction □ Listed Amount Reflects Recommended Increase ** Fund with Conditions

Region 2 - Southwest Oregon
Technical Assistance Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
209-2032	Gold Ray Reservoir Sediment Study *	39,692	1
209-2031	Savage Rapids Riparian Revegetation **	25,263	2
209-2057	Project Design for Coho Passage and Habitat Improvement *	49,484	3
209-2060	Southwest Coos Watershed Stream Habitat and Road Sediment Prioritization *	49,010	4
209-2030	Pleasant Creek Habitat Restoration	9,680	5
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$173,129	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$163,449	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 2 - Southwest Oregon
Education Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-2026	URWA Education/Outreach: Newsletter/Projector	12,789
209-2034	Williams Creek Community Outreach Program	19,608

Region 2 - Southwest Oregon
Monitoring Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-2040	Coquille Watershed Effectiveness Monitoring 2009	19,836
209-2059	Coho Life History in Tide Gated Coastal Lowland Streams	183,587

Region 2 - Southwest Oregon
Technical Assistance Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-2028	Sixes Ranch Streambank Enhancement	33,032
209-2033	Hill Creek Tributary Incision Study	18,498

Region 2 - Southwest Oregon
Acquisition Application NOT Receiving a Positive Rating for Ecological Merit
and NOT Recommended for Funding by the OWEB Staff
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-110	Elk River & Rock Creek Land Acquisition	200,000

Region 2 - Southwest Oregon
Restoration Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-2046	West Fork Windy Creek Fish Passage	35,892
209-2054	Billy Creek Habitat Restoration	100,374
209-2063	Applegate Riparian Restoration Project	73,472