



March 4, 2011

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 F: OWEB Grant Award Recommendations
Region 2, Southwest Oregon
March 15-16, 2011 OWEB Board Meeting**

I. Introduction

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

II. Background and Summary

Applicants submitted 41 applications for a total request of \$3,892,593 including one Acquisition application for \$720,000. The Southwest Oregon Regional Review Team (RRT) recommended funding for 22 applications.

As explained in Section IV of the Overview staff report, shortfalls in available *non-capital* funding require staff's *non-capital* funding recommendations to be made in two parts: (1) recommended awards for the March Board meeting; and (2) recommendations for future awards to be made at the June Board meeting, dependent on OWEB's 2011-2013 budget.

III. Regional Review Team Recommendations

The Southwest Oregon RRT met in Merlin in December 2010 to review the applications received in this grant cycle and make recommendations to OWEB staff. All applications were reviewed for merit and given a "do fund" or "no fund" recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The RRT recommended 13 Restoration applications, four Education/Outreach applications, one Monitoring application, and four Technical Assistance applications.

The top-ranked Technical Assistance application, Catching Slough Restoration Project Development (211-2043), consists of an intensive outreach to specific landowners, and development of restoration project designs, permits and proposals for on-the-ground work in the Catching Slough basin that drains into the Coos River estuary. Streams in the lowland area surrounding the estuary have been heavily diked, dredged, straightened, and simplified, leading to increased stream temperatures, high sediment loads, and lack of channel complexity. Future

restoration projects will likely include riparian planting, fencing, culvert replacements and bio-engineered bank stabilization to reduce erosion and sedimentation. The RRT had high confidence that the technical assistance work will result in on the ground improvements in the future that will be important to improvement of critical habitat for juvenile Coho and other salmonids.

Staff concur with the RRT-recommended conditions for two Restoration applications (211-2036 and 211-2045) as described in the Review Team Evaluations for Region 2.

The RRT recommended budget reductions for two Restoration applications (211-2049 and 211-2051) and one Monitoring application (211-2052). Staff concur with these recommendations, contained in the Review Team Evaluations.

The RRT recommended funding only a portion of one Restoration application (211-2057) and one Technical Assistance application (211-2055). Staff concur with these recommendations as described in the Review Team Evaluations.

Following the RRT meeting, staff identified and recommend budget reductions for Restoration applications 211-2046, 211-2054 and 211-2058. The reductions are described in the Review Team Evaluations.

One application, 211-2036, Brush Creek Instream Restoration, was withdrawn by the applicant after the RRT review.

IV. Acquisitions - Coquille Valley Wetlands Conservation Project (211-115)

One land acquisition application was received from Region 2 this grant cycle. It is recommended for deferral.

The Nature Conservancy (TNC) requests \$720,000 to purchase three properties totaling approximately 622 acres of coastal wetlands in the Coquille Valley in Coos County. The application states that the properties will be transferred from TNC to Oregon Department of Fish and Wildlife.

The application states that the properties contain deciduous swamp, freshwater emergent marsh, intertidal freshwater wetland, and lowland riparian woodland and shrubland, for a total of 255 acres of priority habitats. The properties will be acquired in order to restore tidally influenced wetlands. The restoration will entail reconnecting historic tidal channels, removing dikes, filling drainage ditches, installing large wood, grading to create open water areas, removing invasive species, and re-establishing native vegetation. The application states that the restoration will increase the acreage of priority habitats from 255 acres to 622 acres. The application also states that restoration is expected to increase stream miles from 3.04 miles to 6.90 miles.

TNC proposes to use the currently requested OWEB funds to match \$1 million in Coastal Wetlands funds recently awarded to OWEB by U.S. Fish and Wildlife Service for acquisition of the properties and completion of the above-described restoration. A Coastal Wetlands update is provided in Agenda Item G.

At the direction of the Acquisitions Subcommittee, staff notified TNC that OWEB will request due diligence materials for the project as soon as staffing resources are available. The RRT felt that the project has high ecological and educational value. Staff recommend the Board defer consideration of the Coquille Valley Wetlands Conservation Project until due diligence materials have been received and reviewed.

V. Staff Recommendations

For the March Board meeting, staff recommend funding for 18 applications for a total award of \$1,584,536: \$1,490,633 for Restoration; \$8,960 for Monitoring; and \$84,943 for Technical Assistance.

Staff recommend that the Board signal its commitment to award four Education/Outreach applications for a total of \$111,476 at the June Board meeting, dependent on OWEB's 2011-2013 budget. Staff recognize the hardship to applicants from delay of funding, and will make it a priority to release grant agreements as quickly as possible once the future Board award is made.

Staff and the Acquisitions Subcommittee recommend the Board defer consideration of the Coquille Valley Wetlands acquisition application (211-115) until the due diligence review is complete.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as "do fund" to OWEB staff by the RRT. Attachment A also indicates:

- OWEB staff "do fund" recommendations for the March Board meeting, shown in yellow shading; and
- OWEB staff funding recommendations for the June Board meeting, shown in green shading.

For some "do fund" projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

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 shown in the yellow shaded sections of Attachment A to this report.

Staff further recommend the Board signal its commitment to make June funding awards for the applications shown in the green shaded sections of Attachment A to this report, dependent on OWEB's 2011-2013 budget.

Attachments

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

ATTACHMENT A

**Region 2 - Southwest Oregon
Acquisition Application Recommended for Deferral by OWEB Staff
October 18, 2010 Grant Cycle**

Project #	Project Name	Total Amount Requested
211-115	Coquille Valley Wetlands Conservation	720,000

**Region 2 - Southwest Oregon
Restoration Applications Recommended for Funding by the RRT
October 18, 2010 Grant Cycle**

March Grant Award Staff Recommendations to the Board are Highlighted in Yellow					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
211-2054	West Fork Smith River Instream Restoration *	132,648		132,648	1
211-2046	Wolf Creek Instream * ^ EM \$57,275	266,171		266,171	2
211-2036	Brush Creek Instream Restoration (Phase I) ^ WITHDRAWN ■	136,600		136,600	3
211-2047	South Sisters Structure Placement Phase V	145,303		145,303	4
211-2045	Hardscrabble and Jack Creeks Fish Passage Restoration ^	59,210		59,210	5
211-2044	Catching Slough Sub-basin Fish Passage Improvements 2011	82,739		82,739	6
211-2058	Curry Sediment Abatement 2010 *	322,191		322,191	7
211-2049	North Umpqua Gravel Augmentation *	31,427		31,427	8
211-2057	Lower Deer Creek Restoration *	78,653		78,653	9
211-2039	Squaw Creek Salmon Habitat Restoration	99,500		99,500	10
211-2051	Steamboat Instream Fish Habitat Restoration 2011 *	33,062		33,062	11
211-2028	Monson Fish Passage and Sediment Abatement	71,689		71,689	12
211-2041	Larson Creek Fish Passage Project	168,040		168,040	13
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,627,233		\$1,627,233	
Total Restoration Projects Recommended for March Funding by Staff to Board		\$1,490,633		\$1,490,633	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions ■ Withdrawn by applicant after RRT review

Region 2 - Southwest Oregon
Technical Assistance Applications Recommended for Funding by the RRT
October 18, 2010 Grant Cycle

March Grant Award Staff Recommendations to the Board are Highlighted in Yellow			
Project #	Project Name	Total Amount	Priority
211-2043	Catching Slough Restoration Project Development	30,580	1
211-2055	Umpqua Estuary and Six Tribes TA *	35,255	2
211-2034	Zuiches Habitat Improvement ^	9,350	3
211-2040	Whetstone Creek Corridor Restoration	9,758	4
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$84,943	
Total Technical Assistance Projects Recommended for March Funding by Staff to Board		\$84,943	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions

Region 2 - Southwest Oregon
Education/Outreach Applications Recommended for Funding by the RRT
October 18, 2010 Grant Cycle

March Grant Award Staff Recommendations to the Board are Highlighted in Yellow			
June Grant Award Staff Recommendations to the Board are Highlighted in Green			
Project #	Project Name	Total Amount	Priority
211-2059	Curry County Watershed Education	35,942	1
211-2029	Bear Creek Regional Education Project	30,367	2
211-2053	Umpqua Basin Watershed Stewardship Education Program	18,322	3
211-2062	Non-point Source Pollution Education Package	26,845	4
Total Education/Outreach Projects Recommended for Funding to Staff by RRT		\$111,476	
Total Education/Outreach Projects Recommended for June Funding by Staff to Board		\$111,476	

Region 2 - Southwest Oregon
Monitoring Application Recommended for Funding by the RRT
October 18, 2010 Grant Cycle

March Grant Award Staff Recommendations to the Board are Highlighted in Yellow			
Project #	Project Name	Total Amount	Priority
211-2052	North Umpqua Pacific Lamprey Monitoring 2011 *	8,960	1
Total Monitoring Projects Recommended for Funding to Staff by RRT		\$8,960	
Total Monitoring Projects Recommended for March Funding by Staff to Board		\$8,960	

* Listed Amount Reflects Recommended Reduction

Region 2 - Southwest Oregon
Restoration Applications NOT Recommended for Funding by the RRT
October 18, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-2026	Riley Creek Habitat Restoration	90,993
211-2027	Little Butte Creek Meander Restoration Project	79,829
211-2032	Quartz Creek Restoration - Hardin	50,675
211-2035	Elk Creek Habitat Improvement	42,940
211-2048	Big and Sagabeard Creeks Fish Passage	109,249
211-2061	East Fork/North Fork Riparian Restoration, Phase II	32,923
211-2063	Sucker Creek Channel and Floodplain Restoration - Phase 2	165,520
211-2064	Big Creek Instream Restoration	225,581
211-2065	McMullen Creek Fish Passage, Phase 1	49,214

Region 2 - Southwest Oregon
Technical Assistance Applications NOT Recommended for Funding by the RRT
October 18, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-2030	Saunders Creek Large Wood	8,691
211-2031	Cove Sediment/Pollution Control Project	11,200
211-2033	Elk Creek Bacteria Source Tracking Design	26,250
211-2050	Elk Creek Instream Restoration Project Development	31,536
211-2060	GRD Rogue River Restoration Phase 1	50,000

Region 2 - Southwest Oregon
Education/Outreach Applications NOT Recommended for Funding by the RRT
October 18, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-2038	South Umpqua - Elk Creek	8,406
211-2042	Coastal Oregon Riparian Silviculture Guide	36,644

Region 2 - Southwest Oregon
Monitoring Applications NOT Recommended for Funding by the RRT
October 18, 2010 Grant Cycle

Project #	Project Name	Total Amount Requested
211-2037	Priority Stream Assessments	5,393
211-2056	Ni-les'tun Tidal Wetland Restoration Effectiveness Monitoring 2011-2016	249,543