

Federal Grant Application Request

Department of Fish & Wildlife

Klamath Basin Acquisition of Instream Water Rights

Analyst: Paul Siebert

Request: Approve, retroactively, the submission of a \$740,431 federal grant application to the U.S. Fish and Wildlife Service to acquire irrigation water rights in the Klamath Basin for instream transfer.

Recommendation: Approve, retroactively, the request to apply.

Analysis: The Department of Fish and Wildlife (ODFW) is requesting retroactive authorization to apply for a \$740,431 federal grant from the U.S. Fish and Wildlife Service's Endangered Species Act, Section 6, Cooperative Endangered Species Conservation Fund for purchase of irrigation water rights from Deming Creek that are appurtenant to Deming Ranch. This acquisition would allow water to remain in the Creek throughout the irrigation season, opening year round access to almost seven miles of critical habitat for Bull Trout. ODFW reports Deming Creek supports one of the largest populations of the threatened Bull Trout in the Klamath Basin. The grant project would also acquire irrigation water rights from Sun Creek that would be transferred instream to improve instream flows. In addition, multiple points of irrigation diversion along Sun Creek would be consolidated to a single screened point of diversion. This change will help prevent listed fish species from entering the irrigation system. Grant funds would be passed through to the Klamath Basin Rangeland Trust, which would be responsible for the water rights purchases and subsequent permanent transfers for instream use. The total estimated cost of the project is \$1.7 million.

Grants from this program can be used for projects like assistance to implement conservation projects for candidate, listed, and recently recovered species; habitat conservation planning; and land/conservation easement acquisitions. Only state fish and wildlife agencies are eligible for grants from this program. Grant applications were due January 23, 2015. The Department submitted a 10-day notification letter on January 13, 2015.

Grants from the Cooperative Endangered Species Conservation Fund require a 25% non-federal match. The match requirement for this grant proposal would be met using funds from private foundations, donations, and a possibly a Lottery Funds grant from the Oregon Watershed Enhancement Board. The Department reports no additional position authority will be required to complete the grant project and no ODFW funds would be used as match. If the grant proposal is successful, the Department may need to return to the Legislature for an increase in Federal Funds expenditure limitation.

The Legislative Fiscal Office recommends approval, retroactively, of the request to submit a \$740,431 federal grant application to the U.S. Fish and Wildlife Service to acquire irrigation water rights in the Klamath Basin for instream transfer.