



Oregon

John A. Kitzhaber, MD, Governor

Department of Fish and Wildlife

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January 13, 2015

The Honorable Peter Courtney, Senate President
Oregon State Senate
900 Court St. NE, S-201
Salem, OR 97301

The Honorable Tina Kotek, Speaker
Oregon House of Representatives
900 Court St. NE, H-269
Salem, OR 97301

Dear Senator Courtney and Speaker Kotek:

Nature of the Request

The purpose of this letter is to provide a notification of intent of the Oregon Department of Fish and Wildlife to apply for Federal Funds from the U.S. Fish and Wildlife Service (USFWS) to pass through to the Klamath Basin Rangeland Trust (KBRT) for acquisition of water rights for the purposes of instream transfer in the Klamath Basin. The estimated cost of acquisition is \$1,700,000. The Department is proposing to apply for \$740,431 of federal dollars in this grant application. These funds will be combined with Oregon Watershed Enhancement Board (OWEB) funding, National Fish and Wildlife Foundation (NFWF) funding, Meyer Memorial Trust, and some private donations. Oregon Department of Fish and Wildlife funds will not be used as match. KBRT would be responsible for acquisition and instream transfer.

This funding opportunity is provided through the USFWS Endangered Species Act Section 6 - Cooperative Endangered Species Conservation Fund. The grant application deadline is January 23, 2015. No positions are requested with these funds.

Agency Action

This project will acquire and permanently transfer instream irrigation water rights from Deming Creek that are appurtenant to Deming Ranch, which represents 79% of the water rights from Deming Creek. The irrigation diversions currently dewater Deming Creek at the US Forest Service (USFS) property boundary throughout the irrigation season, limiting fish passage, degrading water quality, and eliminating access to 6.9 miles of critical habitat. Deming Creek supports one of the largest populations of threatened bull trout in the Klamath Basin, making expansion of cold water habitat and reconnection of the population to the Sprague River a high priority for recovery of the species.

This project will also acquire and permanently transfer instream irrigation water rights from Sun Creek, which will result in improved instream flow in the early season (April 1- July 20) and late season (July 21 –October 1), facilitating year round connectivity between the headwaters and restored Sun Creek channel and the Wood River. Multiple points of diversion on Sun Creek will be consolidated into a single, screened point of diversion that will prevent entrainment of native and ESA listed fish in the irrigation network.

This federal funding opportunity is made available with the requirement that state fish and wildlife agencies serve as the applicant. If this request is approved and the grants are awarded, funding would be administered through the Department's existing Conservation and Recovery Program. State proposals must contribute a minimum non-Federal match of 25 percent of the total program costs. The Department will not provide any of the required match. All required non-federal match will come from OWEB, NFWF, and other sources awarded to KBRT.

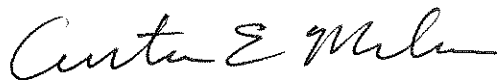
ODFW will work with the Klamath Basin Rangeland Trust (KBRT) to implement the projects. KBRT has already signed an Option to Transfer Water Rights Instream Agreement and Monitoring Easement with Deming Ranch, and has a signed Letter of Intent with the owner of the Sun Creek Ranch to complete these easements and water transfers.

Action Requested

Oregon Department of Fish and Wildlife respectfully requests permission to apply for federal funding through the USFWS ESA Section 6 - Cooperative Endangered Species Conservation Fund.

Award notifications are expected by summer 2015. If the award is granted, the Department will seek legislative approval for Federal Fund limitation.

Sincerely,

A handwritten signature in cursive script, reading "Curtis E. Melcher".

Curtis E. Melcher
Interim Director