

## ANALYSIS

### Department of Fish and Wildlife Disaster Peak

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**Analyst:** April McDonald

**Request:** Acknowledge the receipt of a report from the Oregon Department of Fish and Wildlife on the acquisition status of the Disaster Peak Ranch; increase Federal Funds expenditure limitation by \$2,750,000; and increase the Other Funds expenditure limitation by \$800,000 to provide funds to Western Rivers Conservancy for the purchase of the Disaster Peak Ranch.

**Analysis:** In December 2021, ODFW received award notification from USFWS granting \$2,750,000 for acquisition of the Disaster Peak Ranch property through the Cooperative Endangered Species Conservation Fund: Recovery Land Acquisition Grants program. ODFW had received legislative approval to apply for this grant with the understanding that the Department was to serve as the grant recipient and pass-through awarded funds to the current property owner, Western Rivers Conservancy (WRC).

Disaster Peak Ranch and the contained McDermitt Creek have been identified as both a sage-grouse stronghold and a Priority Area of Conservation by the U.S. Fish and Wildlife Service (USFWS). McDermitt Creek also offers opportunity to restore one of the West's most threatened fish species, Lahontan cutthroat trout. This property acquisition will allow for restoration and reintroduction efforts of the trout while also improving the associated sage-grouse habitat.

WRC purchased Disaster Peak Ranch in September 2020 and developed an interim management strategy with state and local partners and began community outreach. On September 19, 2022, WRC provided Malheur County with a draft Memorandum of Agreement (MOA) addressing the County's concerns. The MOA outlines the parties' commitments and obligations, including the payment of property taxes, mining in the area, WRC's commitment to maintain the property as a working ranch as well as a productive fish and wildlife habitat, and conveyance of the property to a future long-term steward. On April 26, 2023, WRC and Malheur County signed the MOA with unanimous approval and cleared the way for ODFW's federal funds subgrant to WRC for acquisition of this property.

An additional \$800,000 Other Funds for this project will come from the remainder of ODFW's Ruby Pipeline Mitigation funds. The purpose of the Ruby Pipeline funding is to mitigate impacts to fish and wildlife and their habitats by the construction of the Ruby Pipeline across southeast Oregon.

Once WRC has received the \$3,550,000 total funds, they will begin developing a wildlife management plan with ODFW and Nevada Department of Wildlife, and begin 2023 recovery actions for Lahontan cutthroat trout. No ODFW license funds will be used towards the purchase of this property.

**Legislative Fiscal Office Recommendation:** The Legislative Fiscal Office recommends approval of this request.

## Department of Fish and Wildlife Filimoehala

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**Request:** Report on the acquisition of Disaster Peak Ranch property; increase Other Funds expenditure limitation by \$800,000 and Federal Funds expenditure limitation by \$2,750,000 for acquisition of Disaster Peak Ranch property.

**Recommendation:** Approve the request.

**Discussion:** In April 2021, the Department of Fish and Wildlife (ODFW) received authorization to apply for a grant in the amount of \$2,750,000 from the U.S. Fish and Wildlife Service for the acquisition of the Disaster Peak Ranch property located in Malheur County. ODFW will serve as the grant recipient and provide the funding to the current property owner, Western Rivers Conservancy (WRC), who purchased the ranch in 2020. As part of the grant agreement, ODFW will provide \$800,000 from the Ruby Pipeline Mitigation fund as state matching dollars. The Ruby Pipeline Mitigation fund is available to mitigate wildlife impacts associated with the construction of the Ruby Pipeline. The \$800,000 match will utilize the remainder of the Ruby Pipeline Mitigation fund. The property has been identified as an area with high potential for conservation efforts of both avian and fish species.

On April 26, 2023, WRC and Malheur County signed a contract addressing concerns of the County, which allowed for WRC to accept ODFW's subgrant. Under the agreement provisions describing commitments and obligations of WRC and the County are detailed. Following the increase of requested Federal Funds expenditure limitation, WRC will begin the development of a wildlife management plan with ODFW and the Nevada Department of Wildlife (NDOW). WRC will also partner with ODFW and NDOW on implementation of recovery actions for Lahontan cutthroat trout.

The limitation requested is for the 2023-25 biennium, and due to the timing of this request, it is recommended for approval as part of the agency budget bill (SB 5509).



# Oregon

Tina Kotek, Governor

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May 4, 2023

The Honorable Senator Elizabeth Steiner, Co-Chair  
The Honorable Representative Tawna Sanchez, Co-Chair  
Joint Committee on Ways and Means  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301



Dear Co-Chairpersons:

## **Nature of the Request**

The Oregon Department of Fish and Wildlife (ODFW) requests the opportunity to provide a progress report on the acquisition of the Disaster Peak Ranch property (Malheur County). ODFW also requests \$2,750,000 federal funds expenditure limitation and \$800,000 other funds expenditure limitation for the agency's 2023-25 biennium budget to expend grant funding on the Disaster Peak Ranch/McDermitt Creek property.

## **Agency Action**

On April 1, 2021, ODFW requested authorization from the Joint Ways and Means Committee to submit a federal grant application to the U.S. Fish and Wildlife Service (USFWS) in the amount of \$2,750,000 for acquisition of the Disaster Peak Ranch property. ODFW received the official grant award letter from U.S. Fish and Wildlife Service in December 2021. ODFW will serve as the grant recipient and will provide the funding to the current property owner, Western Rivers Conservancy who purchased the ranch in 2020. Funding for this project will come from the U.S. Fish and Wildlife Services Cooperative Endangered Species Conservation Fund: Recovery Land Acquisition Grants program, along with the remainder of ODFW's Ruby Pipeline Mitigation funds, \$800,000. The purpose of the Ruby Pipeline funding is to mitigate impacts to fish and wildlife and their habitats by the construction of the Ruby Pipeline across part of Oregon. The property will be managed as both a working cattle ranch and as productive fish and wildlife habitat. No ODFW license funds will be used towards the purchase of this property.

## **Background**

Disaster Peak Ranch boasts 18 miles of McDermitt Creek and several key tributaries. The ranch and its surrounding landscape support numerous fish and wildlife species, including Lahontan cutthroat trout, greater sage-grouse, Columbia spotted frog, pygmy rabbit, mule deer,

California bighorn sheep, elk, bobcat, great horned owl, coyote, cougar, raccoon, muskrat, beaver, golden eagle and sandhill cranes.

McDermitt Creek and the Trout Creek Mountains have been identified as both a sage-grouse stronghold and Priority Area of Conservation by the USFWS, the highest level of protection the bird is currently afforded. McDermitt Creek also offers the best opportunity to restore one of the West's most threatened fish species, Lahontan cutthroat trout. This acquisition will allow for restoration and reintroduction efforts that have the potential to connect 55 stream miles of Lahontan cutthroat trout habitat, while also improving the associated meadow and riparian habitat sage-grouse depend upon.

In September 2020 Western Rivers Conservancy (WRC) purchased Disaster Peak Ranch and developed an interim management strategy with state and local partners and began community outreach. On April 26, 2023, WRC and Malheur County signed a contract addressing the County's concerns, describing the parties' commitments and obligations, and clearing the way for WRC to accept ODFW's subgrant of the USFWS Section 6 Grant for acquisition of this property. Following approval of expenditure limitation for ODFW to release USFWS funding to WRC, they will begin development of a wildlife management plan with ODFW and Nevada Department of Wildlife (NDOW). Additionally, ODFW and NDOW will partner with WRC on implementing recovery actions for Lahontan cutthroat trout recovery in 2023.

**Action Requested**

ODFW requests \$2,750,000 federal funds expenditure limitation and \$800,000 other funds expenditure limitation for the agency's 2023-25 biennium budget.

**Legislation Affected**

SB 5509 (2023), Section 4(2) Wildlife Division  
SB 5509 (2023), Section 2(2) Wildlife Division

Sincerely,

A handwritten signature in blue ink that reads "Curtis E. Melcher".

Curtis Melcher  
Director