ANALYSIS

Department of Fish and Wildlife
Fish Passage Projects

Analyst: April McDonald

Request: Approve the submission of a federal grant application to the Bureau of Reclamation under the Aquatic Ecosystems Restoration grant program in the amount of $8,800,000 for the purpose of providing fish passage and habitat restoration in the Nehalem, South Umpqua and Youngs River watersheds.

Analysis: The Bureau of Reclamation's Aquatic Ecosystems Restoration (AERP) grant program provides federal funding for the construction of aquatic ecosystem restoration projects that are collaboratively developed, have widespread regional benefits, and are aimed at improving the health of fisheries, wildlife, and aquatic habitat through restoration and improved fish passage. The AERP is a new program funded under the 2021 Infrastructure Investment and Jobs Act, and is providing $30 million to study, design and construct aquatic ecosystem restoration projects that are collaboratively developed, have widespread regional benefits, and result in the improvement of the health of fisheries, wildlife, and aquatic habitat. The Oregon Department of Fish and Wildlife (ODFW) has identified two construction projects and one design-to-construction project as candidates for this funding. Projects are bundled into three separate applications that will be conducted in the Nehalem, South Umpqua, and Youngs River watersheds. ODFW is working with eleven local partners to implement the scope of work for these projects. The projects include:

- Reconnecting Fish Passage to Recover Coho in the Nehalem Watershed, $2.5 million:
  - This project includes culvert and diversion dam removal and replacement of 5 tide gates. The cost share of 10% will be contributed by partners such as the Wild Salmon Center, the Tillamook County Creamery Association, the Nature Conservancy and the Department of Corrections.
- Restoring Habitat Connectivity for Coho Salmon in the South Umpqua River, $3 million:
  - This proposal includes high-priority fish passage projects to benefit Oregon Coast Coho by removing dams and culverts, constructing instream beaver habitat, and replacing two bridges that restrict floodplain connectivity. The cost share of 10% will be largely contributed by partners, with ODFW contributing $91,250 in state drought funds for project design.
- North Fork Klaskanine Diversion #1 Dam (Ogee Dam) Fish Passage, $3.3 million:
  - This project, in the design-to construct phase, would provide fish passage and stream connectivity at Ogee Dam. The cost share will largely be contributed by partners.

The application deadline is June 1, 2023 and award notification is anticipated in late summer, 2023. Construction projects will have until December 31, 2028, to complete the implementation and design projects will have two years to complete the study, prior to December 31, 2026. If grant funding is awarded, ODFW anticipates making a subsequent request for federal funds expenditure limitation. ODFW does not need additional staff for this funding opportunity.

Legislative Fiscal Office Recommendation: The Legislative Fiscal Office recommends approval of the request.

Department of Fish and Wildlife
Filimoehala

Request: Authorization to apply for a grant of $8,800,000 to the Bureau of Reclamation Aquatic Ecosystems Restoration grant program for fish passage and habitat restoration projects.

Recommendation: Approve the request.

Discussion: The Department of Fish and Wildlife is requesting authorization to apply for a grant of $8,800,000 from the Bureau of Reclamation. The grant contains three components and would provide funding to support two fish passage proposals and one habitat restoration proposals. The first component is a request for $2,500,000 to fund four fish passage projects across the Nehalem watershed, the second component is a request for $3,300,000 to fund a fish passage project at the Ogee Dam, and the final component is a request for $3,000,000 to fund projects for large-scale, on-the-ground conservation activities to advance existing landscape conservation or restoration plans within the South Umpqua River watershed.

The grant funds are provided under the Aquatic Ecosystems Restoration grant program, which has the aim of providing cost shared funding to study, design and construct aquatic ecosystem restoration projects that are collaboratively developed, have widespread regional benefits, and result in the improvement of the health of fisheries, wildlife, and aquatic habitat. In total the grant has a match totaling $1,755,250 provided through in-kind contributions and contributions from state, federal, and private partnerships, as well as internal agency resources. The grant application is due to the EPA by June 1, 2023, grant notifications are expected in January of 2024 and the granting period will last until December 31, 2028.

Oregon
Tina Kotek, Governor

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May 15, 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

Oregon Department of Fish and Wildlife (ODFW) requests approval to submit three federal grant applications to the Bureau of Reclamation under the Aquatic Ecosystems Restoration grant program in the amount of $8,800,000 for the purpose of providing fish passage and habitat restoration in the Nehalem, South Umpqua and Youngs River watersheds.

Background

The Bureau of Reclamation's Aquatic Ecosystems Restoration (AERP) grant program provides federal funding for the construction of aquatic ecosystem restoration projects that are collaboratively developed, have widespread regional benefits, and are for the purpose of improving of the health of fisheries, wildlife, and aquatic habitat through restoration and improved fish passage. The AERP is a new program funded under the 2021 Infrastructure Investment and Jobs Act. Projects that affect water resources management in two or more river basins, provide regional benefits not limited to fisheries restoration, and that are a component of a larger strategy to replace aging facilities are prioritized under this program. Applicants must be capable of cost sharing 35 percent of the total project costs.

ODFW is requesting approval to apply for two construction projects and one design-to-construction project. Projects are bundled into three separate applications that will be conducted in the Nehalem, South Umpqua, and Youngs River watersheds. ODFW is working with eleven local partners to implement the scope of work for these projects. This proposal meets the mission of ODFW by restoring habitat and fish passage to recover Oregon Coast coho salmon populations in Oregon and provide climate resilience to watersheds within underserved communities.

Reconnecting Fish Passage to Recover Oregon Coast Coho in the Nehalem Watershed
This proposal requests funding for four projects across the Nehalem watershed. The projects restore access to historical habitats to promote the recovery of coho salmon (Oncorhynchus kisutch) and Oregon Coast (OC) coho salmon. This evolutionarily significant unit (ESUs) is listed as "threatened" under the federal Endangered Species Act (ESA). The ESA listings identify the extensive reduction in connectivity and access to historical estuarine and freshwater habitats as primary factors leading to the decline in ESU sustainability. All four projects aim to improve coho salmon passage and productivity in areas designated as "essential fish habitat." The projects contained in this proposal were identified and prioritized through a two-year planning process that generated a "Strategic Action Plan" (SAP) for each watershed's coast coho population. The projects will remove multiple fish passage barriers (2 culverts), replace five tide gates, and remove two diversion dams. ODFW is working with these partners to implement the scope of work for each project: Lower Nehalem Watershed Council, U.S. Forest Service, The Nature Conservancy, Tillamook County Creamery Association, Tillamook County, Wild Salmon Center, Oregon Department of Transportation, Oregon Department of Forestry, Oregon Department of Corrections, Oregon Parks and Recreation Department, NOAA-National Marine Fisheries Service, Confederated Tribes of the Grande Ronde, local and private landowners. Cost shared match will be provided through the partners that will contribute the following amounts: $147,154 from Wild Salmon Center; $39,148 from Tillamook County Creamery Association, $10,000 from the Nature Conservancy, and $53,698 from Department of Corrections. Federal funding requested will be $2,500,000 to implement construction of the four projects.

Restoring Habitat Connectivity for Oregon Coast Coho Salmon in the South Umpqua River
This proposal is a bundle of projects that implement voluntary, large-scale, on-the-ground conservation activities to advance existing landscape conservation or restoration plans within the South Umpqua River watershed. This proposal seeks funding to advance the recovery of Oregon's coast coho salmon (threatened) by implementing high-priority fish passage projects. The projects contained in this proposal will remove four fish passage barriers (dams and culverts), construct instream beaver habitat and large wood habitat, and replace two fish passage barriers (bridges) that restrict floodplain connectivity and prevent access to further upstream habitat complexity. This will result in 29 miles of coho spawning and rearing habitat reconnected and 46 acres of floodplain/ wetlands reconnected. Project partners are contributing to the project cost sharing match as follows: South Umpqua Rural Community Partnership $52,000, U.S. Fish and Wildlife Service $200,000, and Elk Creek Watershed Council $48,000. NOAA-Scientific Assessment Panel and Oregon Watershed Enhancement Board grants (total of $65,000) are unsecured but awaiting review of applications. ODFW has provided $91,250 in state drought funds for project design, permitting, and project coordination and management (all pre-implementation).

WaterWatch of Oregon has committed a combined total of $12,000 in-kind for project coordination. $3,000,000 in federal funding will be requested.

North Fork Klaskanine Diversion #1 Dam (Ogee Dam) Fish Passage

Fish passage at the North Fork Klaskanine Diversion #1 dam (Ogee Dam) is the final phase of a watershed scale project to maximize wild fish passage and stream connectivity while maintaining hatchery management. Providing fish passage at the Ogee dam will provide access to 12 miles of spawning and rearing habitat for ESA listed coho salmon, spring Chinook salmon, winter steelhead, coastal cutthroat trout, Pacific lamprey, and Western brook lamprey. This project is a design-to-construction phase proposal that will provide the cost share match from the following sources: Oregon Watershed Enhancement Board $245,000, Resource Legacy Fund $100,000, U.S. Fish and Wildlife Service $150,000, and North Coast Watershed Council subgrant from Bonneville Power Administration $42,000. Additionally, ODFW-drought funds, Pacific Coast Salmon Restoration Funds, and in-kind match total $500,000. Federal funding requested for this project will be $3,300,000.

Agency Action

The application deadline with Bureau of Reclamation is June 1, 2023. The anticipated notification date is late Summer 2023 with anticipated funding awards by January 2, 2024. Construction projects will have until December 31, 2028, to complete the implementation of project deliverables. Design projects will have two years to complete the study, prior to December 31, 2026. If grant funding is awarded, ODFW anticipates making a future request for federal funds expenditure limitation. ODFW does not anticipate a need for additional FTE with this funding opportunity.

Action Requested

ODFW requests approval to submit three federal grant applications totaling $8,800,000 to the Bureau of Reclamation under the Aquatic Ecosystems Restoration grant program.

Legislation Affected

None

Sincerely,

Curtis E Melcher

Curtis Melcher
Director