

# ANALYSIS

## Department of Fish and Wildlife

### Keno Fish Passage

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**Analyst:** Katie Bannikov

**Request:** Approve, retroactively, the submission of a federal grant application to the Bureau of Reclamation, Aquatic Ecosystems Restoration grant program in the amount of \$4,500,000 for fish passage projects in the Klamath River Basin.

**Analysis:** The Bureau of Reclamation (BOR) has opened additional discretionary competitive grant funding through the Aquatic Ecosystem Restoration Program (AERP) that aims to support projects that restore and protect aquatic ecosystems. AERP projects may include up to \$2 million for study and design work, which must be completed within two years, and up to \$20 million for construction, which must be completed within five years. There is a 35% match required on construction costs.

This grant funding would be used to improve fish passage at the Keno Dam, which is a major impediment since the removal of the lower four dams on the Klamath River. In addition, the fish ladder at the Keno Dam was constructed in 1968, with no upgrades since, and does not meet the fish passage needs of multiple species. If awarded, funding would support community and partner engagement meetings, facilitation, and fish passage design work.

In September 2024, the Bureau requested that ODFW complete a full application for this grant funding with a due date of January 17, 2025. The Department submitted a notice of intent to apply to the Legislature on December 19, 2024. Recently, the Bureau notified the Department that funds are awarded as of January 17, and a draft scope of work agreement has been received but has not been accepted pending approval from the Legislature.

The agency indicated no additional staffing is required to administer this program, however, they will need to request additional Federal Funds expenditure limitation and plan to apply for non-federal grants to meet the match requirement.

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

## Department of Fish and Wildlife Filimoehala

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**Request:** Retroactive authorization to apply for a grant of \$4,500,000 from the Bureau of Reclamation Aquatic Ecosystems Restoration program for fish passage and screening projects in the Klamath Basin near the Keno Dam Reach.

**Recommendation:** Approve the request.

**Discussion:** The Department of Fish and Wildlife (ODFW) is requesting authorization to apply for a grant of \$4.5 million from the Bureau of Reclamation Aquatic Ecosystems Restoration program (AERP). The purpose of the grant is to provide design, partner engagement, and facilitation of fish passage and screening projects near the Keno Dam. Currently, the Keno Dam acts as a major impediment to native fish passage following the removal of the lower four Klamath River dams.

The grant requires a 35 percent match, which ODFW will obtain through grants from partners as specific project design is selected. The grant application was due on January 6, 2025, and awards were announced in early January with ODFW being awarded the requested \$4.5 million. ODFW will work with the Chief Financial Office and Legislative Fiscal Office for needed Federal Funds expenditure limitation in the 2025-27 biennium.



# Oregon

Tina Kotek, Governor

Department of Fish and Wildlife

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January 21, 2025

The Honorable Senator Katie Lieber, 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 retroactive approval to submit a federal funding application to the Bureau of Reclamation under the Aquatic Ecosystems Restoration discretionary program in the amount of \$4,500,000 for the purpose of providing fish passage and screening in the Klamath River Basin near the Keno Dam Reach. ODFW will initially have access to up to \$100,000 of this award to establish a working group and complete the work plan prior to a formal amendment to this agreement and release of the full federal grant award by Reclamation.

### **Background**

The Bureau of Reclamation's Commissioner's Discretionary Aquatic Ecosystems Restoration (AERP) 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 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 project construction costs.

ODFW is requesting approval to apply for fish passage design, stakeholder meeting facilitation, and partner engagement meetings for Keno Dam. Project tasks are scheduled over a five-year award period and all work will be conducted in Klamath County. ODFW will establish a working group with diverse membership made up of stakeholders within the planning area that want to actively participate in the Project (Working Group). This Working Group will include Tribes, Federal, State, and local government agencies; representatives of different sectors, including water purveyors and water users; and representatives of environment, recreation, agriculture, and other interested stakeholders. This proposal meets the mission of ODFW by

restoring habitat and fish passage to recover salmon populations in Oregon and provide climate resilience to the Klamath River watershed within underserved communities.

### **Keno Dam Fish Passage – \$4.5 million request from the Aquatic Ecosystem Restoration Program (AERP)**

ODFW proposes to improve fish passage at Keno Dam on the Klamath River. Keno Dam is a major impediment to native fish passage now that the lower four Klamath River dams have been removed. In 2023, ODFW developed a memorandum that prioritized a list of repairs, improvements, and upgrades to provide fish passage for several native fish species (ODFW 2023). ODFW and the Bureau of Reclamation (Reclamation) will work with a multi-agency and stakeholder working group to assess biological investigations and evaluations to better understand upstream and downstream passage as well as dam/fish ladder modifications needed to improve passage. The Keno Dam Fish Passage Facility Memorandum (ODFW 2023) will be used as the basis for development, design, and implementation of initial fish passage improvements. The project will finalize designs and environmental compliance documents for the critically important and immediate fish ladder needs. ODFW requests \$4.5 million for the fish passage work, Tribal collaboration, stakeholder engagement, and environmental permit compliance on Keno Dam.

### **Agency Action**

The letter of intent deadline with Bureau of Reclamation was September 10, 2024 and the notification date for the full application was announced September 25, 2024. ODFW submitted the 10-day letter notification to Legislative Fiscal Office on December 19, 2024 and Bureau of Reclamation provided a proposed scope of work to ODFW on January 6, 2025 with anticipated funding awards by January 17, 2025. ODFW anticipates cooperative agreements to be released by February 1, 2025. Construction projects will have until December 31, 2029, to complete the implementation of project deliverables. Design projects will have two years to complete the study, prior to December 31, 2027. ODFW anticipates making a future request for federal funds expenditure limitation after the workgroup completes the workplan and budget for future amendments with Reclamation. Once a specific design is selected and cost estimates are generated, ODFW will apply for non-federal grants to meet the 35% construction cost sharing match requirement. ODFW does not anticipate a need for additional FTE with this funding opportunity.

### **Action Requested**

Oregon Department of Fish and Wildlife (ODFW) requests retroactive approval to submit a federal funding application to the Bureau of Reclamation under the Aquatic Ecosystems Restoration discretionary program in the amount of \$4,500,000 for the purpose of providing fish passage, workplan development and workgroup engagement in the Klamath River Basin near the Keno Dam Reach.

**Legislation Affected**

None

Sincerely,

A handwritten signature in blue ink, appearing to read "Debbie Colbert", with a stylized, cursive script.

Debbie Colbert  
Director