ANALYSIS

Department of Fish and Wildlife Klamath River Screening

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 \$7,000,000, for fish screening on the Klamath River.

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 study, design, and construct fish screens at priority diversion sites along the Klamath River, to reduce entrainment of threatened salmon and endangered suckers. The project includes convening a work group for outreach and engagement, monitoring and data collection efforts, design work and construction of fish screens.

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. The Department plans to apply for non-federal grants to meet the matching requirement.

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

Department of Fish and Wildlife Filimoehala

Request: Retroactive authorization to apply for a grant of \$7,000,000 from the Bureau of Reclamation Aquatic Ecosystems Restoration program for fish screening projects in the Klamath Basin.

Recommendation: Approve the request.

Discussion: The Department of Fish and Wildlife (ODFW) is requesting authorization to apply for a grant of \$7.0 million from the Bureau of Reclamation Aquatic Ecosystems Restoration program (AERP). The purpose of the grant is to provide design and construct fish screens and/or non-structural fish barriers to prevent juvenile and adult fish from entering irrigation canals off the Klamath River. Currently, 50 unscreened irrigation diversions sites have been identified.

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. Awards were announced in early January with ODFW being awarded the requested \$7.0 million. ODFW will work with the Chief Financial Office and Legislative Fiscal Office for needed Federal Funds expenditure limitation in the 2025-27 biennium.



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 \$7,000,000 for the purpose of providing fish screening in the Klamath River Basin from Link River Dam to the California border. 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 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 project construction costs.

ODFW is requesting approval to apply for federal funding to design and implement water efficiency and screening of water diversions. Projects are scheduled over a five-year award period and all work will be conducted in the Klamath River watershed. 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 water benefits to recover lamprey, sucker and salmon populations in Oregon and provide climate resilience to the Klamath River watersheds within underserved communities.

Klamath River Fish Screens – \$7.0 million request from the Aquatic Ecosystem Restoration Program (AERP)

ODFW proposes to design and construct fish screens and/or non-structural fish barrier devices to prevent juvenile and adult fish from entering irrigation canals off from the Klamath River. The project will evaluate fish protection devices, develop designs given site conditions, and construct screens or deterrent devices at irrigation diversions, concentrating efforts in the reach from Keno Dam to Link River Dam. The project will help protect fish residing in and migrating through the Klamath River by reducing entrainment in irrigation diversions for Endangered Species Act (ESA)-listed fish species. It will also enable the Bureau of Reclamation (Reclamation) to meet the State of Oregon's, National Fisheries Marine Service (salmon), and U.S. Fish and Wildlife Service (suckers) fish screen requirements. ODFW and Reclamation will work with a multi-agency and stakeholder working group using the fish screen assessment (Klamath Reservoir Reach Restoration Prioritization Plan), where 50 unscreened irrigation diversions were evaluated and prioritized along the Klamath River. The working group will continuously review and prioritize screen types and sites, review engineered design sets, and assist with environmental compliance. ODFW requests \$7.0 million for the fish screening and protection projects for irrigation diversions funded through the Aquatic Ecosystem Restoration Program (AERP) through the Bureau of Reclamation.

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 \$7,000,000 for the purpose of workplan

development, workgroup engagement, and providing fish screening in the Klamath River Basin from Link River Dam to the California border.

Legislation Affected

None

Sincerely,

Debbie Colbert

Director