Oregon
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February 28, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Greg Sieglitz, Monitoring and Reporting Program Manager
Renee Davis-Born, Data Analyst and Information Specialist

SUBJECT: **Agenda Item J: Wetlands Investments**
March 19-20, 2008 OWEB Board Meeting

I. Introduction

This report provides an update about several wetlands related activities and investments of importance to OWEB. Items included in this report are: 1) the recent award of approximately $2.2 million to OWEB from the U.S. Fish and Wildlife Service to fund four coastal wetlands grants; 2) funding received by OWEB from the Oregon Geographic Information Council to support digitization of National Wetlands Inventory maps; and 3) joint submission of a proposal by OWEB and the Oregon Department of State Lands to the U.S. Environmental Protection Agency for compliance and effectiveness monitoring of wetlands projects. Staff will also request authority from the Board to award grants to local partners for the Salmon River Estuary project from the coastal wetlands grants.

II. Coastal Wetlands Grants

The National Coastal Wetlands Conservation Grant Program was established by Title III of P.L. 101-646, Coastal Wetlands Planning, Protection and Restoration Act of 1990. Under the Program, the U.S. Fish and Wildlife Service (USFWS) provides matching grants to states for acquisition, restoration, management or enhancement of coastal wetlands. To date, about $183 million in grant monies have been awarded to 25 coastal states and one U.S. Territory to acquire, protect or restore over 250,000 acres of coastal wetland ecosystems. Typically, between $13 million and $17 million in grants are awarded annually through a nationwide competitive process. Funding for the program comes from excise taxes on fishing equipment and motorboat and small engine fuels.

To date OWEB has been awarded more than $6 million in federal funds for the implementation of coastal wetland acquisition and restoration in Oregon. Oregon was awarded a Coastal Wetlands grant in 1998 for the Neawanna wetland acquisition in Seaside ($170,000). In 1999, OWEB was awarded grants for the Coos-Coquille wetland acquisition and restoration ($820,000), Tillamook wetland acquisition ($750,000), and Smith River estuarine restoration ($138,875) projects. In 2003, OWEB was awarded grants for the acquisition of estuarine lands in the Yaquina River estuary ($952,214) and Circle Creek wetlands ($750,000) in the Seaside area.

In June of 2007, OWEB submitted four applications on behalf of our coastal partners for project funding under the Coastal Wetlands Grant Program. On January 9, 2008, the Secretary of the Interior announced the awards that included all four applications submitted by OWEB. Combined, the four federal grants total approximately $2.2 million and require a total state match of just over $1 million.

The Coastal Wetlands Grants offer a significant partnership investment opportunity to restore and protect wetland and estuary ecological values, promote strong partnerships, and provide a two to one match of OWEB funds. If agreements between OWEB and local partners proceed this spring for the four federal grants, there is a tremendous opportunity to accomplish a significant amount of the restoration this summer. The following descriptions briefly identify the projects and their status, and describe the next steps in securing the required state match.

A. Lower Salmon River Estuary Restoration

The federal grant for the Lower Salmon River Estuary Restoration is $754,800 with state match of $395,000. This project is ready for funding at the March Board meeting.

1. Project Description

This project involves six separate activities that will complete the majority of the restoration of the Salmon River to intertidal inundation (short of alteration to the Highway 101 causeway). The individual projects are:

- Restoration of Tamara Quays (a trailer park diked from the estuary in the 1960s) by removing fill, infrastructure, and dike. The project will require replacing culverts that affect Rowdy Creek and reestablishing the Rowdy Creek channel through the old trailer park.
- Restoration of Pixieland, an abandoned amusement park. The project will require removal of infrastructure, dike removal and remeandering Salmon Creek.
- Restoration of Crowley Creek by filling a ditch through the marsh surface and breaching a dike along the creek east of Knight Park.
- High-marsh restoration on the Gnos property by filling a subsided marsh to high-marsh elevations.
- Reclamation of Frazier Creek to protect from fish stranding.
- Placing large wood in the estuary.

2. Partners

The partners in the Lower Salmon River Estuary project are the U.S. Forest Service, Salmon-Drift Watershed Council (SDWC), Mid-Coast Watersheds Council (MCWC), Oregon Department of Transportation (ODOT), and Oregon Department of State Lands (DSL).

3. Process and Status

The Lower Salmon River Estuary project is ready for funding by the Board. The state match for this project is OWEB's approval of $232,614 for grant application #208-1040 for the Tamara Quays element of the project. This application is recommended for

funding in Agenda Item F, Region 1. Additional state match of $218,000 will come from funding from ODOT and DSL.

Since there are a large number of elements to the project, it is likely that the entire project will be accomplished through multiple grant agreements. For example, the Tamara Quays element will be implemented through a grant to the SDWC (if approved by the Board). Other elements might be implemented by the MCWC, SDWC, or other eligible parties as identified. Staff have initiated discussions with staff of both councils and is waiting for Board action to finalize implementation details with each watershed council so that grant agreements can proceed.

Staff are asking the Board to authorize the Director to enter into grant agreements for the $754,800 federal grant. This will allow for agreements to be finalized soon after the other state match and implementation details are completed.

B. Lint Slough Restoration

The federal grant for Lint Slough Restoration is $310,000 with $265,000 of state match.

1. Project Description

Lint Slough in the Alsea Bay was altered significantly in the 1950s to rear juvenile fish. The fishway was created by dredging through salt marsh and rerouting Lint Slough channel through a salt marsh. In 2000, OWEB funded a technical evaluation of the project to restore the site to intertidal marsh and relocate the channel to its original location. During the summer of 2007 the first phase of restoration was completed. The grant will fund the remaining two phases of restoration.

2. Partners

The partners in the Lint Slough project are the Oregon Department of Fish and Wildlife and MCWC.

3. Process and Status

Staff have requested submission of a restoration grant application for the Lint Slough state match. Staff will have a group of the Region 1 Regional Review Team (RRT) members review the application and will present the proposal to the Board Partnership Investments Subcommittee for its review. If the review is complete by the end of April, staff may recommend a Board allocation of $265,000 at the May Board meeting.

C. Yaquina Acquisition

The federal grant for the Yaquina Acquisition is $95,725 with a state match of $46,250.

1. Project Description

The Wetlands Conservancy (TWC) identified a parcel of land that complements their previous acquisitions in the Yaquina Estuary. The property is 61 acres and the acquisition will protect high salt marsh in the Poole Slough area.

The Yaquina is unique in that nearly all the intertidal lands were deeded to competing railroads as an enticement for the construction of a railroad from Corvallis to Newport.

The railroad was never built, and the tidelands were deeded to private parties. This grant will add to the conservation purchase of intertidal areas in the Yaquina estuary.

2. Partners

The partners in the Yaquina Acquisition project are TWC, Lincoln Soil and Water Conservation District (SWCD), MCWC, Pacific Forest Trust, Central Coast Land Conservancy (CCLC), and The Nature Conservancy (TNC).

3. Process and Status

Staff have requested TWC to submit a complete land acquisition application, including all required due diligence materials, for OWEB to consider funding the state match component to the Yaquina Acquisition project. Staff will have a group of the Region 1 RRT members review the application for its ecological and educational benefits. The Board Acquisition Subcommittee will be asked to review the application based the land acquisition evaluation criteria, and the results of the RRT evaluation and due diligence review. If this review is complete by the end of April, staff may recommend a Board allocation of $46,250 in capital funds for this project at the May 2008 Board meeting.

D. Alsea Bay Acquisition

The Alsea Acquisition federal grant is $997,350 with state match of $301,000.

1. Project Description

TWC has identified a parcel of land that complements their previous acquisitions in the Alsea Estuary. The property is 223 acres and the project will allow the diked marsh area to be restored to intertidal function.

2. Partners

The partners in the Alsea Bay Acquisition project are TWC, MCWC, private landowner, CCLC, TNC, and Lincoln SWCD.

3. Process and Status

Staff have requested TWC to submit a complete land acquisition application, including all required due diligence materials, for the state match to the Alsea Bay Acquisition project. Staff will have a group of the Region 1 RRT members review the application for its ecological and educational benefits. The Board Acquisition Subcommittee will be asked to review the application based the land acquisition evaluation criteria, and the results of the RRT evaluation and due diligence review. If this review is complete by the end of April, staff may recommend a Board allocation of $301,000 in capital funds for this project at the May 2008 Board meeting.

III. Digitization of National Wetlands Inventory Maps

In recent years, significant progress has been made toward building an electronic map of all wetlands located in the state that is readily available and based on data from the National Wetlands Inventory (NWI). These data are critical to local and state-level decision-making. The maps are the basis for the state's wetland mitigation program, as well as, useful to watershed councils and soil and water conservation districts for determining the change in wetland area over time and for prioritizing restoration activities.

By the end of 2005 only 39 percent of the state was available as geographic information system (GIS) data layers. In 2006, OWEB received $75,000 in funding from the Oregon Geographic Information Council (OGIC), the governing body overseeing GIS development across state government, to coordinate digitization of 353 NWI maps by Oregon Corrections Enterprises, and to develop a data standard and stewardship plan for the new digital wetland maps.

In November of 2007, OWEB staff submitted a proposal to OGIC to fund additional digitization of NWI maps at the encouragement of The Wetlands Conservancy and the Oregon Department of State Lands. In January of 2008, OGIC awarded $48,000 to OWEB for the digitization of 240 additional maps. This will grow the coverage of high-quality publicly available NWI maps to nearly 70 percent of Oregon's land area. (Attachment A)

OWEB staff are coordinating with the U.S. Fish and Wildlife Service's (USFWS) National Wetlands Inventory office and Oregon Corrections Enterprises to implement the upcoming digitization work. Digital maps are scheduled for delivery by Corrections staff in September of 2008. Final quality assurance and quality control work will be conducted by USFWS staff.

This project is complemented by The Wetlands Conservancy's initiative to revise outdated NWI maps in western Oregon. In total, these two projects will result in over 75 percent of the state having comprehensive, electronic maps delineating the location of wetlands.

Staff are likely to report back to the Board at the May 2008 Board meeting on the results of the work conducted this spring and to request consideration of funding from Pacific Coastal Salmon Recovery Funds for digitization of the remaining NWI maps in Oregon.

IV. Compliance and Effectiveness Monitoring of Wetlands Projects

OWEB has provided nearly $10 million to wetland restoration projects around the state between 1999 and 2008. This is the sixth largest investment in restoration activity of all project types undertaken using Measure 66 funds. As such, OWEB staff have identified wetland restoration projects as a significant type of restoration activity and the next project type positioned for effectiveness monitoring focus.

OWEB staff have worked with the U.S. Environmental Protection Agency (EPA) to establish a wetland monitoring and assessment program in Oregon. In late January of 2008, EPA released its 2008 Request for Proposals for Wetlands Program Development Grants. Priority areas identified by EPA for this funding cycle include 1) developing a comprehensive monitoring and assessment program, 2) improving the effectiveness of compensatory mitigation, and 3) refining the protection of vulnerable wetlands and aquatic resources.

Staff from Oregon Department of State Lands (DSL) and OWEB developed a grant proposal to EPA that creates the framework for an Oregon Wetland Monitoring and Assessment Program encompassing compliance monitoring of the State's compensatory wetland mitigation projects and effectiveness monitoring of restoration projects. The grant application is due March 14, 2008, and OWEB should be notified of EPA's decision by early May of 2008.

The purpose of the program will be to quantify the functions, conditions, and associated services of naturally occurring and restored wetlands. Of particular importance to OWEB is the information from the wetland monitoring and assessment program that will be used to report on

the effectiveness of wetland restoration and conservation projects. This work will interface well with the planned national assessment of wetlands planned for rollout by EPA in 2010.

DSL will use the resulting wetland information to evaluate the performance of compensatory wetland mitigation projects. OWEB will use the wetland monitoring information to report on the effectiveness of funded restoration activities (i.e., are restoration projects having a measurable, positive effect on the condition of wetlands within a watershed) and guide the geographical placement and design of future restoration practices. DSL and OWEB staff will propose that initial implementation of the wetland monitoring and assessment program focus on the development of a wetland monitoring network within the Willamette Basin, which likely would complement and inform investments associated with the Willamette Special Investment Partnership.

Staff will present alternatives for future funding of effectiveness monitoring to the Board Monitoring and Research Subcommittee, including companion funding for wetland effectiveness monitoring in additional Oregon Plan Reporting Basins. The results of the Subcommittee discussions will be presented to the Board at the May 2008 Board meeting.

V. Staff Recommendation

Staff recommend the Board delegate to the Director the authority to enter into the appropriate grant agreements for the $754,800 in USFWS funds to accomplish the Lower Salmon River Estuary restoration project as identified in the federal grant application.

Board action is not requested at this time on the digitization of wetlands maps and the potential EPA grant for compliance and effectiveness monitoring of wetland projects.

Attachment

A. Status map of National Wetlands Inventory digitization

Oregon Status Map
National Wetlands Inventory
February 2008

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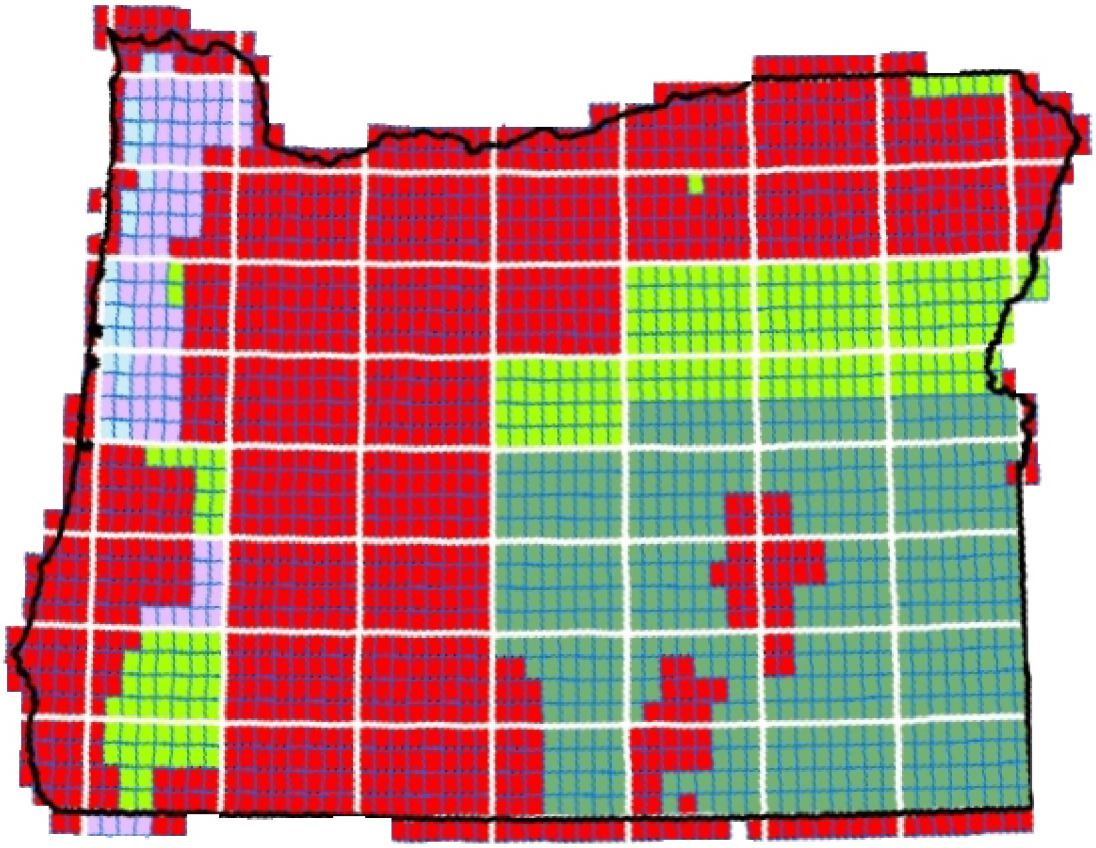

Legend

- Outdated Partial Quads (updated product in development by TWC)
- Outdated Final Quads (updated product in development by TWC)
- Digital
- 2008 Digitizing
- Remaining Quads to be Digitized

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Miles