

... to sustain & improve the Hood River Watershed through education, cooperation, & stewardship"

JANUARY 26, 2021 MEETING MINUTES

Watershed Group Members Present

Cindy Thieman
Holly Coccoli
Kate Conley
Rick Larson
Alex Johnson
Ann Gray
David Tallman
Whitney Reynier

Alix Danielsen Gary Asbridge Brian Nakamura Kate Hart David Tallman Annie Alsheimer Glen DeWillie **Rick Ragan**

Steve Pribyl Kevin Liburdy Peter Bushnell Sam Doak Andrew Spaeth Dan Ball

Heather Hendrixson Megan Saunders Jim Wells Raija Bushnell Jason Keller Les Perkins **Benjamin** Cary Nate Ulrich

** This meeting was conducted virtually via Zoom.

Welcome and Introductions

At 6:02pm, Chuck Gehling welcomed everyone to the January meeting and stated the mission of the Watershed Group. Alix read through the list of attendees and their affiliations and provided some general logistics about the meeting. There were 38 people in attendance. Cindy introduced the speakers, Raija Bushnell and Margi Hoffman.

Raija Bushnell has spent the better part of the last decade working on both water and renewable energy project development and implementation. Combined with an educational background in policy and environmental science, she is able to contribute both technical and policy knowledge to the Irrigation Modernization projects.

Margi Hoffmann has been working on energy and climate issues for the last ten years at the local, state, regional and federal levels. She has vast experience collaborating across a broad range of stakeholders, including public and private utilities, environmental, labor and consumer protection organizations, industrial customers, and business and trade associations.

Monthly Informational Presentation

Margi Hoffman, Director of Strategic Operations, and Raija Bushnell, Program Specialist with Farmer's Conservation Alliance, presented on Irrigation Modernization in Hood River and Beyond.

Margi began by providing background on FCA, which is a 501c3 nonprofit that was formed to do three things: to get federal approval to install the Farmers Screen, to take the screen to market, and to reinvest all profits from the screen into developing new technologies and programs that would benefit agriculture and the environment. Jerry Bryan, former Manager for Farmers Irrigation District, invented the "Farmers Screen", which is a horizontal screen that addresses issues with debris buildup and fish passage.

FCA has installed 50 screens across seven western states. The largest horizontal screen worldwide, the Derby Dam screen on the Truckee River, was installed in 2020, and connects the last piece of habitat for the Lahontan cutthroat trout – they can now travel the full length of their habitat. The FCA Foundation was founded to support the huge needs of farmworker housing and healthcare. In 2020, FCA made their first investment of \$20,000 out of the foundation.

Irrigating the West

Most irrigation infrastructure was installed in the late 1890s to early 1900s and was largely open canals that moved water from the diversion to the points of irrigation. A modernized system includes fish screens at the point of diversion, pressurized pipe, hydroelectric power, and on-farm efficiencies from pressurized systems (instead of pumped systems).

The reason FCA focuses on mainstem irrigation district infrastructure is because 80% of water used for agriculture moves through these aging systems. Aging infrastructure, expanding population, persistent drought, climate change, and declining fish populations stress scarce water resources, and to date there has been limited progress in attracting large-scale investment in comprehensive, unifying solutions. FCA recognized that success would require a larger common vision that, in partnership with irrigators, united policymakers with private, philanthropic and public stakeholders and communities.

Accelerating Modernization

FCA decided to look holistically at the whole irrigation district system. Instead of just focusing on the fish screen upgrades, they look at all the irrigation modernization opportunities and work to understand how those opportunities could benefit agriculture and the greater community. In 2015, FCA launched the Irrigation Modernization Program, which initially worked with 12 irrigation districts to design and build optimal irrigation systems that utilize the best available technologies to provide reliable water, reduce operations and maintenance costs, and maximize environmental benefits. This holistic approach helps reduce implementation barriers while also increasing opportunities for funding and support. This process involves extensive data analysis and outreach, all rolled up into an engineering document and modernization strategy.

FCA is currently working with about 30 irrigation districts and has identified \$3 billion in eligible projects. 50+ irrigation district infrastructure projects have been installed in the Western US, including a \$31 million Farmers Screen Project with the Bureau of Reclamation and a \$175 million investment in the Deschutes Basin alone.

Raija provided information about local projects. Here in the Hood River Basin, FCA is working on the Farmers Irrigation District Microgrid Study, East Fork Irrigation District Hydropower Potential, and East Fork Irrigation District Piping.

FID has been working with FCA since it began, and often serves as a model for what a modernized system looks like. The FID Microgrid Study looks at whether the FID hydropower system could be used to create a microgrid to support community resiliency during a power outage (particularly critical care facilities) and to support local utilities as an ancillary service.

The EFID Hydropower Potential Project is looking to see whether there is in-pipe hydropower potential within the EFID system, and if so, how it might be implemented. In-pipe hydropower is often used as a source of revenue that can be used to further modernize the system. EFID has approximately 9,600 irrigated acres with 990 patrons during the April through September irrigation season. The irrigation system is about 83 miles. An estimated 18% or 16.6 cfs of water diverted is lost to end spills (5,287 acre-ft/year). That is equivalent to about 1.7 billion gallons, or the amount of water that 47,000 people use in a year.

The current phase of the EFID implementation began in 2017 when the HRWG helped EFID secure funding to pipe the Eastside Lateral with money from the Watershed Protection and Flood Prevention Program (PL 83-566). This funding is managed and funded by the NRCS and allows eligible irrigation district to apply for up to \$25 million in construction funding. To be eligible for funding, the district needed a Watershed Plan Environmental Assessment, which the FCA developed in partnership with EFID over the course of two years. The Plan was authorized in the fall of 2020.

The proposed project will include the piping of 17.5 miles of canals and the upgrade of up to 38 miles of aging sub-lateral pipe. A sedimentation basin that will help manage the glacial sediment in this irrigation system will be installed as part of the project, implemented in three project groups over ten years. The total project cost is estimated at \$68,700,000.

The benefits of this project include improved water delivery reliability, pressurization for patrons (estimate of \$319,000/yr savings in electricity costs from pumping), a decrease in operation and maintenance costs, improved district water supply, and the protection of 12.45 cfs of water in the East Fork Hood River (and the ultimate saving of an estimated 16.6 cfs from the elimination of end spills). This water will augment stream flows for native fish, including coho, Chinook and steelhead.

Project Partnerships and Forward Progress

Raija shared a picture showing a ribbon cutting ceremony from Tumalo Irrigation District marking the completion of their first modernization project. It was also the first watershed plan that FCA completed. The picture includes the head of an

environmental nonprofit, the head of NRCS, the irrigation district manager, and Senator Merkley. Raija looks forward to a similar picture from an EFID ribbon cutting ceremony when the modernization project is completed.

Chuck thanked Raija and Margi for the presentation and opened up the floor for Q&A.

Cindy noted that the work FCA did to develop the Watershed Plan for EFID was crucial to the success of current and future pipeline projects on the district.

Glen DeWillie asked what the flow is for the Derby Dam Screen and Margi answered that it is a 600 cfs screen in four modules. Margi shared a video of the screen at vimeo.com/471279417.

Holly asked if the \$25 million from NRCS is guaranteed if the watershed plan is completed. Margi noted that it is not guaranteed and that EFID will have to apply annually for the funds. With the watershed plan in place, however, the process is far less onerous. EFID is one of about ten irrigation districts with an approved plan, which makes it very likely they will receive funds each year.

Heather asked how FCA is funded to write these watershed plans. Margi answered that Senator Merkley helped with the process of appropriating money into the Watershed Protection and Flood Prevention Program. Since then, FCA has been able to secure \$45 million in NRCS funding to help fund their assessment work. FCA has also received funding from Energy Trust of Oregon.

Raija noted that no in-pipe hydro will be funded with the PL-566 funds.

Lucius Caldwell asked about the 12.45 cfs and what time of year the stream flows benefit from these savings. Holly noted that the minimum flow right below the diversion is 15 cfs (John noted that there is a new agreement with the Tribes of a 17 cfs minimum flow; goal to get to 27 cfs in the future). The cfs saved would be actualized during the irrigation season and would provide the most benefit during these minimum flow periods. Raija noted that these environmental benefits are a key component of the overall benefits of these modernization projects, in addition to the clear agricultural benefits.

Heather asked about the BEF restoration certificate program and whether any of that funding has been used for these modernization projects. Margi noted that the core matching funds have come from OWEB and OWRD, but any non-federal funding opportunities will be important for the ongoing matching needs. Alex Johnson noted that the certificates are predominately funded by corporate sustainability programs for offset purposes, and the Freshwater Trust has been working with these funds on several projects. Alex recommended looking into this further but local relevance will be the deciding factor.

Cindy gave a final shoutout to all the irrigation districts in the basin for all the remarkable work they have done to modernize their systems.

** This presentation was recorded and can be found at: https://hoodriverwatershed.org/recording-available-for-irrigation-modernization-in-hood-river-and-beyond/

Review and Approval of Last Meeting Minutes

Chuck asked if there were any corrections to the November minutes. No changes were noted and the group approved the minutes.

Old Business

Comment Letter to DEQ on 2022 Integrated Report Methodology for Watershed Assessment Units

Cindy explained that DEQ released the draft '2022 Integrated Report Methodology for Watershed Assessment Units'. With this methodology, water quality status is broken into HUC-12 watershed assessment units and data from different monitoring stations determine the 303(d) status for the HUC, even if streams are not hydrologically connected. This could affect watershed projects in several ways, including an increased cost of permit reviews if a project is taking place in a listed stream.

This issue was raised at a meeting about a year ago, but the comment window did not allow sufficient time for HRWG to respond. There is a new comment period open now, and HRWG developed a draft comment letter. Cindy walked the group through they key points of the letter.

Les and Megan have had a separate meeting with DEQ to discuss issues that will directly affect FID.

Smita noted that she appreciates that FID and HRWG are bringing this issue up and that the timing was timely as part of other permitting review processes. There were similar internal reviews that reflected these issues as well.

The group provided second consensus to submit a comment letter to DEQ on the 2022 Integrated Report Methodology for Watershed Assessment Units.

Updates on HRWG exploration of becoming a 501(c)3 non-profit organization

Cindy presented a series of slides with the highlights of the 501c3 research and proposal, beginning with some general HRWG background and reasoning for the pursuit of 501c3 status at this time. Cindy noted the key pros for pursuing 501c3 status, including diversifying and increasing funding opportunities (foundation funding, individual and business donations, partnership applications), improving the identity and visibility of the HRWG, and opportunities with a board of directors and increased community engagement. A conservative estimate of \$37,000 could be brought in from foundations and donations by year three. Cindy noted that 46 of the 55 OWEB-funded watershed councils are currently 501c3s. Three are associated with 501c3s, and the remaining six have a fiscal sponsorship arrangement with an SWCD.

Cindy noted several cons for pursuing 501c3 status, including new costs for the 501c3 and the SWCD (some costs would no be longer shared), increased administrative time for the HRWG Coordinator, and that change can be stressful. A balance sheet was developed that outlined the new cost structure. The potential 501c3 gains surpassed the increased costs within the first year.

Megan Saunders asked if there was a clear list of what would change (i.e., double consensus) with 501c3 status? Cindy noted that there would be further discussion on this to determine what would work best for the HRWG considering what would be required. There are some requirements under Oregon law, like the need for a board of directors with a minimum of three people.

Holly asked what the scope/magnitude of the financial impact would be on the SWCD. Cindy noted that there has been a first pass at looking at this and based on this analysis the impact would be relatively neutral. There is further discussion to be had on this topic and additional details to flesh out.

Gary asked if there was a timeline or deadline for this process. There is not. The strategic action plan and the opportunity to diversify funding at this stage to support the expanded project work is the timing relevance.

Les noted that his biggest concern would be the loss of functional organization. He appreciates the double consensus model and is concerned with what that loss of that model/structure/governance may mean for the dynamic of the HRWG. Cindy noted that this will be a crucial topic in the next stage of discussion.

Brian noted that several years ago the Columbia Gorge Fruit Growers discussed establishing a 501c3 for foundation purposes and asked if that would be considered. This has been discussed but without any continuing interest due to logistical issues and the elimination of other benefits.

Heather expressed that there is a lot of work to do yet and that with the organizations enmeshed that it would be a complicated process and outside help would be advisable.

Chuck noted that this has been a long time coming, and this would be a good time considering the strategic plan and the Partnership. There will indeed be a lot to navigate and understand how this would work.

Megan asked what the next steps would be. Cindy explained that a prospectus was shared with the HRWG and the SWCD board in the fall and a list of questions was developed. The questions have been answered and they will be discussed with the SWCD board at the next board meeting. From there, next steps will be determined. Outside legal or mediation help may be considered. Kate expressed her support for bringing in outside help to help navigate the process. Rick Ragan supports a cautious process forward.

New Business

Officer & Operations Committee Elections <u>Officer candidates</u>: Chuck Gehling, Chair; John Buckley, Vice Chair <u>Operations Committee candidates</u>: Jim Wells (agriculture), Greg Short (at-large), Sam Doak (forestry), Chuti Fiedler (natural resources)

Cindy walked the group through the list of candidates. Cindy noted that Chuti Fiedler is a new candidate, filling Phil Simpson's role.

Heather asked if John's retirement would affect his Vice Chair role. It would not.

All present were in favor of the slate as listed.

HRWG 2021-23 Workplan

Cindy walked the group through the proposed 2021-23 workplan, which is usually submitted to OWEB as part of the council capacity funding, but they are not required this year. The workplan includes project work in 2021 (Eastside Lateral, Neal Creek, West Fork at Red Hill), the strategic action plan, watershed stakeholder engagement, and organizational development.

The group provided first consensus to adopt the HRWG 2021-23 workplan as presented.

Announcements

John noted that the Eastside Lateral project is going well – about 1/3 has been installed to date. So far, the project is on track, and as long as there isn't any significant snow they should stay on time.

Heather noted that the SWCD native plant sale is online. Additionally, the SWCD is working with Ashley from OSU on an OWEB grant on Spanish-language pesticide management.

Megan Shearer noted that CTWS is under a 50% shutdown.

Summary of Consensus Items and Establishment of Next Meeting

Items that Received First Consensus: Approval to adopt the HRWG 2021-23 workplan as presented.

Items that Received Second Consensus:

Approval to write and submit a comment letter to DEQ on the 2022 Integrated Report Methodology for Watershed Assessment Units.

The next meeting will be held virtually on February 23rd from 6-8pm.

Adjournment

Chuck thanked the group for attending and adjourned the meeting at 8:20 pm. Reported by Alix Danielsen.