



# MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

*Rely on us.*

TO: Commissioners Mital, Schlossberg, Helgeson, Brown, and Carlson  
FROM: Karen Kelley, Water Operations Manager; Karl Morgenstern, Water Resources & Quality Assurance Supervisor  
DATE: September 30, 2020  
SUBJECT: Watershed Restoration and Recovery  
OBJECTIVE: Support for Budget Amendment, Resolution 2024

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## **Issue**

The recent and still active Holiday Farm wildfire has burned over 170,000 acres across the middle McKenzie Watershed. Over 400 homes have been destroyed and large-scale damage has been inflicted to the McKenzie Watershed, presently EWEB's sole source of drinking water. The damage to the watershed has the potential to degrade water quality, increase treatment costs, and reduce the production capacity of EWEB's Hayden Bridge treatment plant for years to come if restoration efforts are not undertaken in key areas. The following discussion outlines immediate and near-term categories of actions EWEB is planning with partners that will require a Board-approved 2020 water utility budget amendment for these actions to be implemented quickly and efficiently.

## **Background**

In 2018, EWEB's Board approved a 10-year strategic plan to protect the McKenzie Watershed as EWEB's sole source of drinking water. The programs and partnerships developed in support of implementing this strategic plan can now be leveraged to provide short- and long-term restoration and recovery efforts on a large scale. As EWEB explores providing financial and other resources in support of these efforts, staff are also working to line up Natural Resource Conservation Service (NRCS), Federal Emergency Management Agency (FEMA), Environmental Protection Agency (EPA), and local and State funding that build on and leverage EWEB's investments.

## **Discussion**

The following discussion outlines current actions and strategy towards watershed restoration and recovery based on situational information to-date, review of various watershed recovery literature and resources, and in coordination with EWEB partners. Based on recommended best practices, Staff are requesting funding and support for early and short-term actions to mitigate risk from erosion and burned debris getting into the river and threatening water quality. Federal funding will not be available for watershed recovery efforts until next summer. Leveraging EWEB contributions early in restoration will allow critical work to start immediately. Early actions to get through the winter storms with reduced erosion and sedimentation impacts are a priority. As federal and other funds become available, EWEB funds will focus on addressing gaps not covered by other sources. On Friday September 25, 2020, EWEB submitted four (4) initial FEMA grant proposals totaling

\$1.55 million for revegetation work, floodplain restoration, and working with willing landowners for future land acquisition using FEMA funding. Staff plans to submit funding requests to FEMA, EPA, and NRCS over the next 60 days. Other contributors that are part of the Pure Water Partners (PWP) program have committed to making continual or increased investments in watershed restoration over the next few years.

EWEB has the opportunity to take near-term actions to address high priority risks to the watershed associated with severely burned areas, damaged structures, and debris. These actions are grouped into the following strategic categories or themes: Watershed Assessment and Risk Analysis; Early Stabilizing Actions; Short-Term Revegetation Actions; and Longer-Term Recovery Assistance. These strategies are designed to direct work to highest priority areas for immediate triage that stabilizes soil for revegetation planting in winter. In addition, EWEB wishes to aid residents as they start rebuilding homes and communities that better protects water quality over the long term.

Table 1 summarizes EWEB’s McKenzie Watershed near-term/high-priority spending allocations for immediate and near-term response and recovery actions to address impacts from the Holiday Farm wildfire on the McKenzie Watershed, Eugene’s sole source of drinking water.

Table 1: Summary of EWEB’s Near-Term Priorities for McKenzie Watershed Recovery

Strategic Theme	Program Type	Funds Requested 2020	Timeline	Partner Leads	Other EWEB Resources
<b>Watershed Assessment &amp; Risk Analysis</b>		<b>\$330,000</b>	<b>Immediate</b>		
	GIS Analysis & Assessment Tools	\$150,000	Immediate	LCOG	GIS
	WQ Monitoring & Early Warning Network	\$180,000	Short-Term	USGS, OSU	Environmental Mngt, IT
<b>Early Stabilizing Actions</b>		<b>\$250,000</b>	<b>Immediate</b>		
	Materials & Supplies	\$75,000	Immediate	MWC, Lane County, SWCD, Eugene	Vegetation Mngt, Environmental Mngt., Generation, Purchasing
	Landowner Burn Assessments/BMP Implementation	\$175,000	Immediate	MWC, SWCD, NWYC	Vegetation Mngt., Environmental & Property Mngt., Water Construction, Generation
<b>Short-Term Revegetation Efforts</b>		<b>\$275,000</b>	<b>Short-Term</b>		
	Seedlings/Plant Material & Supplies	\$30,000	Immediate	MWC	Environmental Mngt., Generation, Purchasing
	Landowner Assessment & Design	\$45,000	Short-Term	MWC, SWCD	Environmental Mngt.
	Contractor/Crew Implementation	\$200,000	Short-Term	MWC, SWCD, NWYC	Vegetation Mngt., Water Construction, Environmental Mngt., Generation, Purchasing
<b>Long-Term Recovery Assistance</b>		<b>\$175,000</b>	<b>Long-Term</b>		
	Septic Systems and Community Wastewater Grants	\$25,000	Short-Term	Lane County, CDC	Customer Solutions, Finance
	Zero Interest Loan Program - Increase Funds and Scope	\$150,000	Short-Term	SWCD	Customer Solutions
	Provide 25% Match for Federal Funds	\$0 (2021)	Long-Term	MWC, SWCD, LGOC	Finance
	Land Acquisition/Conservation Easements	0 (2021)	Long-Term	MRT	Property Mngt., Finance
<b>TOTAL</b>		<b>\$1,030,000</b>			

Watershed Assessment and Risk Analysis

EWEB has a pressing need to invest in the enhanced ability to use GIS and other data/information generated on fire impacts, combined with existing data layers on soil type, slope, tax lots, runoff features, land use, and other locational data to assess post-burn watershed conditions, identify high

priority areas in which to direct work, and identify landowners with whom we need to work. EWEB has prepared and planned for this to be completed within a few weeks. The immediate time-critical work included in this category of watershed recovery is summarized below:

- Watershed GIS analysis and prioritization;
- Revision of existing assessment and decision-making tools used for PWP to accommodate burn assessment and response work;
- Enhancement of existing PWP landowner intake tools for coordinating and tracking communications and workflow;
- Expanded water quality monitoring and analysis to assess impacts, direct work to problem areas, and understand if response actions are making a difference; and,
- Expanded early warning network of real-time water quality stations with telemetry for areas with significant severe burn characteristics (i.e., Gate Creek and Quartz Creek).

#### Early Stabilizing Actions

While watershed assessment efforts are underway to identify where EWEB and local partners need to focus stabilization efforts, there is an immediate need to develop prescriptions or best management practices (BMPs) to address conditions likely to be found on the ground, identify and address logistical needs to facilitate quick action, and design the workflow process for an efficient and coordinated response that focuses on erosion control of severely burned areas and other high priority actions with willing landowners. The immediate time-critical work included in this category of watershed recovery is summarized below:

- EWEB and its partners are currently completing development of BMPs for various landscapes and conditions we expect to find as a result of the fire;
- Acquiring materials and supplies, equipment, labor, and specific contracting needs to support implementing these BMPs in priority areas identified in the watershed assessment analysis; and,
- Training and deploying the additional workforce needed to use the tools developed to efficiently work with landowners to identify their needs, obtain consent to work on their property, conduct burn assessments, recommend and design appropriate BMPs, and deploy teams to implement the BMPs.

#### Short-Term Revegetation Actions

Best practices highlight the importance of early actions designed to get the watershed through the winter storms with reduced erosion and sedimentation impacts, which will be followed by more intensive restoration work in priority upland, riparian, and floodplain areas. Supporting this effort will require securing approximately 250,000 to 300,000 native seedlings and plant materials that can effectively treat about 200-300 acres of priority upland/riparian/floodplain impacted areas. These early restoration actions will be supplemented with larger scale projects as federal and other funding becomes available (likely requiring 25% EWEB or other match). EWEB investments early on can likely be counted toward the 25% federal match requirement. These projects will be built on earlier burn assessment efforts and managed through the PWP program pipeline to provide documentation of needs, restoration design/plans, landowner agreements, implementation, and long-term monitoring. The immediate time-critical work included in this category of watershed recovery is summarized below:

- Secure adequate native seedlings and plant material to support short-term revegetation efforts on priority areas identified from the watershed assessment and initial burn assessments

- during this winter;
- Secure adequate labor and contractor resources to accomplish planting hundreds of acres in a short timeframe; and,
- Revise the PWP process to focus on revegetation and restoration design with landowner input for scaling up restoration efforts in priority areas.

### Longer-Term Recovery Assistance

The longer-term recovery efforts will be addressed with future EWEB investment requests that are calibrated with federal and other partner contributions. Immediate funds will not be requested for this category of watershed recovery, except for planning and coordination activities. The focus of future EWEB investments are in areas that federal and other funds do not address and to provide match opportunities to maximize federal investment in the McKenzie. The immediate time-critical work included in this category of watershed recovery is summarized below:

- Securing native plant material and labor to accomplish 2020/2021 winter plantings in priority areas designated for revegetation efforts;
- Revise the PWP process to incorporate burn area revegetation efforts;
- Provide opportunity for landowners to receive grant funds for satisfying federal match requirements for FEMA and NRCS contracts, allowing more federal investment in the watershed;
- Expand existing 0% interest loan fund program for septic system repair and replacement to include agricultural water quality projects;
- Increase the amount available for issuing 0% interest loans for septic systems and agriculture water quality projects to allow more loans to be issued;
- Establish a grant program for septic maintenance, septic system repair and replacement, and development of community wastewater treatment systems that replaces individual septic systems in dense unincorporated areas; and,
- Establish funding to support land acquisition or conservation easement opportunities in the watershed for landowners who don't wish to rebuild or want to pursue other options for diversifying investment sources.

### **Recommendations**

Staff recommends the Board approve the Water Utility O&M Budget Amendment as proposed by Management, Resolution No. 2024, for the intended allocation of initiating immediate time-critical McKenzie Watershed recovery actions as highlighted in this memorandum.

Ongoing future investments in McKenzie Watershed recovery will be included in future budgets and rate/surcharge proposals for Board consideration. Initial estimates indicate EWEB's investment in McKenzie Watershed recovery could total approximately \$10 million over five years. Upcoming budget proposals will seek more specific Board guidance on watershed recovery funding levels and approaches.

### **Requested Board Action**

Approval of the Water Utility Budget Amendment Resolution No. 2024 intended to increase the FY2020 McKenzie Watershed recovery budget by approximately \$1,030,000.