

EWEB Board Consent Calendar Request

For Contract Awards, Renewals, and Increases

The Board is being asked to approve the use of additional grant funding under an existing Memorandum of Agreement to support the **McKenzie River Trust** in the **Acquisition and Management of approximately 174-Acres of Land in the Gate Creek Watershed near Vida, Oregon.**

Board Meeting Date: April 1, 2025

Project Name/Contract #: Acquisition and Management of Wildfire Impacted Properties in the McKenzie River Area for Habitat and Water Quality Protection / 21-052-A

Manager: Mike Masters Ext. 7549

Primary Contact: Karen Kelley Ext. 7153

Contract Amount:

Original Contract Amount: \$1.5 million (Board approved April 6, 2021)

Additional \$ Previously Approved: \$400,000 (Board approved June 4, 2024)

Spend over last approval: NA

Amount this Request: \$600,000

% Increase over last approval: 31.6%

Resulting Cumulative Total: **\$2.5 million**

Contracting Method:

Method of Solicitation: Grant to Facilitate Property Acquisition

If applicable, basis for exemption: Exemption - EWEB Rule 6-0110

Term of Agreement: April 2021 – December 2026

Option to Renew? No

Approval for purchases “as needed”: Yes No

Proposals/Bids Received (Range): NA

Selection Basis: Direct Negotiation – Memorandum of Agreement (MOA)

Narrative:

Operational Requirement and Alignment with Strategic Plan

The McKenzie River is the sole source of drinking water for more than 200,000 people in Eugene and surrounding communities. In 2001, EWEB implemented a comprehensive drinking water source protection program to safeguard this critical water resource for current and future generations. The McKenzie River Trust (MRT) has collaborated with EWEB on various property acquisitions, restoration projects and land management activities throughout the McKenzie watershed with a shared goal of protecting our drinking water quality. MRT along with EWEB, McKenzie Watershed Council and the US Forest Service have identified a parcel of land for purchase in the Gate Creek watershed. This property was targeted for acquisition for conservation to enable restoration work on the parcel that would lower floodplain elevations and in turn help filter water for drinking water quality and provide habitat for ESA-listed species.

The McKenzie River Trust (MRT) appears successful in its option to purchase the approximately 174-acre property through an unsolicited offer to the current landowner, **which is scheduled before June 30, 2025.** This property contains a floodplain forest with extensive wetlands in Gate Creek. The acquisition also includes burned upland

forests that can be converted from industrial timber use to conservation forest management. This section of Gate Creek provides spawning habitat for Chinook salmon, foraging habitat for Bull trout, and is a stronghold for native Rainbow trout. By acquiring the property, MRT will work with EWEB and local partners to design a floodplain reconnection project, helping ensure both significant fish and wildlife habitat conservation and protection of Eugene's drinking water source.

Contracted Goods or Services

The McKenzie River Trust will own and manage this additional lot of approximately 174-acres as part of the expanded Finn Rock Reach conservation area. EWEB may work with MRT in the future on the potential to develop a carbon sequestration project, which if successful will be captured under a separate agreement for future Board approval.

Purchasing Process

Under the existing Agreement with MRT, nine floodway tax lots associated with destroyed homesites have been acquired to date resulting in removal of foundations, septic systems, driveways and other infrastructure to allow for restoration of the floodplain. The purchase of this property will be completed with Oregon Watershed Enhancement Board (OWEB) funds that are passed through EWEB to McKenzie River Trust.

OWEB: \$1,000,000

McKenzie River Trust: \$44,303

EWEB: \$7,500

ACTION REQUESTED:

Management requests the Board approve the use of additional grant funding under the current MRT Agreement for acquisition of approximately 174-acres in the Gate Creek Watershed. Approximately \$1 million was planned for this acquisition in the Oregon Water Enhancement Board Gate Creek Acquisition Grant Award 222-8503-24175. Variances will be managed within the budget process and Board policy.

BUDGET CATEGORY: Water O&M, Source Protection, Land Acquisitions