

## **EWEB Board Consent Calendar Request**

*For Contract Awards, Renewals, and Increases*

The Board is being asked to approve the use of funding under the existing Memorandum of Agreement to support the **McKenzie River Trust** in the **Acquisition and Management of an Additional 645-acres Adjacent to the existing Finn Rock Reach Conservation Area.**

Board Meeting Date: July 5, 2022  
Project Name/Contract #: Acquisition and Management of Finn Rock Phase 2 properties / 21-052-A  
Primary Contact: Karen Kelley Ext. 7153

### **Contract Amount:**

Original Contract Amount: \$1.5 million (Board approved April 6, 2021)  
Additional \$ Previously Approved: NA  
Invoices over last approval: NA  
Amount this Request: \$660,000 (not an increase-requesting approval for property acquisition)  
Percentage over last approval: NA  
Resulting Cumulative Total: **\$1.5 million**

### **Contracting Method:**

Method of Solicitation: Grant to Facilitate Property Acquisition  
If applicable, basis for exemption: Exemption - EWEB Rule 6-0110(d)  
Term of Agreement: April 2021 – December 2026  
Option to Renew? No  
Approval for purchases *“as needed”*  
for the life of the Contract: Yes  No   
Proposals/Bids Received (Range): NA  
Selection Basis: Direct Negotiation - 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. On July 5, 2022, in an executive session, the Board discussed use of up to \$660,000 to support stewardship and restoration of the 645-acre Finn Rock Phase 2 property. The Board is being asked to approve use of funds from the existing \$1.5 million Agreement with McKenzie River Trust that is focused on floodway acquisitions of destroyed homesites for this opportunity to expand stewardship and restoration of the Finn Rock Reach conservation area located near Blue River.

The McKenzie River Trust (MRT) appears successful in its bid for the 645-acre property through an unsolicited offer to the current landowner, which is scheduled to close in August 2022. This property contains floodplain forest with extensive wetlands in Quartz and Ennis Creek confluence areas, braided side channels, and the mainstem McKenzie River flowing through portions of it. The acquisition also includes burned upland forests that can be converted from industrial timber use to conservation forest management to sequester carbon in

partnership with the University of Oregon. This section of the McKenzie River provides spawning habitat for Chinook salmon, foraging habitat for Bull trout, and is a stronghold for native *Redside* rainbow trout. Interior forests are diverse and include impressive stands of cottonwood, Big-leaf maple, and cedar. By acquiring the property, the Trust will remove 2 residences located on the McKenzie and bring two other homes under conservation ownership. Adding these parcels to the current Finn Rock Reach conservation area will facilitate floodplain restoration work in Quartz and Ennis Creek confluence areas and helps 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 645-acres as part of the expanded Finn Rock Reach conservation area. EWEB will work with MRT 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. MRT matches EWEB investments dollar for dollar. In the Finn Rock Reach Phase 2 acquisition, EWEB's \$660,000 is being matched by \$1.39 million in other funding.

#### **ACTION REQUESTED:**

Management requests the Board approve use of funding under the current MRT Agreement for acquisition of 645-acres to expand the Finn Rock Reach conservation area. Approximately \$660,000 was planned for these goods or services in the Watershed Recovery/Department 378 2022 budget of \$4.25 million. Variances will be managed within the budget process and Board policy.