

**Approved by the Board January 24, 2006
Oregon Watershed Enhancement Board**

**September 13, 2005
OWEB Board Meeting
Jordan Valley, Oregon**

Minutes

OWEB Members Present

Paula Burgess
Alan Christensen
Dan Heagerty
Skip Klarquist
Jim Nakano
Jane O’Keeffe
Scott Reed
Diane Snyder
Michael Tehan
Dan Thorndike
Helen Westbrook

OWEB Staff Present

Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Douglass Fitting
Mark Grenbemer
Karen Leiendecker
Melissa Leoni
Greg Sieglitz
Tom Shafer
Roger Wood

Others Present

Wayne Hoffman
Margaret Nover
John Moriarty
Nan Evans
Russ Hoeflich
Garth Fuller
Bruce Taylor
Chad Karges
Marty Suter
Lance Phillips
Chuck Sams
Bud Greeley
Gary Marshall
Doug Terry
Rich Bennett
Elias Jaca
Inez Jaca
Clinton Shock
Jennifer Martin
Hilary Heller
Carl Hill

Members Not Present

Bobby Brunoe
Dan Carver
Dianne Guidry
Dave Powers
Patricia Smith
Ken Williamson

Due to the absence of a Board quorum at its meeting on September 13-14, 2005, voting members were polled regarding recommended funding decisions. As funding recommendations were developed, Board members developed consensus opinions from the staff’s recommendations as outlined in the staff reports. However, voting to expend funds was postponed until a later date when a Board quorum would be available via telephone conference call. At that time, funding recommendations discussed at the September 13-14 meeting will be revisited and voted on.

A. Board Member Comments

Representatives on the OWEB Board commented on recent activities and issues facing their respective agencies. Board Co-Chair Dan Heagerty introduced new Board members Jim Nakano and Helen Westbrook.

B. Minutes

Minutes of the following Board meetings were unanimously approved as corrected:

- | | |
|-----------------|---|
| May 25-26, 2005 | Board meeting in Salem (<i>added Representative Jackie Dingfelder to list of attendees</i>) |
| August 8, 2005 | Special Board meeting via telephone conference call |

C. Executive Director Update

Executive Director, Tom Byler, provided the following comments to the Board.

- OWEB has two new Board members, Dan Carver representing the Board of Agriculture replacing Pat Wortman; and Ken Williamson representing the Environmental Quality Commission replacing Mark Reeve.
- Byler provided a brief overview of OWEB's 2005-2007 Legislatively Adopted Budget.
- Louise Solliday is completing work on the Governor's Willamette River Legacy Project and will report to the Board at its January 2006 meeting.
- OWEB is working with NMFS and the states of Idaho, Washington, California, and Alaska on revisions to the PCSRF performance measures.
- Disaster relief in light of the Hurricane Katrina, may affect federal funds to other sources, including Oregon's PCSRF funds.

D. Board Chair Election

After a short discussion lead by Board member Scott Reed, OWEB Board members voted unanimously to continue the practice set in March 2000, to have Board Co-Chairs. Current Board Co-Chairs, Dan Heagerty and Jane O'Keeffe were interested in continuing to serve as Co-Chairs and were unanimously approved to serve for another year, or until other Co-Chairs are successfully elected.

E. 2005-2007 Non-Capital Funds Spending Plan

Items E.1 through E.6 were discussed to develop and act on a non-capital spending plan for the 2005-2007 biennium.

E-1. Watershed Council Support

The staff recommendation of \$561,002 meets the commitment that the Board made at their May 2005 meeting to bring council support up to just under \$4.5 million. Included in this amount is a \$17,259 adjustment for a calculation error made for the Nestucca-Neskowin Watershed Council.

Board members supported the staff recommendation and reiterated that support to watershed councils is a high priority for OWEB.

E-2. Local Capacity Enhancement

The staff recommendation for non-capital funds is to enhance the capacity of local groups to effectively participate in watershed health-related efforts. The proposed funding will support technical assistance needs and local participation in recovery planning efforts by getting good projects developed and implemented. Following are the staff recommendations for reserves/allocations for technical assistance:

- A. A \$900,000 reserve of non-capital funds for technical assistance to be distributed through the April 2006 and October 2006 grant cycles.
- B. An allocation of \$500,000 of non-capital funds for an "early action" technical assistance grant cycle to be announced for the October 2005 grant cycle.
- C. An allocation of \$500,000 of non-capital funds for CREP technical assistance to local providers.
- D. An allocation of \$200,000 of non-capital funds for recovery planning participation by local groups.

Board members supported the staff recommendation and requested staff to return to the January meeting with a schedule of recovery planning efforts in the Coastal Coho, Mid Columbia Steelhead, Lower Columbia Coho, and Upper Willamette ESUs.

E-3. Monitoring and Assessment

The Oregon Plan Monitoring Team has developed a work plan for the next year to continue local monitoring efforts to assist in problem identification. The staff proposed spending plan for non-capital funds is for an October grant offering and to support ongoing statewide monitoring needs under the Oregon Plan for Salmon and Watersheds. At this time, staff have not recommended a reserve/allocation for a grant cycle for watershed assessments this biennium. If additional federal funds become available, the Board may be asked to consider adding opportunities for assessments and monitoring grants.

- A. A \$250,000 reserve for a targeted grant offering in October 2005 for monitoring projects that continue existing efforts.
- B. A \$600,000 reserve to address state agency needs for focused statewide scale effectiveness monitoring, status and trends monitoring, and data management and dissemination activities that are consistent with and further the objectives of the Oregon Plan for Salmon and Watersheds.

Board members supported the staff recommendation.

E-4. Education and Outreach

Board members discussed the following staff recommended allocations to support implementation of OWEB's Education and Outreach Strategy that the Board adopted in May 2005.

- A. An allocation of \$150,000 in non-capital funds for OWEB to support an in-house staff person to implement the awareness element of the Education and Outreach Strategy.
- B. A \$200,000 reserve in non-capital funds for a targeted grant offering in October 2005 for projects that address the improved knowledge element of the Education and Outreach Strategy.
- C. An allocation up to \$50,000 in non-capital funds to support local partner participation in skill development workshop opportunities, and training.

Item B of the agenda item was revisited later in the meeting and Board member consensus was to not put a \$200,000 reserve on non-capital funds for the targeted Education/Outreach grant offering in October 2005, and to wait to see how many and what types of applications are received. A funding amount will be considered at the January meeting when more is known on the number of applications received and amounts requested in the October 2005 grant cycle.

Board members supported Items A and C.

E-5. Oregon Plan Products and Regional Priorities

Staff recommended the following to support Oregon Plan products and regional priorities:

- A. A \$250,000 reserve in non-capital funds for Oregon Plan products needs that will be presented to the Board at a future meeting. No specific needs have been identified at this time.
- B. A \$139,000 reserve of non-capital funds for the development of regional priorities to be identified by staff and presented for Board consideration at a future meeting.

Board members supported the staff recommendation.

E-6. Sustainability/E2

A working group of “knowledge holders” met under the guidance of Board member Diane Snyder, Executive Director Tom Byler, and Policy Specialist Allison Hensey to discuss the E2 concept and recommended outcomes the Board should seek in watershed projects that provide more explicit economic and community benefits.

Recommended outcomes identified by the working group are:

- Supporting and fostering innovative enterprise that accomplishes restoration
- Improving and sustaining local quality restoration jobs
- Sustainable economic viability for private landowners from land stewardship
- Increased community capacity to develop and implement a sustainable vision for the community

Board members supported the creation of the Local Innovation Fund, and reserving \$50,000 in initial funding for the Fund. Staff expect to receive two to three proposals at \$10,000-\$20,000 each. Staff will return to the Board in January with a report on the proposals received for Board consideration for funding.

F. 2005-2007 Capital Funds Spending Plan

Ken Bierly, OWEB Deputy Director, presented this informational item to Board members. The 2005-2007 Legislatively Adopted Budget for OWEB includes \$41.3 million of Measure 66 Lottery Funds (capital funds) to be allocated by the Board for capital grants. The majority of the funds will be allocated through the regular competitive grant process, however three previous commitments will reduce the amount of available funding: 1) \$1 million for CREP; 2) \$2.8 million for the small grant program for this biennium; and 3) \$3 million commitment to Savage Rapids Dam, of which \$750,000 will be set aside this biennium. After reducing the \$41.3 million in capital funds with the above-noted commitments, staff recommended approximately \$7.5 million of capital funds remain for use in each of the four regular grant cycles. An additional \$7.5 million of capital funds will be reserved for special projects that are large-scale or regional in scope and do not fit within the regular grant process. Staff proposed to develop these types of partnership investments for separate decisions by the Board. A potential partnership with the U.S. Forest Service for whole watershed restoration was used as an example.

G. Public Comment (General)

Chuck Sams, Columbia Slough WSC, commented on the lack of education and outreach funds, supported education and outreach efforts statewide, provided background information on his council’s efforts on education to youth, and asked for increased grant funding for education/outreach projects.

Wayne Hoffman, MidCoast WSC, thanked Board members for support of council projects, supported supplemental funding for local capacity enhancement, urged the Board to correct inequity for umbrella councils, and expressed concern on the timing of funding for the abbreviated grant cycle for technical assistance applications.

Russ Hoeflich, The Nature Conservancy, urged local groups to assist OWEB in leveraging more funding from the legislature, supported more funding for the proposed Oregon Plan Communications (Outreach) position, including more funding for education/outreach in general.

John Moriarty, Network of Oregon WSCs, commented on the importance of keeping councils engaged in the conversation about how best to distribute technical assistance funds.

Marty Suter, Chad Karges, and Gary Marshall, High Desert Partnership, introduced the newly formed High Desert Partnership in Harney County and shared their vision for community, economy and environment, which they believe lines up with OWEB's E2 Project.

Margaret Nover, City of Portland, supported funding for Application Nos. 205-025, 206-092, 206-093, 206-101, and 206-102.

Clinton Shock, Owyhee WSC, expressed appreciation for OWEB having a meeting in Malheur County.

Local Projects Tour

Representatives of the Owyhee Watershed Council led OWEB Board members and staff on a tour of OWEB-funded projects in the Owyhee-Malheur Basin.

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Others Present

Brad Nye
Art Tassie
Jon Souder
Chuck Sams
Tim Kerns
Doni Clair
John Moriarty
Wayne Hoffman
Karlene McCabe
Fred Otley
Kelly Weideman
Loren Weideman
Bruce Taylor
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H. Pacific Coastal Salmon Recovery Fund Distribution

Board authorization is required to allocate PCSRF funds under the agreement between NMFS and OWEB. The Oregon Departments of Agriculture, Environmental Quality, and Fish and Wildlife have been appropriated PCSRF funds by the Oregon Legislature. The National Marine Fisheries Service reviewed the legislative allocations and found them to be consistent with PCSRF purposes.

On August 8, 2005, the Board allocated \$1,062,564 in PCSRF funds to allow OWEB staff to enter into agreements to cover appropriate program expenses for ODA, DEQ, and ODFW through September 30, 2005. This agenda item seeks Board authorization to allocate the remaining funds for the biennium.

PCSRF appropriated funds remaining are:

\$1,721,329	Oregon Department of Agriculture
\$ 712,506	Oregon Department of Environmental Quality
<u>\$5,004,111</u>	Oregon Department of Fish and Wildlife
\$7,437,946	TOTAL

Board members unanimously supported allocating \$7,437,946 in PCSRF funds as appropriated by the Oregon Legislature to ODA, DEQ, and ODFW.

I. Effectiveness Monitoring

Greg Sieglitz, Monitoring Program Manager, provided Board members with an overview of the effectiveness monitoring program activities. OWEB Monitoring Program staff have been working with the Pacific Northwest Aquatic Monitoring Partnership (PNAMP), the Oregon Plan Monitoring Team, and the Independent Multidisciplinary Science Team (IMST) during the developmental stages of the effectiveness monitoring program.

OWEB Monitoring and Reporting Program staff are working with DEQ and the IMST on a jointly sponsored effectiveness monitoring workshop scheduled for February 2006.

Hugh Barrett, former BLM rangeland manager and past OWEB Board member, recently concluded a preliminary assessment of western juniper clearing projects funded by OWEB. He submitted a draft report to OWEB, and will provide recommendations, findings, pre and post photos, and data sets in the near future. The final report will be available on OWEB's web site.

Board member Alan Christensen suggested that OWEB work closely with the State of Washington Salmon Recovery Funding Board on effectiveness monitoring.

J. Public Comment (Pending Grant Applications)

Wayne Hoffman, MidCoast Watersheds Council, supported Application Nos. 206-065 and 206-066, and thanked Board members for their support.

Jon Souder, Coos Watershed Association, supported funding Application No. 206-083, at the full level. He argued that the assessment costs could be covered by "capital funds."

Brad Nye, Deschutes Basin Land Trust, supported Application No. 206-106.

Doni Clair and Tim Kerns, Baker Valley SWCD, and Ray Jaindl and Ken Diebel, ODA, supported Application No. 206-134. They described the partnership involved in the Baker Valley pipeline project.

K. Board Consideration of Pending Grant Applications

One hundred seven grant applications seeking a total of \$13,270,224 were received by the April 25, 2005, deadline. Capital grants (restoration and acquisition) were considered in this funding cycle. After being screened for eligibility and completeness, the capital applications were sent to the appropriate review teams, who developed recommendations for individual projects on their merit for funding, and numerically ranked the projects for funding. OWEB staff used the

priorities developed to prepare the funding recommendation for Board consideration taking the budget into account.

The 2005-2007 Legislatively Adopted Budget allocated \$41.3 million in Lottery funds for capital expenditures. At its May meeting, the Board allocated \$1 million of this toward the CREP Program and \$2.8 million for the Small Grant Program, leaving \$37.5 million unallocated. Dividing \$37.5 million by four would establish \$9.375 million to be used in each grant cycle. In order to provide the Board with available funding for special projects that may come up during the biennium, OWEB staff have recommended a \$7.5 million estimate per grant cycle, allowing the remainder to be available for special project funding. Since receiving recent advice of legal counsel, OWEB now uses non-capital money to fund the Education and Outreach elements of Restoration projects. That amounts to \$56,594 for this cycle. Also, staff have recommended the Board contribute \$750,000 to complete the final increment of a \$3 million commitment towards Savage Rapids Dam removal.

For the first grant cycle of the 2005-2007 biennium, staff have recommended the following:

Restoration Projects, Capital Funds	\$6,541,388
Acquisition Projects	\$1,124,000
Savage Rapids Dam Contribution	<u>\$ 750,000</u>
TOTAL Staff Recommendation (Capital Funds)	\$8,415,388
Restoration Projects, Non-Capital Funds	<u>\$ 56,594</u>
TOTAL Staff Recommendation (Non-Capital Funds)	\$ 56,594

The review priorities and funding recommendations were presented in the staff report for each region separately to the Board.

Melissa Leoni, thanked the Board Acquisition Subcommittee (Alan Christensen, Mark Reeve, and Diane Snyder) for time spent reviewing acquisition applications. Due to Mark Reeve leaving the OWEB Board, one new subcommittee member is needed in time to review the acquisition applications submitted in the October 24, 2005, grant cycle.

Each OWEB Regional Program Representative was asked by Board Co-Chair Heagerty to comment on the quality of grants submitted in their regions. OWEB's Program Representatives made the following comments:

Region 1

The quality of grants has increased steadily and they are becoming increasingly sophisticated and more complex. The Board Acquisition Subcommittee is working well.

Region 2

There are still a few "bugs" to work out which resulted in most of the applications being conditioned.

Region 3

The region mostly has good applications to review, and is very pleased with the work of the regional review teams.

Region 4

They are getting better applications, with more landowner involvement. Lots of upland and riparian projects.

Region 5

Eight of 29 funded applications were previously submitted. The projects not recommended for funding by the review team may be good projects, but there was insufficient information in the applications to make a do fund recommendation.

REGION 1, NORTH COAST, Tom Shafer, Regional Program Representative, and Melissa Leoni, Grant Program Specialist (Acquisition Projects)

Board members unanimously supported staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report.

Acquisition Projects

Tenmile Creek Corridor Easement Project (Application No. 206-058) received a positive rating for ecological merit from the regional review team and Board members unanimously supported staff's recommendation to defer. There are issues regarding the removal of two parcels (the Pine Tree Conservation Society and National Audubon Society), and adding two additional parcels described for Phase II, as well as ongoing discussions with the applicant regarding the appraisal review and OWEB's conservation easement language.

Crosel Creek Habitat Reserve (Application No. 206-059) received a positive rating for ecological merit from the regional review team and Board members unanimously supported staff's recommendation to defer in order to complete the due diligence evaluation.

Due to staff concerns about the ecological values of the proposed acquisition, the Depoe Bay Park Expansion Project (Application No. 206-060) was not recommended to proceed with due diligence review and therefore, not recommended for funding. Board members concurred with the staff recommendation.

REGION 2, SOUTHWEST OREGON, Mark Grenbemer, Regional Program Representative

Board members unanimously supported staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report.

Acquisition Projects

There were no acquisition project applications submitted for funding in Region 2.

Savage Rapids Dam Removal

The OWEB Board unanimously supported \$750,000 to complete the Board's \$3 million commitment toward the Savage Rapids Dam Removal and River Restoration project.

REGION 3, WILLAMETTE BASIN, Douglass Fitting, Regional Program Representative, and Melissa Leoni, Grant Program Specialist (Acquisition Projects)

Board members unanimously supported staff’s funding recommendations as shown in the “shaded area” of Attachment A of the staff report.

Acquisition Projects

Lupine Meadows Conservation Easement (206-091) was unanimously supported for funding by the Board at \$124,000, with \$94,000 being released when the conservation easement is rerecorded with OWEB’s third party right of enforcement, and the remaining \$30,000 be released for the purchase of fee simple title at the time when the appropriate legal arrangements have been determined.

Previously Deferred Acquisition Projects

Big Four Corners Tract A Acquisition (Application No. 205-025) was unanimously supported for funding by the Board at \$200,000. The staff recommended amount includes a condition to exclude a zone along the Columbia River levy and Marine Drive where most of the utility and access exceptions on the title are located to simplify OWEB’s interest in the property as agreed to by OWEB, OWEB’s legal counsel, and City of Portland representatives.

Luckiamute Riparian, Oak Woodland, Savanna and Grassland Conservation Easement (Application No. 205-174) was unanimously supported for deferral by the Board to allow the appraisal process to continue.

Keizer Rapids (Application No. 205-273) was recently withdrawn by the applicant because funding was secured elsewhere, and OWEB funding is no longer needed.

REGION 4, CENTRAL OREGON, Rick Craiger, Regional Program Representative, and Melissa Leoni, Grant Program Specialist (Acquisition Project)

Board members unanimously supported staff’s funding recommendations as shown in the “shaded area” of Attachment A of the staff report.

Acquisition Project

Rimrock Ranch Conservation Easement (Application No. 206-106) was unanimously supported for funding by the Board at \$800,000.

REGION 5, EASTERN OREGON, Karen Leindecker, Regional Program Representative

Board members unanimously supported staff’s funding recommendations as shown in the “shaded area” of Attachment A of the staff report, which includes funding for Application No. 206-134 noted below.

NOTE: Powder River Water Quality Enhancement – Final Phase (Application No. 206-134)

This application is for the final phase of an extensive project. To date, OWEB has provided \$656,283 in funding for the project. If approved by the Board, the staff recommended amount of \$1,013,589, will make a total OWEB commitment to the project of \$1,669,872.

L. Other Business

West Eugene Wetlands Conveyance (Application No. 200-100)

Melissa Leoni, Grant Program Specialist, briefed Board members on this item. By statute and administrative rule, the OWEB Board must approve any conveyance of an interest in land acquired in part with a grant from OWEB.

Board members unanimously approved conveyance of the “Peters” Tract of the West Eugene Wetlands Project I (Application No. 200-100) to the City of Eugene from The Nature Conservancy. This will allow for better management of the Peters Tract. The original award intent and terms will continue to be met, and only the title will be transferred so OWEB’s profit rules do not apply.

Having no further business, the meeting was adjourned.