

**Approved by the Board March 15, 2006
Oregon Watershed Enhancement Board**

**January 24, 2006
OWEB Board Meeting
Otter Rock, Oregon**

Minutes

OWEB Members Present

Miles Brown
Bobby Brunoe
Dan Carver
Alan Christensen
Dianne Guidry
Dan Heagerty
Jim Nakano
Jane O’Keeffe
Dave Powers
Scott Reed
Patricia Smith
Michael Tehan
Dan Thorndike
Helen Westbrook

OWEB Staff Present

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

Others Present

Margaret Nover
Jo Morgan
David Noakes
Mario Solazzi
Tod Heisler
John Moriarty
Wayne Hoffman
Bruce Taylor
Mike Mader
Chuck Sams
Rachel Felice
Paul Robertson
Greg Pettit
Russ Hoeflich
Jennifer Hampel
Catherine Macdonald
Nan Evans
Paul Siebert
Bruce McIntosh
Natalie Henry Bennon
Larry Ojua
John McDonald
Ron Adams
Mark Stone
Johnny Sundstrom
Paula Crowder
Liz Vollmer-Buhl
Nancy Nichols
Kip Wood
Diane Henkels

Members Not Present

Skip Klarquist
Diane Snyder
Ken Williamson

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 Miles Brown representing the Bureau of Land Management, Dan Carver representing the Board of Agriculture, and Patricia Smith, public at large member from Bend.

B. Minutes

Minutes of the following Board meetings were unanimously approved:

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| September 13-14, 2005 | Board meeting in Jordan Valley |
| September 19, 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 a number of new employees since the last meeting in September:
Lori Warner-Dickason, Policy Specialist
Courtney Shaff, Effectiveness Monitoring Program Specialist
Becky Miller, Performance Analyst/Reporting Specialist
Bev Goodreau, Grant Program Specialist (Small Grant Program)
Dave Egleston, Business Application Specialist
Monte Turner, Oregon Plan Communications Coordinator
- OWEB will be recruiting for:
Monitoring Program GIS Specialist to replace Doug Terra
Administrative Assistant to the Grant Program to replace Bev Goodreau
- NOAA recently announced a no list decision for the coastal coho ESU
- OWEB will soon begin the 2007-2009 biennial budget and legislative concept development
- Director Byler provided some 2005 year end statistics on the number of grants processed, payments made, RPR miles traveled, etc.
- OWEB is working with the Department of Administrative Services, Budget and Management and Legislative Fiscal Office to fix COLA appropriations to state agency grantees (OWEB, ODFW, DEQ and ODA).

D. Revisit 2005-2007 Non-Capital Funds Spending Plan

Tom Byler, Executive Director, presented this item to Board members using a Powerpoint presentation to summarize the spending plan that was approved by Board members at the September 2005 meeting. Staff have reviewed the September Board allocations and have adjusted recommendations for the non-capital funds spending plan for the biennium. Director Byler also updated Board members on the status of Federal Fiscal Year 2006 Pacific Coastal Salmon Recovery Funds which OWEB anticipates receiving \$4.36 million in the summer of 2006.

Program Element	Sept 2005 Allocation	Jan 2006 Allocation	Jan 2006 Reservation	Total
Local Capacity	\$561,000	\$175,000	\$290,620	\$1,026,620
Technical Assistance	\$1,000,000	\$0	\$0	\$1,000,000
Recovery Planning	\$200,000	\$0	\$0	\$200,000
Monitoring Grants	\$0	\$0	\$500,000	\$500,000
Oregon Plan Monitoring	\$0	\$448,380	\$0	\$448,380
Watershed Assessment	\$0	\$0	\$0	\$0
Agency Outreach	\$150,000	\$0	\$0	\$150,000
Ed/Training Opportunities	\$50,000	\$0	\$0	\$50,000
"Knowledge" Grants	\$0	\$0	\$500,000	\$500,000
Sustainability	\$0	\$100,000	\$0	\$100,000
Oregon Plan Products	\$0	\$0	\$375,000	\$375,000
Regional Priorities	\$0	\$0	\$0	\$0
	\$1,961,000	\$723,380	\$1,665,620	\$4,350,000

Discussion centered around the Board's interest to increase support to local groups. Board members unanimously approved an allocation of \$175,000 to bring funding for soil and water conservation districts up to the last biennium's (2003-2005) level.

Board members unanimously approved the staff funding recommendation to allocate up to \$448,380 for Oregon Plan Monitoring to fund the following projects.

1. Expanded Ambient Water Quality Monitoring Network in Oregon Coastal Coho ESU. Two-year cost: \$40,920 (DEQ)
2. Macroinvertebrate Sampling for Water Quality and Temperature. Two-year cost: \$279,680 (Contracted Services-\$10,000; DEQ-\$269,680)
3. Temperature Monitoring at Selected Random ODFW Juvenile Coho Sites in the Oregon Coastal Coho ESU. Two-year cost: \$39,280 (DEQ)
4. Watershed Council Data Compilation. Two-year cost: \$88,500 (ODFW)

Board members also unanimously approved an allocation of up to \$26,000 to add to the \$500,000 approved in September 2005, toward the Early Action Technical Assistance applications that have been recommended for funding.

E. Public Comment

- John McDonald, OACD, John Moriarty, Network of Oregon Watershed Councils, and Larry Ojua, ODA, provided comments on the funding shortage for local capacity.
- Tod Heisler, Deschutes River Conservancy, commented that they were sponsoring a Deschutes Basin Water Summit in May and requested \$10,000 to assist in that effort.
- Chuck Sams and Rachel Felice, Columbia Slough Watershed Council, expressed concerns that their take on the budget numbers shows that state agencies are receiving 65

percent of the non-capital funds and local projects are only receiving 35 percent. They are pleased that education/outreach is receiving more in OWEB's proposed non-capital funds spending plan.

- Margaret Nover, City of Portland, expressed concern about the division of non-capital funds, and wanted to know how the state agencies are being held accountable for the funds. She asked if the Board would entertain a way to put a cap on non-capital funding like always using a certain percentage each biennium.

Board Co-Chair Jane O'Keeffe responded that state agencies are held accountable with the signing of MOUs between OWEB, and that the Board has asked each state agency receiving PCSRF or M66 funds to make presentations to the Board on how the funds are being spent. Director Byler also mentioned that local capacity is receiving more funds this biennium than last. Board member Mike Tehan also noted that there is a new MOU between Oregon and NMFS that has a consultation process when PCSRF funds are legislatively appropriated to state agencies. OWEB needs to obtain approval from NOAA on the funding that is legislatively directed.

- Russ Hoeflich, The Nature Conservancy, urged Board members to advocate for more federal PCSRF funds by lobbying in Washington DC.
- Ron Adams, Oregon Youth Conservation Corps, distributed copies of their 2004 Annual Report and noted the extensive list of project partners.
- Jennifer Hampel, Coquille Watershed Association, supports CWA's Application No. 206-383, as well as full funding of local innovation fund projects as recommended by staff for \$100,000.

F. Recovery Planning Update

Louise Solliday, Governor's Natural Resources Office, described the current status of Oregon's participation in recovery planning for salmon and steelhead listed under the federal Endangered Species Act. A recovery plan is developed pursuant to the federal ESA and the ODFW Native Fish Policy. The plan is a detailed documentation of the biological status and necessary actions to recover the species to a sustainable status.

The Oregon Coastal ESU (coho), that recently received a "no list" decision by NOAA Fisheries, and the Mid Columbia ESU (steelhead), are furthest along in recovery plan development. Four ESUs that Oregon shares with other states are moving ahead in recovery planning efforts (Southern Oregon/Northern California (SONC) ESU (coho), Lower Columbia ESU (chum, coho, steelhead, Chinook), Upper Willamette ESU (Chinook, steelhead), and the Snake ESU (Chinook, steelhead).

Oregon has developed a recovery planning structure for each recovery domain that includes a planning team and a stakeholder team. The Governor's Office expects to have draft recovery plans completed for the Oregon Coast, Lower Columbia, Mid Columbia and Snake in 2006, the Upper Willamette in 2007, and it is unknown when a draft recovery plan will be completed for the SONC. NOAA and Oregon (through OWEB and ODFW) are sharing costs for the recovery planning efforts. NOAA relied heavily on the coastal coho assessment in their no list decision. Oregon believes that the assessment findings support the no list decision. Oregon plans to continue to develop and implement the recovery plan in that ESU. Monitoring both now and

over the long term will provide important information for this ESU and others as recovery plans are developed.

G. Willamette River Legacy Program Update

Louise Solliday, Governor's Natural Resources Office, provided Board members with an update on the status of the Governor's Willamette River Legacy program. She noted several high priority items developed to address the three priority focus areas (Repair, Restore, Recreate) of the Governor's Program. She provided a report that identified action items, benefits, funding, key partners, the timeline, and targets for performance measures to implement the plan.

H. Oregon Plan State Agency Activities Update

OWEB Board members and staff are requesting each state natural resources agency that receives Measure 66 or PCSRF funds from OWEB to provide presentations on their agency's activities under the Oregon Plan for Salmon and Watersheds. The following state agency representatives summarized their Oregon Plan activities and were available to answer questions.

Representing the Oregon Department of Agriculture

Director Katy Coba, and ODA staff, Larry Ojua and Ray Jaindl.

Representing the Oregon Department of Fish and Wildlife

Interim Director Roy Elicker, and ODFW staff Bruce McIntosh, Charlie Corrarino, Mario Solazzi, Jim Muck, and Dan Knoll, and Dr. David Noakes from Oregon State University.

At the conclusion of the day's meeting, an informal reception was held for OWEB Board members, OWEB staff, watershed partners, and local officials. OWEB was pleased to have Representative Alan Brown and many local partners attend the reception.

Oregon Watershed Enhancement Board

January 25, 2006

OWEB Board Meeting

Otter Rock, Oregon

Minutes

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Others Present

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Mark Trenholm
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Melanie Gisler
Wayne Hoffman
Natalie Henry Bennon
Bruce Taylor
Catherine Macdonald
Nan Evans
Russ Hoeflich
Margaret Nover
Chuck Sams
Paul Siebert
John Moriarty
Mark Stone

Members Not Present

Skip Klarquist
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Ken Williamson

I. **Deferred Acquisitions**

Public Comment:

- Karlene McCabe, Greenbelt Land Trust, explained timing issues and provided background information on the Luckiamute Conservation Easement purchase, Application No. 205-174.
- Bruce Taylor, Oregon Habitat Joint Venture, supported funding for the Luckiamute Conservation Easement.

Melissa Leoni, Senior Policy Coordinator, briefed Board members on the status of the Luckiamute Conservation Easement (Application No. z205-174) submitted in April 2004, and resubmitted in October 2004. It has been in deferred status pending resolution of the review appraisal with respect to CREP enrollment. Ms. Leoni explained that the easement language had been approved by the Oregon Department of Justice. She also noted that the appraisal was close to being in an acceptable form, and a condition of establishing a firm date to complete the appraisal would encourage rapid action.

Board members unanimously approved allocating up to \$210,000 to the Greenbelt Land Trust to fund the Luckiamute Conservation Easement with the condition that the appraisal be completed and accepted by March 1, 2006.

J. 2005-2007 Capital Funds Spending Plan and Signature Projects

Ken Bierly, Deputy Director, briefed the Board on continued discussions initiated at the September 2005 Board meeting regarding reserving \$7.5 million of the \$41.3 million appropriated by the Legislature in Measure 66 Lottery capital funds and the potential uses of those funds for special or “signature projects.” Staff have identified two proposed partnerships that may warrant future Board consideration for funding with this special reserve of capital funds:

- Partner with the U.S. Forest Service (USFS) and others to fund whole watershed restoration efforts. The potential partnership would focus on 1) addressing geographic priorities, and 2) accelerating and completing priority work in selected whole watersheds.
- Partner with NRCS and the Institute for Applied Ecology on a funding strategy to develop a Wetland Reserve Enhancement Program (WREP) for the Willamette Valley.

Mr. Bierly asked if the Board was interested in staff establishing a separate process or other review steps for “large” projects. The Board did not have a clear sense that such a process was necessary. He also indicated that the reserve capital funding may be necessary to meet application needs that come through the regular grant cycles for this biennium.

K. Restoration Priorities Update

Ken Bierly, Deputy Director, briefly updated Board members on the development of regional priorities for restoration projects. The priorities are intended to be used as guidance by OWEB in the review of grant applications and to help ensure a clear and strategic approach to prioritizing the funding of projects.

A \$500,000 allocation was awarded by the Board in May of 2004 which was reduced by three percent to make available a total of \$485,437. To date, \$259,900 has been expended on regional restoration priority investments in the Willamette, South Coast, Rogue and John Day basins. Staff expect to bring the completed priorities for the Willamette, South Coast, and Rogue basins to the Board this spring. The remaining \$225,537 will be used to complete priorities in the Columbia Basin and the remainder of the state. At the completion of the basin priorities estimated to be around the end of the biennium, staff will propose adoption of administrative rules for implementation of the priorities through the grant application review process.

This was an informational item. No Board action was requested.

L. 2006 Biennial Conference

Roger Wood, Grant Program Manager, briefed Board Members on the funding needs for the 2006 Biennial Conference. Staff estimate that \$45,000 should cover costs associated with management of the conference (\$25,000 for a professional conference planner, \$18,000 for a temporary employee, and \$2,000 for in-house printing). All other conference costs are anticipated to be covered by conference registration and fundraising.

To cover the \$45,000, staff propose to utilize \$37,134.12 from savings in the agency’s Outreach and Education budget to support an in-house communications staff person, in addition to \$7,865.88 that was returned from the 2004 conference.

Board members unanimously approved the \$7,865.88 allocation to support the organization and implementation of OWEB's 2006 Biennial Conference.

M. Board Consideration of Pending Local Innovation Fund Proposals

Public Comment:

- Dana Hicks, Lower Rogue WSC/South Coast WSC, supported funding for Application Nos. 206-386 and 206-387, and was available to answer questions.
- Johnny Sundstrom, Siuslaw Basin Partnership, provided a brief history of the Siuslaw and supported funding for Application No. 206-381.

In September 2005, Board members authorized staff to create the Local Innovation Fund, and reserved \$50,000 in non-capital funding for Phase I project development grants. Allison Hensey, Local Innovation Fund Manager, briefed Board members on the evaluation process for the 24 Local Innovation Fund applications received by the December 1, 2005, deadline. A review panel with expertise in fish and wildlife habitat restoration and protection, community-based economic development, and sustainability, made a funding recommendation to the Director. Do fund applications were prioritized and presented in three categories:

- A. Creation of Market Incentives for Ongoing Watershed Restoration and Protection;
- B. Creation of a Sustainable Family Wage Restoration Workforce; and
- C. Providing a Model for More Sustainable Sand and Gravel Mining.

OWEB staff and the Director worked with the Board Local Innovation Fund Subcommittee (Dan Heagerty and Dianne Guidry) to develop a final staff funding recommendation to the Board. Two funding options were presented. Option One would fund the four projects in the "A. Creation of Market Incentives for Ongoing Restoration" category totaling \$59,020. Option Two recommends all eight projects from each of the three categories for funding totaling \$100,270.

Board members unanimously approved funding Option Two which recommended all eight projects from each of the three categories for a total of up to \$100,000 as follows:

1. The Juniper Group and Central Oregon Intergovernmental Council, Western Juniper Commercialization Study (206-400) \$15,000
2. Mary's River Watershed Council, Healthy Watersheds, Healthy Food (206-389) \$14,520
3. South Coast Watershed Council and The Wetlands Conservancy, Sustainable Cranberry Cultivation and Marketing (206-387 and 206-382) \$14,500
4. Clackamas County Soil and Water Conservation District, Mt. Hood Forest Health and Small Diameter Wood Utilization (206-392) \$15,000
5. Coquille Watershed Association, Model Sustainable Restoration Jobs (206-383) \$8,250
6. Ecosystem Workforce Program, U of O, Developing a High Quality Restoration Industry in the Siuslaw Basin (206-381) \$15,000
7. Lower Rogue Watershed Council, Rogue River Sand and Gravel Industry Estuary Restoration Project (206-386) \$10,000
8. McKenzie Watershed Council, Sand and Gravel Industry Habitat Restoration Incentives (206-391) \$8,000

N. Other Business

There was none.

Local Partners Discussion

The following local partner representatives shared stories about past and current activities and watershed enhancement projects with the Board.

- Wayne Hoffman, MidCoast Watersheds Council
- Kip Wood and Mark Stone, Lincoln SWCD

Having no further business, the meeting was adjourned.