

Oregon Watershed Enhancement Board

March 15, 2006

OWEB Board Meeting

Roseburg, Oregon

Minutes

OWEB Members Present

Miles Brown
Bobby Brunoe
Dan Carver
Alan Christensen
Dan Heagerty
Skip Klarquist
Jim Nakano
Jane O'Keeffe
Dave Powers
Patricia Smith
Diane Snyder
Michael Tehan
Dan Thorndike
Helen Westbrook
Ken Williamson

OWEB Staff Present

Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Douglass Fitting
Mark Grenbemer
Karen Leiendecker
Melissa Leoni
Tom Shafer
Greg Sieglitz
Monte Turner
Lori Warner-Dickason
Roger Wood

Others Present

John Budkely
Streve Stampfli
Dave Heller
Lee Russell
Walt Barton
Jeff Ulbel
Larry Ojua
Paula Crowder
Liz Vollmer-Buhl
Janine Salwasser
Gail Oberst
Margaret Nover
John Moriarty
Sandy Lyon
Charlie Corrarino
Wayne Hoffman
Jake Gibbs
Joe Linn
Rob Fiegenger
Liz Dent
Jo Morgan
Chuck Sams
Rachel Felice
Dani Watson
Jill Estenson
Paul Siebert
Michael Cairns
Jenny Shine
Ken Phippen

Members Not Present

Dianne Guidry
Scott Reed

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 member Ken Williamson, representing the Environmental Quality Commission. Co-Chair Heagerty announced that Dianne Guidry representing the Natural Resources Conservation Service (NRCS) has accepted a position in Washington D.C. and will be leaving the OWEB Board. Her replacement has not yet been named.

B. Minutes

Minutes of the following Board meeting were unanimously approved:
January 24-25, 2006 Board meeting in Otter Rock

C. Executive Director Update

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

- OWEB has a number of new employees:
Lori Warner-Dickason, Policy Specialist
Monte Turner, Oregon Plan Communications Coordinator
Teresa Trump, Grant Administrative Assistant
Gail McEwen, Biennial Conference Coordinator
- OWEB is beginning the budget process for the 2007-2009 biennium. Final Agency Request Budgets are due on September 1, 2006. OWEB staff have not identified needed legislative concepts and therefore are not planning to file any.
- Director Byler noted a memo in the Board's packet that provided background information on the history and current status of OWEB's Restoration and Protection Research Fund. Subsequent to the meeting, Board members received several communications from interested stakeholders regarding the use of these funds. OWEB staff will return to the May meeting with a proposed approach to solicit and review projects seeking research funds.
- NMFS has notified OWEB that the FFY 2006 PCSRF funds are available. OWEB has submitted a request to the legislative emergency board to apply for a \$5,295,000 federal funds grant from NOAA Fisheries and for a \$5,140,800 increase in federal funds expenditure limitation.
- The FFY 2007 PCSRF allotment in the President's Recommended Budget is \$67 million, which was the amount approved in FFY 2006. If the same distribution occurs as last year, Oregon would receive around \$6 million. Strategies are being developed to increase Oregon's share of the funding such as noting the value of Oregon's investments provide over 130% return on projects.

D. Restoration Priorities Update

Ken Bierly, Deputy Director, updated Board members on development of regional priorities for restoration projects to be used as guidance by OWEB in the review of grant applications and to provide a more transparent ability to document the extent OWEB projects are meeting ecological priorities. As directed by statute, and as approved by the Board in September 2002, OWEB has worked to develop regional restoration priorities. The staff report identified two basins – the Willamette and Rogue basins – that have presented draft reports for Board review. The Board was asked to adopt the approach and content presented in the Willamette and Rogue basin reports to be used in developing basin priorities statewide.

Board members unanimously approved to adopt the approach to establishing regional restoration priorities by identifying limiting factors for each watershed in the Willamette and Rogue basins and the content of the Willamette and Rogue regional restoration priorities. Board members were asked to get back to staff within 30 days if they have any comments on the approach.

E. Monitoring Report

Greg Sieglitz, Monitoring and Reporting Program Manager, used a PowerPoint presentation to provide an overview of recent monitoring program activities. Progress has been made on the

effects of western juniper removal projects, PCSRF reporting, and development of an effectiveness monitoring workshop jointly sponsored by OWEB and the IMST to be held April 18 and 19 at Oregon State University.

Board member Bobby Brunoe requested that the Tribes be invited to participate in the workshop.

F. Public Comment

- Janine Salwasser, Oregon State University Libraries, urged the Board to add and fund another non-capital funding category to address information management and access. Salwasser suggested accomplishing this through a continuing partnership with Oregon State University rather than through OWEB's grant program. She also noted how the Oregon Explorer could support OWEB's Information System Strategy that was established by the Board in May 2003. She urged the Board to make a stable investment in a statewide information system an explicit Board priority. Salwasser also supported funding for the Oregon Explorer, which was not recommended for funding.
- Liz Dent, Oregon Department of Forestry, briefed Board members on the Trask River Paired Watershed Study which will be brought to Board members for consideration at the May meeting seeking \$350,000 in capital research funds for the project.
- Russ Hoeflich, The Nature Conservancy, updated Board members on the status of the FFY 2007 PCSRF funding, and encouraged all present to work together to lobby Congress for the full \$90 million to be allotted to the Pacific Northwest States and the Tribes.
- John Buckley and Steve Stampfli, East Fork Irrigation District, thanked Board members for their past service and provided an update on the Upper Neal Creek project.
- Margaret Nover, City of Portland, had questions regarding the restoration priorities presented in Agenda Item D regarding the frequency of updates and how we will apply the priorities to non-grants and grants.

G. 2005-2007 Non-Capital Funds Spending Plan Update

Tom Byler, Director, and Ken Bierly, Deputy Director, continued discussions on the non-capital funds spending plan and recapture funds that are available for the Board to allocate at this and future Board meetings.

- A. Local Capacity – See Agenda Item G-1. Board members will be presented with a \$212,000 funding request to further support the needs of local conservation groups that regularly partner with OWEB.
- B. Oregon Plan Products – \$375,000 was reserved by the Board at the January meeting to support ODFW monitoring of fish and wildlife habitat on the Lower Columbia River. OWEB staff anticipate requesting action on this item at the May 2006 Board meeting.
- C. Education Grants – See Agenda Item L.
Thirty-seven Education grant proposals seeking over \$2 million were received by the October 25, 2005, deadline. Due to limited non-capital funds, OWEB held a targeted solicitation for "knowledge development" education grants. In January 2006, the Board reserved \$500,000 in non-capital funds to support education grant applications. Since

that meeting, staff have identified and recommended \$299,225 in additional funding for both education and monitoring grants.

D. Monitoring Grants – See Agenda Item L.

Twenty-six Monitoring grant applications seeking over \$1.4 million were received in the October 2005 solicitation. In addition to the \$250,000 reserved for monitoring grants at the September 2005 meeting, the Board allocated an additional \$250,000 for monitoring grants at the January 2006 meeting. Given that there are still limited non-capital funds available for projects and a high demand for funding, staff utilized additional criteria to develop monitoring grant funding recommendations for the Board. Because of the importance of monitoring priorities, staff also identified and recommended \$299,225 in additional funding for both education and monitoring grants.

E. Additional Funds – Staff have identified \$758,965 in recaptured non-capital funds, which includes \$125,000 remaining from a Board reserve for watershed council audits and bonding. The majority of these are unspent funds that have been returned to OWEB from previously awarded non-capital grants, and are available for funding opportunities in this biennium.

G-1. Non-Capital Funds Spending Plan Decision Request

A proposal to allocate non-capital funds to support a cooperative effort between OWEB, the Oregon Department of Agriculture, the Oregon Association of Conservation Districts (OACD) and the Network of Oregon Watershed Councils was presented to Board members for approval. The ability of watershed councils and soil and water conservation districts to provide effective community-based assistance is critical to the success of the Oregon Plan. The funding for this cooperative effort is to find ways to raise awareness of local groups and to deliver a unified message.

Since January, OWEB has had four meetings with ODA, OACD, and Network representatives to develop grant agreements for cooperation and have developed a work plan. The work plan can be fully executed if funds are made available for the parties to continue. OWEB is seeking Board approval of \$100,000 each for both OACD and the Network to cover costs associated with the cooperative effort (i.e., personnel, operating costs, and administration). In addition, the proposed budget includes up to \$12,000 for a facilitator to allow OWEB staff to participate in the discussions.

Board members are anxious for this effort to succeed, and unanimously approved staff to develop grant agreements to fund \$100,000 to the Network of Oregon Watershed Councils and \$100,000 to the Oregon Association of Conservation Districts for the purposes and actions described in the Work Plan (Attachment A of the staff report), and to allocate up to \$12,000 to support facilitation services to be distributed by staff at the discretion of the Director.

H. Capital Partnership Projects and Use of Capital Reserve

Ken Bierly, Deputy Director, briefed the Board on two proposed partnerships for Board consideration for funding using funds from the \$7.5 million reserved by the Board in September 2005 for special projects that are large-scale or regional in scope, or involve partnerships that do not fit within the regular OWEB grant process.

- 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 watersheds. This proposed partnership would involve the pooling of OWEB, USFS and foundation funding sources and would serve as seed funding for high priority projects that will be further leveraged at the local level to complete the most-needed work in the following priority watersheds: Middle and North Fork John Day, North Fork Umpqua, South and Mid Coast drainages, and Lower Columbia. The proposed partnership would be initiated with \$500,000 of capital funds from OWEB. The USFS is interested in an additional \$1.0 million from OWEB next biennium.
- Partner with NRCS and the Institute for Applied Ecology to fund the Wetland Reserve Enhancement Program (WREP) for the Willamette Valley. \$250,000 in OWEB funding would be used to match \$412,000 of federal funds and \$130,000 of local match to enhance plant species diversity and habitat values on 12 Willamette Valley WRP projects totaling 595 acres in Yamhill, Polk, Benton, and Lane counties. The outcome will provide the opportunity to re-establish ESA-listed plant species in protected sites.

Board members were concerned that they did not have enough details on the proposals to make a decision. Due to timing issues, additional information will be forwarded to Board members and a special meeting via telephone conference call will be held in early April to further consider the USFS proposal. Staff will return to the May Board meeting with additional information on the NRCS proposal.

At the conclusion of the day's meeting, OWEB Board members and staff toured projects in the Myrtle Creek Watershed. The tour was jointly sponsored by the local watershed council -- the Partnership for the Umpqua Rivers -- and by the Douglas Soil and Water Conservation District.

After the tour, the Partnership for the Umpqua Rivers sponsored an informal reception for OWEB Board members, staff, watershed partners, and local officials. OWEB was pleased to have Representative Susan Morgan and many local partners attend the reception.

Oregon Watershed Enhancement Board

March 16, 2006

OWEB Board Meeting

Roseburg, Oregon

Minutes

OWEB Members Present

Miles Brown
Bobby Brunoe
Dan Carver
Alan Christensen
Dan Heagerty
Skip Klarquist
Jim Nakano
Jane O'Keeffe
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OWEB Staff Present

Bonnie Ashford
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Tom Byler
Rick Craiger
Douglass Fitting
Mark Grenbemer
Karen Leiendecker
Melissa Leoni
Tom Shafer
Greg Sieglitz
Monte Turner
Lori Warner-Dickason
Roger Wood

Others Present

Representative Susan Morgan
Lance Phillips
Jo Morgan
Margaret Nover
Don Ollivant
Chris Wood
Steve Denny
Penny Lind
Charley Dewberry
Steve Chesterton
Jake Gibbs
John Ward
Jon Souder
Dani Watson
Rachel Felice
Chuck Sams
Alan Hipolito
Charles Redon
Jennifer Clark
Bob Kinyon
Terry Luecker
Brett Brownscombe
Paul Siebert
John Moriarty
Lindsay Lyons
Jake Winn
Mark Stern
Marty Suter

Member Not Present

Dianne Guidry

I. Public Comment on Pending Capital Grant Applications

Lance Phillips, Malheur County SWCD, supported funding for Application No. 206-367, which was not recommended for funding.

Brett Brownscomb, Oregon Trout, supported full funding for Application No. 206-291, which was recommended at a reduced amount.

Jennifer Hampel, Coquille Watershed Association, supported full funding for Application No. 206-291, which was recommended at a reduced amount.

Duncan Berry, Westwind Stewardship Group, provided Board members with an overview and photos of the Westwind acquisition (Application No. 206-260), which was recommended for funding.

Representative Susan Morgan, Steve Denny, ODFW, and Paul Heberling, DEQ, provided Board members with an overview of the Diamond Lake Restoration project (Application No. 206-289) which was recommended for funding.

Margaret Nover, City of Portland, supported the following applications.

Application No. 206-299, which was not recommended for funding.

Application No. 206-306, which was not recommended for funding, and will be resubmitted in the next cycle.

Application No. 206-303, which was not recommended for funding.

Application Nos. 206-297 and 206-307 which were not recommended for funding.

Application No. 206-305 which was recommended for funding at a reduced amount.

Terry Luecker, Partnership for the Umpqua Rivers, supported Application No. 206-281, which was not recommended for funding.

Mark Stern, The Nature Conservancy, provided Board members with an overview of the Williamson River Wetland Restoration project (Application No. 206-328), which was recommended for funding.

J. Board Consideration of Pending Capital Grant Applications

One hundred seventeen restoration grant applications seeking a total of \$12,677,963 and five acquisition applications seeking a total of \$2,580,000 were received by the October 25, 2005, deadline.

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 five acquisition applications received this cycle were first reviewed by a board acquisition subcommittee that recommends whether staff should proceed with a due diligence review or whether the application be denied and no due diligence review would occur. The applications are also reviewed by the regional review teams for ecological and educational values. Staff then consider all evaluation criteria, the subcommittee's recommendation, and available funding resources to develop a funding recommendation to the full board.

Staff recommended funding for one acquisition project (206-260); deferral in order to complete the due diligence review for three of the acquisition projects, and a no fund recommendation for one project (206-297).

The following table represents the Capital Project Funding for the March 2006 meeting:

Region	Fund Source			Total Amount Recommended By Staff
	Measure 66	Salmon Plates	Reserve Fund	
1	\$493,367 \$1,500,000	\$131,472	\$0	\$624,839 \$1,500,000
2	\$1,463,130	\$100,071	\$571,778	\$2,134,979
3	\$1,309,799	\$62,125	\$0	\$1,371,924
4	\$686,475	\$19,615	\$2,000,000	\$2,706,090
5	\$2,047,229	\$41,204	\$0	\$2,088,433
Totals	\$7,500,000	\$354,487	\$2,571,778	\$10,426,265

REGION 1, NORTH COAST

Roger Wood, Grant Program Manager
 Tom Shafer, Regional Program Representative
 Melissa Leoni and Lori Warner-Dickason, Acquisitions

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report with the following change:

Application No. 206-266 – funding increased to \$26,109.

Acquisition Projects

Westwind (Application No. 206-260) was unanimously approved for funding of up to \$1,500,000

Svensen Island (Application No. 206-259) is deferred pending completion of due diligence.

Tenmile Creek Corridor Easement Project (Application No. 206-058) is deferred pending completion of due diligence.

Crosel Creek Habitat Reserve (Application No. 206-059) is deferred pending completion of due diligence.

REGION 2, SOUTHWEST OREGON

Roger Wood, Grant Program Manager
 Mark Grenbemer, Regional Program Representative
 Melissa Leoni and Lori Warner-Dickason, Acquisitions

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report which includes \$4,000 for Application No. 206-082 from the last cycle, minus Application No. 206-289, which was voted on separately.

Board members unanimously approved staff's funding recommendation for Application No. 206-289 as shown in the "shaded area" of Attachment A of the staff report. Due to a conflict of interest, Board member Skip Klarquist recused himself from voting on this application.

Acquisition Project

Deer Creek Ranch (206-277) is deferred pending completion of due diligence.

REGION 3, WILLAMETTE BASIN

Roger Wood, Grant Program Manager
Douglass Fitting, Regional Program Representative
Melissa Leoni and Lori Warner-Dickason, Acquisitions

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

Acquisition Projects

Johnson Creek (Application No. 206-297) was not approved for funding.

REGION 4, CENTRAL OREGON

Roger Wood, Grant Program Manager
Rick Craiger, Regional Program Representative
Melissa Leoni and Lori Warner-Dickason, Acquisitions

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report minus Application No. 206-328 which was voted on separately.

Board members unanimously approved staff's funding recommendation for Application No. 206-328 as shown in the "shaded area" of Attachment A of the staff report. Due to a conflict of interest, Board member Daniel Heagerty recused himself from voting on this application.

Acquisition Project

There are no outstanding acquisition projects in Region 4.

REGION 5, EASTERN OREGON

Roger Wood, Grant Program Manager
Karen Leiendecker, Regional Program Representative
Melissa Leoni and Lori Warner-Dickason, Acquisitions

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report minus Application Nos. 206-344, 206-377, 206-362, 206-369, and 206-366 which was voted on separately, and with the following changes:

Application No. 206-357, Middle Fork Malheur River Bank Stabilization, increased total funding amount to \$55,000.

Application No. 206-363, Hudson Bay Aquifer-Spring Restoration Phase II & III, added \$15,000 of non-capital funds making the total funding amount \$211,925.

Board members unanimously approved staff's funding recommendation for Application Nos. 206-344, 206-377, 206-362, 206-369, and 206-366 as shown in the "shaded area" of Attachment A of the staff report. Due to a conflict of interest, Board member Diane Snyder

recused herself from voting on 206-344, and Board member Jim Nakano recused himself from voting on Application Nos. 206-377, 206-362, 206-369, and 206-366.

Acquisition Projects

Pilcher Creek (Application No. z206-339) is deferred pending completion of due diligence.

K. Public Comment on Pending Non-Capital Grant Applications

Wayne Hoffman, MidCoast Watersheds Council, and Christopher Wood, Lincoln SWCD, commented on Monitoring Application No. 206-235, which was recommended for funding.

Paul Burns and Ralph Lampman, USDA Forest Service, and Charlie Newberry, Ecotrust, supported funding for Monitoring Application No. 206-238, which was not recommended for funding.

Representative Susan Morgan and Gail Achterman, OSU Institute for Natural Resources, supported funding for Education Application No. 206-231, which was not recommended for funding.

Gail Oberst, Luckiamute Watershed Council, supported funding for Education Application No. 206-212, which was not recommended for funding.

Charles Redon, Rickreall and Glenn-Gibson Watershed Councils, supported funding for Education Application No. 206-216, which was not recommended for funding.

Alan Hipolito, Verde, provided an overview of Education Application No. 206-204, which was recommended for funding.

Jim Muck, ODFW and Bob Kinyon, Partnership for the Umpqua Rivers, support Monitoring Application No. 206-241, which was not recommended for funding.

Jennifer Clark, Mosier Watershed Council, Wasco County SWCD, supported Monitoring Application No. 206-251, which was not recommended for funding.

Jon Souder, Coos Watershed Association, supported the following applications:

Education Application No. 206-202, which was not recommended for funding.

Monitoring Application No. 206-243, which was not recommended for funding.

Monitoring Application No. 206-244, which was recommended for funding at a reduced amount.

Lindsey Lyons, OSU Extension, Klamath County, supported Education Application No. 206-219, which was not recommended for funding.

L. Board Consideration of Pending Non-Capital Grant Applications

Ninety four grant applications requesting a total of \$4,338,188 of non-capital funds were received by the October 24, 2005, deadline. After being screened for eligibility and completeness, the non-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.

REGION 1, NORTH COAST

Roger Wood, Grant Program Manager
Tom Shafer, Regional Program Representative
Greg Sieglitz, Monitoring and Reporting Program Manager

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment C of the staff report with the following addition:

Application No. 206-238, Knowles Creek Life Cycle Monitoring for \$16,666

REGION 2, SOUTHWEST OREGON

Roger Wood, Grant Program Manager
Mark Grenbemer, Regional Program Representative
Greg Sieglitz, Monitoring and Reporting Program Manager

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment C of the staff report with the following additions:

Application No. 206-241, Umpqua Basin Fish Production Monitoring for \$57,191

Application No. 206-243, Coos WS Hydrological & Meteorological Monitoring for \$18,000

REGION 3, WILLAMETTE BASIN

Roger Wood, Grant Program Manager
Douglass Fitting, Regional Program Representative
Greg Sieglitz, Monitoring and Reporting Program Manager

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

REGION 4, CENTRAL OREGON

Roger Wood, Grant Program Manager
Rick Craiger, Regional Program Representative
Greg Sieglitz, Monitoring and Reporting Program Manager

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

REGION 5, EASTERN OREGON

Roger Wood, Grant Program Manager
Karen Leiendecker, Regional Program Representative
Greg Sieglitz, Monitoring and Reporting Program Manager

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

STATEWIDE

Roger Wood, Grant Program Manager

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report with the following addition:

Application No. 206-231, Umpqua Explorer, for \$37,500.

M. Other Business

There was none.

Having no further business, the meeting was adjourned.