

**Approved by the Board January 24, 2007  
Oregon Watershed Enhancement Board**

**September 19, 2006  
OWEB Board Meeting  
Bend, Oregon**

**Minutes**

**OWEB Members Present**

Gary Briggs  
Miles Brown  
Bobby Brunoe  
Dan Carver  
Alan Christensen  
Dan Heagerty  
Skip Klarquist  
Jim Nakano  
Jane O’Keeffe  
Patricia Smith  
Diane Snyder  
Mary Lou Soscia  
Dan Thorndike  
Helen Westbrook  
Ken Williamson

**OWEB Staff Present**

Bonnie Ashford  
Ken Bierly  
Tom Byler  
Rick Craiger  
Douglass Fitting  
Bev Goodreau  
Wendy Hudson  
Karen Leiendecker  
Melissa Leoni  
Tom Shafer  
Courtney Shaff  
Greg Sieglitz  
Teresa Trump  
Roger Wood

**Others Present**

Jas Adams  
Steve Stampfli  
Kyle Gorman  
Sarah Hubbard-Gray  
Glenn Kline  
Brad Nye  
Bruce Taylor  
Bob Bower  
Steve Johnson  
Elmer McDaniels  
Carl Yee  
Berta Yoatie  
Michael McNamara  
Jan Lee  
Tod Heisler  
Ryan Houston  
Jeff Samuels  
Charlie Corrarino  
Jo Morgan  
Margaret Nover  
Sven Anderson  
Bev Sparrowk  
John Buckley  
David Bowers

**Members Not Present**

Scott Reed  
Michael Tehan

**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 Mary Lou Soscia representing the U.S. Environmental Protection Agency while Dave Powers is on special assignment, and Gary Briggs representing the Natural Resources Conservation Service.

## B. Minutes

Minutes of the following Board meetings were unanimously approved:

- May 16, 2006 Board meeting in Oregon City approved with one typographical correction (*Oregon State Police not Policy*)
- May 17, 2006 Board meeting in Oregon City
- July 20, 2006 Special Board meeting via telephone conference call

## C. Executive Director Update

Executive Director, Tom Byler, briefly described reports/updates on the following items.

### 1. Biennial Conference

The OWEB 9<sup>th</sup> Biennial Conference will be held October 25-27, 2006, at the Seaside Convention Center in Seaside, Oregon. The conference theme is: **Communities Working for Healthy Watersheds** – *Celebrating Oregon Plan Accomplishments & Looking Ahead*. Board members were invited and encouraged to attend.

### 2. 2005-2007 Biennial Report

Melissa Leoni, OWEB Senior Policy Specialist, is lead staff for preparing the 2005-2007 Biennial Report on the Oregon Plan for Salmon and Watersheds. OWEB is required by statute to submit a report to the Governor and Legislative Assembly by January 15 of each odd-numbered year that assesses the statewide and regional implementation and effectiveness of the Oregon Plan. OWEB staff are working with Oregon Plan partners to collect project data, voluntary restoration information, and agency program accomplishments for the report.

### 3. Agency Request Budget

Director Byler briefly described the budget process, and OWEB's policy package requests. OWEB's budget was prepared on the assumption that no new federal Pacific Coastal Salmon Recovery Funds (PCSRF) would be awarded to OWEB. OWEB submitted the following nine policy packages in its budget.

Package 110: Program Continuity – \$980,197, 5.00 FTE

Package 115: Carryforward for Committed Grants – \$1,000,000

Package 120: Program Reorganization – (\$8,195)

Package 130: Watershed Council Support – \$1,941,121

Package 200: Capital Grants – \$49,895,703

Package 140: Non Capital Grants – \$8,401,950

Package 150: Program Enhancements – \$633,240, 4.00 FTE

Package 300: Research Grants – \$7,449,188

Package 160: Independent Multidisciplinary Science Team – \$268,603

### 4. Customer Service Survey

Greg Sieglitz, Monitoring and Reporting Program Manager, reported on a customer service survey that was conducted as a requirement of the Oregon Progress Board and Legislature to evaluate the level of customer service provided by each agency. OWEB sent the survey to 50 of the agency's grant recipients and received responses from about half. Overall, OWEB customer service was ranked in the good and excellent range for all measures.

5. Database

In February 2005, OWEB began the process to replace its Grants Administration database. On April 17, 2006, OWEB officially migrated to the new system called OGMS (OWEB Grant Management System). The system is available via the Internet to staff and OWEB grantees to track payments, grant balances, outstanding grant reports, and project end dates.

OWEB staff have been working on a new phase of the project to convert the Oregon Watershed Restoration Inventory (OWRI) into the OGMS database.

6. Conservation Reserve Enhancement Program (CREP)

Director Byler reported that the OWEB Board has allocated \$2.5 million for CREP this biennium and those funds are about to be exhausted. Enrollment has increased as more people become aware of the program. Future funding for CREP may be considered at the January Board meeting. The staff report included graphics showing the growth of the program in the last five years.

**D. Public Comment – Restoration/Acquisition/Technical Assistance Grants**

Wayne Hoffman, MidCoast Watersheds Council, thanked Board members and staff for their support for Application Nos. 207-046 (Starr Creek Fish Passage Project) and 207-047 (Green River Large Wood Placement and Effectiveness Monitoring) which were recommended for funding.

Jan Lee and Todd Heisler, Deschutes River Conservancy, thanked Board members and staff for their support for Application No. 207-096 (Middle Deschutes Streamflow Restoration Phase I) , which was recommended for funding.

Ryan Houston, Upper Deschutes Watershed Council, supported funding for Application No. 207-033 (Stream Channel Restoration Design at Rimrock Ranch/Whychus Creek), which was not recommended for funding, and expressed concerns about the review team process.

Brad Nye, Deschutes Basin Land Trust, supported funding for Application No. 207-033 (Stream Channel Restoration Design at Rimrock Ranch/Whychus Creek), which was not recommended for funding.

Michael McNamara, Wallowa-Whitman National Forest/Baker County/Powder Basin Watershed Council, briefed Board members on Application No. 207-040 (Sumpter Valley Dredge Tailings – Floodplains Restoration Action Plan), which was not recommended for funding by the review team, but was recommended for funding by OWEB staff.

Margaret Nover, City of Portland, supported funding for Application No. 207-022 (Crystal Springs Stream Design and Permit Project at Eastmoreland Golf Course), which was not recommended for funding, and thanked Board members and staff for their support of Application No. 207-092 (Tryon Creek State Natural Area: Iron Mountain Stream and Wetland Restoration Project).

Bev Sparrowk, Drews Valley Ranch, briefed Board members on Application No. 207-097 (Drews Creek Fish Passage/Screening), which was recommended for funding.

Sven Anderson, formerly from Oregon Parks and Recreation Department, briefed Board members on Application No. 207-087 (Sodom Dam Project), which was recommended for funding, and thanked OWEB staff for their assistance in working through the issues associated with the application.

Jerry Erstrom, Ken Diebel, Kelly Weideman, Lower Willow Creek Working Group, supported full funding in this biennium for Application No. 207-138 (Willow Creek Restoration Phase I), which was recommended for funding as a staged award -- \$1,050,568 from 2005-2007 funds, and \$900,000 from 2007-2009 funds to be awarded in September 2007.

John Buckley and Steve Stampfli, East Fork Irrigation District, briefed Board members on Application No. 207-107 (EFID Central Canal Pipeline Project – Lower Phase), which was recommended for funding as a staged award -- \$900,000 from 2005-2007 funds, and \$500,000 from 2007-2009 funds to be awarded in September 2007.

Robert Bower, Walla Walla Watershed Council, supported funding for Application No. 207-116 (Johnson Creek Reconnection), which was not recommended for funding. He explained the importance of the project and why timely funding was important to the success of other actions.

**E. Board Consideration of Restoration/Acquisition/Technical Assistance Grants**

Roger Wood, Grant Program Manager, briefed the Board on the applications received. A total of 138 grant applications seeking a total of \$19,119,992 were received by the April 24, 2006, deadline.

Restoration	94	\$15,774,874
Acquisition	3	\$2,056,500
Technical Assistance	41	\$1,288,618

After being screened for eligibility and completeness, the applications were sent to the appropriate review teams, who developed recommendations for individual projects on their merit for funding, and numerically ranked the recommended projects for funding. OWEB staff used the review team priorities developed to prepare the funding recommendation for Board consideration taking the budget into account.

The three acquisition applications received this cycle were first reviewed by a board acquisition subcommittee that recommends whether staff should proceed with 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.

Two of the acquisition applications were withdrawn by the applicant, and one is recommended for deferral (see Region 3).

## **REGION 1, NORTH COAST**

Roger Wood, Grant Program Manager

Tom Shafer, Regional Program Representative

Melissa Leoni, Acquisitions

Greg Sieglitz, Monitoring and Reporting Program Manager

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

### Acquisition Projects

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.

Board member Helen Westbrook requested a future Board discussion about the balance of applications received from region to region, noting that Region 1 has fewer applications than other regions. She also requested further information from staff on the number of funded watershed councils by region, and how staff balance the proposed funding recommendations for each region.

## **REGION 2, SOUTHWEST OREGON**

Roger Wood, Grant Program Manager

Melissa Leoni, Acquisitions

Greg Sieglitz, Monitoring and Reporting Program Manager

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

### Acquisition Project

Due diligence materials for the Deer Creek Ranch acquisition project (Application No. 206-277) have been reviewed and approved by legal counsel, with exceptions on the title to be removed and some remediation to be completed.

Board members unanimously approved staff's funding recommendation for this project on the condition that title issues be resolved and site remediation be completed.

## **REGION 3, WILLAMETTE BASIN**

Roger Wood, Grant Program Manager

Wendy Hudson, Regional Program Representative

Melissa Leoni, Acquisitions

Greg Sieglitz, Monitoring and Reporting 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 change:

Application No. 207-091, Brownsville Dam Removal and Restoration of the Calapooia River: The following funding amounts were approved

Non-Capital Funds: \$ 6,340

Capital Funds: \$669,371

Total: \$675,711

Board members also approved language for the grant agreement indicating the applicants need to work with OSU on their proposal to monitor Chiloquin and Savage Rapids dams. Also, the applicants need to work with OPRD on Sodom Dam removal monitoring needs with a budget to go before the Board in January 2007.

#### Acquisition Projects

McKenzie Oxbow Acquisition (Application No. 207-073) was withdrawn by the applicant.

Sandy River Conservation Acquisition (Application No. 207-072) was recommended for deferral pending completion of due diligence review.

#### **REGION 4, CENTRAL OREGON**

Roger Wood, Grant Program Manager

Rick Craiger, Regional Program Representative

Greg Sieglitz, Monitoring and Reporting Program Manager

Board Co-Chair Jane O’Keeffe recused herself from voting on Application Nos. 207-102 (not recommended for funding) and 207-107 (recommended for funding) citing a conflict of interest.

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

#### Monitoring

Application No. 207-096 (Middle Deschutes Streamflow Restoration Phase I) was approved with grant agreement provisions indicating the applicants will work with WRD, ODFW, OWEB, and others to develop an effectiveness monitoring component of the project.

Application No. 207-111 (Direct Seed/No-Till Incentive Program) was approved provided a monitoring plan is developed and reviewed prior to issuing the grant agreement.

#### 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

Greg Sieglitz, Monitoring and Reporting Program Manager

Board members unanimously approved staff’s funding recommendations as shown in the “shaded area” of Attachment A of the staff report minus Application Nos. 207-116 and 207-138, which were voted on separately.

Application No. 207-116 (Johnson Creek Reconnection). Board members voted (Jane O’Keeffe and Dan Carver voted no) to award funding with the condition that the technical issues be reviewed and accepted by the regional review team before providing funding for the project.

Application No. 207-138 (Willow Creek Restoration Phase I): Board members unanimously approved funding of this application as two projects/grants as follows:

- #1 Pipe portion totaling \$896,186
- #2 Wetland, pumpback, and road crossing totaling \$154,382

#### Monitoring

Application No. 207-131 (Burnt River Early Intervention Juniper Control & Riprap Project II) was approved with additional pre-implementation monitoring photopoints and vegetation surveys. Also, Board members indicated the re-seeding mix includes non-native species and should be evaluated before funding the project.

Application No. 207-135 (Chicken Creek Juniper Removal Project) was approved with the inclusion of additional pre-implementation photos and streamflow.

#### Acquisition Projects

Zumwalt Prairie (Application No. 207-114) was withdrawn by the applicant.

Pilcher Creek (Application No. 206-339) was deferred pending completion of due diligence.

#### Local Partner Presentations and Tour Introduction

*Prior to leaving on the tour, the following representatives from local watershed and conservation organizations made presentations to the Board.*

- *Jeff Rola, Deschutes Soil and Water Conservation District*
- *Jason Dedrick and Berta Younte, Crooked River Watershed Council,*
- *Ryan Houston, Upper Deschutes Watershed Council,*
- *Brad Nye, Deschutes Basin Land Trust*
- *Tod Heisler, Deschutes River Conservancy*
- *Jan Lee, Swalley Irrigation District, Deschutes Water Alliance*
- *Elmer McDaniel, Tumalo Irrigation District, Deschutes Water Alliance*
- *Steve Johnson, Central Oregon Irrigation District, Deschutes Water Alliance*

#### Tour

*OWEB Board members and staff toured projects in Bend and Tumalo, including the:*

- *North Unit Diversion Dam to discuss water withdrawals, the new fish screen and flows in the Middle Deschutes;*
- *Riverbend Park to discuss the riparian/park project done collaboratively between the Upper Deschutes Watershed Council and Bend Metro Parks and Recreation District; and*

- *Tumalo Creek to visit the completed and construction phase of a channel stabilization project being done by the Upper Deschutes Watershed Council and the U.S. Forest Service.*

*After the tour, William Smith Properties, the Deschutes Resources Conservancy, and the Upper Deschutes Watershed Council sponsored an informal reception for OWEB Board members, staff, watershed partners, and local officials.*

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Karen Leiendecker  
Melissa Leoni  
Tom Shafer  
Courtney Shaff  
Greg Sieglitz  
Teresa Trump  
Roger Wood

**Others Present**

Suzanne Knapp  
Jas Adams  
Margaret Nover  
Alan Hipolito  
Jo Morgan  
Steve Hanson  
Jeff Samuels  
Michael Cairns  
Carl Yee  
Bruce Taylor  
Jimmy Kagan  
Wayne Hoffman  
Michael Morrissey  
Charlie Corrarino  
Glenn Kline  
Lee Russell

**Members Not Present**

Jane O’Keeffe  
Scott Reed  
Michael Tehan  
Ken Williamson

**F. Coastal Salmon Fishing Emergency Response**

Ken Bierly, Deputy Director, updated Board members on OWEB’s response to the 2006 Salmon Season State of Emergency.

Due to a combination of factors causing a dramatic decline in the number of Klamath River Basin Chinook Salmon available for harvest along the coasts of Oregon and California, commercial and sport fishing along the Oregon coast has been severely restricted by NOAA Fisheries. On April 24, 2006, Governor Kulongoski issued Executive Orders Nos. 06-06 and 06-07 declaring a state of emergency for Oregon’s coastal counties impacted by the fishing restrictions. In response to the executive order, OWEB staff developed the following five concepts:

1. Funding work opportunities for displaced fishers to gather data on salmon stocks in the ocean;
2. Funding to implement coastal salmon restoration projects;
3. Funding work opportunities for displaced fishers for inventory and assessment activities that would lead to salmon restoration;
4. Funding accelerated development of restoration projects; and

5. Funding recovery planning outreach.

The June 2006 Legislative Emergency Board allocated \$2.2 million in Measure 66 Lottery Funds to allow OWEB to carry out these efforts.

1. Ocean Research: \$586,391  
At its May 2006 meeting, Board members approved this allocation to implement the initial year of a DNA research project. Up to \$40,000 of these funds were used to purchase equipment prior to the start of the June 4, 2006, opener.
2. Restoration Implementation: \$700,000  
Of this amount, \$553,366 has been awarded; \$146,634 remains
3. Inventory and Assessment: \$250,000  
Of this amount, \$116,679 has been awarded; \$133,321 remains
4. Development of Restoration Projects: \$500,000  
Of this amount, \$39,882 has been awarded; \$460,118 remains
5. Recovery Plan Outreach: \$175,000  
OWEB has met with representative of the Oregon State University Sea Grant Extension for a project that would hire up to five displaced fishers for 16 months to conduct a variety of outreach activities relating to the state's salmon recovery planning efforts.

Since the May 2006 Board meeting and E-Board approval of OWEB's funding request, staff developed an expedited competitive grant process for three activities: 1) restoration; 2) project development; and 3) inventory and data collection. Applications were accepted on a rolling basis and reviewed weekly by a small team of staff and experts. The Oregon Salmon Commission determined eligibility requirements for the displaced fishers and their nuclear family members, and acts as the point of contact for grantees with employment needs.

As of the September meeting: 15 applications have been received; six applications have been funded for \$559,927; and 28 displaced fishers have been hired.

OWEB staff estimate that an additional \$500,000 is needed to continue the special grant program. If qualified applications are not submitted, these funds will not be used and will be available for allocation by the Board in March 2007.

Board members unanimously approved allocation of \$500,000 of capital funding toward continuation of the 2006 Salmon Season Grants through January 21, 2007, and delegated authority to the Executive Director to enter into appropriate grant agreements to distribute funds for the purposes outlined in the staff report.

Melissa Leoni, OWEB Senior Policy Coordinator, briefed Board members on the process to adopt both temporary and permanent administrative rules. In response to legal advice, staff developed temporary emergency administrative rules to give OWEB the ability to apply award preferences related to the employment of displaced fishers, providing fish habitat benefits, and addressing identified watershed needs. The Board approved the temporary rules in a special meeting held via telephone conference call on July 20, 2006.

The temporary rules expire on January 21, 2007. To continue to apply the award preferences beyond the expiration of the temporary rules, OWEB needs to adopt permanent administrative

rules. It was recommended that staff look at framing the permanent rules similar to the Water Resources Department's drought rules.

Board members unanimously directed staff to enter into permanent rulemaking in order to be ready for Board adoption at its January 2007 meeting.

Dr. Michael Morrissey, Director of the Oregon State University Seafood Lab gave a presentation on the at sea research by the Collaborative Research on Oregon Ocean Salmon (CROOS). The June 2006 Legislative Emergency Board allocated \$585,000 to OWEB, who directed the funds to the Oregon Salmon Commission for at sea research. The research is a unique joint industry-university research project to identify salmon stocks in the ocean.

Researchers at the Coastal Oregon Marine Experiment Station at the Hatfield Marine Science Center in Newport, working in cooperative partnerships with Oregon salmon fishers, will combine at-sea and laboratory research in developing refined spatial and temporal identification of stocks to significantly reduce by-catch of weak salmon stocks and avoid long term closures of the salmon fishery. Spatial and temporal location data (i.e., locations and times salmon samples are taken) will be combined with oceanographic information to let salmon researchers begin to understand the relationships between salmon locations, their stream of origin, their movement in Oregon's Pacific waters, and physical and environmental factors such as ocean currents and locations.

Additional information is available at [www.projectCROOS.com](http://www.projectCROOS.com).

#### **G. Oregon Plan Monitoring**

Greg Sieglitz, Monitoring and Reporting Program Manager, was joined by Jimmy Kagan, Oregon State University Institute for Natural Resources, and Steve Hansen, DEQ Volunteer Monitoring Program, to discuss two Oregon Plan Monitoring projects funding requests. At its January 2006 meeting, Board members approved a spending plan which reserved \$110,000 for Oregon Plan Monitoring and \$690,000 for Oregon Plan Products. The requested funding would come from the above-noted reserved amounts.

- A. DEQ Volunteer Water Quality Monitoring Program Equipment Needs. \$27,322.75 (non-capital funds from Oregon Plan Monitoring reserve) is requested to fund an interagency agreement with DEQ for the replacement and refurbishing of volunteer monitoring equipment.

DEQ provides access to equipment, training, database support, and analytical assistance for watershed councils and soil and water conservation districts through the Volunteer Water Quality Monitoring Program funded by OWEB. Steve Hansen briefed board members on the program, which provides technical assistance to local groups on the best way to collect data. Now that the data is in the database, that data can be used on a larger scale. All data is available, however, only data that meets the data quality requirements is used.

Board members unanimously approved the request.

- B. Oregon Watershed Restoration Inventory (OWRI) Web Access, Oregon Explorer, and Conservation Registry. Seventy-five thousand (non-capital funds from Oregon Plan

Products reserve) is requested to fund an interagency agreement with the OSU INR for the development of web access to and tools for the OWRI, statewide Oregon Explorer web portal enhancements, and Registry of Conservation Actions.

Jimmy Kagan briefed Board members on the request for funding which will allow OSU INR to improve the current Oregon Explorer, and to add the complete OWRI database thereby allowing web access. The final piece is to work on the cooperative registry to integrate all the data. INR is working with tight timelines so the product will be available by Oregon Statehood Day in February 2007. He added that the INR is committed not to come to the Board for funding in the future for the baseline Oregon Explorer support, and that they will seek additional funding through other sources as well as the Oregon Legislature. Greg Sieglitz added that improvements can be made to both sites by adding new tools and information to enhance interest for users of the OWRI and the Oregon Explorer.

Board members unanimously approved the request.

#### **H. Request to Apply for Watershed Council Support**

##### **Public Comment:**

Lee Russell, Elk Creek Watershed Council, supported the council's request to apply independently for council support funding, and answer any questions from Board members.

Ken Bierly, Deputy Director, presented this item to the Board. He provided background information on council support funding. In April 2003, the Board adopted four funding principles that were applied to the 2003-2005 council support grants, including encouraging watershed councils to consolidate and apply jointly for council support grants.

Two watershed councils are seeking Board approval to apply for council support funding separately from their current funding partners. The Elk Creek Watershed Council seeks to separate from the Smith River Watershed Council, and the Luckiamute Watershed Council seeks to separate from the Rickreall and Glenn-Gibson Creeks watershed councils.

Both councils identified reasons to the separation. The Elk Creek Watershed Council wants to be judged on their merits and not on the merits of their partner watershed council. The Luckiamute Watershed Council wants to be independent and their partner councils support their separation.

Due to the limited amount of watershed council support funding available, Board members are concerned about councils splintering from partner groups. Board members supported offering an incentive to councils to apply for funding as a group and not individually.

Board members unanimously approved staff's recommendation to allow the Luckiamute and Elk Creek watershed councils to apply for council support independently if they choose. In addition, staff will work with the Board subcommittee to explore incentives for council consolidation for use in the 2007-2009 grant cycle.

**I. Public Comment – Local Innovation Fund Grants**

Alan Hipolito, Verde, supported funding for Application No. 207-147 (Crystal Springs Restoration and Enhancement Project), which was not recommended for funding by OWEB staff.

Glenn Kline, Southeast Oregon Resource Conservation and Development, supported funding for Application No. 207-149 (Juntura Malheur River Stream Protection Project), which was not recommended for funding by OWEB staff.

Wayne Hoffman, MidCoast Watersheds Council, supported funding for Application No. 207-139 (Pacific Shrimp Company Water Conservation Project), which was not recommended for funding by the review team or OWEB staff.

**J. Board Consideration of Local Innovation Fund Grants**

Melissa Leoni, OWEB Senior Policy Coordinator and LIF Fund Manager, briefed Board members on the Phase II Local Innovation Fund May 1, 2006, request for proposals, the applications received by the June 15, 2006, deadline, the evaluation process applied to these applications, and lessons learned through this phase of the pilot program to link restoration funding with economic and community benefits.

Fifteen applications were received by the June 15, 2006, deadline. Two applications were ineligible and 12 applications were sent to OWEB’s regional review teams and a statewide review team. The statewide review team recommended seven applications to OWEB staff for funding. OWEB then worked with the Board’s LIF subcommittee (Dan Heagerty and Dan Carver) to review the team recommendations and to develop the Board funding recommendation. The subcommittee recommended three projects for funding. The subcommittee also recommends that OWEB develop partnerships with the Oregon Economic and Community Development Department and other relevant agencies to assist in the enrichment of these projects to meet the three LIF goals (environment, economy and community). They also recommended that the Board awards be flexible to allow staff to complete discussions with the applicants on conditions for funding.

The three projects recommended by the Board subcommittee and OWEB staff for funding include:

- Application No. 207-140 (South Coast Cranberries), South Coast Watershed Council
- Application No. 207-148 (Mosier Community Groundwater Management), Wasco SWCD
- Application No. 207-142 (Salmon-Safe Applegate Restoration Initiative), Applegate River Watershed Council

Board member Jim Nakano expressed concern over funding Application No. 207-140 (South Coast Cranberries).

The Board unanimously approved funding for the three Phase II Local Innovation Fund projects show in the Revised Attachment C with the conditions recommended by staff, and that the Board delegate authority to the Executive Director to approve final grant amounts and conditions, after consultation with the Board subcommittee, when staff and applicant discussions are complete.

The Board also voted unanimously to add Application No. 207-147 (Crystal Springs Restoration and Enhancement Project), Hacienda CDC - Verde, to the “do fund” list awarding \$40,760 in capital funds, and \$2,100 in non-capital funds.

**K. Public Comment -- General**

Bruce Taylor, Defenders of Wildlife, asked the Board to keep in mind that there is a line where OWEB’s mission stops and the ODFW mission starts regarding harvest management. He noted that the restoration priorities are coming along, but stated a need to develop priorities and look at the most important habitats such as sagebrush habitat and the endangered species in those habitats.

**L. Recovery Planning**

Ken Bierly, OWEB Deputy Director, and Sue Knapp, Governor’s Natural Resources Office, updated Board members on the multi-agency planning effort to develop conservation and recovery plans for salmon and steelhead throughout the state. The effort is being coordinated by the Governor’s Office and lead by Ms. Knapp.

The development of each plan requires technical support and stakeholder team facilitation and support. The salmon and steelhead recovery planning schedule for Oregon domains was presented. The process includes the review timelines, planning and stakeholder meetings, due date for the draft recovery plan, and estimated completion date for the final plan.

Coast	Scheduled to be completed in January 2007
Mid Columbia	Scheduled to be completed in March 2007
Snake	Scheduled to be completed in March 2007
Lower Columbia	Scheduled to be completed in Mid 2007
Upper Willamette	Scheduled to be completed in Fall 2007
SONCC	Scheduled to be completed in December 2007 or later

Only \$17,057 remains of OWEB’s half of a \$1.5 million PCSRF fund split between ODFW and OWEB which was earmarked by the Legislature for the 2005-2007 biennium. In September 2005, the OWEB Board approved a \$200,000 allocation to support local involvement in recovery planning, of which \$79,000 remains. To date, OWEB has allocated a total of \$853,943 to support salmon recovery planning.

OWEB staff expect that additional funding will be needed during the remainder of the biennium, and are requesting Board approval to allocate the \$600,000 that was reserved in January and March 2006, and delegate authority to the Executive Director to distribute funds for conservation/recovery planning in order to have the flexibility to respond rapidly to funding needs as they arise. The Executive Director will work with the Governor’s Office to determine the specific purposes for the funds and the timing of distribution.

Board members unanimously approved the \$600,000 allocation and delegate authority to the Executive Director to distribute the funds as noted above.

**M. Restoration Priorities Adoption**

Ken Bierly, Deputy Director, briefed Board members on the Hood and Fifteenmile basin restoration priorities. 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. At the March 2006 meeting, the Board adopted the priority approach for the Rogue and Willamette basins, and the South Coast Basin at the May 2006, meeting.

Following is the delivery schedule for completion of the remainder of the Oregon Plan basin regional priorities.

<b>Date</b>	<b>Basin</b>
August 25, 2006	Deschutes
September 8, 2006	Malheur
September 8, 2006	John Day
September 22, 2006	Grande Ronde
October 6, 2006	Owyhee
October 20, 2006	Powder
October 27, 2006	Umatilla
October 27, 2006	Walla Walla

Board members unanimously approved the approach and content for the Hood and Fifteenmile basin regional restoration priorities.

**N. Council-District Collaboration Update**

John Moriarty, Network of Oregon Watershed Councils, and John McDonald, Oregon Association of Conservation Districts, updated Board members on progress made on the collaborative effort between OWEB, ODA, SWCDs, and watershed councils.

As reported at the May Board meeting, a core message and strategy have been developed. Over the summer, Moriarty and McDonald took the message and strategy around the state to find out what kinds of questions to ask and answer; what needs should be met, and what is coming up in the future. They met with conservation and agriculture interest groups, as well as the Senate Interim Committee on Natural Resources, and received a positive and supportive response. They also have set appointments to meet with Legislators. They have now entered into the next stage which is refining and implementing the strategy and getting back into the communities.

They are hearing that Oregonians want clean water, and to get clean water, we need to focus on the watershed, ridgetop-to-ridgetop. It is important to have both organizations out there doing it. They are at a point now that they can have conversations about process and help to negotiate the issues/problems.

**O. OWEB Conservation Easements and Stewardship**

As a follow-up to a Board discussion at the January 2005, meeting, Melissa Leoni, OWEB Senior Policy Coordinator, used a Powerpoint presentation to provide Board members with information about conservation easement management.

OWEB holds a property interest through a conservation easement on all funded land acquisition projects because of the statutory requirement to ensure that the property will continue to be used for purposes specified under Article XV, Section 4b of the Oregon Constitution. Under Article XV, OWEB is directed to allocate funding for land acquisition projects that, in its judgment, further the goal of protecting and/or restoring wild salmonids, fish and wildlife habitat, watersheds, or water quality in Oregon.

To date, OWEB has funded 30 land acquisition projects. Of those, OWEB holds 18 conservation easements, has third party rights in nine conservation easements, and three of those projects are not complete and will add several more separate easements.

OWEB began using a generic easement in 2001-2003. In 2003, on advice received from legal counsel, OWEB began using an easement form that included specific allowed and prohibited uses. In 2004, OWEB adopted new administrative rules for land acquisition grants, and in 2005, staff developed an easement template and guide which was based on the Land Trust Alliance Model Conservation Easement. In order to protect OWEB's right to enforce the terms of its easements, OWEB staff have begun to develop and engage in a consistent, regular easement stewardship program with the following elements:

- A. Monitoring
- B. Landowner relations
- C. Recordkeeping
- D. Amendments and approvals
- E. Enforcement and defense

OWEB staff are now working to complete recordkeeping and monitoring forms for all projects/properties; to conduct site visits; develop procedures for amendments/approvals and enforcement/defense; and will continue to update Board members at future meetings.

#### **P. Effectiveness Monitoring Report**

Courtney Shaff, Effectiveness Monitoring Specialist, and Greg Sieglitz, Monitoring and Reporting Program Manager, updated Board members on OWEB's Effectiveness Monitoring Program accomplishments.

OWEB contracted with Hugh Barrett, CSR Natural Resources Consulting, Inc. to monitor the effectiveness of juniper removal projects in Wheeler and Crook counties. The final report was submitted to OWEB staff in July 2006. OWEB staff are working to expand this monitoring in Grant, Harney, Lake, and Klamath counties next year, and will use the results from this monitoring to develop recommendations and guidance for future projects.

Ms. Shaff also reported on the following efforts that are taking place by OWEB staff:

1. Coordinate with Washington state reach scale effectiveness monitoring program. She has spent time out in the field and landowners are excited about the pre and post implementation monitoring that will go on.
2. The need for a Center for Statistical Design – hold one session at biennial conference so folks can ask questions of the experts.
3. A need to be consistent among monitoring protocols and key parameters.
4. Better tracking of what occurs in monitoring grants. Tracking by working with grant program to revise applications and agreements. Also developing monitoring database that requires grantees to provide information.
5. Dissemination of OWEB grantee monitoring reports. OWEB started posting monitoring reports online.

Greg Sieglitz, Monitoring and Reporting Program Manager provided a thumbnail sketch of where headed.

1. Continue discussion and actions on center for statistical design. Not unique, has been identified in other areas as well. Lots of interest and so want to see this move forward.
2. Funding package for dam removal monitoring – to get better understanding about what we are learning from these projects with cutting edge technology.
3. Establish second year livestock exclusion monitoring
4. Complete modifications to grant agreement forms.
5. Framework for intensively monitored watersheds
6. Complete OWRI migration into grant database.
7. Clearly establish irrigation efficiency monitoring framework.

**Q. Other Business**

There was none.

Having no further business, the meeting was adjourned.