

**Approved by the Board March 14, 2007
Oregon Watershed Enhancement Board**

**January 24, 2007
OWEB Board Meeting
Hillsboro, Oregon**

Minutes

OWEB Members Present

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

OWEB Staff Present

Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Wendy Hudson
Melissa Leoni
Tom Shafer
Greg Sieglitz
Cindy Silbernagel
Lori Warner-Dickason
Roger Wood

Others Present

Bruce Taylor
Margaret Nover
Jeff Kee
Dan Knoll
John Moriarty
Bob Jones
Jane VanDyke
Joe Moll
Amy Gillette
Kevin Fenn
Greg Apke
Stephen Caruana
Craig Ball
Charlie Corrarino
Jeff Rogers
Don Stevens
Eric Metz
Nicole Navas

Members Not Present

Meta Loftsgaarden
Helen Westbrook

A. Board Member Comments

Representatives on the OWEB Board commented on recent activities and issues facing their respective agencies. Board Co-Chair Dan Heagerty welcomed Dave Powers, representing the U.S. Environmental Protection Agency, who returned to the Board after completing a special assignment with the U.S. Forest Service in California.

B. Minutes

Minutes of the following Board meeting were unanimously approved:
September 24-25, 2006 Board meeting in Bend

C. Executive Director Update

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

1. Research Grants Update

Thirty-three research pre-proposals were received by the September 22, 2006, deadline, and were reviewed by a subcommittee of the Oregon Plan Monitoring Team. Based on the subcommittee’s recommendations, OWEB has requested 14 applicants to submit full

proposals. Sea Grant will administer the full proposal peer review process, with Board consideration scheduled for September 2007. Staff Contact: Greg Sieglitz

2. Conservation Easement Stewardship

In order to protect OWEB's right to enforce the terms of its easements, and ensure accountability for public funds, OWEB will continue to develop a stewardship program with the following elements in preparation for the 2007 summer monitoring season: Monitoring, Landowner Relations, Recordkeeping, Amendments and Approvals, and Enforcement and Defense. Staff Contact: Lori Warner-Dickason

3. 2006 Council Support Applications

For the 2007-2009 biennium, improvements were made to the council support grant process. The application was streamlined, the evaluation criteria were clarified, and the review process was revised to include consensus scoring and other quality control measures.

Sixty applications were received by the December 15, 2006, deadline requesting a total of \$7.9 million. The applications will be considered at the May 2007 Board meeting. Staff Contact: Lori Warner-Dickason

4. Mitigation Banking and OWEB Funding

The U.S. Fish and Wildlife Service, OWEB, and other agencies met late last year to develop a shared understanding and coordinated approach regarding the relationship between public funding for restoration and mitigation banking. Staff Contact: Ken Bierly

5. 2006 Biennial Conference

Director Byler thanked Board members for their attendance at the biennial conference, and Co-Chair Heagerty thanked OWEB staff for their efforts to make the conference a success.

Director Byler also reported the following:

- Meta Loftsgaarden is a new board member representing the NRCS, but was unable to attend the meeting.
- Director Byler made a few temporary staffing changes to allow OWEB to be more strategic as it enters the next biennium. The changes were made in October 2006, and involved reassigning the following staff: Ken Bierly as Grant Program Manager; Roger Wood is working on Special Projects, including strategic investments, interagency agreements, and the Local Innovation Fund, and Director Byler assumed management of the Policy and Oregon Plan Coordination Program.
- The following Board members volunteered to be on a Strategic Investments subcommittee staffed by Roger Wood: Dan Heagerty, Dave Powers, Diane Snyder, and Ken Williamson.

D. Governor's Recommended Budget and Legislative Update

Director Byler provided Board members with an overview of OWEB's budget as identified in the Governor's Recommended Budget (GRB). The GRB proposes allocating \$78 million to OWEB (\$61 million in capital funds; \$17 million in non-capital funds). The proposed

allocations are increases over the current biennium. The GRB estimates OWEB receiving \$10 million in PCSRF funds, however, Congress has not yet decided on the final appropriation for Oregon, which could be considerably less.

The Legislature is not holding floor sessions every day, allowing them to focus on committee work, which they expect to shut down in mid-March, except for a few key committees. OWEB's director and legislative coordinator, as well as the Board Co-Chairs will be scheduling time to meet with legislators to discuss OWEB's budget.

E. Conservation Reserve Enhancement Program (CREP) Status Report

Ken Bierly, Deputy Director, Lois Loop, Farm Services Agency, and Mike Powers, Oregon Department of Agriculture, provided Board members with background information on the CREP Program, and the growth of the Oregon CREP Program this biennium. This year, the USDA has paid approximately \$4 million for conservation practices. OWEB has matched the federal conservation payments with \$2.5 million of direct conservation payments and \$500,000 in technical assistance. Since a revised USDA agreement was signed in 2004, public interest in the program has increased significantly, and the number of stream miles treated has grown dramatically.

OWEB staff expect to have a more detailed discussion at the September 2007 Board meeting to discuss the following:

- Strengthening the preference for CREP for all riparian restoration projects;
- Focusing technical assistance to aid in salmon recovery;
- Developing a cost forecasting tool for the state cost share;
- Conducting effectiveness monitoring for the program; and
- Increasing public awareness of the program.

This biennium, the Board has allocated \$2.5 million for CREP cost share payments, and as of December 5, 2006, payments of \$2,234,174.18 have been made. Examining the recent payment rate and history of payment requests, staff estimate an additional \$1 million will be required for payment on existing contracts through the end of the biennium.

Board members unanimously approved \$1 million in capital funds for CREP cost share payments through the end of the biennium.

F. Deferred Acquisition Projects

Lori Warner-Dickason, Policy Specialist, updated Board members on the following acquisitions which had been previously deferred.

Svensen Island (206-259)

This grant application submitted in October 2005 by the Columbia River Land Trust was withdrawn by the applicant. No Board action is required.

Pilcher Creek (206-339)

This grant application was submitted in October 2005 by the Rocky Mountain Elk Foundation. Staff are awaiting receipt of due diligence materials, and recommend deferral.

Board members unanimously approved deferral of this project until due diligence items are submitted and reviewed.

Sandy River (207-072)

This grant application was submitted in April 2006 by the Western Rivers Conservancy. Uncertainty over future ownership surfaced late in the application process, causing the Board subcommittee and staff to recommend deferral pending receipt and review of additional information from the applicant.

Board members unanimously approved the staff recommendation to defer consideration pending receipt and review of additional information regarding the capacity of Western Rivers Conservancy to manage and sustain the ecological benefits of the property.

Tenmile Creek Corridor Easement project (206-058)

This project was submitted in April 2005 by the McKenzie River Trust and requests \$810,112 to assist in the purchase of conservation easements on 231 acres in the Tenmile Creek watershed. The project received a favorable review by the regional review team, the Board acquisition subcommittee, and OWEB staff, therefore funding is recommended.

Board members unanimously approved staff's recommendation to award \$810,112 in capital funds toward the purchase of conservation easements for the Tenmile Creek project.

G. Public Comment

Joe Moll, McKenzie River Trust, updated Board members on progress at Green Island, and thanked staff for their support.

Stephen Caruana, Kleinfelder Engineering, updated Board members on Braeburn Creek project in Eugene.

Jeffrey Kee, Clackamas SWCD, recommended that OWEB spend money on marketing the Oregon Plan for Salmon and Watersheds.

Bruce Taylor, Oregon Habitat Joint Venture, commented that OWEB should work more on leveraging funding from the federal government through additional programs/grants, such as the National Wetlands Conservation Grant. He also thanked Wendy Hudson for moderating the upland session at the Biennial Conference.

Bob and Kathy Newcomb, Citizens for Safe Water, requested Board endorsement of a study on the impacts of global warming on the Willamette River. Although Board members could not offer an endorsement, Board member Ken Williamson recommended that they contact the EQC and the Institute for Natural Resources at OSU.

H. Oregon Plan Panel Presentation and Discussion

In separate presentations, the following state agency representatives discussed their individual agency's roles and responsibilities under the Oregon Plan for Salmon and Watersheds.

- Greg Apke, Oregon Department of Transportation
- Amy Gillette, Oregon Parks and Recreation Department
- Eric Metz and Nicole Navas, Department of State Lands

I. Oregon Plan and Effectiveness Monitoring Products

Greg Sieglitz, Monitoring and Reporting Program Manager, described the recent progress in implementing the Monitoring Strategy for the Oregon Plan for Salmon and Watersheds and OWEB's Effectiveness Monitoring Program. He also explained the following funding requests:

Western Juniper Removal Project Evaluation

Based on recommendations in a report summarizing the results of monitoring the effectiveness of OWEB-funded western juniper treatments, OWEB staff are recommending contracting with a consultant on the following products:

- Development of a field manual to guide OWEB regional program representatives, regional review teams, SWCDs, and watershed council staff in identifying and designing western juniper treatment projects following best management practices.
- Conduct a two-day field workshop for invited participants from the groups mentioned above to apply the concepts, methods, and techniques contained in the draft field manual.
- Evaluate each western juniper treatment project funded in Lake, Harney, Klamath, and Grant counties and repeat the sampling that occurred in Crook and Wheeler counties last year.

Board members unanimously approved a \$20,000 allocation from reserved effectiveness monitoring funds for the Western Juniper Removal Project Evaluation.

Center for Statistical Design and Analysis

Dr. Don Stevens, Oregon State University, and Jeff Rogers, Oregon Department of Fish and Wildlife, provided an overview of a funding request for the Center for Statistical Design and Analysis to continue statistical outreach and support for Oregon Plan agencies for one year beginning in March 2007. OSU is in the process of pursuing federal funding to provide the Center with increased capacity to provide statistical support for local groups.

Board members unanimously approved staff's recommendation to award \$87,036 in non-capital funds to the Center for Statistical Design and Analysis. The funds come from an effectiveness monitoring reserve allocation previously approved by the Board.

J. Clean Water Services Presentation and Tour

Bill Gaffi and Kendra Smith, Clean Water Services, presented an overview of their work in the Tualatin watershed.

After the presentation, Mark Jockers, Clean Water Services, lead Board members, staff, and interested public on a tour of the facility. The administration building complex is LEED (Leadership in Energy and Environmental Design) Gold certified, and is the first public building in Washington County to earn this designation for sustainable design and construction by the U.S. Green Building Council.

Local Partner Presentations

The following representatives from local watershed and conservation organizations made presentations to the Board.

- April Olbrich, Tualatin River Watershed Council
- Lacey Townsend, Autumn Bryant, and Kevin Ferris, Tualatin Soil and Water Conservation District
- Russ Plaeger, Sandy River Basin Partnership, and Jonathan Soll, The Nature Conservancy
- Dean Marriott and Margaret Nover, City of Portland, and Travis Williams, Willamette Riverkeepers
- Jim Desmond, Metro, and Michelle Brussard, Johnson Creek Watershed Council

At the conclusion of the Board meeting, Tualatin River Watershed Council, Tualatin Soil and Water Conservation District, Clean Water Services, and Jackson Bottom Wetlands Preserve sponsored an informal reception for OWEB Board members, staff, watershed partners, and local officials at the Jackson Bottom Wetlands Preserve facility.

**Approved by the Board March 14, 2007
Oregon Watershed Enhancement Board**

**January 25, 2007
OWEB Board Meeting
Hillsboro, Oregon**

Minutes

OWEB Members Present

Miles Brown
Bobby Brunoe
Alan Christensen
Dan Heagerty
Skip Klarquist
Jim Nakano
Jane O’Keeffe
Scott Reed
Patricia Smith
Diane Snyder
Michael Tehan
Dan Thorndike
Ken Williamson

OWEB Staff Present

Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Melissa Leoni
Tom Shafer
Greg Sieglitz
Roger Wood

Others Present

Wayne Hoffman
Rich Carmichael
Margaret Nover
John Moriarty
John McDonald
Bob Jones
Dan Knoll
Russ Hoeflich
Charlie Corrarino
Jeff Samuels

Members Not Present

Dan Carver
Meta Loftsgaarden
Dave Powers
Helen Westbrook

K. Restoration Priorities Adoption

Roger Wood, Special Projects, presented information seeking adoption of restoration priorities for the Deschutes and Malheur basins. The development of funding priorities will guide OWEB in the evaluation of grant applications, and will help ensure a clear and strategic approach to prioritizing funding of projects.

Adoption of these priorities continues OWEB’s development of priorities for the 15 Oregon Plan reporting basins in the state. Adoption of restoration priorities remain for the Imnaha, Umatilla, John Day, Grande Ronde, and Powder basins.

Board members unanimously approved the approach and content of the Deschutes and Malheur basins regional restoration priorities.

L. Biennial Report Presentation

Melissa Leoni, Senior Policy Coordinator, provided Board members with a walk-through of the 2005-2007 Oregon Plan Biennial Report. As required by statute (ORS 541.405), the report was submitted to the Governor and appropriate committees of the Legislative Assembly by January 15, 2007. The report addresses the statewide and regional implementation and effectiveness of

the Oregon Plan. It addresses each drainage basin in the state and includes watershed and key habitat conditions, an assessment of data and information needs, an overview of state agency programs and voluntary restoration activities, a summary of Board investments, and recommendations of the Board for enhancing Oregon Plan effectiveness.

M. Public Comment

Wayne Hoffman, Mid Coast Watersheds Council, presented Board members with a copy of the Council's annual report.

Russ Hoeflich, The Nature Conservancy, supported OWEB's work on juniper, and challenged the Board to look at larger scales.

N. Council/District Collaboration Update

John McDonald, OACD, and John Moriarty, Network of Oregon Watershed Councils, updated Board members on the status of the Council-District collaboration process. They have been meeting with, and receiving an enthusiastic response from legislators and key stakeholders on the importance of non-capital, and equal funding to both watershed councils and soil and water conservation districts in the OWEB and ODA budgets.

Their joint message is "clean water" and taking care of the land that surrounds it.

O. Salmon Season State of Emergency Rules Adoption

Melissa Leoni, Senior Policy Coordinator, updated Board members on the Salmon Season State of Emergency funding to date. She provided a summary of the administrative rules process and explained the permanent administrative rules in front of the Board for adoption.

OWEB expects a continuing interest and need for the program into the foreseeable future. To date, OWEB has received 19 applications, with 13 being funded employing 47 fishers for a total of \$1,189,893 in restoration, project development, and inventory and data collection projects.

Temporary administrative rules were adopted on July 20, 2006, and expired on January 21, 2007. They were created in response to the Governor's Executive Order No. 06-06 and its amendment 06-07. To continue to apply award preferences beyond the expiration of the temporary rules, permanent administrative rules need to be adopted by the Board.

A public comment period was held on the proposed rules, and a summary of public comments and OWEB's responses were included with the staff report. After review, OWEB staff did not recommend making any changes to the permanent rules and are seeking Board adoption of the rules. The rules will remain in place unless the Governor cancels the State of Emergency.

Due to the demand on funding for the salmon season state of emergency grants, staff are also seeking an additional \$300,000 in capital funds for the program.

Board members unanimously adopted the permanent administrative rules (695-007-0010 through 695-007-0040) as presented in Attachment C of the staff report.

In addition, Board members unanimously adopted allocation of \$300,000 to fund Salmon Season State of Emergency projects submitted through the process, and authorized delegation of

expenditure authority for Salmon Season State of Emergency grant awards to the director to disburse funds for those grants.

P. Coastal Coho and Mid-Columbia Steelhead Conservation and Recovery Plans

Presentations were provided to Board members by Kevin Goodson and Rich Carmichael, Oregon Department of Fish and Wildlife.

Q. Other Business

There was none.

Having no further business, the meeting was adjourned.