

MINUTES ARE NOT FINAL UNTIL APPROVED BY THE BOARD.

Oregon Watershed Enhancement Board

May 15, 2007

OWEB Board Meeting

Salem, Oregon

Minutes

OWEB Members Present

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

Members Not Present

Meta Loftsgaarden
Jim Nakano
Ken Williamson

OWEB Staff Present

Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Mark Grenbemer
Wendy Hudson
Miriam Hulst
Karen Leiendecker
Melissa Leoni
Tom Shafer
Greg Sieglitz
Cindy Silbernagel
Lori Warner-Dickason
Roger Wood

*Other OWEB staff attended portions of the meeting since it was held in the State Lands Building where OWEB’s offices are located.

Others Present

Wayne Hoffman
Tim Weaver
Charles Redon
Cheryl McGinnis
Craig Ball
Jo Morgan
Jane Van Dyke
Michelle Bussard
Rich Young
Lori Lilly
Janelle St. Pierre
Shirley Kalkoven
Jen Bailey
Lee Russell
Denise Lofman
Sue Knapp
Michael Cairns
Ann McKinney
Bruce Taylor
Charlie Corrarino
John Moriarty
Cindy Ashy
Jeff Feldner
Gil Sylvia
Terra Lang Schultz
Nick Baer
Ephraim Temple

A. Board Member Comments

Representatives on the OWEB Board commented on recent activities and issues facing their respective agencies. Board Co-Chair Jane O’Keeffe reported on meetings she and Director Tom Byler had with Oregon’s Congressional delegation, and NOAA Fisheries in Washington DC regarding Oregon’s share of Pacific Coastal Salmon Recovery Funds for federal fiscal year 2007.

B. Minutes

*Minutes of the following Board meeting were unanimously approved:
March 14-15, 2007 Board meeting in Eugene*

C. Executive Director Update

Executive Director, Tom Byler, briefly described the following items.

1. Legislature and Budget

OWEB's 2007-2009 budget presentation to the Ways and Means Subcommittee on Natural Resources was held in March with two days of testimony and one day of public comment. Although OWEB's federal funds from the Pacific Coastal Salmon Recovery Fund remain in question, the Co-Chairs of the Ways and Means committee budget provides OWEB with \$60 million in capital funds which is a \$20 million increase over the previous biennium. OWEB may also see an increase in Measure 66 non-capital funds.

Melissa Leoni, Senior Policy Coordinator, briefed the Board on Oregon Plan-related legislation.

2. Research Grants Update

Using a process approved by Board members in May 2006, OWEB worked with the Sea Grant program at Oregon State University to assist in the peer review of the research grant solicitation. Of the 33 pre-proposals received, OWEB staff requested full proposals from 14 of the applicants. Staff are processing reviewers comments and scores and will present proposals for Board consideration at the September 2007 meeting.

D. Public Comment – Pending Watershed Council Support Applications

John Moriarty, Network of Oregon Watershed Councils, discussed the importance of sufficient funding for watershed councils for the 2007-2009 biennium, and the need for an increase above \$5 million that was suggested by the Legislature. Although some councils have specific issues and concerns regarding OWEB's review process, he felt that the merit-based approach is continuing to improve.

The following watershed council representatives commented on the process and importance of funding.

Wayne Hoffman, Mid-Coast Watersheds Council

He also expressed concern that umbrella councils are not given enough recognition financially.

Cheryl McGinnis, Clackamas River Basin Council

Michelle Bussard, Johnson Creek Watershed Council

Jane VanDyke, Columbia Slough Watershed Council

Tim Weaver, Little Butte Creek Watershed Council

Charles Redon, Rickreall WSC and Glenn-Gibson WSC

Lori Lilly, North Coast Watershed Association

Janelle St. Pierre, Scappoose Bay WSC

Shirley Kalkoven, Lower Nehalem WSC

She also expressed concern that umbrella groups are being penalized financially.

Lee Russell, Elk Creek WSC

Denise Lofman, Tillamook Bay WSC
Todd Miller, Siuslaw WSC

Cindy Ashy spoke in opposition of funding for the Mid-Coast Watersheds Council, had concerns related to their umbrella status and use of public funding, and presented allegations about the behavior of council staff and council members.

E. Board Consideration of Pending Watershed Council Support Grant Applications

Ken Bierly, Deputy Director, and Lori Warner-Dickason briefed Board members on the Watershed Council Support process for the 2007-2009 biennium.

On December 15, 2006, OWEB received 60 applications for Watershed Council Support grants requesting a total of \$7.9 million. Prior to the solicitation, staff made significant changes to the application, review criteria, and merit evaluation process. The most significant changes were:

Application

The size of a completed application was reduced from 30-90 pages to 20 pages or less.

Questions in the 2007-2009 application were designed to address eight criteria:

1. Organization make-up and citizen involvement
2. Organization improvement efforts
3. Management of the organization
4. Fiscal management
5. Leadership role in watershed activities
6. Planning strategically
7. Working collaboratively
8. Accomplishments

Applications also included a section called “special circumstances” which gave councils an opportunity to describe staffing situations and demographic or social issues that influenced their work.

Scoring

The review team, the Council Support Advisory Committee (CSAC), was revised. The CSAC was made up of 18 members and divided into two teams to assist OWEB in reviewing applications and developing “consensus scores” for each application, which was also a new addition to the process. Each review team scored five of the same applications to see if there were consistent differences in scoring between teams.

Limitations of the Process

Although staff felt that the review process was sound, suggestions for improving the application and review process were solicited from applicants and CSAC members. Specific areas of improvement have been identified to make the process less reliant on the skill of the grant writer, increase the relevancy of the information requested in the application, and improve the consistency in the scoring. Staff anticipate some minor adjustments for the 2009-2011 grant cycle.

Final Merit Scores and Evaluations

Scores were generally higher this cycle than in the previous biennium. This outcome is a result of the attempts to focus on the criteria, not compare councils to each other, and consideration of

the level of funding and special circumstances in the evaluation of a council's accomplishments. One of the objectives in the revised process was to minimize the effects of regional and demographic differences and allow for differences in how these community organizations operate.

Funding Categories

OWEB staff considered three approaches to use the scoring to distribute funding to councils: 1) merit points; 2) a three category approach: Excellent, Good and Needs Improvement; and 3) a five category approach: Excellent, Very Good, Good, Satisfactory, and Needs Improvement. The Board Council Support Subcommittee and OWEB staff recommended the five category approach which represented a compromise that balances the need to demonstrate merit with the level of sensitivity of the scoring process.

Umbrella Councils

Consistent with administrative rules at OAR 695-040-0020, OWEB staff recommended additional funding for umbrella councils above the base award amount.

Because the Legislature has not yet approved OWEB's budget, four funding levels (\$4 million, \$5 million, \$5.5 million and \$6 million) using the five category approach were offered to Board members for consideration. Staff also discussed special funding considerations for councils in the "Needs Improvement" category and new councils.

After Board discussion of the process and funding alternatives presented, Board members supported awarding councils as much funding as possible, and *unanimously approved the following:*

1. *Adopt the creation of five base award categories: "Excellent," "Very Good," "Good," "Satisfactory," and "Needs Improvement."*
2. *Award umbrella watershed councils an additional amount of 18, 9, and 22 percent of the base award for "a," "b," and "a/b" type umbrella watershed councils, respectively.*
3. *Direct staff to provide provisional funds to watershed councils in the "Needs Improvement" merit category.*
4. *Adopt \$5,014,030 as base funding for Council Support.*
5. *The Board meet via conference call at the end of the legislative session to further consider additional funding and re-evaluate the umbrella council funding level.*

F. At-Sea Research: Oregon State University and Oregon Salmon Commission

Public Comment:

Bruce Taylor, Defenders of Wildlife, said that although this is a great project, it should be funded with PCSRF as it does not meet the criteria to be funded with Measure 66 funds.

Efrain Temple, Sea Grant Legislative Fellow, Wendy Yorkshire from Representative Debbie Boone's office, and Nick Baer from Senator Doug Whitsett's office, said that the Legislative Coastal Caucus strongly supports the At-Sea Research project.

Greg Sieglitz, Monitoring and Reporting Program Manager, was joined by Jeff Feldner, Oregon Sea Grant and commercial fisherman, and Dr. Gil Sylvia, Superintendent, OSU Coastal Oregon Marine Experiment Station and manager of Project CROOS (Collaborative Research on Oregon Ocean Salmon). They reported on the 2006 ocean salmon fishing season and the corresponding genetic research and mapping undertaken by the Oregon Salmon Commission, OSU, and commercial fishermen.

OWEB met with local interests from the coastal communities, legislators, NOAA Fisheries, and the Governor's Office to discuss the availability of funds for supporting Project CROOS for the upcoming ocean salmon fishing season. OWEB is working with them to finalize an agreement to use the remaining funds from the OWEB Salmon Emergency allocation to allow a second season of research to move forward. The possibility of additional funding to continue the project may be requested at the September 2007 Board meeting.

G. Effectiveness Monitoring

Greg Sieglitz, Monitoring and Reporting Program Manager, and Courtney Shaff, Effectiveness Monitoring Specialist, updated Board members on accomplishments of the Effectiveness Monitoring Program from September 2006 to May 2007, and presented a request to reallocate \$175,000 in capital funds for Conservation Reserve Enhancement Program (CREP) effectiveness monitoring.

In addition to the CREP effectiveness monitoring, the Monitoring and Reporting Program reported on activities for Western Juniper Removal Project Evaluation, Irrigation Efficiency/Water Management, Riparian Livestock Exclusion Monitoring, and Dam Removal Monitoring.

Board members unanimously approved reallocation of up to \$175,000 in capital funds for CREP effectiveness monitoring.

H. Special Investment Partnerships

Roger Wood updated Board members on the ongoing development of the Special Investment Partnerships (SIP) concept. OWEB staff have been working with a Board subcommittee (Dan Heagerty, Diane Snyder, Dave Powers, and Ken Williamson) to identify and create evaluation criteria for potential projects. Further discussion will occur at the September Board meeting.

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Others Present

Jo Morgan
John Moriarty
Ryan Smith
Cindy Ashy
Jill Rees
Terra Schultz
Tim Weaver
Jeff Samuels
Craig Ball

I. Small Grant Program

Ken Bierly, Deputy Director, and Bev Goodreau, Small Grant Program Specialist, provided background information on the Small Grant awards for the 2005-2007 biennium, and requested funding for the 2007-2009 biennium.

The Small Grant Program continues to be popular because of its ability to fund small restoration projects of no more than \$10,000 more quickly with less process and paperwork than the regular grant program. The program also serves an important function by providing an element of local control and fostering local collaboration. Staff are currently requesting funding for the 2007-2009 biennium at \$2.8 million in capital funds which provides \$100,000 for each of 28 small grant teams. This is the same level of funding as the past two biennia. Staff may return to the September 2007 meeting with an additional funding request.

Board member Dan Carver expressed frustration with communication between OWEB and the landowner on responsibilities for fiscal administration with a small grant he was involved in.

Board members unanimously approved the staff funding recommendation at \$2.8 million in capital funds for the Small Grant Program.

J. Sandy River Acquisition

Lori Warner-Dickason, Policy Specialist, updated Board members on the Sandy River land acquisition project. Initial funding at approximately half the requested amount (\$364,000) was awarded at the March 2007 Board meeting. The Board also approved a condition that the remainder of requested funds (\$363,500) would be awarded upon Board approval of a long-term owner of the property. The applicant (Western Rivers Conservancy) has identified the Columbia Land Trust as the long-term owner of the Sandy River acquisition project, and staff recommend the remainder of the project for funding.

Board members unanimously approved the Columbia Land Trust as the long-term owner and awarded the remainder of requested funds in the amount of \$363,500.

K. Public Comment -- General

Cindy Ashy spoke in opposition of funding for the Mid-Coast Watersheds Council, had concerns related to their umbrella status and use of public funding, and presented allegations about the behavior of council staff and council members.

*Note: Co-Chair Dan Heagerty told Ms. Ashy that he and Co-Chair O’Keeffe would work with OWEB staff to look into her allegations regarding the Mid-Coast Watersheds Council, and report on their findings to the Board.

L. Oregon Plan Monitoring

Greg Sieglitz, Monitoring and Reporting Program Manager, was joined by Charlie Corrarino and Terra Lang Schultz, Oregon Department of Fish and Wildlife to present a funding request for the ODFW John Day Chinook Salmon Productivity and Escapement Monitoring project in the John Day River ESU. He also provided a summary and funding request for the Non-pareil Dam/Umpqua coho generic pedigree work conducted by the Coastal Oregon Marine Experiment Station at OSU.

John Day Monitoring

Terra Lang Schultz provided a PowerPoint presentation of the John Day Monitoring history and present activities. Charlie Corrarino presented background on the needed funding for this project. Funding has previously been provided by the Bonneville Power Administration, however, during its evaluation and recommendations for funding of monitoring projects this year, BPA reduced and eliminated funding for projects that were not explicitly related to the recovery of ESA listed species under the Columbia River BiOp. Due to the BPA funding shortfall, ODFW is seeking OWEB support to continue spring Chinook spawner monitoring in the John Day River Basin which would require \$170,000 from June 1, 2007 to June 30, 2008. ODFW is currently seeking \$65,882 to cover monitoring work through the end of the September 2007, and will return to the Board for the remainder in September 2007 if funding is available.

While long-term funding solutions are pursued, OWEB funding would allow ODFW to be able to continue to provide adult escapement, smolts/redd, and recruits/spawner estimates to aid in the recovery efforts of John Day and Columbia River spring Chinook populations.

After discussion, Board members moved to accept the staff recommendation for full funding as presented in the staff report. The motion failed.

With the lack of funding for watershed councils, and funds totaling \$5-7 million already allocated to ODFW, Board members felt that ODFW should approach other partnership possibilities, and *voted to fund the John Day Chinook Salmon Productivity and Escapement Monitoring project for two months (June and July 2007) at \$32,400 to allow monitoring during the critical part of the field season. Dan Heagerty and Jane O’Keeffe voted no. Motion passed.*

Non-pareil Dam/Umpqua Coho Pedigree Research Project

Charlie Corrarino, ODFW, and Dr. Michael Banks, OSU, briefed Board members on the study and funding request.

OWEB began its investment in 2002. The project is investigating several areas of uncertainty about the use of hatcheries to increase the abundance of wild populations. The project was structured to span a nine-year period, and 2007 is the sixth year of funding.

This year, OSU is planning to conduct pedigree analyses of the 2006 returning fish samples. The budget necessary to conduct this work in 2007 is \$177,000. In 2008, the study would conduct pedigree analysis of 2007 and 2008 returns with a \$181,795 budget. The two year total is \$359,112.

OWEB staff identified \$177,000 of currently available non-capital funds that can support the continuation of OSU’s research for the first year of the biennium. Staff and OSU will return to the Board at a later meeting to seek additional funding for the full biennium, if funding is available.

Board members unanimously approved funding \$177,000 of non-capital funds to the Non-pareil Dam/Umpqua Coho Genetic Pedigree study.

M. Tribal Policy

Ken Bierly, Deputy Director, is also Chair of the Natural Resources Working Group which provides coordination between state agencies and Oregon’s Tribes. He briefed Board members on the requirements in state statute directing agencies to develop a policy to reflect the ongoing working relationship with the Tribes. The policy addresses the requirements of the statute and identifies OWEB’s specific efforts to work cooperatively with tribal interests.

Board members unanimously approved the proposed policy as presented in the staff report.

N. Pacific Northwest Whole Watershed Restoration Venture Partnership

This item was postponed until a future Board meeting.

O. 2007-2009 Board Meeting Dates and Grant Application Deadlines

Board members unanimously approved the following Board meeting dates and grant application deadlines for the 2007-2009 biennium:

Application Deadline	Application Type(s)	Board Meeting and Board Funding Decision Dates
April 23, 2007	Restoration/Acquisition Technical Assistance	September 18-19, 2007 (T-W)
	N/A	January 16-17, 2008 (W-T)
October 22, 2007	Restoration/Acquisition Other types to be determined	March 19-20, 2008 (W-T)
	N/A	May 20-21, 2008 (T-W)
April 21, 2008	Restoration/Acquisition Other types to be determined	September 16-17, 2008 (T-W)
	N/A	January 21-22, 2009 (W-T)
October 20, 2008	Restoration/Acquisition Other types to be determined	March 18-19, 2009 (W-T)
December 12, 2008	Watershed Council Support	May 19-20, 2009 (T-W)
April 20, 2009	Restoration/Acquisition Other types to be determined	September 15-16, 2009 (T-W)

P. Restoration Priorities

Roger Wood, Special Projects, presented information seeking adoption of restoration priorities for the Grande Ronde, Imnaha, John Day, Powder, Umatilla, and an update of the Hood-Fifteenmile 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. Staff will continue to pursue completion of documents for the Walla Walla and Owyhee basins. Since the contract for development of priorities has expired, OWEB staff are considering options for developing the priorities for the North Coast, Mid Coast, Umpqua, Klamath, and Lakes basins.

Board member Diane Snyder expressed concern regarding the process and questioned outreach efforts for tribes and local communities. She stated that many local citizens are unaware of the

restoration priorities in their basin, and some watershed councils do not support the adopted priorities. Snyder would like OWEB to pursue opportunities for further outreach before OWEB initiates rulemaking on the restoration priorities.

Board members approved, with Diane Snyder voting no, the approach and content of the Grande Ronde, Imnaha, John Day, Powder, Umatilla, and updated Hood-Fifteenmile basins regional restoration priorities.

Q. Other Business

Willow Creek Restoration Phase I (207-138)

Ken Bierly, Deputy Director, provided an update on the status of the Willow Creek Restoration Phase I project and explained a request to amend the grant agreement to add \$900,000 of capital funds. The Board awarded a grant to the Lower Willow Creek Working Group for this project at the September 2006 meeting for \$1,050,568 of the requested amount of \$1,950,568, with the remainder of funds to be awarded in September 2007. Due to significant cost issues associated with rising petroleum costs that affect the cost of pipe, the applicant, Malheur Watershed Council, is seeking early distribution of the remaining \$900,000. They request funding effective July 1, 2007, after OWEB receives legislative approval of its 2007-2009 biennial budget. Cost savings could be as much as \$250,000-300,000.

Board members expressed concerns about OWEB setting a precedent for adjusting timing of funding awards.

After discussion, Board members unanimously approved to amend the grant agreement for the Willow Creek Restoration Phase I project and add \$900,000 of capital funds upon legislative approval of the OWEB budget.

John Day Intensively Monitored Watershed Funding

Greg Sieglitz, Monitoring and Reporting Program Manager, updated Board members on the implementation plans of the Intensively Monitored Watershed (IMW) in the Middle Fork John Day River Basin.

The Middle Fork John Day River Basin IMW is a newly established program for watershed scale effectiveness monitoring that builds on a variety of collaborative restoration and monitoring projects in the basin. A working group was formed in 2004 consisting of a variety of entities including The Nature Conservancy, Malheur National Forest, Confederated Tribes of the Warm Springs Reservation, Oregon Department of Fish and Wildlife, Bureau of Reclamation, and private landowners. Other organizations involved include the Grant Soil and Water Conservation District, Oregon Water Trust, Oregon Trout, Confederated Tribes of Umatilla Indian Reservation, and Umatilla National Forest. They have been working successfully together on the planning and implementation of restoration projects and monitoring in the basin.

The Working Group developed a joint restoration and monitoring plan for the Middle Fork IMW to submit to NMFS for funding. NMFS is making \$1.2 million of 2006 PCSRF funds available toward the implementation of IMWs in the Columbia River Basin in the states of Oregon, Washington, and California. OWEB is being asked to fund \$390,000 of the plan using federal funds secured through a contract from PSMFC through grant agreements and interagency agreements.

Board member Michael Tehan said that NMFS had a positive review of the plan. Board member Bobby Brunoe said that the Warm Springs Tribe has been involved and lots of positive things are happening in the basin.

Because of his involvement in the program, Board member Bobby Brunoe recused himself from voting. *With one recusal, Board members unanimously approved authorizing the Executive Director to distribute \$390,000 in federal funds secured through a contact from the Pacific States Marine Fisheries Commission to the Middle Fork John Day River Basin Intensively Monitored Watershed through grant agreements and interagency agreements.*

Having no further business, the meeting was adjourned.