

**September 16-17, 2008 OWEB Board Meeting  
Executive Director Update – Agenda Item C**

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## **September 16-17, 2008 OWEB Board Meeting Executive Director Update #C1: Biennial Conference**

### **Background**

The 2008 Oregon Watershed Enhancement Board Conference will be held November 5-7, 2008 in Eugene with the theme “Working for Healthy Watersheds—Climate Change and Watershed Resilience.” The biennial event will feature speakers and numerous workshop sessions on the impacts of climate change for Oregon’s watersheds.

For the first time, the conference will offer a special half-day registration fee for a concentrated series of sessions on November 6 designed to help natural resource organization managers, volunteers, and board members function effectively and work closely with community partners. In addition, two half-day, pre-conference workshops on November 5 will provide in-depth offerings on non-profit management topics. Other major workshop topics include invasive species and restoration project management.

### **Featured Speakers**

The Wednesday opening session lunch speakers will focus on climate change impacts to watersheds. The speakers include:

- Keynote Speaker: Bill Bradbury, Oregon Secretary of State.
- Tim Beechie, Watershed Program Science Coordinator, NOAA Fisheries Science Center.
- Russ Hoeflich, Oregon Director, The Nature Conservancy.

The Thursday lunch speaker will be Julie Daniel of Eugene’s BRING Recycling who will talk about innovative and effective organizational management for non-profits. For the Thursday banquet, Chad Pregracke will give a multi-media presentation about one man’s crusade to clean America’s rivers, starting with the Mississippi.

### **Sponsorships**

Planners expect sponsorships to exceed the level received for the 2006 conference. Major contributors at this time include the Oregon Lottery, the Bureau of Land Management and The Nature Conservancy.

### **Reducing Environmental Impact**

Several initiatives will reduce the environmental impact of the conference:

- Most of the conference promotion has been done electronically, saving mailing and printing costs while reducing paper use. Registration is on-line.
- Planners are working with the Hilton to reduce, reuse and recycle materials.
- The conference Web site offers an on-line tool to make it easy for attendees to establish carpools.
- Some sponsorship fees will purchase carbon credits (called Green tags) from the Bonneville Environment Foundation to offset the impact of the conference center, lodging and travel.

### **Staff Contact**

If you have questions or need additional information, please contact Conference Coordinator Monte Turner at [monte.turner@state.or.us](mailto:monte.turner@state.or.us) or 503-986-0057.

## **September 16-17, 2008 OWEB Board Meeting**

### **Executive Director Update #C2: Communications Implementation Plan**

#### **Background**

This report provides an update to the Board on the progress made to date by the Education and Outreach Subcommittee in developing a prioritized communications implementation plan.

#### **History**

Adopted in May 2005, OWEB's Education and Outreach Strategy had evolved into an ambitious umbrella plan that included the Grant Program, Oregon Plan support, partnerships, and support of local voluntary efforts. At the Board planning session in July 2007, the Board decided to re-visit the strategy and in December of that year, a Board subcommittee was created.

#### **Subcommittee**

The Subcommittee Board members include Jim Johnson, Meta Loftsgaarden, Dan Thorndike, and Patricia Smith; OWEB staff include Tom Byler and Carolyn Devine. The Subcommittee has met four times, including one all-day focused discussion. These meetings have focused on the following topics:

1. Statutory guidance to the Board regarding communications
2. Basic assumptions for OWEB communications
3. Over-arching goals and outcomes
4. Target audiences and messages
5. The vehicles for communications, such as the Education/Outreach grant program
6. Adaptive management and measuring results

#### **Goal and Outcomes**

Statutory guidance to the Board directs that OWEB shall "provide educational and informational materials to promote public awareness and involvement in the watershed enhancement program." [ORS 541.370(c)] Building upon this direction, staff, with input from the Subcommittee, began drafting a communications implementation plan. The purpose of this plan is to integrate OWEB's communications efforts toward providing educational and informational materials to promote public awareness and involvement in the watershed enhancement program. All communications (Education/Outreach grants, the website, press releases, publications, etc.) will support the larger mission of creating and maintaining healthy watersheds and natural habitats. The Subcommittee drafted the following goal and outcomes to guide the plan.

##### **Goal**

OWEB serves as the infrastructure that supports and catalyzes sustained voluntary, incentive-based watershed enhancement activity in Oregon.

##### **Outcomes**

- Increased participation in voluntary on-the-ground watershed improvement activities.
- Increased awareness of Oregon's watershed enhancement accomplishments.
- Increased involvement in a wide-range of community-based watershed conservation and restoration activities.

### **Current Activities: October 2008 Grant Cycle, Education/Outreach Grants**

While a more detailed communication plan is being developed, the Subcommittee concentrated considerable discussion on one vehicle of communications, the Education/Outreach grants. This area has been a primary focus of staff in recent months.

#### **Fund locally driven projects**

The Subcommittee recommended continuing the current approach of funding locally driven projects. Each region is unique and has its own set of stakeholders. However, the Subcommittee believes that comparable measurable outcomes are important in order for OWEB to articulate a statewide impact of its investments.

#### **Revised application**

The application for the October grant-cycle has been revised to better follow an outcomes-based planning and evaluation approach to education/outreach investments. The updated application was posted for the public by July 31, 2008.

#### **Education/Outreach Review Team**

A group of volunteers in the field of Education/Outreach has been formed that will conduct a parallel review of the education/outreach grants in support of the Regional Review Teams' review. Both groups of reviewers will inform staff who will in turn present the funding recommendation to the board.

### **Communication Implementation Plan, Next Steps**

The next step for the Subcommittee is to further refine the communications plan, and engage key stakeholders for specific elements of its implementation. Staff intend to discuss the detailed plan with the full Board at the January 2009 meeting.

#### **Staff Contact**

If you have questions or need additional information, please contact Carolyn Devine, at [carolyn.devine@state.or.us](mailto:carolyn.devine@state.or.us) or 503-986-0195.

**September 16-17, 2008 OWEB Board Meeting**  
**Executive Director Update #C3: Agency Key Performance Measures**  
**Annual Report**

**Background**

Each year Oregon's state agencies, commissions, and boards are required to submit a progress report documenting their performance as evaluated against Key Performance Measures (KPMs) adopted by the Legislature. Annual Performance Progress Reports (APPRs) use key performance measure data to describe each agency's progress towards meeting its mission and goals. Each of the agency performance measures is linked to statewide Oregon Benchmarks and/or the agency's Strategic Plan. The Oregon Benchmarks are high-level societal measures that gauge how Oregon is doing as a whole. Where an agency's work aligns with Oregon Benchmarks, agency performance measures represent stepping stones to achieving Oregon Benchmark targets.

Presently, OWEB has 11 KPMs adopted by the 2007 Legislature that it is responsible for reporting on by September 1, 2008. Five of the KPMs are designed to evaluate the agency and its program performance while the balance of the measures represent accomplishments achieved under the Oregon Plan for Salmon and Watersheds (Oregon Plan). Many of OWEB's performance measures are new or recently revised to provide better alignment with federal performance measures required by NOAA Fisheries for the use of monies from the Pacific Coastal Salmon Recovery Fund. It will take time to track data associated with the newly adopted or revised KPMs to provide meaningful reports on achieving performance targets. Moreover, reporting on five of the agency's 11 KPMs requires data and information from other agencies that collect and maintain pertinent data.

**Improved Reporting through Coordination**

Because OWEB's ability to report on Oregon Plan related measures is largely a result of the capabilities of the other agencies, a specific focus for the agency beginning with the 2007-2009 biennium, has been to improve coordination of the collection and assembly of data for KPM reporting. Since early 2008, staff have developed near- and long-term plans for reporting on several measures in conjunction with the Oregon Department of Fish and Wildlife. Staff also convened administrators and performance-measure coordinators from several state natural resources agencies to discuss coordination opportunities, including:

- Creating data-sharing agreements for related, cross-agency KPMs
- Designing spatially based, online tools to support integration of Oregon Plan related activities and data across agencies, and
- Assembling information from individual agencies about Oregon Plan related performance measures into a single, comprehensive document that describes annual progress.

A few examples of the results of the ongoing discussion are found in the staff report on Oregon Plan Products (Agenda Item K). By facilitating information sharing and better coordinating reporting among natural-resources agencies, OWEB will improve its ability to accurately and effectively report on the agency's Key Performance Measures and Oregon natural resource performance measures.

**Staff Contact**

Staff are in the process of submitting the final Fiscal Year 2008 APPR, which will document the progress made toward achieving the 11 KPMs described above. If you have questions or need additional information about OWEB's Performance Measures, please contact Greg Sieglitz, at [greg.sieglitz@state.or.us](mailto:greg.sieglitz@state.or.us) or 503-986-0194.

## September 16-17, 2008 OWEB Board Meeting

### Executive Director Update #C4: Measure 66 Audit Update

#### **Background**

The Oregon Constitution requires an independent audit be performed of all the agencies receiving and expending Measure 66 funds. Earlier, this year, the Secretary of State Audits Division began the process to conduct an audit for the 2005-2007 biennium, its fourth Measure 66 audit. The Audits Division conducted their field work this past spring for fiscal compliance of the use of Measure 66 funds during this time period for expenditures at OWEB and the Departments of Agriculture (ODA), Environmental Quality (DEQ), Fish and Wildlife (ODFW), and the State Police Fish and Wildlife Division.

#### **Preliminary Audit Findings**

This summer, we received the preliminary findings of the Audits Division for OWEB and the other state agencies. A final audit report is planned to be issued by the end of the calendar year.

With respect to OWEB, the preliminary findings conclude that the agency expended Measure 66 funds in compliance with the Constitution, and classified and recorded expenditures appropriately. This is good news for the agency, and a testament to the skill and expertise of OWEB staff in properly managing Measure 66 funded expenditures.

In a July 2008 letter, the Audits Division notified OWEB that its preliminary findings noted exceptions with two other agencies (ODA and ODFW) involving Measure 66 expenditures that lacked clear documentation to link the costs to specific capital projects. The letter recommended that OWEB work with those agencies to make sure appropriate corrective measures are taken.

OWEB has a significant interest in the appropriate expenditure of Measure 66 funds. As a reminder, OWEB enters into interagency agreements with all state agencies that receive legislatively appropriated Measure 66 funds. The agreements include a statement of work and reporting requirements. Each agreement also includes language that states, “[i]f through a report or otherwise, the Board learns that the Agency did not spend funds consistent with this agreement, the Board may take steps reasonably necessary and appropriate to correct the deficiency.”

#### **Next Steps**

Subsequent to receiving the Audits Division letter, OWEB staff contacted ODA and ODFW at the agency head and staff level to initiate discussions to better understand the issues and explore options for resolving them. We have offered our assistance to both agencies. We have a meeting scheduled with ODA on August 28 and expect to meet with ODFW shortly to discuss their plans to bring the M66 Capital funds into compliance with the Secretary of State’s exceptions. It is our desire to work with the agencies to resolve the issues with the Audits Division prior to the issuance of the final audit report at the end of the year.

#### **Staff Contact**

Contact Tom Byler at [tom.byler@state.or.us](mailto:tom.byler@state.or.us) or 503-986-0180, or Cindy Silbernagel at [cindy.silbernagel@state.or.us](mailto:cindy.silbernagel@state.or.us) or 503-986-0188, with questions about the Audit.

## September 16-17, 2008 OWEB Board Meeting Executive Director Update #C5: Acquisition Subcommittee Report

### Background

On June 20, 2008, the Land Acquisition Subcommittee (Dan Heagerty, Dave Powers, Miles Brown, and Skip Klarquist) met to discuss the growing list of pending applications and the potential methods and criteria for prioritizing them. The purpose of this staff report is to report on the Subcommittee discussion and to provide a brief summary of the status of Acquisition applications that have previously been deferred for final consideration by the Board.

### Previously Deferred Applications

At the May meeting, staff reported that there was approximately \$12 million in OWEB funds requested by 11 deferred and six new acquisition applications. Since that time, two applications, 206-339, Pilcher Creek, and 208-109, Pocket Ranch CE, have been withdrawn by their applicants. Three applications are proposed for funding and two applications are recommended as “no fund” in Agenda Item H. One Coastal Wetlands Acquisition is proposed for funding in Agenda Item K-5.

Should the Board act on the staff recommendations in Agenda Item H and K-5, there will remain 10 deferred Acquisition applications totaling approximately \$9.1 million. The attached table identifies each of the deferred applications and their current status.

### Prioritizing Land Acquisition Applications

Staff have developed an approach for comparing and potentially prioritizing the current pending acquisition applications. The elements used for comparison were identified as:

- **Parcel significance.** How the parcel relates to the Board adopted priority ecological systems and species in OWEB rules.
- **Context.** How the project connects to other protected areas and the relationship between protected land status and species support.
- **Duplicability.** Whether the property represents similar habitat to other protected properties, is a rare example of that habitat, or is one that is difficult to restore, rather than being fairly common and easy to duplicate.
- **Benefit/Cost.** A simple calculation of \$/acre of requested OWEB funds. Total costs were not considered nor were benefits attempted to be calculated.
- **Support.** The depth of community support and strength of the experience of the proposed title holder.

The Subcommittee appreciated the idea of additional guidance to compare competing acquisition applications. The Subcommittee identified additional information that they felt was important to consider. They suggested that leveraged funding was also an important evaluative factor as was long term management capacity. The Subcommittee would like to see an evaluation of the risk of losing the proposed ecological benefits (both through funding decisions and management capacity). Other factors discussed included the property’s effect on the local economy and potential encumbrances or liabilities assumed by the acquisition. Subcommittee members discussed the idea of weighting different factors in developing recommendations but did not develop a specific recommendation.

The prioritization discussion led to a discussion about whether OWEB staff should take a stronger role in identifying targeted areas for conservation acquisitions. The pros and cons of such an approach was discussed. The conversation also led to a discussion about budgeting for acquisitions.

The Subcommittee agreed on two ways staff could help them to evaluate applications: (1) a clear geographic (map) idea of the conservation context of each parcel; and (2) a strong sense of the applicant's ability to manage the lands involved over the long term. The former was uniformly seen as an important tool in the evaluation.

The Subcommittee will have further discussions about prioritizing applications and the pending applications over the fall of 2008 and into early 2009.

**Staff Contact**

If you have questions or need additional information, contact Miriam Hulst, at [miriam.hulst@state.or.us](mailto:miriam.hulst@state.or.us) or 503-986-0026, or Ken Bierly, at [ken.bierly@state.or.us](mailto:ken.bierly@state.or.us) or 503-986-0182.

### OWEB Pending Acquisitions

App Number	Applicant	Project Name	Date Received	OWEB Funds Requested	Acerage	Primary Ecological Value(s)	Status
207-324	Wallowa Basin Land Trust	Lostine River CE	10/16/2006	\$516,000	175 ac.	riparian and wetlands	Received Title Report and Phase I ESA, Pending Appraisal
208-111	Greenbelt Land Trust	Luckiamute Meadows/Maxfield Creek CE	10/22/2007	\$200,000	76 ac.	riparian and wetlands	Pending Due Diligence
208-112	Greenbelt Land Trust	Luckiamute/Willamette Confluence CE	10/22/2007	\$600,000	125 ac.	riparian and wetlands	Pending Due Diligence
208-113	Greenbelt Land Trust	Willamette Floodplain-Upland CE	10/22/2007	\$600,000	200 ac.	riparian and wetlands	Pending Due Diligence
208-114	Greenbelt Land Trust	Evergreen Creek CE	10/22/2007	\$500,000	222 ac.		Pending Due Diligence
208-115	City of Eugene	South Eugene Hills Acq.	10/22/2007	\$1,205,330	400 ac.	Fenders Blue & Kinkaid's Lupine	Pending Due Diligence
208-117	Wetlands Conservancy	Yaquina II	Coastal Wetlands Grant	\$46,250	61.35 ac.	tidal marsh	Pending Due Diligence
209-101	North Coast Land Conservancy	Neawana Riparian Forest	4/23/2008	\$1,314,960	212 ac.	riparian and wetlands	Pending Due Diligence
209-104	Benton County	Cardwell Hills CE	4/23/2008	\$385,230	65.5 ac.	Willamette Valley prairie	Policy Issues and Pending Due Diligence
209-105	The Nature Conservancy	Big Creek Inholding	4/23/2008	\$3,750,000	193 ac.	coastal prairie and forest	Pending Due Diligence

**\$9,117,770**

CE = Conservation Easement

## **September 16-17, 2008 OWEB Board Meeting Executive Director Update #C6: 2007-2009 Oregon Plan Biennial Report**

### **Background**

ORS 541.405 states that by January 15 of each odd-numbered year the Oregon Watershed Enhancement Board must submit a report to the Governor and to the appropriate committee or committees of the Legislative Assembly that assesses the statewide and regional implementation and effectiveness of the Oregon Plan for Salmon and Watersheds. The report must address each drainage basin in the state and include 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 in each basin.

### **2007-2009 Biennial Report Status Report**

Staff are progressing with production on the 2007-2009 Oregon Plan Biennial Report. We had hoped to report to the Board on the issues identified and recommended observations at the September Board meeting. Because of staffing changes over the summer, many of the fall biennial report production deadlines have been pushed back by a few weeks. The original production schedule included additional time this fall for review of the document, so there should be not impact on the final production date.

Currently the InfoGraphics Lab at the University of Oregon is developing the basin maps and graphics, which constitute the largest section of the report. State agencies are reporting on their accomplishments for the 2007-2008 fiscal year (first half of the 2007-2009 biennium). Staff are collecting project stories in each basin to highlight and are preparing text to describe the overall voluntary restoration accomplishments of watershed councils and soil and water conservation districts. Staff anticipate finishing with data collection and analysis and text drafting by the end of September.

Due to the shifting timeframes, rather than having a discussion with the Board at the September meeting about the Board observations and recommendations, staff would like to distribute a discussion draft by October 1, 2008 for Board input. Staff will then compile Board input for discussion with the Co-Chairs sometime in mid-October.

### **Staff Contact**

If you have questions or need additional information about the 2007-2009 Oregon Plan Biennial Report, please contact Melissa Leoni, at [melissa.leoni@state.or.us](mailto:melissa.leoni@state.or.us) or 503-986-0179.

## September 16-17, 2008 OWEB Board Meeting Executive Director Update #C7: Agency Request Budget Update

### Background

Oregon agencies are budgeted on a biennial basis. Submissions are structured so that each agency's existing (or "base") budget is recalibrated and submitted without the need for specific policy description or justification. Additions to the base budget are identified separately with full policy narratives and justification of funds requested. The requested additions to an agency's base budget are called "Policy Packages." Last May, staff presented a list of Policy Packages to the Board for inclusion in OWEB's submission of its Agency Request Budget for 2009-2011. The Agency Request Budget contains an agency's base budget and desired additional budget needs to carry out its programs.

At the time of writing this report, OWEB's Agency Request Budget was being finalized for submission to the Governor and the Department of Administrative Services. As a next step, the Governor's Office develops the Governor's Recommended Budget for submission to the Legislature in December, just before the session begins. The Governor's Recommended Budget includes a selection of agency Policy Packages that reflect the Governor's priority programs and initiatives. It is the Governor's Recommended Budget, not the Agency Request Budget, which is the beginning point for legislative budget hearings. During the legislative session, agencies may advocate for their individual Policy Packages only to the extent that they are included in the Governor's Recommended Budget.

### OWEB Policy Packages

Staff have grouped the proposed packages presented to the Board in May of 2008 into 11 policy packages. They are listed below in priority ranking.

1. **Program Continuity** – Package 100, \$1,195,810, 7.00 FTE. This package requests the continuation of seven limited duration positions from the 2007-2009 biennium. Staff seek to shift six of the seven positions to permanent status. The positions are:
  - Office Specialist 2 (permanent)
  - Accountant 1 (permanent)
  - PCSRF reporting specialist (NRS 2 limited duration)
  - Business Application Specialist (ISS 7 permanent)
  - Data Analyst (NRS 3 permanent)
  - Communications Coordinator (Public Affairs Specialist 2 permanent)
  - Grant Program Specialist (Operations and Policy Analyst 1 permanent)

The package also seeks full funding for OWEB's current office space in Salem, Medford and Enterprise.

2. **Local Capacity Continuity** – Package 120. This package shifts the funding sources for watershed council and soil and water conservation district base support from Federal Funds to Measure 66 Lottery Funds. Staff consider Lottery Funds to be a more stable long term funding source for this important budget need. The package does not change the base level of support for councils and districts, which will remain at \$5 million each.

3. **Capital Grants** – Package 200, \$53,857,079. This package supports the agency’s restoration and acquisition grants. Based on recent Lottery Fund revenue projections, the requested capital funds are less than the funds OWEB received last biennium.
4. **Pacific Coastal Salmon Recovery Fund Grants** – Package 130, \$7,561,392. This package requests federal non-capital funds to support salmon-focused technical assistance, monitoring, watershed assessment, and education grants funded from PCSRF funds that support and compliment capital fund restoration grants.
5. **Non-Capital Grants Enhancement** – Package 140, \$15,000,000. This package seeks to increase the amount of non-capital Lottery Funds to a level that helps meet the 65/35 capital/non-capital fund type distribution identified in Measure 66. Staff also seek an increase in Lottery Fund non-capital moneys due to the uncertainty regarding future federal funds.
6. **Research Grants** – Package 300, \$5,400,000. OWEB requests expenditure authority to continue funding a research grant program for both operating (\$1,900,000) and capital (\$3,500,000) research funds.
7. **Program Enhancements** – Package 150, \$1,021,824, 6.00 FTE. This package requests six new positions to advance our mission and additional responsibilities. The positions are:
  - Regional Program Representative—west side (NRS 4 permanent)
  - Office Specialist 2 (permanent)
  - Partner Investment Coordinator (NRS 4 permanent)
  - Partner Investment Specialist (NRS 3 limited duration)
  - Partner Investment Specialist (NRS 3 limited duration)
  - Internal Auditor 3 (limited duration)
8. **Monitoring for Climate Change** – Package 413, \$203,134, 1.00 FTE. OWEB requests a permanent Climate Change and Research Coordinator (NRS 4).
9. **Independent Multidisciplinary Science Team** – Package 180, \$473,191. This would bring the total funding for the IMST to \$1,124,586.
10. **Lower Columbia River Estuary Program Inflation Adjustment** – Package 190, \$76,952. This brings the total state funding for LCREP operations to \$400,000.
11. **Lower Columbia River Estuary Program Toxics Reduction** – Package 191, \$200,000. This proposal seeks General Funds to monitor and evaluate contaminants in the lower Columbia River and nearby communities and implement on-the-ground toxic reduction projects.

#### **Staff Contact**

Contact Tom Byler at [tom.byler@state.or.us](mailto:tom.byler@state.or.us) or 503-986-0180, or Cindy Silbernagel at [cindy.silbernagel@state.or.us](mailto:cindy.silbernagel@state.or.us) or 503-986-0188, with questions about the Agency Request Budget.