

APPROVED BY THE BOARD JANUARY 21, 2009
Oregon Watershed Enhancement Board
September 16, 2008
OWEB Board Meeting
Klamath Falls, Oregon

Minutes

OWEB Members Present

Miles Brown
Dan Carver
Dan Heagerty
Jim Johnson
Skip Klarquist
Jose Linares
Meta Loftsgaarden
Jim Nakano
Jennifer Phillippi
Dave Powers
Patricia Smith
Diane Snyder
Ken Williamson

Members Not Present

Bobby Brunoe
Kim Kratz
Helen Westbrook

OWEB Staff Present

Bonnie Ashford
Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Carolyn Devine
Bev Goodreau
Sue Greer
Mark Grenbemer
Wendy Hudson
Miriam Hulst
Karen Leiendecker
Melissa Leoni
Tom Shafer
Greg Sieglitz

Others Present

John Moriarty
Alethea Gallman
Joe Rohleder
Linda Johnston
Wayne Hoffman
Jay Holland
David Ross
Terry Morton
Kevin O'Brien
T.J. Wordley
Heather Hendrixon
Larry Peach
Bob Jones
Tim Weaver
Tod Heisler
Jan Lee

Board Co-Chairs recognized and welcomed Senator Doug Whitsett who was in attendance.

Dan Heagerty, Board Co-Chair, spoke of former OWEB staff Roger Wood's recent unexpected death, and along with those in attendance observed a moment of silence in Roger's honor.

A. Board Member Comments

Representatives on the OWEB Board commented on recent activities and issues facing their respective agencies.

B. Minutes

Minutes of the May 20-21, 2008, Board meeting in Ontario were unanimously approved.

C. Executive Director Update

Executive Director, Tom Byler, reported on the following matters facing the agency:

1. Biennial Conference

OWEB's 10th Biennial Conference "Working for Healthy Watersheds – Climate Change and Watershed Resilience" will be held November 5-7, 2008, in Eugene. The conference will feature speakers and numerous workshop sessions on the impacts of climate change for Oregon's watersheds. To date, major contributors include the Oregon Lottery, Bureau of Land Management, and The Nature Conservancy.

Several initiatives will reduce the environmental impact of the conference including online registration, an online carpool option, and the purchase of carbon credits (Green tags) from Bonneville Environmental Foundation to offset the impact of the conference center, lodging, and travel.

2. Communications Implementation Plan

Staffed by Director Byler and Carolyn Devine, Communications Coordinator, the Board Education and Outreach Subcommittee (Jim Johnson, Meta Loftsgaarden, and Patricia Smith) met four times this year developing a prioritized communications implementation plan. The purpose of this plan is to focus OWEB's communications efforts on providing educational and informational materials that promote public awareness and involvement in the watershed enhancement program.

3. Performance Measures

OWEB recently submitted its annual Key Performance Measures (KPMs) progress report. Each of the agency's KPMs are linked to Oregon Benchmarks or the agency's strategic plan. OWEB has 11 KPMs adopted by the 2007 Legislature. Five of the KPMs evaluate the agency and its program performance; the balance of KPMs represent accomplishments achieved under the Oregon Plan. OWEB is working toward better coordination among state agencies to allow for improved reporting on KPMs.

4. Measure 66 Secretary of State Audit

The Secretary of State's Office Audit Division recently distributed preliminary findings on the 2005-2007 Measure 66 funds expenditures to OWEB and the Departments of Agriculture, Environmental Quality, Fish and Wildlife, and the State Police Fish and Wildlife Division. Findings indicate that OWEB expended Measure 66 funds in compliance with the Constitution, and classified and recorded expenditures appropriately. The Audits Division noted exceptions with ODA and ODFW involving Measure 66 capital funds expenditures that lacked clear documentation to link the costs to specific capital projects. They recommended that OWEB work with ODA and ODFW to ensure appropriate corrective measures are taken. OWEB has met with both agencies to resolve the issues with the Audits Division prior to the issuance of the final audit report at the end of the year.

5. Acquisition Subcommittee and Prioritization Report

The Board Land Acquisition Subcommittee (Dan Heagerty, Dave Powers, Miles Brown, and Skip Klarquist) staffed by Ken Bierly, Deputy Director, met to discuss the status of and to prioritize Acquisition applications that have previously been deferred for final consideration by the Board. The suggested prioritization approach includes 1) parcel significance; 2) context; 3) duplicability; 4) benefit/cost; and 5) community support. Further discussions will take place over the fall of 2008 and into early 2009 on the method to evaluate deferred applications for prioritization. A spreadsheet was provided detailing the outstanding Acquisitions.

6. 2007-2009 Oregon Plan Biennial Report

Staff are progressing with production on the 2007-2009 Oregon Plan Biennial Report. 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 2007-2008 accomplishments, and staff are collecting project stories in each basin to highlight, and plans to have the Board observations and recommendations for review in October.

7. Agency Request Budget Update

OWEB submitted its 2009-2011 Agency Request Budget to the Governor and Department of Administrative Services by the August 31 deadline. The next step is for the Governor’s office to develop the Governor’s Recommended Budget for submission to the Legislature in December, just before the session begins. OWEB’s Agency Request Budget includes 11 policy packages. During the session, agencies may advocate for these policy packages only to the extent that they are included in the Governor’s Recommended Budget.

D. Spending Plan Update

Tom Byler, Executive Director, presented an updated 2007-2009 non-capital funds spending plan to Board members. Unlike the spending plan approved by the Board earlier in the biennium, this plan includes \$8.2 million from federal fiscal year 2008 PCSRF funds that were recently received by OWEB. Pursuant to federal rules, three percent will be used for administrative purposes, leaving \$7.9 million for allocation by the Board.

Director Byler summarized the staff recommendations for these non-capital federal funds as follows:

Section III.	Program Area	Requested Reserve	Additional Considerations
A.	Local Capacity Funding	\$1,987,000	
B.	Technical Assistance	\$1,550,000	Agenda Item H proposes to award \$800,000 of these funds
C.	Recovery Planning	\$350,000	
D.	Monitoring	\$2,000,000	Agenda Item M proposes to award \$100,000 of these funds
E.	Education/Outreach	\$750,000	
F.	Assessment	\$400,000	Agenda Item H proposes to award \$400,000 of these funds
G.	Oregon Plan Products	\$650,000	Agenda Item K proposes to award \$185,493 of these funds
H.	Partnership Investments	\$150,000	
I.	<i>Previous Allocations</i>	<i>\$125,000</i>	<i>These funds will not be reserved, instead they will be used to fund previous board allocations</i>
Totals		\$7,962,000	

Board members unanimously approved the non-capital spending plan as outlined in Section III of the staff report.

E. OACD and Network Update

John Moriarty, Network of Oregon Watershed Councils, and Gary Whitney, Executive Director, Oregon Association of Conservation Districts, updated Board members on activities and the

progress made in the collaborative effort between soil and water conservation districts and watershed councils.

They emphasized the importance of local capacity funding and are starting to prepare for the next legislative session. The Network held a new coordinator workshop in May and have support from three private foundations to add to their core/base funding. In addition, support from businesses is starting to come through. The Network hired a new education and training coordinator. They plan to start having meetings with new legislators and legislative committees in early 2009 to stress the importance of local capacity funding for both councils and districts.

Gary Whitney has been the Executive Director of the OACD for three months, replacing John McDonald. He provided some background information on his experience and also stressed the importance of local capacity funding and to keep working with the Network of Oregon Watershed Councils to get their joint message out.

Board members commended both on their efforts and encouraged them to move ahead on current issues including climate change.

F. Watershed Council Support – Solo Funding and Subcommittee Report

Public Comment:

- Jay Holland, Lower Nehalem WSC, supported solo funding for Lower Nehalem, Upper Nehalem, and Necanicum watershed councils.
- Joe Rohleder and Linda Johnston, Alsea WSC, supported removing the Alsea WSC from the MidCoast umbrella council and solo funding, and asked the Board to reconsider if the boundary was redrawn.
- Wayne Hoffman, MidCoast WSC, spoke about the Midcoast WSC's work in the Alsea watershed and opposition to redrawing the boundary.

Ken Bierly, Deputy Director, and Melissa Leoni, Senior Policy Coordinator, updated Board members on watershed council support subcommittee discussions. The Subcommittee reviewed requests from watershed councils who have previously applied for and received watershed council support funding with other councils, and want to apply independently for 2009-2011 council support. Staff received four requests for independent council support funding. The four requests were from:

1. Alsea Watershed Council (funding separately from the MidCoast Watershed Council)
2. Lower Nehalem, Upper Nehalem, and Necanicum watershed councils (each separate)
3. Williams Creek Watershed Council (funding separately from the Applegate Watershed Council)
4. Rickreall and Glenn-Gibson Watershed Councils (each separate)

Administrative rules adopted by the Board only allow councils that serve a “unique geographic area” that is not served by another watershed council to be funded. This rule does not allow the Alsea or Williams requests to go forward.

In 2006, staff identified four items that needed to be addressed in a petition for solo council support funding.

- The council represents unique ecological or social conditions that are significantly different from that of its funding partners.

- Solo funding would result in a significant improvement of service to the watershed and its residents compared to the level of service possible under the present funding arrangement.
- There is widespread and broad-spectrum community awareness of and support for the change.
- The split-off will not result in significant detrimental effects to previous funding partners.

Based on the administrative rules and the four factors listed above, staff evaluated the petitions received, discussed with the Board subcommittee, and concluded that only the Lower Nehalem, Upper Nehalem, and Necanicum watershed council request warranted approval of their solo funding request.

Staff presented three options for the Board to consider. The Board Subcommittee and staff recommended Option 2 with a condition that the ability to apply independently be conditional and those who are funded will need to show progress and improved service to the watershed and community. The Subcommittee and staff will work out further details on how this will be implemented and monitored.

A. Option 1 – Approve All Requests

Under this option the Board would approve all requests from organizations that are eligible. Pursuant to rule, the Williams Creek and Alsea watershed councils are not eligible to apply independently at this time and staff and the Board Subcommittee would not recommend approval of their requests. This option would result in a net increase of three council support applicants, for a total of 63.

B. Option 2 – Approve Limited Requests

Under this option, each petition would be evaluated based on the funding principles and criteria and only those councils who have demonstrated a strong case for solo funding would be recommended for funding. The advantage of this option would be to limit the number of newly eligible council support applicants and minimizes the “thinning of the soup.” This option also allows the Board to address situations that most meet the criteria and policy principles of Board and could further refine the criteria under which OWEB would approve requests to apply independently. This option requires additional justification and analysis and does not necessary discourage future splintering and solo funding requests.

C. Option 3 – No Approval of Requests

Under the third option the Board does not approve any solo funding requests and instead would need to address the funding allocation issues identified in the petitions through the grant funding allocation process in 2009. This option holds constant the number of applicants, maintains Board principles, and does not encourage further splintering.

Board members unanimously approved Option 2 as described in Section VI of the staff report and only approve the solo petitions from the Upper Nehalem, Lower, Nehalem, and Necanicum watershed councils. Board members directed staff to carefully monitor the mediation between the Alsea and the MidCoast Watersheds Council.

G. Public Comment on Pending Grant Applications

- Tod Heisler, Deschutes River Conservancy, and Jan Lee, Swalley Irrigation District, requested full funding for 209-4010, that was recommended for funding at a reduced amount.
- Kevin O’Brien, Illinois Valley SWCD/WC, supported funding for 209-2015 that was not recommended for funding, and stated that they will resubmit in the October grant cycle.
- Tim Weaver and Bob Jones, Little Butte Creek WSC, asked the Board to reconsider funding 209-2003, that was not recommended for funding.
- Terry Morton, Klamath Watershed Partnership, commented on the review team evaluation and said they planned to resubmit 209-4009.
- Larry Peach and T.J. Woodley, commented on the review team evaluation and asked the Board to reconsider funding 209-4000.

H. Board Consideration of Pending Grant Applications

Lauri Aunan, Grant Program Manager, provided Board members an overview of the April 21, 2008, grant cycle. One hundred and fifty grant applications seeking a total of \$22,719,208 were received.

Of the 150 applications received in the April 21, 2008, grant cycle, the following table identifies the number of applications received and amount of OWEB funds requested:

Assessment	8	\$ 544,547
Technical Assistance	47	\$ 1,705,776
Acquisition	5	\$ 7,420,190
Restoration	<u>90</u>	<u>\$13,048,695</u>
TOTAL	150	\$22,719,208

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 rankings to develop funding recommendations for Board consideration. The funding recommendations are based on the budget allocated by the Board and the rankings of the reviewers.

Acquisition Applications

Miriam Hulst was introduced as the new Acquisitions Specialist. A total of five Acquisition applications were received, including one water acquisition, and four land acquisitions.

The water Acquisition application is a resubmittal from the October 2007 grant cycle, and is recommended for funding on the condition that staff continue discussions with the DRC to identify long term benefits from the effort.

The Board Acquisition Subcommittee reviewed the applications and requested staff to solicit due diligence materials from two of the land acquisition applicants. Due diligence materials have not been received for these and neither are recommended for funding at this meeting. The Subcommittee and staff have recommended a do not fund for the Amazon Creek Acquisition.

Board members were presented funding recommendations by staff, voted on the staff recommendations, and considered additional projects based on public input.

REGION 1, NORTH COAST

Lauri Aunan, Grant Program Manager
Tom Shafer, Regional Program Representative
Ken Bierly, Deputy Director, Acquisitions

Acquisitions

Shangrila Creek Wetlands Acquisition (208-103) was recommended for funding.
Coal Creek Swamp Acquisition (208-106) was recommended for funding.
Necanicum Riparian Corridor Acquisition (209-101) was recommended for deferral.
Big Creek Headland and Forest Acquisition (209-105) was recommended for deferral.

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

REGION 2, SOUTHWEST OREGON

Lauri Aunan, Grant Program Manager
Mark Grenbemer, Regional Program Representative

Acquisitions

There were none.

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of the revised Attachment A of the staff report, including 209-2003, the Tucker Ditch Push-Up Removal.

REGION 3, WILLAMETTE BASIN

Lauri Aunan, Grant Program Manager
Wendy Hudson, Regional Program Representative
Ken Bierly, Deputy Director, Acquisitions

Acquisitions

Amazon Creek Acquisition (209-103) was not recommended for funding.
Cardwell Hill Land Acquisition (209-104) was recommended for deferral.
Newton Creek Wetlands (207-301) was not recommended for funding.

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

REGION 4, CENTRAL OREGON

Lauri Aunan, Grant Program Manager
Rick Craiger, Regional Program Representative
Ken Bierly, Deputy Director, Acquisitions

Acquisitions

Deschutes River Limited Term Water Leasing (209-102) was recommended for funding.

Due to a potential conflict of interest, Board Co-Chair Dan Heagerty recused himself from voting on 209-4010.

Board members unanimously approved staff's funding recommendations except 209-4010, as shown in the "shaded area" of Attachment A of the staff report.

Board members other than Co-Chair Heagerty unanimously approved funding for 209-4010.

REGION 5, EASTERN OREGON

Lauri Aunan, Grant Program Manager

Karen Leiendecker, Regional Program Representative

Acquisitions

There were none.

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

At the conclusion of the day's meeting, OWEB Board members, staff, and local partners toured projects in the Williamson Delta and Chiloquin area. OWEB Board members, staff, and invited guests returned to the Ragland Cultural Center for an informal reception sponsored by the Klamath Watershed Partnership. OWEB was pleased to have Senator Doug Whitsett attend the reception.

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Bev Goodreau
Sue Greer
Mark Grenbemer
Wendy Hudson
Miriam Hulst
Karen Leiendecker
Melissa Leoni
Tom Shafer
Greg Sieglitz

Others Present

Larry Dunsmoor
Joe Rohleder
Jimmy Kagan
Joe Evans
Katharine Jackson
Sue Mattenberger
Anita Ward

Members Not Present

Bobby Brunoe
Kim Kratz
Helen Westbrook

I. Administrative Rulemaking

Melissa Leoni, Senior Policy Coordinator, and OWEB Rules Coordinator, described the proposed rules to Board members.

Grant Administration

Operating with rules adopted in 2004, staff identified changes to landowner agreements, grant amendments, and some other minor technical adjustments to make the rules more efficient for grant administration purposes. Staff convened a rules advisory committee consisting of representatives of OWEB's grantees, regional review teams, and partners. With input from the RAC, draft rules were developed and made available for public comment. Staff held one public hearing. No public comments were received via either venue. A list of the affected rules follows:

1. Landowner Agreements [695-005-0030(4) and 695-005-0060(4)]
2. Grant Amendments [695-005-0050(1)]
3. Waiver of Rules [Divisions 10, 35, and 40]
4. Consistent Use of "Board" and "Director" [Divisions 5 and 10]
5. Budget Form Requirements [695-005-0030(2)(d)]
6. Consistent use of Effectiveness and Implementation Monitoring Terms [695-005-0060(4)(a) and 695-010-0100(2)]
7. Partnership and Other Investment Rules [Division 4]

Board members unanimously approved the proposed amendments to OAR 695, Divisions 5, 10, 35, and 40 and the proposed new rules in OAR 695, Division 4 as shown in Attachment B of the staff report to be effective January 1, 2009.

Salmon Season Emergency Grant

In April 2008, Governor Kulongoski issued Executive Order 08-10 declaring a state of emergency due to the limitations on ocean commercial and sport salmon fishing. In May 2008, the Board adopted temporary administrative rules that establish grant application and award criteria for restoration, inventory and data collection, outreach, and project development grants that support priority salmon habitat enhancement and that are able to create work opportunities for fishers or workers displaced by the 2008 restrictions in ocean commercial and sport salmon fishing. The adopted temporary rules were similar to the rules adopted in 2006 resulting from the Governor's Executive Order 06-06, declaring a state of emergency for Oregon's coastal counties impacted by Klamath River fishing restrictions. The current temporary rules expire on November 14, 2008.

Following the process for permanent administrative rules adoption, the temporary rules were sent out for public comment. A rules advisory committee was not convened due to the fact that these rules were technical updates to the rules adopted in 2006, which were developed in consultation with the Governor's office, Oregon Salmon Commission, local watershed councils and soil and water conservation districts, Oregon State University Extension, and affected fishers. A hearing was held and no public comments were received either orally or in writing.

Board members unanimously approved the proposed amendments to OAR 695, Division 7 as shown in Attachment D of the staff report with the definitions of OWEB, Director, and Board updated to be consistent with the proposed rules in Division 5 to be effective November 14, 2008.

J. Public Comment -- General

- David Ross, Partners for Fish and Wildlife Program, Klamath Falls U.S. Fish and Wildlife Service office, welcomed Board members to Klamath Falls and thanked OWEB for their partnership on projects in the basin.
- Larry Dunsmoor, Klamath Tribes, complimented Board members on the atmosphere at Board meetings and their insight into Klamath Basin issues.
- Tod Heisler, Deschutes River Conservancy, thanked OWEB and provided an update on the Deschutes SIP.

K. Partnership Investments

1. Oregon Plan Products

Greg Sieglitz, Monitoring and Reporting Program Manager, briefly described funding requests for a couple of Oregon Plan products that were previously described at the March and May 2008 Board meetings are now ready for Board consideration.

Equipment for DEQ's Volunteer Water Quality Monitoring Program

This DEQ program is very successful; data from over 50 groups have been submitted from over 1,000 locations throughout Oregon. OWEB has traditionally provided funding for program coordination and the purchase of equipment to be used by volunteer groups as part of this DEQ program. The equipment enables local groups to expand the State's water quality monitoring network informing both local watershed needs and the larger

Oregon Plan needs. Most of the equipment is 10 years old and needs to be replaced. Request is for \$33,165.

Oregon Explorer Natural Resources Digital Library

Jimmy Kagan joined Greg Sieglitz to brief Board members on Phase II of the Oregon Explorer. The Institute for Natural Resources (INR) and OSU Libraries are proposing to address OWEB's priorities for making technology useful to local groups and improving information flow and data-sharing between local groups and agencies. The four segments to this proposal are:

1. Updating OWRI products and enhancing the Restoration Visualization Tool;
2. Creating a Lakes Basin Explorer portal;
3. Creating a Deschutes Basin Explorer portal; and
4. Prototyping a spatially based Data Management System for Oregon Plan related information, such as location of and data from monitoring projects.

The proposed Oregon Explorer Phase II project will expand the capacity of watershed councils and local groups to conserve and restore habitats, track the results of their work, and share successes and opportunities with others in their basin and around the state. Request is for \$152,328.

Board members unanimously approved up to \$33,165 in non-capital funds for an interagency agreement with the Oregon Department of Environmental Quality for the replacement of volunteer monitoring equipment; and up to \$152,328 in non-capital funds for an interagency agreement with the Institute for Natural Resources and OSU Libraries for web based enhancements for the Oregon Watershed Restoration Inventory, development of Oregon Explorer sites for the Lakes and Deschutes basins, and creation of a spatially based data management prototype for OWEB.

2. Wetlands Investments

Greg Sieglitz, Monitoring and Reporting Program Manager, provided Board members with an update about two wetlands related activities.

Digitization of National Wetlands Inventory Maps

At the May Board meeting, the Board allocated \$96,200 in non-capital funding for a contract with Oregon Corrections Enterprises (OCE) to complete digitization of the remaining 481 NWI maps that cover southeastern Oregon. When a Wetlands Conservancy project to revise 97 outdated NWI maps in western Oregon is completed, and OWEB's contract with OCE is completed (anticipated for September of 2009), the result will be a statewide map of comprehensive wetland location information for Oregon in electronic format that is easily accessible to watershed councils, soil and water conservation districts, landowners, agencies, and the public.

Compliance and Effectiveness Monitoring of Wetlands Projects

On May 2, 2008, OWEB, along with the Oregon Department of State Lands and The Xerces Society, was awarded a 2008 Wetlands Program Development Grant from the EPA. The \$342,281 award will be used to create the framework for an Oregon Wetlands Monitoring and Assessment Program. As the grant recipient, OWEB staff are working with EPA Region 10 to develop the grant agreement for this award.

Board members unanimously approved to delegate authority to the Director to enter into agreements with the Oregon Department of State Lands and The Xerces Society for Invertebrate Conservation to complete mapping and monitoring activities, respectively, associated with the EPA-funded project.

3. Partnerships

Ken Bierly, Deputy Director, updated Board members on the status of partnership projects.

A. Deschutes SIP

At the January 2008 meeting, the Board allocated \$4 million for SIP projects in the Deschutes Basin. A partnership agreement with the Upper Deschutes Watershed Council, Deschutes River Conservancy, Deschutes Land Trust, and Crooked River Watershed Council, has been signed to implement specific projects in the Deschutes Basin. The partners met to identify and prioritize all the projects and are on schedule to allocate the full \$4 million this biennium. OWEB has approved six of the projects and is currently reviewing the six others.

The Deschutes SIP partners met recently and have identified nearly \$14 million in projects for the next biennium, realizing that OWEB will not likely be able to provide full funding. They have made it a priority to bring in additional funding partners to increase the capacity in the basin. They also are meeting to explore how to “tell their partnership story” to reach a broader audience.

B. Willamette SIP

The main objectives of the Willamette SIP are to engage local partners to re-establish channel complexity and re-connect flood plains in the historic meander corridor of the Willamette main stem and the major tributaries. The Board allocated \$6 million to the Willamette SIP at the March 2008 meeting. Since then, a partnership agreement among the state agencies has been signed, and OWEB is working with Meyer Memorial Trust on a partnership agreement expressing the shared commitment of Meyer and OWEB to collaborate on mutual objectives in the Willamette.

OWEB staff have also had discussions with Scappoose Bay Watershed Council, Metro, Department of Geology and Mineral Industries, and others about \$1 million in potential projects that may be ready by the end of the year.

C. Oregon Conservation Reserve Enhancement Program (CREP)

Ken Bierly, Deputy Director, provided a brief update on CREP. Staff of OWEB and ODA in collaboration with the Farm Service Agency discussed the issues of CREP at the Board of Agriculture in May of 2008. The Board of Agriculture adopted a resolution supporting the Oregon CREP as an important element in meeting water quality requirements in agricultural lands.

A recently formed CREP Work Group staffed by Ken Bierly and Melissa Leoni had their first meeting on September 5. They will be tasked with developing recommendations for the Board to consider in the state’s investment in CREP.

D. Coastal Wetlands – Alsea Acquisition

Ken Bierly, Deputy Director, updated Board members on a request for the Board to provide match funding for the Alsea Acquisition project that was part of the 2008 Coastal Wetlands Grant awards. Due diligence materials have not been received and staff expect to bring this funding request for Board consideration in January 2009.

L. Climate Change Presentation

Continuing to inform Board members about climate change, OWEB invited the following speakers to provide presentations on climate change and its impact on the environment.

Gordon Grant is a research hydrologist with the U.S. Forest Service Pacific Northwest Research Lab in Corvallis and a courtesy professor with OSU in Forest Engineering and Forest Science. He spoke about climate change and water availability in Oregon, how what is predicted may differ from current conditions, and what that means for watershed restoration and monitoring.

Bill Peterson is an oceanographer with NOAA Fisheries in Newport and a courtesy professor with OSU and the Hatfield Marine Science Center. He talked about climate change and its influence on ocean productivity particularly as it relates to salmon. He explained what happens with salmon when they leave the freshwater environment and why it is important to keep this in mind when discussing restoration work on land.

Lisa Crozier is a research scientist with NOAA Fisheries at the Northwest Fisheries Science Center in Seattle. She specializes in salmon populations and climate change. She talked about the effects of climate change on population viability of Pacific salmon in the freshwater environment.

M. Monitoring and Research Update

Greg Sieglitz, Monitoring and Reporting Program Manager, updated Board members on activities of the Board Monitoring and Research Subcommittee (Meta Loftsgaarden, Ken Williamson, and Bobby Brunoe, staffed by Greg Sieglitz and Courtney Shaff). The Subcommittee, established as a result of the Board Planning Session held in July 2007, worked with staff on where to focus monitoring and research funds and developed a proposal with the following components:

- Improve the guidance given to grant applicants and grantees about monitoring protocols;
- Develop a database that will be used to compile information about monitoring grants, the location of monitoring, and the data generated from such grants;
- Capture information from required final and post completion reports for restoration projects in a database;
- Collect data that will describe the maturation of accomplishments in the model watersheds (Grande Ronde and South Coast) related to riparian improvements and fish passage;
- Work to establish a roll-up story of what has been accomplished in the areas of improvements made to fish passage and water quality improvements state-wide;
- Continue effectiveness monitoring program implementation for the remaining restoration project types where OWEB has invested more than \$1 million; and
- Revise the current OWEB Research Priorities and present these and a work plan to the Board for consideration in January 2009.

Board members unanimously approved up to \$100,000 of non-capital funds for the Grande Ronde and South Coast riparian and fish passage project monitoring Request for Proposals to select a contractor as shown in Section III.C.1. of the staff report.

The Board unanimously approved a reserve of \$1.3 million for the October 2008 Monitoring Grant Solicitation, and \$500,000 for fish passage, water quality, and effectiveness monitoring.

The Board also unanimously approved \$265,384 in research non-capital funds to Oregon State University for the ongoing Non-pareil Dam Coho Pedigree Research Project for 2008-2011.

N. Small Grant Report

Lauri Aunan, Grant Program Manager, and Bev Goodreau, Grant Program Specialist, provided Board members with information on the 2005-2007 Small Grant Program awards, the status of 2007-2009 awards, and discussed potential future review of the Small Grant Program. Goodreau also summarized the recently publicized 2005-2007 Small Grant Program Biennial Report.

Since the Small Grant Program was initiated in 2002, over 1,100 projects have been funded for a total of \$7.4 million. Since the 2003-2005 biennium, Small Grant Program allocations have been \$100,000 each for 28 small grant teams around the state for a total biennial allocation of \$2.8 million. A 25 percent match is required for each approved small grant project. Staff will propose the 2009-2011 Small Grant Program allocation at the May 2009 Board meeting before the start of the next biennium. Staff will initiate stakeholder discussions to evaluate the need for program improvements and administrative rule changes sometime after the 2009 legislative session, and how to re-distribute unspent funds returned from Small Grant Team allocations. The Board Co-Chairs commended Bev Goodreau on a job well done.

O. Rural Compact

Board Co-Chair Diane Snyder presented this item to the Board. She provided background information on The Rural Compact and requested Board endorsement of the Compact. The Rural Compact is a statement of principles about the future of rural America created by the National Rural Assembly. The goal of the Assembly is to make the country stronger by improving the outlook for rural communities. She believes that key aspects of the Compact are compatible with OWEB's mission, and endorsement of the Compact would underscore the Board's investment in thriving rural communities. All endorsements of the Compact will be included on a list of organizations supporting rural America.

Board members unanimously voted to formally endorse The Rural Compact, and have Director Tom Byler submit the endorsement on behalf of the Board.

P. Other Business

There was none.

Having no further business, the meeting was adjourned.