

**APPROVED BY THE BOARD JUNE 2, 2009**  
**Oregon Watershed Enhancement Board**  
**March 18, 2009**  
**OWEB Board Meeting**  
**Salem, Oregon**

**Minutes**

**OWEB Members Present**

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

**OWEB Staff Present**

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

**Others Present**

Liz Vollmer-Buhl  
Megan Green  
Anna Sherrett  
Wayne Hoffman  
Kip Wood  
Bernard Bormann  
John Moriarty  
Jon Burgl  
Elmer McDaniels  
Bob Zybach  
Wayne Giesy  
Brad Chalfant  
Joe Moll  
Karlene McCabe  
Karen Fleck Harding  
Jim Pendergrass  
Dr. Haydon Sears  
Brad Nye

**Members Not Present**

Helen Westbrook

**A. Board Member Comments**

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

**B. Minutes**

Minutes of the January 21-22, 2009, Board meeting in Salem were unanimously approved with one correction.

**C. Executive Director Update**

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

1. Watershed Council Support Update

OWEB received 63 council support applications by the January 30, 2009, deadline requesting \$8,746,029. A council support advisory committee (CSAC) was created, trained, and recently held two facilitated review sessions to develop consensus scores. Applications were scored on eight criteria taking into consideration a council's organization and governance structure; commitment to improvement; presence of a management structure; fiscal responsibility; leadership role within the watershed, including collaboration with partners; planning process; and progress towards council goals. The recommendations of the CSAC and OWEB's director are used to determine

merit category placements for applicants. Grant award recommendations are based on an applicant's merit category; whether the Board decides to award incentives for umbrella ("a," "b," or "a/b") councils or multiple ("c") councils within one application; and how much funding is available. Staff and the Board Council Support Subcommittee are in the process of developing funding recommendations based on these multiple considerations.

2. Strategic Investment Partnerships (SIP) Update

In 2008, the Board allocated \$10 million for the Willamette and Deschutes SIPs (\$4 million for the Deschutes and \$6 million for the Willamette). The Deschutes SIP is on schedule for allocating the full \$4 million to projects this biennium. The Willamette SIP is moving more slowly, but making progress.

**D. Legislative and 2009-2011 Budget Update**

Tom Byler, Executive Director, and Melissa Leoni, Senior Policy Coordinator, provided Board members with an update on the 2009-2011 Governor's Recommended Budget, pending legislation, economic stimulus opportunities, and the preliminary results of a contract with the University of Oregon to prepare an estimate of the economic impact and job creation from OWEB's restoration investments. At this time, he also covered Agenda Item S-3, the American Recovery and Reinvestment Act of 2009 (ARRA). (See Agenda Item S: Other Business for notes on the ARRA.)

Due to many reasons, it looks as though the Oregon Conservation Bill, which was presented at the January 2009 meeting to Board members by Nan Evans, The Nature Conservancy, and Bruce Taylor, Defenders of Wildlife, will not be introduced this session. OWEB is tracking a number of bills, few of which will have a direct effect on OWEB and its programs.

OWEB presented its 2009-2011 budget to the Joint Ways and Means Subcommittee on Natural Resources in late February which included two presentation days as well as public testimony. Final action on the OWEB and other agency budgets is expected to take place following the May 15 state revenue forecast.

Due to the economic downturn and the possible availability of federal stimulus money, with Board authorization, OWEB staff contracted with the University of Oregon, Ecosystem Workforce Program (EWP) to prepare an estimate of the economic impact and job creation from OWEB's restoration investments. The preliminary analysis was presented at OWEB's budget hearings. It concluded that the average impact of each \$1 million invested by OWEB is 15 jobs and \$1.86 million in total economic activity in Oregon. The EWP will continue to refine its model in the coming months and staff will report findings at future Board meetings.

**E. 2007-2009 Budget and Spending Plan Update**

Tom Byler, Executive Director, updated Board members on the status of the 2007-2009 budget and the OWEB spending plan for the current biennium.

The economic downturn is having a significant impact on state revenues, especially the state's General Fund revenues. Although OWEB is not funded with General Fund dollars, some of OWEB's funds are being redirected to assist other natural resource agencies (DEQ, ODA, and ODFW) with Oregon Plan related work. \$59,754 of M66 funds from OWEB administrative

operations; \$150,000 of M66 funds from the IMST; \$15,000 of M66 funds from LCREP; and \$430,000 of Salmon License Plate Funds were recently redirected by the Legislature.

Although Lottery revenues are down, the Oregon Lottery Department provided \$27 million in revenue savings to meet the 2007-2009 projected revenue distributions. Therefore, no OWEB positions will be affected this biennium, there were no reductions to our remaining non-capital grant funds, and some of the rebalance actions saved positions in other agencies that support our local stakeholders and our overall mission.

Because the state's budget rebalance had a minimal effect on OWEB's remaining discretionary grant funds, the Board's spending plan remains essentially unchanged.

Staff recognize that the May 15 revenue forecast may force additional budget cuts. OWEB funds could be impacted by revenue reductions and legislative disappropriation if the May forecast indicates a drop in revenue.

#### **F. Public Comment – Pending Grant Applications**

- Liz Vollmer-Buhl, Siuslaw WSC, requested funding for 209-1033 and 209-1034 (even if at a reduced level), which were recommended for funding but fell below the OWEB staff recommended funding line. She recognized the difficulties the Board faces in making funding decisions given the current economic conditions, and asked that any extra funding – if given a choice between these two projects – go to the Exploration Camps (209-1034). Two students, Anna Sherrett and Megan Green, spoke to the importance of the program for students: hands on experience, learning how they impact water and watersheds, value of native plants and increasing their knowledge of wildlife and fisheries.
- Wayne Hoffman, MidCoast WSC, supported 209-1040 and 209-1045, which were both recommended for funding. He also commented on the need for more Technical Assistance funding in the future. Over the past 10 years projects have changed; they are more complicated and comprehensive. Technical assistance provides for project design and staff time that many applicants/grantees do not have in-house. The regional review team also has higher expectations for design.
- Elmer McDaniels, Tumalo Irrigation District, supported 209-4045, which was recommended for funding. He expressed appreciation and thanked the Board for their support on past projects to return flow into Tumalo Creek. He was joined by John Eng from David Evans and Associates who gave an overview of the project.
- Wayne Giesy, Bob Zybach, and Bernard Bormann, Oregon Websites and Watersheds Project, Inc., supported 209-7004 and 209-7005, which were recommended for funding by the RRT, but not recommended for funding by OWEB staff due to limited funds. They pointed out that the main goals and objectives, and the importance of this project's (209-7005) success in leveraging future projects. They commented on 209-7004 and its value to schools in using new technology to teach students and encourage participation, and that it could have a significant role in future job creation. Education now requires more strategic planning to be efficient.

- Rob Bonacker, Deschutes Land Trust, was joined by Brad Nye, Brad Chalfant, and Jim Bowersfield (the landowner), in support of Acquisition 209-114, which was recommended for funding. The working ranch has excellent management. There is one mile of creek with a robust redband trout population, and the ranch has other critical habitat components. It also has the potential to lead to additional successful projects to protect lands in Central Oregon. Jim Bowersfield, the landowner, stated that the lower half of Mill Creek could be zoned for subdivision; he wants to preserve his property for future generations. He would have rotation on 80 acres and the remainder of his land would be restored back from pasture back into wetlands.
- Hayden Sears, landowner, was joined by Joe Moll from McKenzie River Trust, in support of Acquisition 209-116 (Duncan Island), which was recommended for deferral by OWEB staff. This is a unique opportunity to showcase agriculture and conservation and also provide an outdoor classroom experience for students.
- Catherine McDonald, The Nature Conservancy, strongly supported Acquisition 209-113, and 209-4040, which were recommended for funding. There are significant contributions to OWEB principles and Oregon's conservation strategy.
- Karlene McCabe, Greenbelt Land Trust, commented on Acquisition 208-114 (Evergreen Creek Conservation Easement), which was recommended for deferral by OWEB staff. She gave a brief background of the issues that have halted funding the project. She also commented on 209-3039, which was recommended for funding by the RRT, but fell below the funding line. Education staff are critical when working with landowners.
- Karen Fleck-Harding, Marys River WSC, supported 209-3039, which was recommended for funding by the RRT, but fell below the funding line. She commented on the two large components of the program – student mentorship and the Newton wetland area. She would consider funding at a reduced level.
- Terry Morton, Klamath Watershed Partnership, supported 209-4036, which was recommended by the RRT but fell below the funding line. She expressed concern and confusion regarding OWEB's review process for this application (the Education/Outreach Review Team gave the application a good review, but the RRT recommended a "do not fund"). She briefly commented on the ongoing settlement negotiations in the Klamath basin and the importance of outreach to the landowners and the community.
- Jim Nakano, Board member, supported 209-5068, which was recommended for funding by the RRT but was not recommended for funding by OWEB staff due to limited funds.

#### **G. Board Consideration of Pending Grant Applications**

Lauri Aunan, Grant Program Manager, provided Board members an overview of the October 22, 2008, grant cycle. Two hundred and thirty-three grant applications seeking a total of \$30,955,072 were received, making this the second largest number of applications OWEB has ever received in a grant cycle.

She announced that Sue Greer is the new Region 6, Mid Columbia, Program Representative and will be based out of Condon. Region 6 will be fully operational by the April 2009 grant cycle and receiving applications for the new region (carved out of Regions 4 and 5). She will also be assuming responsibility for currently funded projects from Regions 4 and 5 that now are included in Region 6.

Ms. Aunan thanked those who were involved in the application review process, and their continuing commitment.

- Regional Review Teams
- Education/Outreach Review Team
- Oregon Plan Monitoring Team
- OWEB staff

She also thanked Board member, John Jackson, for attending the Region 3 RRT meeting.

Of the 233 applications received in the October 22, 2008, grant cycle, 122 were recommended for funding totaling \$11,440,270. The following identifies the number of applications and the amount of OWEB funds requested:

Technical Assistance	44	\$ 1,619,806
Education	35	\$ 1,249,447
Monitoring	34	\$ 2,700,705
Acquisition	11	\$ 8,741,462
Restoration	<u>109</u>	<u>\$16,643,652*</u>
<b>TOTAL</b>	<b>233</b>	<b>\$30,955,072</b>

\*Includes the \$3.9 million project 209-4034 Pilot Butte Piping Project

This was the first time that an Education/Outreach Review Team (EORT) was used in conjunction with the Regional Review Teams (RRT), to review the Education/Outreach applications. The EORT provided educational expertise while the RRT provided the locally based knowledge. Ms. Aunan briefly outlined the requirements of the EORT and recognized Carolyn Devine for her commitment to the process. OWEB will be reviewing the success of the dual process for future cycles.

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.

Given the unprecedented economic downturn, it was uncertain what the capital and non-capital funding availability would be for the remainder of the biennium. Ms. Aunan discussed the latest revenue forecast and the possible impact to non-capital funds, which are vulnerable to legislative appropriation. She clarified that while the Board has made the non-capital awards, funding will be subject to the May revenue forecast and to legislative disappropriation. OWEB will continue to communicate with their grantees during this forecast period.

### Statewide Education and Monitoring Applications

Three Statewide Education applications were received this cycle. Two were recommended for funding based on the EORT, RRT, staff considerations and available funding. Staff recommended reducing the award of 209-7000 to \$80,000 instead of the requested \$89,643.

After discussions with staff, Ms. Aunan reported that staff's recommendation of "do not fund" will not change for applications 209-7004 and 209-7005, and encouraged applicants to continue to talk with staff and other groups.

Three Statewide Monitoring applications were received this cycle. Based on the Oregon Plan Monitoring Team evaluations, staff considerations of the evaluations and available funding, staff recommended one statewide monitoring application for funding at \$31,952.

Board member Jose Linares, questioned whether 209-7003 would have ranked out differently had a stronger connection been shown to watershed health. Greg Sieglitz, OWEB Monitoring and Reporting Program Manager, stated the project had strong elements of research, but it was too brief on the effectiveness monitoring status and trends

### Acquisition Applications

Eleven new land acquisition applications were received. Two were withdrawn by the applicants. The Board Acquisition Subcommittee reviewed the applications before regional review team evaluation of the ecological merit and recommended whether staff should proceed with due diligence review.

Two of the land acquisition applications were ready for funding: 209-114 Coffey Ranch Conservation Easement in Region 4; and 209-113 Table Rocks Acquisition in Region 2. The rest of the applications submitted in the October 2008 grant cycle were either recommended for deferral or were not recommended for funding.

One additional acquisition project was ready for a funding decision. The Alsea Bay Acquisition, 208-116 in Region 1, was previously submitted and deferred by the Board in March of 2008.

Board members were presented funding recommendations by staff and considered additional projects based on public input. The Board chose to have their final vote on funding awards at the conclusion of all regional reports.

### **REGION 1, NORTH COAST**

Lauri Aunan, Grant Program Manager

Tom Shafer, Regional Program Representative

Miriam Hulst, Acquisitions Specialist

Board members discussed projects that were identified in the public comment period. Acquisitions 209-116 (Duncan Island), 208-116 (Alsea Bay) and 209-115 (Big Creek) were discussed briefly with Miriam Hulst. Tom Shafer stated the quality of the applications was good, but the reduced amount of council capacity has been limiting. Agency staff contributions have been very helpful and extremely important.

*Board members supported staff's funding recommendations as shown in the "shaded area" of the Attachment A of the staff report with the following funding additions:*

- 208-116 Alsea Bay Acquisition – fund with resolution of due diligence issues.
- 209-116 Siuslaw Estuary Duncan Island Ranch – reduce to \$450,000 and fund contingent on resolution of due diligence issues and draft conservation plan.
- 209-115 Big Creek – continue to defer.
- 209-1034 Siuslaw Watershed Exploration Camps – fund at a reduced level of \$16,907.
- 209-1033 Siuslaw Volunteer WQ Monitoring – fund at requested level of \$8,118.

## **REGION 2, SOUTHWEST OREGON**

Lauri Anan, Grant Program Manager  
Mark Grenbemer, Regional Program Representative  
Miriam Hulst, Acquisitions Specialist

Lauri Anan explained to the Board that 209-2043 (Williams Creek Culvert Replacement) would require significant federal funding to complete the project. It was submitted for federal stimulus funding and, even though recommended by the RRT, it is not recommended at this time by OWEB staff for funding.

Mark Grenbemer expressed growing concern over the economic downturn, the challenges and impacts to projects. He credited the continued partnering and commitment of staff in his region for projects moving forward.

Miriam Hulst briefly discussed 209-113 Table Rocks, which was recommended for funding, and 209-110 Elk River and Rock Creek, which was not recommended for funding. There was some concern by the Board that with water not a large factor in this Acquisition, the valuation was too high. Board member Jennifer Phillippi, asked about the valuation or appraisal process. Miriam briefly reviewed the process and stated it also depends on the appraisal components including the potential view.

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

## **REGION 3, WILLAMETTE BASIN**

Lauri Anan, Grant Program Manager  
Wendy Hudson Regional Program Representative  
Miriam Hulst, Acquisitions Specialist  
Ken Bierly, Deputy Director  
Carolyn Devine, Communications Coordinator

Lauri Anan pointed out a \$40,000 reduction for an outreach/education staff position in restoration application 209-3049 WREP II, which OWEB staff felt should be funded through education/outreach. It was not appropriate to ask for that funding in this application.

There was a short discussion on how projects fit in the broader scope of SIP and differences between the Willamette and Deschutes criteria. Ken Bierly clarified for the Board that Meyer

Memorial Trust was working with local groups to develop the Willamette SIP process. He will be reporting to the Board in June.

OWEB will continue to see high quality projects from councils and districts. Wendy Hudson stated it is challenging to balance the RRT for Region 3 when there are more applications than can be reviewed in one day.

Miriam Hulst briefly discussed 209-111 (East Thornton Lake) and 209-115 (Carver Caves) which were not recommended for funding by OWEB staff. She also mentioned she had not received the due diligence review from the Attorney General's office on 208-114 (Evergreen Creek Conservation Easement) and there was no title report.

Board member John Jackson, stated he attended the last Region 3 RRT meeting and RRT members agonized over the funding in the urban areas including if the amount of funding and access to the projects were adequate to complete the projects. He found the meeting and process very worthwhile.

*Board members supported staff's funding recommendations as shown in the "shaded area" of the Attachment A of the staff report with the following funding additions:*

*209-3039 MRWC Education/Outreach Program – fund at a reduced level of \$22,825.*

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

Lauri Aunan, Grant Program Manager

Rick Craiger, Regional Program Representative

Miriam Hulst, Acquisitions Specialist

Ms. Aunan discussed 209-4034 (Pilot Butte Piping Project) request for approximately \$3.9 million to pipe 2.25 miles of the Central Oregon irrigation District's Pilot Butte canal; 19.6 cfs would be converted to an instream water right. The Region 4 RRT determined that the flow is a significant and measurable contribution and recommended that it move forward under a separate review process. Staff recommended deferral and give this project consideration as part of OWEB's statewide flow restoration discussion.

Rick Craiger gave a quick highlight of ongoing projects in Region 4. He will also be part of the Klamath basin settlement dialogue scheduled for next week with his regional review team members and other natural resource groups in the area. They will be looking at how to operate in the basin after settlement is reached.

Lauri Aunan and OWEB staff reviewed the original decision for education/outreach application 209-4036 and staff continues to recommend it as a do not fund. Staff plan to work with the Board Education/Outreach Subcommittee to debrief the EORT and RRT review processes to determine if any changes should be made for how education/outreach applications are reviewed. Among the considerations will be the level of non-capital funding in OWEB's 2009-2011 budget and how that may affect education/outreach grant offerings.

Miriam briefed the Board on Acquisitions for Region 4. 209-114 (Coffer Ranch Conservation Easement) is ready to fund. There is strong management, and a significant amount of work has been done given it is a working ranch. A management plan will be conditioned.

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

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

Lauri Aunan, Grant Program Manager

Karen Leiendecker, Regional Program Representative

Karen gave a quick overview of projects in her region. Region 5 has many different basins that generate many different types of projects, e.g., riparian, upland, instream, landscape juniper, sage grouse and other wildlife, restoring aspen groves and any combination of the above.

*Board members supported staff's funding recommendations as shown in the "shaded area" of the Attachment A of the staff report with the following funding additions:*

*209-5068 South Eastern Oregon WS Education – fund at reduced level of \$20,000*

There was a non-capital funding discussion by the Board to better understand how the decisions are made given the limited funding. The Board also had additional questions regarding federal stimulus funds. They were keenly aware of the struggle OWEB staff had in making the current funding recommendations, especially when good projects fell below the funding line. They were also appreciative of the members of the public who were present for the Board meeting and regional discussions.

Miriam Hulst took the Board through the Acquisitions process and explained that the acquisitions are not ranked; they are evaluated by the Board Subcommittee and the RRTs - who are looking at the ecological and education value of the projects. Any concerns the Board had with any particular Acquisition could be conditioned in the grant agreement, once the applicant has passed due diligence.

Ms. Aunan reviewed the funding tables with the Board and changes to those funding recommendations.

Chair Heagerty recused himself from voting on 209-4045. Because of Chair Heagerty's recusal, Application 209-4045 was voted on separately.

*Board members unanimously approved to fund the recommended tables with the recommended changes with the following additions.*

*Statewide – approve with no changes.*

*Region 1 – approve with the following changes:*

*209-116 Duncan Island Acquisition move from deferral to fund at reduced level of \$450,000 with conditions.*

*209-1034 Siuslaw Watershed Exploration Camps 2009 – fund at \$16,907.*

*209-1033 Siuslaw Volunteer WQ Monitoring Program – fund at \$8,118.*

*Region 2 – approve with no changes.*

*Region 3 – approve with the following change:*

*209-3039 MRWC Education & Outreach Program – fund at \$22,825.*

*Region 4 – approve with no changes.*

*Region 5 – approve with the following change:*

*209-5068 South Eastern Oregon Watershed Education – fund at \$20,000.*

*Board members unanimously (with Chair Heagerty recusing himself) approved funding for Application 209-4045.*

## **H. Oregon Plan Products**

Renee Davis-Born, Monitoring Data Analyst and Information Specialist, briefed the Board on two Oregon Plan Product requests for data integration and web-enabling of the ODFW Oregon Fish Passage Barriers Inventory Database, and equipment replacement and repair for the Oregon Watershed Research Cooperative. Board members were briefed on the two proposed projects at the January 2009 meeting; detailed information was provided in the staff report.

Fish passage barrier removal projects comprise a significant number of the total on-the-ground accomplishments under the Oregon Plan, and OWEB has awarded over \$28 million in grant funds for 313 fish passage barrier removal projects over the last ten years. In the middle of 2009, ODFW expects to release an initial version of the fish passage barrier database that will represent a compilation of the three largest barriers databases in Oregon (ODFW, BLM, and ODOT), and comparison of known barriers to restoration projects that have been reported to OWEB's OWRI. The requested funds would support progress on several, high priority tasks that improve the quality and accessibility of barrier data, and is intended for use in leveraging additional funds.

OWEB has provided nearly \$650,000 in capital funding to the Watersheds Research Cooperative (WRC) for watershed-scale research projects in three areas (Trask, Hinkle, and Alsea river basins). In spring of 2008, WRC approached staff with a request for additional funding to cover research equipment maintenance, repair, and replacement costs, estimated at \$60,000 per year through 2017 (OWEB's share would be \$30,000 per year). Since the original request, staff have worked with the WRC to reduce the request to fund three years of maintenance (\$13,835 per year for three years totaling \$41,505).

*Board members unanimously approved up to \$68,470 in non-capital funds for an interagency agreement with the Oregon Department of Fish and Wildlife for updates and refinements to the Oregon Fish Passage Barriers Database.*

*They also unanimously approved up to \$41,505 in research capital funds for an interagency agreement with the Oregon State University for the Watersheds Research Cooperative for maintenance, repair, and replacement of project equipment.*

## **I. Public Comment – General**

- John Moriarty, Executive Director, Network of Oregon Watershed Councils, distributed to Board members the recently completed 2009 Oregon Watershed Councils Atlas of Accomplishments. John Moriarty and Gary Whitney from OACD have been meeting with legislators to increase visibility to put more funding on-the-ground.
- Dana Erickson and Jim Pendergrass, Long Tom WC, discussed their observations regarding the Council Support review process, and urged staff to address some unresolved matters. They suggested that staff form a “blue ribbon panel” to continue discussions on the process, as well as put a temporary moratorium on funding for new councils.
- Duncan Berry, Carbon Collaborative, supported using research funds for ecosystem applied research.

Senator Jackie Dingfelder was introduced and provided comments to Board members. The Senator complimented OWEB on our budget presentation and noted that Director Byler did an excellent job. She said that the public testimony of watershed councils and citizens was compelling and important. She noted that “jobs, jobs, jobs” is the biggest issue on legislators’ minds. Senator Dingfelder also stated that the 2009-2011 budget scenario is likely to worsen, but no one knows by how much. OWEB’s programs that support local jobs, communities, and environmental protection and restoration are a big bright spot for Oregon. As 2014 approaches, the Senator encouraged OWEB to: highlight the success stories, work to create “green” jobs, and encourage watershed councils and districts to keep in contact with legislators.

## **J. Effectiveness Monitoring**

Courtney Shaff, Grant Program Coordinator, and Sarah Miller, Effectiveness Monitoring Specialist, provided Board members with a brief update on the effectiveness monitoring components of the Oregon Wetland Monitoring and Assessment Program in the Willamette Valley. Included in their summary was a funding request resulting from an RFP to hire a contractor to conduct field work during the next two field seasons to assess wetland quality and evaluate restoration and mitigation success. This will help inform the development of a comprehensive wetlands strategy.

In May of 2008, Oregon State University was awarded funds for effectiveness monitoring at Brownsville, Sodom, and Savage Rapids dams. Due to the size and scope of the Savage Rapids Dam removal, additional funds are needed to complete monitoring at the dam.

*Board members voted unanimously to allocate \$30,000 from the non-capital funds for Effectiveness Monitoring reserved at the September 2008 Board meeting to the Adamus Resource Assessment, Inc. contract 209-905-7170 for the Wetland Monitoring and Assessment Program in the Willamette Valley project consistent with the purposes described in Section III.A. of the staff report.*

*The Board also unanimously voted to allocate \$34,953 from Research Capital to Oregon State University for the effectiveness monitoring of Savage Rapids Dam consistent with the purposes described in Section III.B. of the staff report.*

## **K. Research Priorities**

Greg Sieglitz, Monitoring and Reporting Program Manager, updated Board members on discussions of the Monitoring and Research Subcommittee regarding priorities for applied research projects. He also summarized four research projects recommended for funding by staff and the Subcommittee.

### **K-1 Modeling Water Availability in a Changing Climate**

Cost: \$175,000 M66 Research Non-capital funds

### **K-2 Climate Change and Local Watershed Impacts**

Cost: \$150,000 M66 Research Non-capital funds

After discussion, Board members asked staff to complete due diligence and bring this item back to the Board in June for consideration.

### **K-3 Ocean Response to Climate Change – Sea Level Rise and Coastal Impacts**

Cost: \$100,000 M66 Research Non-capital funds

### **K-4 Economic Evaluation and Contribution of OWEB Investments in Local Economies**

(Ecosystem Services Module)

Cost: \$165,000 M66 Research Non-capital funds

*Board members voted unanimously on the following:*

*K-1: Allocate \$175,000 of M66 research non-capital and authorize the Director to enter into an Interagency Agreement with OSU, not to exceed \$175,000, for the work described in the staff report once the due diligence is completed by staff.*

*K-3: Allocate \$100,000 of M66 research non-capital and authorize the Executive Director to enter into an Interagency Agreement not to exceed \$100,000, for the work described in the staff report once the due diligence is completed by staff.*

*K-4: Allocate \$165,000 of M66 research non-capital and delegate the authority to distribute the funds to the Executive Director. In addition, Board members also authorized staff, in consultation with the Monitoring and Research Subcommittee, to develop a Request for Proposals and determine successful applicant(s) from that process; and authorized the Executive Director to enter into Interagency Agreements, grant agreements, or Inter-governmental Agreements as appropriate, not to exceed \$165,000, for the work described in the staff report once the due diligence is completed by staff.*

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Oregon Watershed Enhancement Board**

**March 19, 2009  
OWEB Board Meeting  
Salem, Oregon**

**Minutes**

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Melissa Leoni  
Tom Shafer  
Greg Sieglitz  
Cindy Silbernagel

**Others Present**

Nancy Leonard  
Mike McArthur  
Gabe Williams  
Aaron Killgore  
Brent Fenty  
Gary Whitney  
Larry Ojua  
Lois Loop  
Gary Whitney  
John McDonald  
Amie Loop-Frison

**Members Not Present**

John Jackson  
Jose Linares  
Helen Westbrook

**L. CREP Partnership Investment**

Ken Bierly, Deputy Director, Lois Loop, Farm Service Agency, and Larry Ojua, ODA, updated the Board on the discussion and recommendations from the Oregon CREP Work Group. Other members of the Work Group available at the meeting were Gary Whitney, OACD, and Amie Loop-Frison.

The Work Group has met three times and discussed two primary issues, technical assistance and statewide support for the program, and the development of an accrued liability fund for contracts that go beyond 2014.

The Work Group has developed a conceptual approach for continued funding of technical assistance and continued implementation of the Oregon CREP program. In response to a question about the ongoing commitment and monitoring of the federal government, Lois Loop responded that the FSA monitors CREP over the life of the project. They perform spot checks on all plantings working through 26 county offices. OWEB funds are not guaranteed beyond 2014. Agreements signed in 2010 and beyond have the potential of accruing liability for the state's portion of restoration cost-share beyond the life of OWEB. The Work Group will continue discussions and plan to have a proposal at the September Board meeting.

## **M. Mitigation Policy Adoption**

Melissa Leoni, Senior Policy Coordinator, walked Board members item by item through the draft Mitigation Policy guidance proposed for adoption. In 2004, the OWEB Board adopted an administrative rule that states:

*“The Board will not consider:*

*(3) A watershed improvement project constructed solely to comply with a state or federal agency enforcement order, legal judgment or mitigation requirement;...”* (OAR 695-010-0040)

The Board and staff decided in 2008 not to amend the rule, and instead provide additional guidance for staff, grantees, and grant reviewers. The proposed guidance is intended to clarify agency policy on the use of Measure 66 capital funds for mitigation or legally required activities.

The Board discussed the policy at their January 2009 meeting. The revised draft reflects the discussion and clarification asked for at the January meeting. The Board discussion led to specific language change proposals and an agreement that guidance on ecosystem services and conservation banking was premature.

*Board members voted unanimously to approve Items A through F contained in Attachment A of the staff report as amended including changes resulting from the conversation and suggestions made at the Board meeting; and directed staff to return to the Board at a later date with proposed new language for Items G and H.*

## **N. Coastal Wetlands Grants**

Miriam Hulst, Acquisitions Specialist, briefed Board members on the Coastal Wetlands Grant awards program. These grants are awarded annually from the U.S. Fish and Wildlife Service who provides matching grants to states for acquisition, restoration, management, or enhancement of coastal wetlands.

In 2008, OWEB received Coastal Wetlands Grant awards for the following projects:

- A. Salmon River Estuary Restoration (\$754,800)
- B. Lint Slough (Alesia River Estuary) Restoration (\$310,000)
- C. Yaquina River Estuary Acquisition (\$95,725)
- D. Alesia Bay Acquisition (\$997,350)

In 2009, OWEB was awarded funding for two projects and now needs to enter into grant agreements for these projects:

- A. North Nehalem Bay Wetlands Acquisition (\$629,665)
- B. Bott’s Marsh Acquisition (\$950,000)

For 2010 Coastal Wetlands Grants, OWEB requested input from coastal land conservation groups on project concepts. Four were received from the North Coast Region. They will be reviewed by the Region 1 Regional Review Team and the Board Acquisitions Subcommittee. Final submittals are due to the USFWS by June 26, 2009. Staff informed the Board of the need to request legislative permission to apply for these grants.

*Board members voted unanimously to:*

*Defer the Yaquina River Estuary Acquisition application (208-117) and delegate to the Director the authority to enter into the appropriate grant agreements for the U.S. Fish and Wildlife Service 2009 Coastal Wetlands Grant funds: \$629,665 for the North Nehalem Bay Wetlands Acquisition project and \$950,000 for the Bott's Marsh Acquisition project, to accomplish the two projects as identified in the federal grant applications; and to authorize the Director to request legislative approval to submit 2010 Coastal Wetlands Grant applications to USFWS.*

**O. Public Comment – General**

- Mike McArthur, AOC, Gabe Williams, Wheeler SWCD, and Aaron Killgore, Oregon Natural Desert Association, all part of the Lower John Day Working Group, supported initiating a SIP project in the Lower John Day.

**P. Communications Strategy Implementation**

Carolyn Devine, Communications Coordinator, introduced representatives from Gard Communications, Luciana Johnson and Jack Coleman, who updated Board members on their progress developing a communications strategy for OWEB. They are currently in the early, discovery stages of the process and have interviewed more than 15 OWEB stakeholders. They stated that increasing public awareness and increasing involvement are actually two different communications outcomes, each with its own activities and measurables. Initial Board feedback is that the goal is to increase *awareness*, not of OWEB, but of the unique locally driven work being done across the state. Global warming as part of the watershed message was discussed and dismissed for being an additional, complicating layer to the story. Finally, the Board was presented with the need to engage in a coordinated manner, stakeholders from around the state in order to succeed in this effort.

Updates will be provided at future Board meetings.

**Q. Partnership Investments**

Ken Bierly, Deputy Director, along with Co-Chair Diane Snyder, provided Board members with an update on the status of Partnership Investment Subcommittee discussions. Mr. Bierly led the Board discussion with a focus on the difference between SIP and other partnerships. The subcommittee suggested staff develop draft criteria for partnership efforts for the Board to discuss. Draft criteria were included in the staff report and Board members were asked for their input on the criteria and how to apply criteria.

Board members discussed the criteria and asked staff to work with the Partnership subcommittee for further refinement before bringing the draft criteria back to the Board.

**R. Oregon Water Roundtables Presentation**

Todd Jarvis, Associate Director of the Institute for Water and Watersheds at Oregon State University, reported on five meetings held across the state during the Fall of 2008 to receive input and advice from Oregonians to inform efforts to identify and communicate a vision describing where Oregon is, where Oregon is going, and where Oregon wants to be with respect to adaptive, integrated, equitable, and sustainable water management.

## **S. Other Business**

### **S-1 Farmer's Dam Removal Grant Amendment and Award**

Lauri Aunan, Grant Program Manager, and Mark Grenbemer, Southwest Oregon Program Representative briefed Board members on a recent request from the Rogue Basin Coordinating Council (RBCC). The RBCC has determined that the Farmer's Dam Removal project which OWEB awarded in September 2008 (209-2005) requires a contract officer and project management assistance. OWEB cannot release funds before permits are in place, and the RBCC cannot cover the needed amount without assistance from OWEB. Therefore, in order to carry out the intent of the existing grant, staff request approval of a Technical Assistance grant award for these elements of the Farmer's Dam Removal project.

*Board members voted unanimously to approve grant #209-2065 in the amount of \$20,548 from recaptured PCSRF funds, and amend grant #209-2005 to reduce the award by \$20,548 from capital funds.*

### **S-2 Strategic Planning**

Tom Byler, Executive Director, requested Board approval to initiate a process to develop a five-year strategic plan for OWEB and to allocate funding to support the facilitation of that process.

OWEB's primary source of funding comes from Lottery Funds that are constitutionally dedicated under Ballot Measure 66, which was approved by Oregon voters in 1998. Measure 66 directs the legislative assembly to submit to voters in November 2014 the question of whether to continue the measure. Staff deem it necessary to initiate a planning exercise that would involve Board members, staff, and stakeholders, to identify, discuss, and determine OWEB program priorities and actions to focus on between now and 2014. OWEB intends to hire a consultant to facilitate that process.

*Board members unanimously approved the initiation of a strategic planning process, and re-allocated \$20,000 in non-capital funds as described in Section III of the staff report, and delegated distribution authority to the Executive Director to contract the services of a consultant to assist with the planning process.*

### **S-3 American Recovery and Reinvestment Act of 2009 (ARRA)**

Executive Director Tom Byler briefed Board members on OWEB's involvement should any federal stimulus dollars be awarded to OWEB.

The U.S. Forest Service has \$650 million available for use to improve the National Forest System lands and infrastructure. OWEB staff have provided the U.S. Forest Service with a list of restoration projects for consideration that would have value to private and USFS managed lands. OWEB's list included a group of fish passage projects totaling \$3 million and a list of fish habitat projects totaling \$5 million.

In addition NOAA Fisheries announced \$170 million of stimulus funds available for coastal and marine habitat restoration. Grant applications are due to NOAA by April 6 with award decisions expected around May 1. OWEB staff are working a list of projects to submit to NOAA.

*Board members unanimously authorized the Executive Director to seek Legislative permission to apply for federal funds under the ARRA as opportunities arise; and agreed to meet by conference call, as needed, to consider awards of project grants following notification of any award of ARRA funds to OWEB.*

Having no further business, the meeting was adjourned.