

Approved by the Board September 13, 2005
Oregon Watershed Enhancement Board
May 25, 2005
OWEB Board Meeting
Salem, Oregon

Minutes

OWEB Members Present

Bobby Brunoe
Paula Burgess
Dianne Guidry (morning)
Daniel Heagerty, Co-Chair
Skip Klarquist
Jane O’Keeffe, Co-Chair
Dave Powers
Mark Reeve
Diane Snyder
Michael Tehan
Dan Thorndike
Pat Wortman

Members Not Present

Alan Christensen
Dianne Guidry (afternoon)
Scott Reed

OWEB Staff Present

Bonnie Ashford
Ken Bierly
Linda Burnett
Tom Byler
Rick Craiger
Douglass Fitting
Bev Goodreau
Mark Grenbemer
Courtney Hodges
Cindy Kraai
Jordana Leeb
Melissa Leoni
Becky Miller
Bobbi Riggers
Tom Shafer
Greg Sieglitz
Roger Wood

Others Present

Kyle Spinks
Cyndy Coleman
Sandra Coveny
Annabelle Jaramillo
Eric Hackstein
Jo Morgan
Fran Recht
Jennifer Martin
Denise Hoffert Hay
Carol Bickford

Others Present

Michelle Bussard
Walt Mintkeski
Mike Mast
Dave Harris
Vickie Wares
Ulee Yanok
Eric Schoenfeld
Dale Buck
Marty King
Anita Ward
John Ward
Representative Brad Witt
John Moriarty
Bob Kinyon
Jake Gibbs
Shirley Kalkhoven
Jay Holland
Dana Erickson
Margaret Nover
Jerry Hinsvark
Bruce Taylor
Denise Lofman
Andrea Johnson
Jason Dedrick
Marci Schreder
Jerome Arnold
Jim Buxton
Bill Langmaid
James Mast
Lee Russell
April Olbrich
Ryland Moore

Informal Reception

Prior to the Board’s business meeting, an informal reception was held for Board members, staff, watershed partners, and members of the Legislature. Representatives *Jackie Dingfelder*, Bob Jenson, and Brad Witt attended, as well as Jim Myron from the Governor’s Natural Resources Office, and many watershed partners.

A. Board Member Comments

Representatives on the OWEB Board commented on recent activities and issues facing their respective agencies. Board Co-Chairs, Dan Heagerty and Jane O’Keeffe reported on their recent visit to the Capitol to meet with legislators regarding OWEB. Skip Klarquist presented sound technician Craig Hess with a plaque thanking him for the many years of providing recording services to the Oregon Fish and Wildlife Commission. Summer drought and fires are a concern for many represented agencies on the Board.

B. Minutes

Minutes of the following Board meetings were unanimously approved as amended:

March 16-17, 2005 Board meeting in Corvallis

March 21, 2005 Special Board meeting via telephone conference call

Board Co-Chair Heagerty asked staff to include a discussion on conservation easements on a future meeting agenda.

C. Executive Director Update

Executive Director, Tom Byler, provided the following comments to the Board.

- Ways and Means Subcommittee on Natural Resources are beginning work sessions on agency budgets. OWEB is tentatively scheduled for June 29. OWEB had the Phase 2 presentation on May 9.
- SB 715, which would abolish OWEB has not been scheduled for a hearing.
- SB 358, the Quality Jobs Bill, has no budget implications or fiscal impact for OWEB, but OWEB will be on a taskforce.
- HJR 34, which was originally introduced to reduce the amount of lottery funds allocated to OWEB and OPRD from 15% to 13.5%, has been restructured and will not implicate Measure 66 funds.
- Nominations are expected from the Governor in May or early June to fill OWEB’s three public member vacancies.
- The Coho Assessment has been finalized and is available on the Oregon Plan website.
- On May 18, the Spirit of the Oregon Plan Award recipients were honored at the Capitol. Jay Nicholas from OWEB received a Leadership Award for his contribution to the Coho Assessment.
- Advice from the Attorney General’s office was issued on May 18, clarifying OWEB’s role and responsibilities regarding disbursement of Measure 66 funds. Until the state agency budgets are approved, OWEB is unsure if the funds will be directly allocated to other agencies, or will be moved through OWEB to the other agencies, in which case, Interagency Agreements with agencies receiving the funds will need to be prepared. The Board may need to discuss delegating authority to the director to transfer the funds to other agencies.

D. Watershed Council Contribution Discussion

Michael Hibbard and Susan Lurie from the University of Oregon, Institute for Policy Research and innovation, presented findings from their January 2005 report titled “UNDERSTANDING THE COMMUNITY ECONOMIC AND SOCIAL IMPACTS OF OREGON’S WATERSHED COUNCILS.” The report used fiscal data and a questionnaire to evaluate the economic and social impacts of funding watershed councils. The findings quantified the economic benefits to local communities from watershed council investments. They also developed measures of community cohesion resulting from watershed council support.

E. Public Comment (Watershed Council Support)

The following persons provided testimony on the watershed council support review process, merit-based system, extensive application, and lack of available funding.

- Crooked River WSC - Jason Dedrick
- Grande Ronde Model Watershed Program - Jeff Oveson
- Harney County WSC - Cyndy Coleman
- Johnson Creek WSC - Michelle Bussard & Walt Mintkeski
- Lake County WSC - Marci Schreder
- Long Tom WSC - Dana Erickson
- Lower Nehalem WSC - Jay Holland & Shirley Kalkoven
- Marys River WSC - Annabelle Jaramillo, Benton County Commissioner, & Sandra Coveny
- MidCoast WSC - Wayne Hoffman & Fran Recht
- Nestucca/Neskowin WSC - Dale Buck, Carol Bickford, & Andrea Johnson
- Network of Oregon Watershed Councils - John Moriarty
- Owyhee WSC - Jennifer Martin
- Powder Basin WSC - Vicki Wares & Eric Schoenfeld
- Pudding River WSC - Jerry Hinsvark
- Sandy River Basin WSC - Russ Plaeger
- Smith River and Elk Creek WSC - Dave Harris, Mike Mast, James Mast, & Lee Russell
- The Nature Conservancy - Russ Hoeflich
- Tillamook Bay WSC - Denise Lofman
- Tualatin River WSC - April Olbrich & Kyle Spinks
- Umatilla Basin WSC - Marty King
- Umpqua Basin WSC - Bob Kinyon & Jake Gibbs
- Upper Nehalem WSC - Jim Buxton & Bill Langmaid

F. Board Consideration of Pending Grants

Fifty-seven watershed council support grant applications seeking a total of \$6,637,552 were received by the December 13, 2004, deadline. Grant Program Manager, Roger Wood, briefed Board members on the evaluation process, funding options for the anticipated amount of funding for watershed council support for the 2005-2007 biennium, and issues staff will consider for next biennium’s council support grant cycle.

Staff provided Board members with copies of the council support applications on CDs, copies of the review team evaluations, as well as spreadsheets outlining staff’s recommended funding options.

The 2005-2007 Governor’s Recommended Budget proposes to allocate \$2.4 million watershed council support. OWEB’s budget requests \$4,198,400 for council support which provides a two percent cost of living increase over the current biennium’s \$4.1 million. Since the Legislature is still in session, and agency budgets have not been approved, it is unknown what the final council support allocation will be.

The original staff recommendation (Attachment E, Option 2) awarded each council on the basis of points earned, and provided an additional amount to “umbrella councils.” Thirteen councils

met the criteria for an umbrella council and were recommended to be awarded \$240,243 in additional funds.

At the meeting, staff amended its funding recommendation to include an additional \$49,000 to nine councils who met the additional criteria for two or more councils serving unique geographic areas in a single council support grant and demonstrating economies of scale.

Two applicant requests were revised to keep within agency policy not to award a council more than it requested.

Board members discussed the funding options as presented in Attachments D and E of the staff report, and in Attachment X which was distributed to Board members at the meeting, as well as the overall lack of funding for councils. Staff commented that in order to provide councils with more funding, non-capital funds would need to be taken from other programs (i.e., Education/Outreach, Technical Assistance, and Monitoring).

Board members also suggested alternative methods of distributing funds using the merit-based system as required by a legislative budget note in 2001.

In closing before a vote, Board Co-Chair Heagerty summarized the Board's concerns and recognized the frustration councils face on lack of funding. Noting that funds will not be available until OWEB has an approved budget for the 2005-2007 biennium, and if the Legislature approves a smaller funding amount for watershed councils, then OWEB will pro rate council support awards accordingly, Board members unanimously approved the following motion for a total funding amount of \$4,480,580:

“Subject to available funding, adopt the far right column of Attachment X, Option 2 as corrected. Direct staff to come back with recommendations for supplemental funding to provide a base level of council support and explore opportunities to enhance capacity funding for other local groups, identifying the source of those funds.”

Oregon Watershed Enhancement Board

May 26, 2005

OWEB Board Meeting

Salem, Oregon

Minutes

OWEB Members Present

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Rick Craiger
Douglass Fitting
Bev Goodreau
Courtney Hodges
Cindy Kraai
Jordana Leeb
Melissa Leoni
Becky Miller
Bobbi Riggers
Tom Shafer
Greg Sieglitz
Roger Wood

Others Present

Patrick Willis
Rinee Merritt
Anita Ward
Tanya Beard
Margaret Nover
Rich Walsh
Jo Morgan
Jim Paul
John Ward
John Moriarty
Janet Greenup
Nan Evans
Bill Flood
Donna Flood
Juanita Muniz
Kayla Flood

G. PCSRF Funding Allocation for the Remainder of the 2003-2005 Biennium

Tom Byler, Executive Director, and Ken Bierly, Deputy Director, provided Board members with background information on the use of PCSRF funds. Ken discussed the history and current status of the use of PCSRF funds. The proposed allocation of uncommitted 2004 PCSRF funds was proposed to address watershed council support, further recovery planning assistance, and CREP technical assistance.

Board members unanimously approved the following reallocation of FFY 2004 PCSRF funds:

\$132,565	Watershed Council Support (Umbrella) Awards
\$200,000	Oregon Plan Assessment
<u>\$ 25,000</u>	CREP Technical Assistance
\$357,565	TOTAL

H. Drought Assistance Funding

Ken Bierly, Deputy Director, and Fritz Paulus, Oregon Water Trust, briefed Board members on a request to provide funding for ten projects identified to address current drought conditions. Although Oregon has received lots of rain this spring, drought conditions are still an issue in many areas of the state. The Oregon Departments of Water Resources and Fish and Wildlife reviewed the ten proposed water right leases and support the funding request. OWEB will enter into an agreement with the Oregon Water Trust to provide \$36,769 of capital lottery funds from recaptured project funds to assist in the leasing of water rights during the current drought.

Due to a conflict of interest, Board Co-Chair Dan Heagerty recused himself from voting. The remainder of Board members unanimously supported the staff funding recommendation to proceed with agreements and approved funding of up to \$36,769 for the ten projects shown on Attachment A of the staff report.

I. CREP Program Changes and Funding for the 2005-2007 Biennium

Ken Bierly, Deputy Director, and Stephanie Page, Oregon Department of Agriculture, briefed Board members on the status of the CREP Program. Stephanie Page distributed the 2004 Annual Report to the Board, and stated that 2004 was the best year yet for CREP enrollment. In December 2004, the state-federal CREP agreement was amended to expand the eligibility from streams that support agricultural land. The new agreement also adds to the incentives by adding two new practices and increasing the state participation in incentives for in-stream water leases.

Subject to availability of funds, Board members unanimously approved expenditure of up to \$1 million in capital Measure 66 funds from the 2005-2007 appropriation of capital funds for State CREP payments.

J. Public Comment

Richard Walsh and Nate Brown, City of Keizer, testified in support of the Keizer Rapids Acquisition project.

Jo Morgan and Jim Paul, Oregon Department of Forestry, presented the Board with alternative rule language for the Small Grant Program rules.

Pat Willis, Jackson Bottom Wetlands Preserve, supported the work done on OWEB's Education and Outreach Strategy, and OWEB's approach to statewide programs.

Janet Greenup, Morrow SWCD, opposed "guzzlers" as an ineligible Small Grant practice and asked that the language be removed from the proposed rules.

Chuck Sams, Margaret Nover, and Nancy Hendrickson, Columbia Slough WSC and City of Portland, testified in support of the Big Four Corners Acquisition project.

K. Siuslaw Stream Team Presentation

The Siuslaw Middle School Stream Team is a nine week course of watershed studies including issues of water quality, sustainable natural resources, and salmon habitat restoration. Partners include the Forest Service, Siuslaw Watershed Council, Florence STEP, SWCD, BLM, ODFW, and is supported by grants from OWEB. The Stream Team instructed by Jim Grano is in its ninth year.

Board members heard from past and current students who attended the Siuslaw Middle School Stream Team class instructed by Jim Grano. Students highlighted the importance of what they learned both in the classroom and through field experiences, expressed their appreciation for the opportunity provided, and encouraged OWEB to continue funding for the project.

L. Education and Outreach Strategy

Melissa Leoni, Grant Program Specialist, and Jordana Leeb, Education and Outreach Specialist, presented the proposed OWEB Education and Outreach Strategy to Board members, and provided background information on development of the Strategy. The Strategy is divided into three parts: Enhance Awareness, Improve Knowledge, and Develop Skills. Following discussions with a Focus Group, the OWEB Board Subcommittee (Scott Reed, Dan Thorndike, Diane Snyder and Alan Christensen), and Stakeholders, OWEB staff developed information on the following for each part: Summary, Goals, Key Messages, Potential Audiences, Potential Delivery Mechanisms, and Messages and Selected Examples.

OWEB staff prepared a draft list of implementation actions for Board discussion. OWEB staff will continue work on developing an implementation plan over the next couple of months and identifying resources for high priority items.

Board members unanimously approved the Education and Outreach Strategy as presented, directing staff to continue to look for opportunities to expand and refine the Strategy. The Board also asked staff to continue work on the implementation plan over the summer and return to a future meeting with further refinement of the plan.

Staff asked Board members to complete a “ballot” prioritizing action and return the prioritized list to staff in order to assist staff in selecting the high priority items and possible alternatives. Board members asked staff to provide a cost estimate for the items on the ballot before they prioritized and returned to staff. Staff will continue to work with the Board subcommittee to further develop the plan.

There was Board consensus that OWEB is not ready to proceed to rulemaking for Education Grants.

M. Small Grant Program Administrative Rules

Roger Wood, Grant Program Manager, presented the Board the history of the development of the Small Grant Program and the proposed amendments to the administrative rules to the Small Grant Program for adoption. After concerns raised by Board member Diane Snyder, and public testimony from Jo Morgan and Jim Paul, Oregon Department of Forestry, and Janet Greenup, Morrow SWCD, the Board made changes to the rules that affected eligible project types affecting forestry activities and water guzzlers. Board member Bobby Brunoe requested to have language inserted into the rules dealing with tribal government review and approval on Tribal Trust Lands, which was also approved by the Board.

Board members unanimously approved the small grant rules with amendments made by Board members. Board members also unanimously approved up to \$100,000 per Small Grant Team for a total of \$2.8 million based on available Measure 66 capital funds in OWEB’s legislatively approved budget for the 2005-2007 biennium.

N. Grant Cycles for the 2005-2007 Biennium

Roger Wood, Grant Program Manager, presented a proposed grant cycle schedule for 2005-2007. The proposed grant cycles are as follows:

Application Deadline	October 24, 2005	April 24, 2006	October 23, 2006	April 23, 2007
Application Type	Monitoring/Assessment Restoration/Acquisition Education/Outreach	Restoration/Acquisition	Monitoring/Assessment Restoration/Acquisition Education/Outreach	Restoration/Acquisition
Board Funding Decisions	Week of March 13, 2006	Week of Sept 11, 2006	Week of March 12, 2007	Week of Sept 10, 2007

Suggested weeks for Board meetings may be changed depending on Board member schedules, quorum requirements, and conflicts with the meetings of other boards/commissions.

Board members approved the proposed grant cycle schedule with the exception of the education/outreach cycle which doesn't align with the school district calendar. Board members asked staff to revisit the Education/Outreach application deadlines at the September Board meeting.

O. Deferred Acquisitions

Melissa Leoni, Grant Program Specialist and Roger Wood, Grant Program Manager briefed Board members on the status of the following acquisitions:

Big Four Corners Tract A Acquisition (Application No. z205-025)

Chuck Sams, Margaret Nover, and Nancy Hendrickson, Columbia Slough WSC and City of Portland, testified in support of the Big Four Corners Acquisition project.

This application seeks \$200,000 from OWEB to assist in the purchase of a 44-acre parcel at the confluence of Big Four Corners. Staff recommended that the Board defer consideration of this acquisition to the September Board meeting to allow staff to proceed with the review and continue working with the applicants (Columbia Slough Watershed Council and the City of Portland) on unresolved due diligence issues.

Board members unanimously voted to defer consideration of the project to the September 2005 meeting.

Keizer Rapids (Application No. z205-173)

Richard Walsh and Nate Brown from the City of Keizer testified in support of the application and answered questions at that time.

In October 2004, the applicants sought \$700,000 from OWEB to assist in the purchase of two parcels totaling 34 acres and optioned at \$1.7 million. In March 2005, the proposal was revised to seek \$195,000 from OWEB to assist in the purchase of approximately 7.8 acres of riparian forest on the parcel located immediately adjacent to 85 acres currently owned by Oregon State Parks, and planned to be leased to Keizer.

Staff outlined the following concerns with the acquisition as currently presented.

1. Subordinate or remove a bank protection and channel improvement reservation for the Army Corps of Engineers.

2. To meet the funding match required by OWEB rules, increase the acreage protected for conservation purposes.
3. The 8 acres of mature riparian forest must be connected to similar acreage and be part of a larger network of healthy, preserved mature riparian forest.
4. Development of an education component including signs raising awareness about the importance of protecting and preserving mature riparian forest habitats.

Staff recommended the Board defer consideration of this acquisition to allow staff to continue to work with the City of Keizer to resolve the outstanding concerns presented by the Board.

Board members unanimously voted to defer consideration of this acquisition to the September 2005 Board meeting.

P. Non-Standard Grant Requests

Roger Wood, Grant Program Manager, prepared the staff report outlining some of the funding requests OWEB receives outside of the regular grant cycles. OWEB Board members agreed with the staff recommendation to have Tom Byler, Executive Director, and the Board Co-Chairs discuss each special situation as it comes up and decide how to handle it.

Q. Project E2 Update

Allison Hensey, Policy Specialist, distributed a list of members for a Working Group convened to discuss the E2 (Environment and Economy) Initiative, and how the Board can provide more explicit economic benefits through its watershed restoration investments while remaining true to its core mission. Allison Hensey is the staff contact for the Working Group. The Group includes “knowledge holders” with experience or expertise in the intersection between watershed restoration and economic development, and Board members Diane Snyder, who will lead the Group, Dan Heagerty and Dianne Guidry. The first Working Group meeting is scheduled for June 9. Results of the Working Group will be discussed at the September 2005 Board meeting.

R. Effectiveness Monitoring Update

Greg Sieglitz, Monitoring Program Manager, updated Board members on OWEB monitoring program staff’s recent attendance at the following meetings/workshops – Washington Governor’s Forum on Monitoring, the PNAMP data workshop, and a Department of Forestry meeting on Biodiversity Indicators, and several meetings held across the state. OWEB staff have begun plans for a winter Effectiveness Monitoring Workshop in partnership with the IMST. OWEB staff also are assisting ODFW with the Coho Workshop on September 7-9 in Corvallis.

OWEB staff are beginning recruitment for an Effectiveness Monitoring position pending approval of the position in OWEB’s 2005-2007 budget.

S. Other Business

Executive Director, Tom Byler, briefly discussed the advice received from the Attorney General’s office regarding Measure 66 funds, and whether or not to delegate authority to the director to disburse the funds. Since the Legislature has not yet approved agency budgets, it was decided to postpone a decision until the Legislature is done.

Having no further business, the meeting was adjourned.