2007 OWEB Board Meeting Documents

Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board
January 24-25, 2007

Clean Water Services
Administration Building Complex
Tualatin A & B
2550 SW Hillsboro Hwy
Hillsboro
**Map and directions may be found at www.cleanwaterservices.org*

Wednesday, January 24, 2007

Business Meeting - 8:00 a.m.

During the public comment period (Agenda Item G), anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. ***The Board encourages persons to limit comments to no more than five minutes.***

A. Board Member Comments
Board representatives from state and federal agencies will provide an update on issues related to the natural resource agency they represent. This is also an opportunity for public and tribal Board members to report on their recent activities and share information and comments on a variety of watershed enhancement and Oregon Plan-related topics. *Information item.*

B. Review and Approval of Minutes
The minutes of the September 19-20, 2006, meeting will be presented for Board approval. *Action item.*

C. Executive Director Update
Tom Byler, Executive Director, will update the Board on agency business and late-breaking issues. *Information item.*

D. Governor's Recommended Budget and Legislative Update
Tom Byler, Executive Director, and Cindy Silbernagel, Fiscal Manager, will describe the Governor's Recommended Budget and identify future issues for the Board to consider. *Information item.*

E. Conservation Reserve Enhancement Program (CREP) Status Report
Ken Bierly, Deputy Director, will update the Board on the status of Oregon's partnership with the USDA Farm Services Agency for the Oregon CREP and request additional funding for the program. *Action item.*

F. Deferred Acquisition Projects
Lori Warner-Dickason, Policy Specialist, will update Board members on land acquisition projects deferred from previous meetings. *Action item.*

G. Public Comment [approximately 10:45 a.m.]
This time is reserved for public comment on any matter before the Board.

H. Oregon Plan Panel Presentation and Discussion
Representatives from the Departments of State Lands, Transportation, Parks and Recreation, and Geology and Mineral Industries will discuss their roles and responsibilities under the Oregon Plan for Salmon and Watersheds. *Information item.*

I. Oregon Plan and Effectiveness Monitoring Products
Greg Sieglitz, Monitoring and Reporting Program Manager, will present potential funding options for Oregon Plan implementation. He will present requests for funding of Oregon Plan monitoring products and effectiveness monitoring. *Action item.*

J. Clean Water Services Presentation and Tour
Mark Jockers, Clean Water Services, will present an overview of their work in the Tualatin watershed and lead a tour of the facilities. *Information item.*

Local Partner Presentations - 3:00 - 5:00 p.m.

Representatives of local watershed and conservation organizations will provide presentations to the Board.
Tualatin River Watershed Council
Tualatin Soil and Water Conservation District
Sandy Restoration Plan
City of Portland
Metro

Informal Reception - 5:15 - 6:30 p.m.

The public is invited to join the OWEB Board and staff at a reception sponsored by Tualatin River Watershed Council, Tualatin Soil and Water Conservation District, Clean Water Services, and Jackson Bottom Wetlands Preserve.

5:15 – 6:30 p.m.
Jackson Bottom Wetlands Preserve
2600 SW Hillsboro Hwy
(walking distance from the Board meeting)

Thursday, January 25, 2007

Business Meeting - 8:00 a.m.

During the public comment period (Agenda Item M), anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. ***The Board encourages persons to limit comments to no more than five minutes.***

K. Restoration Priorities Adoption
Roger Wood, Special Projects Manager, will update Board members on the program for completion and adoption of basin restoration priorities and request adoption of the Deschutes Basin and Malheur Basin restoration priorities. *Action item.*

L. Biennial Report Presentation
Melissa Leoni, Senior Policy Coordinator, will present findings from the 2005-2007 Oregon Plan Biennial Report. *Information item.*

M. Public Comment [approximately 9:00 a.m.]
This time is reserved for public comment on any matter before the Board.

N. Council District Collaboration Update
John McDonald, Oregon Association of Conservation Districts, and John Moriarty, Network of Oregon Watershed Councils, will update Board members on the progress made in the collaborative effort between OWEB, the Oregon Department of Agriculture, soil and water conservation districts, and watershed councils. *Information item.*

O. Salmon Season State of Emergency Rules Adoption**
Melissa Leoni, Senior Policy Coordinator, will present draft administrative rules addressing grant application and award criteria for restoration and related projects that support priority fish habitat enhancement, and that are able to create work opportunities for fishers displaced by the 2006 reduction in salmon stocks, to the Board for consideration and possible adoption. *Action item.*

P. Coastal Coho and Mid-Columbia Steelhead Conservation and Recovery Plans
Kevin Goodson and Rich Carmichael from the Oregon Department of Fish and Wildlife will update Board members on statewide efforts to develop recovery plans for salmon and steelhead and ask for the Board's endorsement of the Conservation Plan for the Oregon Coast Coho ESU. *Action item.*

Q. Other Business

Meeting Procedures: Generally, agenda items will be taken in the order shown. However, in certain circumstances, the Board may elect to take an item out of order. To accommodate the scheduling needs of interested parties and the public, the Board may also designate a specific time at which an item will be heard. Any such times are indicated on the agenda.

Please be aware that topics not listed on the agenda may be introduced during the Board Comment period, the Executive Director's Update, the Public Comment period, under Other Business or at other times during the meeting.

Oregon's Public Meetings Law requires disclosure that Board members may meet for meals on Tuesday, Wednesday, and Thursday.

****Public Testimony:** The Board encourages public comment on any agenda item. However, public testimony must be limited on items marked with a double asterisk (**). The double asterisk means that the item has already been the subject of a formal public hearing. Further public testimony may not be taken except upon changes made to the item since the original public comment period, or upon the direct request of the Board members in order to obtain additional information or to address changes made to proposed rules following a public hearing.

A general public comment period will be held on Wednesday, January 24 at 10:45 a.m. and on Thursday, January 25 at 9:00 a.m. for any comment before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to no more than five minutes.***

Tour: The Board may tour local watershed restoration project sites. The public is invited to attend, however transportation may be limited to Board members and OWEB staff. If you wish to join the tour, be prepared to provide your own transportation.

Executive Session: The Board may also convene in a confidential executive session where, by law, only press members and OWEB staff may attend. Others will be asked to leave the room during these discussions, which usually deal with current or potential litigation. Before convening such a session, the presiding Board member will make a public announcement and explain necessary procedures.

Questions? If you have any questions about this agenda or the Board's procedures, please call Bonnie Ashford, OWEB Board Assistant, at 503-986-0181.

If special physical, language or other accommodations are needed for this meeting, please advise Bonnie Ashford (503-986-0181) as soon as possible but at least 48 hours in advance of the meeting.

Oregon Watershed Enhancement Board Membership

Voting Members

Environmental Quality Commission member: ***Ken Williamson***
Fish and Wildlife Commission member: ***Skip Klarquist***
Board of Forestry member: ***Diane Snyder***
Board of Agriculture member: ***Dan Carver***
Water Resources Commission member: ***Dan Thorndike***
Public member: ***Jane O'Keeffe, Board Co-Chair***
Public member: ***Daniel Heagerty, Board Co-Chair***
Public member (tribal): ***Bobby Brunoe***
Public member: ***Patricia Smith***
Public member: ***Jim Nakano***
Public member: ***Helen Westbrook***

Non-voting Members

Representative of Director of Oregon State University Extension Service: ***Scott Reed***
Representative of U.S. Forest Service: ***Alan Christensen***
Representative of U.S. BLM: ***Miles Brown***
Representative of U.S. NRCS: ***Meta Loftsgaarden***
Representative of U.S. EPA: ***Dave Powers***
Representative of NMFS: ***Michael Tehan***

Contact Information

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www.oregon.gov/OWEB

OWEB Executive Director - Tom Byler

tom.byler@state.or.us

OWEB Assistant to Executive Director and Board - Bonnie Ashford

bonnie.ashford@state.or.us
503-986-0181

2007 Board Meeting Schedule

March 14-15, 2007 – Willamette Valley
May 15-16, 2007 – Salem
September 18-19, 2007 – La Grande

For online access to staff reports and other OWEB publications check our web site: www.oregon.gov/OWEB

January 24-25, 2007 OWEB Board Meeting
Executive Director Update #C1: Research Grants Update

Background
In 1999, the Legislature enacted ORS 541.378 establishing a "Restoration and Protection Research Fund" from all interest earned from Ballot Measure 66 Lottery Funds. The research funds are subject to the 35 percent non-capital and 65 percent capital distribution as are all Measure 66 dedicated lottery funds.

In January 2001, the Board adopted a Research Investment Strategy to guide OWEB funding of research supporting implementation of the Oregon Plan for Salmon and Watersheds. The strategy identified four principles: 1) Identify critical information needs; 2) Fund research projects that address priority needs first; 3) Communicate research results to users; and 4) Evaluate what is learned and determine new priority needs.

In March 2001, the Independent Multidisciplinary Science Team (IMST) reviewed the strategy and identified 12 priority Oregon Plan research needs and ranked them in relative order of importance. After review by stakeholders, the research priorities were adjusted and adopted by the Board in March 2002. Since then, the Legislature has directly appropriated research funds for several projects, but has not given OWEB the expenditure authority to allocate these funds at the Board's discretion as with other grant programs.

At the May 2006 Board meeting, staff proposed a formal process for considering research proposals that has clear criteria, utilizes the appropriate scientific expertise for evaluating requests, and minimizes impacts on current staff workload. Board members unanimously approved the review process. Since then, OWEB has used the Sea Grant program at Oregon State University to assist in the administration of the research grant solicitation and review process.

Research Grants Review Process
Sea Grant solicited research pre-proposals for the 2007-2009 biennium and received 33 preliminary concept papers by the September 22, 2006, deadline. The pre-proposals were reviewed by a subcommittee of the Oregon Plan Monitoring Team. The subcommittee prioritized the pre-proposals based on their potential to address research questions that are relevant to the OWEB Research Priorities, the Oregon Coast Coho Recovery Plan priorities, existing management needs or uncertainties, or are expected to produce findings that are tangible and useful for near-term management purposes. The subcommittee forwarded their analysis and recommendations to the OWEB management team. Based on these recommendations, OWEB staff requested full proposals from 14 of the applicants.

Sea Grant will administer the full proposal review process selecting reviewers with a broad range of scientific expertise from their existing database. OWEB staff will receive reviewers' comments and rankings of full proposals in the spring of 2007, and will make final funding recommendations to the Board in September of 2007.

Staff Contact
Contact Greg Sieglitz at greg.sieglitz@state.or.us or 503-986-0194 with questions about OWEB's research grant process.

January 24-25, 2007 OWEB Board Meeting
Executive Director Update #C2: Conservation Easement Stewardship

Background
In September 2006, staff provided the Board a synopsis of how OWEB uses conservation easements to protect its investment in land acquisition projects. Included in the staff report was information related to the legal basis for conservation easements, the standard provisions in the easement templates, and management implications and stewardship responsibilities. This information item is a continuation of that discussion.

Elements of a Conservation Easement Stewardship Program
In order to protect OWEB's right to enforce the terms of its easements, as well as ensure public funds are being used for perpetual conservation, OWEB needs to continue to develop and engage in a consistent, regular easement stewardship program with the following elements.

A. Monitoring. OWEB should monitor its easement properties regularly and in a manner appropriate to the size and easement restrictions of each property. Staff have developed protocols for site monitoring and conducted monitoring site visits on eight of the 27 acquisition projects in the summer of 2005. As OWEB's portfolio expands, a monitoring schedule should be developed to ensure that critical sites are monitored in 2007.

B. Landowner Relations. OWEB should maintain regular contact with grantees and/or owners of easement properties and develop a process to track changes in land ownership, especially for funded conservation easements where OWEB isn't required to approve the sale of the underlying fee title interest. Conducting monitoring site visits on a regular basis (annually or every two years) will contribute to maintaining landowner relations.

C. Recordkeeping. OWEB has created monitoring binders for each of the land acquisition projects in the portfolio. However, baseline documentation and photo monitoring points have been established for only one-third of the projects. Efforts to establish this information is a critical component in developing the stewardship program.

D. Amendments and Approvals. OWEB has adopted procedures related to the review and approval of the sale or transfer of the interest purchased in part with OWEB funds, consistent with ORS 541.376. OWEB has not developed procedures for responding to requests for amendments to easements, however. Staff will be working with the Department of Justice and the Board Land Acquisition subcommittee to explore ways to process these types of requests.

E. Enforcement and Defense. OWEB should develop a procedure for responding to a potential violation of an easement and determine the role of the parties involved (Board members, staff, Department of Justice, and partners) in any enforcement action. Staff have been in discussions with the Department of Justice and the Board Subcommittee to determine the most effective way to deal with easement non-compliance.

Staff will be working on these items to prepare for the 2007 summer monitoring season. In order to adequately prepare and implement, it might be prudent to dedicate more agency resources so that a concentrated effort can be made to document some of the existing site conditions well in advance of conducting site visits. Staff intend to engage the Board in a more detailed discussion on these issues at an upcoming meeting.

If you have questions or need additional information about conservation easement stewardship, please contact LoriWarner-Dickason at lori.warner-dickason@state.or.us or 503-986-0046.

January 24-25, 2007 OWEB Board Meeting
Executive Director Update #C3: 2006 Council Support Applications

Background
Watershed council support grant applications are processed on a two-year grant cycle to coincide with OWEB's biennial budget. The applications are received in December of the second year of the biennium. They are evaluated for merit over a period of several months and grant awards are made by the Board in May prior to the start of the new biennium.

Starting in February 2006, in preparation of the 2007-2009 council support grant cycle, staff worked to make improvements to the council support grant process. The improvement effort focused on the application form, evaluation criteria and the merit review process.

In addition, at the May 2006 Board meeting, the Board directed staff and a Board subcommittee to explore some of the larger policy issues related to performance thresholds and incentives for councils to consolidate operations. This will assist the Board in making deliberate funding decisions for the upcoming council support grant cycle.

Improvements to the Council Support Grant Process
Improvements to the council support grant process were completed in November. The most significant changes are:

- The application was streamlined and resulted in an average application size of 20 pages. In 2005-2007, the applications were from 30-90 pages in length.
- The evaluation criteria were clarified to make the link between the review criteria and the questions in the application more transparent.
- The review process was revised to include consensus scoring and other quality control measures to reduce variation among reviewers.

Status of Council Support Grant Applications
On December 15, 2006, OWEB received 60 applications for council support grants. The total amount requested was $7.9 million. Reviewers will consider the applications to determine pre-discussion scores for each application between January 1 and February 8, 2007. During the week of February 12, 2007, OWEB will hold consensus scoring sessions to derive the merit scores for each application. The merit score distribution will be evaluated by staff and the council support Board subcommittee to develop a proposed funding recommendation based on what is known of the budget at that time. The proposed funding recommendation will be presented at the May Board meeting.

Policy Issues
In preparation of the May funding decision, the Board subcommittee will evaluate policy issues related to council support. These include opportunities to provide incentives for councils to consolidate operations and establish performance thresholds.

If you have questions or need additional information about the 2007-2009 council support grant cycle, please contact Lori Warner-Dickason at lori.warner-dickason@state.or.us or 503-986-0046.

January 24-25, 2007 OWEB Board Meeting
Executive Director Update #C4: Mitigation Banking and OWEB Funding

Background

The U.S. Fish and Wildlife Service (USFWS) recently organized a meeting between state and federal agencies to discuss policies regarding the use of public restoration funds for mitigation banking purposes. Mitigation banking is the establishment of a wetland area to be used to offset wetland losses elsewhere. Federal policies generally do not allow federal restoration funds to be used for this purpose.

The USFWS, OWEB, and other agencies are working to develop a shared understanding and coordinated approach regarding the relationship between public funding for restoration and mitigation banking. The primary goal of these discussions is that landowners and other members of the public will have a clearer understanding of the extent to which mitigation banking opportunities are available for restoration projects that utilize public funding.

OWEB administrative rules anticipate that mitigation requirements as identified by other agencies should not be eligible to be satisfied through OWEB funded projects. OAR 695-010-0040 states the Board will not consider a watershed improvement project constructed solely to comply with a state or federal agency enforcement order, legal judgment or mitigation requirement. From a broader perspective, the policy issue presents the question on whether OWEB funded restoration projects are intended to improve watershed conditions, rather than mitigating or offsetting impacts of development on other sites. The agencies are discussing options to establish a mechanism that could potentially allow mitigation credits for the portion of a restoration project that is not supported with public funds.

Current Status

As the discussions mature, it may be appropriate for a full briefing of the Board. At the present time there has not been a follow up to the meeting held late last year.

Staff Contact

If you have questions or need additional information about Mitigation Banking and OWEB funding, please contact Ken Bierly, at ken.bierly@state.or.us or 503-986-0182.

January 24-25, 2007 OWEB Board Meeting
Executive Director Update #C5: 2006 Biennial Conference

Background
The 9th Biennial Conference "Communities Working for Healthy Watersheds" was held October 25-27, 2006, in Seaside, Oregon. Attendance totaled 394 people, including OWEB staff, board, speakers, and presenters. Attendance increased from the 8th Biennial Conference in 2004 where 310 people attended.

Conference Evaluations
Conference evaluations are summarized in Attachment A. The evaluations were very positive.

Fundraising
Conference fundraising efforts were extremely successful. OWEB budgeted $25,000 for the conference. This year, we raised $35,750 from sponsors to match OWEB's contribution. Wine donations were also received from seven Salmon-Safe vineyards. A list of conference sponsors and the amounts contributed is contained in Attachment B. Several Board members successfully solicited funds from their agencies and organizations, which contributed greatly to the success of our fundraising efforts.

The Oregon Lottery generously sponsored the Biennial Conference by providing a $10,000 contribution. The Lottery also provided each council and district with certificates of appreciation, and provided gloves, note cards and memo pads to conference attendees.

The conference came in under budget and OWEB will have a residual fund from the conference account to assist with the next biennial conference expenses.

Attachments
A. Conference Evaluations Summary
B. Conference Sponsors

OWEB 9th Biennial Conference

October 25-27, 2006

SUMMARY EVALUATION

Rate the following: **5 = excellent, 4 = above average, 3 = good, 2 = poor, 1 = cannot judge**

3.62 Overall quality of the pre-conference promotional materials
3.75 Information received at the conference (session handouts, exhibitors)
3.86 Quality of the exhibits
4.16 Overall organization of the conference
4.21 Conference location and meeting facilities
4.15 Conference registration procedure
3.54 Quality of the food and snacks

Please rate the sessions you attended using the same scale as above:

Track A

3.23 Restoration at the Urban Interface
3.86 Lessons Learned from Stream Projects
3.70 Juniper Management
4.00 Upland Habitat Restoration
4.20 Watershed Enhancement in Areas with Altered Fire Regimes
3.71 Application of the Proper Functioning Stream Condition Methodology
4.80 Aquatic Invasive Species

Track Average 3.54

Track B

4.19 The Future of the Oregon Plan
4.21 Connecting Restoration with Community and Economy
4.13 Marketing Healthy Watersheds
4.00 Building Cooperative Partnerships
2.67 Funding for Cooperative Projects
3.25 Community Learning Strategies
3.70 Keeping Board and Volunteers Involved

Track Average 3.93

Track C

3.23 Statewide Restoration Priorities
3.88 Prioritizing Fish Habitat Restoration Projects
3.92 Local Restoration Priorities
3.43 Local Restoration Priorities
4.71 Estuarine Restoration Priorities
3.44 Salmon Recovery Planning
3.63 Coastal Coho Recovery Plan
Track Average 3.75

Track D

4.75 Using Volunteers for Monitoring
4.29 Effectiveness Monitoring in the Northwest
4.00 Effectiveness Monitoring at the Local Level
4.38 Selected Natural Resources Information and Data Demonstrations
3.20 Watershed Restoration Data Used by OWEB
4.33 Effectiveness Monitoring in the Future
4.33 Want Some Help Designing an Effectiveness Monitoring Project?
Track Average 4.18

Track E

4.25 Building and Maintaining Community Interest and Involvement
3.45 Developing a Successful Restoration Grant Application
3.60 Project Management
3.50 Effective Communication
3.76 Communicating with Legislators and Local Officials
4.00 Outreach Event Management
4.11 Working in Wetlands
Track Average 3.81

Field Trip

4.5

OWEB Biennial Conference 2006
Written comments – organized by topic

The following are comments as received with minor editing for clarity.

Which speaker provided you the most helpful information?

A total of 34 people responded. Several people received more than one accolade, including:

Sam Chan was most inspirational – llllll
Neil Maine - inspirational! – lll
Michael Shellenberger – ll
Janine Salwasser – ll
Flaxen Conway - ll
The Nature Conservancy - conservation marketing/survey work - ll
David Metz - Marketing Healthy Watersheds - ll
Sandra Coveny on connecting w/ the ag community on economic issues - ll

Fifteen individuals received one vote each.

John Runyan
Elected officials and house (legis. committee) staffers—Communicating with Legislators
All panelists in Communicating with Legislators
Dan Bottom
Tony Olsen
Outreach Event Speakers
John McDonald
John Moriarty
Guillermo Giannico
Dana Erickson
Jeff Oveson
The River Network folks
Bob Kinyon
Coho Conservation recovery plan panel
Bobby Cochran from Clean Water Services
Jennifer Martin from Owyhee WSC
Local Restoration Priorities #1
Mark Trenholm
Ron Wiley
Linda Boyer

Miscellaneous comments

Speakers on "funding for cooperative projects" They actually spoke according to the "title" of class session! I learned about funding available and for what projects.
No one speaker stands out, but I appreciated the reps at the exhibit tables & that they came willing to share and learn.

Connecting Restoration w/Community & Economy was the best session.
James Honey & council coordinators & River Network Event management panels was great, as was communicating with local officials session

What is the most useful thing you learned at this conference?

Comments about networking
Networking with other councils was very useful and informative
OWEB is adapting for the future and helping us learn how to better market ourselves and the Oregon Plan
Networking with other outreach and education professions.
Different views and people engaging their opinions.
The extent of work that JM2 (John Moriarty and John McDonald) are doing to promote districts & councils.
The fact that they are working together is so important.
So many people & organization from many diverse watersheds coming together to share information & learn from each other & help each other succeed. That's so cool.

Comments about data
Other efforts to make data accessible and permanently stored

Funding
Given the myriad responsibilities, projects and monitoring expected of councils, there is no way we can survive without increased OWEB funding or diversifying

Inspiration
Growing capacity for organization/councils, developed potential partners for our work and that I received a reactivation of regeneration of energy toward this cause to the mission of WCs and SWCDs and improving watershed health.
That watershed councils are doing great work and we need to keep our councils focused and excited.

Restoration and monitoring
Effective monitoring in the future - putting together monitoring as part of the restoration plan.

The many methods of establishing priority for restoration activities
Tracy Bosen with Interlocking Software has a program for managing restoration projects and reporting that would save us all a ton of time.
More about effectiveness monitoring - how to approach it & apply for funds

The Nature of Watershed Councils
That WCs are very diverse across the state, while we may have similar conservation objectives, political perspective & direction vary greatly. The stereotype is that we are all left in our thinking but this is not the case.

Communication
The importance of effective communication and transparent strategies are crucial to success of the Oregon Plan.

Volunteers
How to "view" volunteers and make them feel appreciated

Miscellaneous topics
Organizers need to monitor the volume of speakers - especially the dinner speaker 50% of what was said was inaudible due to room noise.
Inspiration.
Juniper management – two notes
How to lobby
There is such a large number of people, agencies & organization working on water quality, fish recovery and water Issues.

Clearly define roles
To design job descriptions
Event Mgmt. session gave a generous look at very successful programs at councils
Field Trip
That there is a force for development of community based conservation efforts.
The value of partnerships!

More insights on restoration prioritization & recovery planning
Better opportunities for attracting/retaining volunteers; most of all, the huge effort/thought on networks/coops for local sustainable ag and nature resource products to hit the [market]
All the outreach sessions were great to see on the schedule - some less informative than others but good recognition of an important topic.
Messaging lessons
Not one thing. This is all new to me, so a lot of new information.
Contacts made with similar orgs.
A lot of useful information was floating around during the conference, but not always in the class sessions.
Less than 50% of people know what the Oregon Plan is
Meeting other people involved in the Oregon Plan
That councils are doing great things w/very little $$
That councils and SWCD need to continue working together
Meeting other people in similar positions and networking
Communicating with Legislator tips
Measure 66 will sunset in 2014; there is more to restoration than salmon
That OWEB is starting to address uplands & non-fish
Marketing & communication for councils are necessary skills to have!

2006 OWEB Conference Sponsors

Organization	Amount
BASIN $5,000+	
Oregon Lottery	$ 10,000.00
SUBBASIN $5,000-9,999	
Northwest Power and Conservation Council	$ 5,000.00
WATERSHED $1500-4,999	
Ducks Unlimited	$ 1,500.00
Environmental Protection Agency	$ 1,500.00
Lone Rock Timber	$ 1,500.00
Oregon Forest Resources Institute	$ 1,500.00
Oregon Trout	$ 1,500.00
Portland General Electric	$ 2,000.00
USDI Bureau of Land Management	$ 2,500.00
STREAM $500-1,499	
Confederated Tribes of the Grand Ronde	$ 500.00
David Evans & Associates	$ 750.00
ESA Adolfson	$ 500.00
Metro's Nature in Neighborhoods Initiative	$ 500.00
Oregon Department of Fish and Wildlife	$ 1,000.00
Oregon Department of Forestry	$ 1,000.00
Oregon State University Extension Service	$ 500.00
Oregon Wildlife Heritage Foundation	$ 1,000.00
River Network	$ 500.00
Trust for Public Land	$ 500.00
US Fish & Wildlife Service	$ 1,000.00
US Forest Service	$ 750.00
REACH <$500	
Vale Irrigation District	$ 250.00
Amity Vineyard	1 bottle
Bethel Heights Vineyard	1 case wine
Elk Cove Vineyard	1 case wine
Ponzi/Rosato	1 case wine
Stoller	2 cases
Territorial Vineyard	1 case wine
Winter's Hill Vineyard	2 cases wine
	$ 35,750.00

2006 OWEB Conference Sponsors

Organization	Amount
BASIN $5,000+	
Oregon Lottery	$ 10,000.00
SUBBASIN $5,000-9,999	
Northwest Power and Conservation Council	$ 5,000.00
WATERSHED $1500-4,999	
Ducks Unlimited	$ 1,500.00
Environmental Protection Agency	$ 1,500.00
Lone Rock Timber	$ 1,500.00
Oregon Forest Resources Institute	$ 1,500.00
Oregon Trout	$ 1,500.00
Portland General Electric	$ 2,000.00
USDI Bureau of Land Management	$ 2,500.00
STREAM $500-1,499	
Confederated Tribes of the Grand Ronde	$ 500.00
David Evans & Associates	$ 750.00
ESA Adolfson	$ 500.00
Metro's Nature in Neighborhoods Initiative	$ 500.00
Oregon Department of Fish and Wildlife	$ 1,000.00
Oregon Department of Forestry	$ 1,000.00
Oregon State University Extension Service	$ 500.00
Oregon Wildlife Heritage Foundation	$ 1,000.00
River Network	$ 500.00
Trust for Public Land	$ 500.00
US Fish & Wildlife Service	$ 1,000.00
US Forest Service	$ 750.00
REACH <$500	
Vale Irrigation District	$ 250.00
Amity Vineyard	1 bottle
Bethel Heights Vineyard	1 case wine
Elk Cove Vineyard	1 case wine
Ponzi/Rosato	1 case wine
Stoller	2 cases
Territorial Vineyard	1 case wine
Winter's Hill Vineyard	2 cases wine
	$ 35,750.00

January 8, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director
Cindy Silbernagel, Fiscal Manager

SUBJECT: **Agenda Item D: Update on the 2007-2009 Governor's Recommended Budget January 24-25, 2007 OWEB Board Meeting**

I. Introduction

This report updates the Board on the proposed 2007-2009 budget for the Oregon Watershed Enhancement Board as identified in the Governor's Recommended Budget. The report also provides information related to the legislative session.

II. Background

The 74th Oregon Legislative Assembly convenes on January 8, 2007, to consider the state budget and substantive legislative matters. The Governor's Recommended Budget (GRB) is a reflection of the Governor's spending priorities based on expected available revenues. The GRB serves as the starting point for legislative consideration of individual state agency budgets.

The GRB was released on December 1, 2006. The GRB includes most of the policy packages OWEB requested for operating the agency in its Agency Request Budget (ARB) submitted to the Governor last fall. An overview of the 2007-2009 GRB for allocations of Measure 66 Lottery Funds and federal Pacific Coastal Salmon Recovery Funds (PCSRF) is included in Attachment A.

The following discussion focuses on the Governor's proposed budget for OWEB and background information on the Legislature as we enter the early stages of the legislative session.

III. Discussion

A. Revenue

The GRB budget for OWEB was developed using the December 2006 lottery forecast of $93 million. This revenue, combined with $9 million from unallocated/ending balance from 2005-2007 and $7.4 million transferred in from the Research and Development fund, results in $110 million total revenue available. Of the $110 million, the GRB proposes allocating $78 million to OWEB. Of that total to OWEB, $61 million are capital funds and $17 million are non-capital funds. These proposed allocations would be significant increases over the current biennium. The GRB estimated $10 million of Pacific Coastal Salmon Recovery Funds (PCSRF) will be available. There remains uncertainty about whether the amount of PCSRF that Congress will ultimately appropriate for Oregon will reach that level. If PCSRF does not meet the GRB estimate, it could have the effect of adjusting some budget line items.

B. Expenditures

The following are highlights of the OWEB budget packages proposed in the GRB:

1. **Program Continuity** – Package 110, 5.00 FTE. This package requests the continuation of five limited duration positions from the 2005-2007 biennium. The positions are:
   - Grant Program Manager (PEM E permanent)
   - Office Specialist 2 (limited duration)
   - Accountant 1 (limited duration)
   - PCSRF reporting specialist (NRS 2 limited duration)
   - Business Application Specialist (ISS 7 limited duration)

2. **Carryforward for Committed Grants** – Package 115, $1,000,000. In the 2005-2007 biennium OWEB approved non-capital grants funded from Measure 66 Operations that expire in June 2007. This $1,000,000 is an estimate of the balance of grants committed, but not yet spent, from this fund as of June 30, 2007.

3. **Program Reorganization** – Package 120, ($8,195). This package would make permanent agency organizational changes made by the director earlier in the biennium with modest budget savings.

4. **Watershed Council Support** – Package 130. In combination with existing base budget levels, this package brings the total proposed funding for Watershed Council Support to $6,000,000.

5. **Capital Grants** – Package 200, $60.6 million. This total includes $4.8 million in Measure 66 capital Research and Development funds. This package supports the agency's restoration and acquisition grants and exceeds the ARB request of $49,895,703.

6. **Non-Capital Grants** – Package 140. Based on base budget and option package funding, $13.9 million is proposed to be allocated to the non-capital grant program. This total includes Measure 66 non-capital, PCSRF funds, and Measure 66 non-capital Research and Development funds. These funds support technical assistance, monitoring, watershed assessment, education, and research grants that support and compliment capital fund restoration grants.

7. **Program Enhancements** – Package 150, 4.00 FTE. This package requests four new positions to advance our mission and additional responsibilities. The positions are:
   - Oregon Plan Communications Coordinator (PAS 2 limited duration)
   - Regional Program Representative (NRS 4 permanent)
   - Technical Assistance Coordinator (NRS 4 limited duration)
   - Data Analyst (NRS 3 limited duration)

8. **Independent Multidisciplinary Science Team** – Funding for the IMST is proposed in the GRB at $633,653. This does not include additional funding proposed for IMST in the ARB.

C. Legislative Session

As the session begins, the most significant change involves the Democrats assuming leadership in the House of Representatives. This means Democrats will control the chairs of substantive and budget committees in both chambers. A list of all natural resources-related committees and their members are included in Attachment B.

IV. Recommendation

This is an information item only. No Board action is required.

Attachments

A. 2007-2009 GRB Budget Overview
B. Natural Resources Committee Membership

BM66 LOTTERY and PCSRF ALLOCATIONS
Governor's Recommended Budget

	Lottery Operating	Lottery Capital	Total Lottery Transfer	PCSRF	TOTAL GRB
2007-09 Economic and Revenue Forecast Dec 06	*32,636,550*	*60,610,736*	*93,247,286*		*93,247,286*
2005-07 Unallocated Revenue	*2,984,166*	*6,490,920*	*9,475,086*		*9,475,086*
Transfer In from Research & Development fund	*2,693,814*	*4,758,753*	*7,452,567*		*7,452,567*
TOTAL AVAILABLE	***38,314,530***	***71,860,409***	***110,174,939***	***25,917,918***	***136,092,857***
Allocated to Other Agencies					
OSP Fish & Wildlife - GRB	6,056,880	996,405	7,053,285		7,053,285
ODFW - GRB	3,234,395	5,000,000	8,234,395		8,234,395
Agriculture - GRB	7,734,760	5,274,890	13,009,650		13,009,650
DEQ - GRB	3,897,947	-	3,897,947		3,897,947
Total Other Agencies Allocations	**20,923,982**	**11,271,295**	**32,195,277**	**-**	**32,195,277**
Allocated to OWEB - GRB					
OWEB Operations-EBL	4,632,026		4,632,026	86,033	4,718,059
OWEB Operations-Policy Pkgs	1,135,313		1,135,313	479,760	1,615,073
Watershed Council Support	824,800		824,800	5,175,200	6,000,000
IMST	633,653		633,653	0	633,653
LCREP	314,249		314,249	0	314,249
Project Grants	6,013,500	55,830,361	61,843,861	5,176,925	67,020,786
Research & Development Grants	2,693,814	4,758,753	7,452,567		7,452,567
Carryforward	1,000,000		1,000,000	15,000,000	16,000,000
Total Allocated to OWEB	**17,247,355**	**60,589,114**	**77,836,469**	**25,917,918**	**103,754,387**
TOTAL 2007-09 Allocations	**38,171,337**	**71,860,409**	**110,031,746**	**25,917,918**	**135,949,664**

2007 Legislature – Natural Resource Committee Assignments

House Agriculture and Natural Resources

Member	District	County/City/Basin
Rep. Arnie Roblan, Chair (D)	9	N. Coos/W. Douglas
Rep. Brian Clem, Vice-Chair (D)	21	Willamette (Salem)
Rep. Patti Smith, Vice-Chair (R)	52	E. Multnomah/Clackamas/Hood River
Rep. Brian Boquist (R)	23	Willamette (Dallas)
Rep. Jackie Dingfelder (D)	45	Willamette (Portland)
Rep. Greg Macpherson (D)	38	Willamette (Corvallis)
Rep. Ron Maurer (R)	3	Josephine

House Energy and the Environment

Member	District	County/City/Basin
Rep. Jackie Dingfelder, Chair (D)	45	Willamette (Portland)
Rep. Chuck Burley, Vice-Chair (R)	54	Bend
Rep. Ben Cannon, Vice-Chair (D)	46	Willamette (Portland)
Rep. Terry Beyer (D)	12	Willamette (Springfield)
Rep. Bob Jenson (R)	58	N. Umatilla
Rep. Greg Macpherson (D)	38	Willamette (Corvallis)
Rep. Greg Smith (R)	57	Morrow/S. Umatilla/Union/Wallowa

Senate Environment and Natural Resources

Member	District	County/City/Basin
Sen. Brad Avakian, Chair (D)	17	Willamette (Washington Co)
Sen. Jason Atkinson, Vice Chair (R)	2	Josephine/Jackson counties
Sen. Alan Bates (D)	3	Southern Jackson County
Sen. Roger Beyer (R)	9	Willamette (Clackamas)
Sen. Floyd Prozanski (D)	4	N. Douglas/South Lane counties

Joint Ways and Means Natural Resources Subcommittee

Member	District	County/City/Basin
Sen. Richard Devlin, Chair (D)	19	Willamette (Tualatin)
Sen. Brad Avakian (D)	17	Willamette (Washington Co)
Sen. David Nelson (R)	29	Morrow/Umatilla/Union/Wallowa
Rep. Brian Clem (D)	21	Willamette (Salem)
Rep. Jackie Dingfelder (D)	45	Willamette (Portland)
Rep. Mary Nolan (D)	36	Willamette (Portland)
Rep. Chuck Burley (R)	54	Bend
Rep. Bill Garrard (R)	56	South Klamath County

December 26, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item E: Status Review and Funding Implications of the Oregon Conservation Reserve Enhancement Program (CREP)**
January 24-25, 2007 OWEB Board Meeting

I. Introduction

This report discusses the status of the Oregon Conservation Reserve Enhancement Program (CREP) and identifies issues that will be brought to the Board in the coming year. The report also requests an additional $1 million of capital funds for the remainder of the biennium.

II. Background

In 1997, then Governor Kitzhaber's office initiated discussions with the U.S. Department of Agriculture (USDA) about the possibility of developing a state-federal cost share program that focused on improving riparian conditions in agricultural areas of the state. Through significant discussion and negotiation, Oregon developed a program proposal that would offer the following benefits:

1. Assist private landowners in the restoration of forested buffers along streams that support listed fish species;
2. Provide an incentive for relatively large, continuous reaches of stream to be enrolled in the program;
3. Provide an increased incentive for leasing water in-stream from irrigated lands enrolled in the program; and
4. Paying an annual conservation rental for the riparian buffer for 10-15 years.

The program was approved in September 1998 with a signing ceremony by the Governor, and was signed by the Secretary of Agriculture in October 1998.

The program was met with high expectations and strongly supported by the federal regulatory agencies (National Marine Fisheries Service, Environmental Protection Agency, and U.S. Fish and Wildlife Service) as an important tool for addressing habitat needs for listed salmon species. As early as 2001, some groups expressed concern that the program was not sufficiently popular to address all the riparian restoration needs in Oregon. As a result of the concerns, and in response to critical review, OWEB funded an evaluation of the program. The Oregon Department of Agriculture (ODA) and Oregon Association of Conservation Districts (OACD) conducted an analysis in 2002 and reported on the factors that limit participation in the CREP program.

The OWEB Board responded by providing funding for technical assistance (the primary factor limiting participation). OWEB also funded ODA to provide state coordination of the program. ODA led the negotiations with USDA to revise the Memorandum of Understanding to address a number of the other limitations to participation. In 2004, a revised agreement with USDA was signed.

Since that time, public interest in the program has increased significantly. The number of participants and the number of stream miles treated has grown dramatically. Since 1999, nearly 2,000 miles of riparian buffers have been installed covering nearly 24,000 acres.

In late November 2006, OWEB sponsored a joint training session for federal, state and local agency program participants. The training was an effort to coordinate and more uniformly conduct the necessary activities to make the program successful. Nearly 150 agency staff participated in the program.

III. Current Status and Program Direction

The 2005-2007 biennium has seen unexpected growth in the CREP program. To date, the federal government has committed approximately $15 million statewide for conservation rental payments on existing CREP contracts. Oregon has provided a 20 percent match totaling $8 million. This year, the USDA has paid approximately $4 million for conservation practices (fencing, site preparation, riparian planting, etc.). OWEB has matched the federal conservation payments with $2.5 million of direct conservation payments and $500,000 in technical assistance.

The growing success of the CREP program raises several questions that will require discussion by the Board. The following issues will be brought to a future OWEB Board meeting:

- Strengthening the preference for CREP for all riparian restoration projects;
- Focusing technical assistance to aid in salmon recovery;
- Developing a cost forecasting tool for the state cost share;
- Conducting effectiveness monitoring for the program; and
- Increasing public awareness of the program.

IV. Program Issues

Because of the nature of the CREP program, it is difficult to project the needed funding for the state cost share. In past biennia, OWEB staff have estimated the magnitude of cost share by simple projections. This biennium has proven that staff need more effective tools for estimating cost share funds.

Expanding landowner interest in CREP, sign-ups have accessed significant federal funds and increased the demand on OWEB cost share funds. Given the growth of this program, it is important to explore strategic and effective policy options for funding riparian restoration through the OWEB small grant and regular grant programs and CREP. For example, a policy approach that reduces eligibility for funding riparian restoration outside the CREP program has significant implications that will need to be explored prior to adoption of any policy.

The agreement between Oregon and the USDA includes a requirement that the program is monitored for effectiveness. There is now sufficient experience with the program and a large enough range of projects to test a number of hypotheses concerning the effectiveness of the practices as well as the outcomes from the suite of incentives offered through CREP.

The relationship between investment in technical assistance and program enrollment clearly demonstrates the ability to target program implementation. Both continued technical assistance funding and targeted assistance to areas where riparian restoration is a priority could be considered if additional technical assistance is funded for CREP. The Northwest Power and Conservation Council has reduced funding for CREP technical assistance in the Columbia Basin, which exacerbates the problems of effective program delivery.

As the 2007-2009 OWEB budget situation becomes clearer, staff will return with policy and funding proposals to address the needs of the CREP program for the coming biennium.

V. Current Program Needs

This biennium, the Board has allocated $2.5 million for CREP cost share payments. As of December 5, 2006, payments of $2,234,174.18 have been made. Examining the recent payment rate and the history of payment requests, staff estimate an additional $1 million will be required for payments on existing contracts through the end of the biennium.

VI. Recommendation

Staff recommend the Board allocate $1 million of capital funds for CREP cost share payments through the end of the biennium.

Additionally, staff recommend the Board require a full discussion of the CREP program by the September 2007 Board meeting.

December 26, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lori Warner-Dickason, Policy Specialist

SUBJECT: **Agenda Item F: Deferred Acquisitions**
January 24-25, 2007 OWEB Board Meeting

I. Introduction

This staff report provides an update on four land acquisition grant applications and requests approval of one application, all of which were previously deferred by the Board.

II. Background

Land acquisition grant applications often require more time to fully evaluate and prepare a funding recommendation than is available in the regular 21-week grant cycle. At the time of writing this staff report, only two of the four land acquisition projects deferred at previous Board meetings will be ready for consideration at the January 2007 Board meeting. The description and current status of each project is briefly described below.

III. Status of Previously Deferred Acquisition Projects

A. Svensen Island (206-259)

The grant application was submitted on October 24, 2005, by the Columbia Land Trust and requests $120,000 toward acquisition of 253 acres of diked island habitat within the Columbia River Estuary. This application was withdrawn by the applicant.

B. Pilcher Creek (206-339)

The Rocky Mountain Elk Foundation submitted an application on October 24, 2005 requesting $250,000 toward purchase of a conservation easement on a 138-acre parcel on Pilcher Creek in the North Powder River Watershed. At the March 2006 Board meeting, the Board deferred consideration of this application pending review of due diligence materials. Due diligence materials have not been submitted.

C. Sandy River (207-072)

The Western Rivers Conservancy (WRC) submitted an application on April 24, 2006 requesting $727,500 ($970,000 total project cost) to purchase fee title on 30 acres along the Sandy River near Zigzag. The WRC proposes to purchase the property and hopes to transfer ownership to the City of Portland Water Bureau (Water Bureau) to manage the property.

1. Ecological Benefits

The application states that about 18 acres of the property include priority ecological systems, including riparian forest and shrublands, freshwater aquatic beds and freshwater wetlands. The parcel contains nearly one-half mile of Sandy River frontage. A black cottonwood-red alder/salmonberry rare plant community has been observed on the site. This reach of the Sandy River is a low-gradient, unconfined channel and had been designated as primary anchor habitat for winter steelhead and spring Chinook by the Sandy River Basin Partners. Priority species that are expected to benefit from protection and restoration of this site include coastal cutthroat trout, Coho salmon, steelhead trout, olive-sided flycatcher, willow flycatcher, Cope's giant salamander, red-legged frog and Townsend's big-eared bat. The application states that four of OWEB's seven conservation principles are addressed by the project. These include protecting a large intact area, securing a transition area protecting it from development, improving connectivity of habitat, and complementing an existing network of sites in the basin.

The Willamette Basin Regional Review Team (RRT) concluded that the property has unique attributes for a rural residential environment and provides valuable and rare habitat for winter steelhead and spring Chinook. The low gradient nature of this reach of the Sandy River provides off channel habitat and floodplain connection that will benefit a variety of species. They confirmed that the habitats on the site could support the extensive list of species cited in the application. The RRT thought the project meets three of the four conservation principles listed in the application, including securing a transition area protecting it from development, improving connectivity of habitat, and complementing an existing network of sites in the basin.

The Board Acquisition Subcommittee asked the RRT to address how future recreational use of the property may affect the ecological values of the parcel. The RRT noted that there is currently little evidence of recreational use, except for foot trails on the parcel. They recommend that the management plan include provisions to address future public access and a plan to monitor public use.

2. Capacity to Sustain the Ecological Benefits

The application states that fee title ownership of the property will be held by the Water Bureau. The Water Bureau has expressed a strong interest in accepting the management responsibilities for the property; however, at the time of this staff report, future fee title ownership has not been confirmed. In the event that OWEB funding is made available and the Water Bureau is not ready or does not want to take title, WRC will take fee title ownership. WRC owns and manages lands as an interim owner on a regular basis. Information on the capacity of the WRC to sustain the ecological benefits was not included in the application.

The application described the capacity of the Water Bureau to own and manage the property to sustain the ecological benefits. The Water Bureau owns and manages thousands of acres of forest and riverfront land in the nearby Bull Run River watershed. Management responsibilities will be shared by the Water Bureau, the Sandy River Basin Watershed Council (SRBWC) and the local neighborhood association. WRC plans to establish an endowment through foundation grants and individual donors.

3. Educational Benefits

The property will not be closed to the public, but there will be no signs or other methods to encourage public use. The SRBWC may use the site for demonstration purposes. The RRT evaluated the educational benefits of the project. They concluded that the site could serve as an excellent example of a variety of habitats and features that benefit fish and wildlife. Association with the SRBWC will provide many opportunities for watershed education.

4. Partners, Project Support and Community Effects

Partners for the project include the SRBWC, the neighborhood association, the Sandy River Basin Partners, and potentially the Water Bureau should they decide to take ownership. The Sandy River Basin Partners includes representatives from Portland General Electric (PGE), NOAA Fisheries, U.S. Fish and Wildlife Service (USFWS), U.S. Forest Service (USFS), Oregon Department of Fish and Wildlife (ODFW), Metro, Multnomah County, Clackamas County, Northwest Steelheaders, Department of Environmental Quality (DEQ), and the Bureau of Land Management (BLM).

Letters of support were received from USFS, Oregon Trout, Mt. Hood National Forest, Water Environment Services, BLM, ODFW, Oregon Natural Resources Council, and the SRBWC.

The property is zoned RR (recreational resort). Taxes for 2005-2006 totaled $1,541.36. WRC plans to exercise their tax exempt status and not pay taxes on the property.

5. Legal and Financial Terms

OWEB funds were requested for 75 percent of the purchase price of the property. The original application lists the Water Bureau and WRC as providing the 25 percent match. At the time of writing this staff report, it was confirmed that WRC would be providing the 25 percent match.

The Land Acquisition Subcommittee and OWEB's legal counsel questioned whether this project was part of the habitat conservation plan for the Water Bureau's incidental take permit, which is currently being developed. WRC confirmed that this project will not be used as a conservation measure in the habitat conservation plan and therefore will not be used to mitigate for any adverse effects of the Water Bureau's future operations.

The legal review of the title report and exceptions and the option agreement did not identify concerns or issues. The option to purchase the property expires on May 15, 2007.

OWEB will be the holder of a conservation easement to protect OWEB's investment in the property. The applicant has proposed OWEB's standard language for the easement, which prohibits future partition, construction or commercial activities in perpetuity. The applicant will develop a management plan to address restoration activities and public access.

An appraisal of the property was completed on November 25, 2005. The appraisal concluded a fair-market value of $900,000. OWEB's independent review appraiser has concluded that the report complies with the Uniform Standards of Professional Appraisal Practice (USPAP) and the market value is supported.

A Phase I Environmental Site Assessment (ESA) of the property was completed on May 10, 2006. Review by DEQ indicated that the report meets the American Society for Testing and Materials (ASTM) practice. DEQ agrees with the conclusion that the ESA has not revealed evidence of recognized environmental conditions as identified by the ASTM Practice.

6. Conclusion

The Willamette Basin RRT concluded that the project has high ecological and educational benefit and meets three of OWEB's conservation principles. The Board Acquisition Subcommittee and staff concur with this assessment. The uncertainty over future ownership surfaced late in the application process. Because WRC may hold title to the property for an unspecified length of time, staff and the subcommittee thought it would be appropriate to evaluate WRC's capacity to manage the property. Staff and the Board Acquisition Subcommittee recommend that the project be deferred for Board consideration pending receipt and review of additional information from the applicant.

D. Tenmile Creek Corridor Easement Project (206-058)

The McKenzie River Trust (MRT) requests $810,112 from OWEB to assist in the purchase of conservation easements on 231 acres in the Tenmile Creek Watershed. Tenmile Creek drains directly to the Pacific Ocean in Lane County, roughly ten miles south of the community of Yachats.

The project includes five parcels along Tenmile Creek. Three of those parcels are proposed for OWEB funding and include the Radtke/Wedekind parcel (88 acres), Willer/Clement parcel (25 acres), and the Shotpouch Foundation parcel (120 acres). Conservation easements will also be purchased on 215 acres on two adjacent parcels using funds from other sources. The total cost of the project is $1.9 million.

1. Ecological Benefits

Two priority habitats are involved in the Tenmile Creek Corridor Easement Project: Sitka spruce forest and lowland riparian woodland and shrubland. Some of the priority fish and wildlife species that would benefit include: Bald Eagle, Marbled Murrelet, Townsend's Big-Eared Bat, White-footed Vole, Chinook Salmon, Coho Salmon, Chum Salmon, Steelhead, Band-tailed Pigeon, Olive-sided Flycatcher, Willow Flycatcher and Red-legged Frog. The North Coast Regional Review Team (RRT) agreed that the priority habitats and species in the application were listed appropriately.

The U.S. Forest Service (USFS) has classified Tenmile Creek as a Tier 1 Key Watershed and its Watershed Analysis (Cummins/Tenmile) ranks it as having the highest production potential for salmonids of all the streams in the area because of the high quality habitat along the main riparian corridor. The project lies within the MidCoast Watersheds Council's area and complements the Council's restoration activities. The RRT agreed

that the proposed project complements the adjoining two wilderness areas and they recognized that the Tenmile Basin itself is extremely important.

The application identifies three of OWEB's Conservation Principles as applying to the project: (1) Protect a large, intact area; (5) Protect a site with exceptional biodiversity value and; (7) Complete or complement an existing network of sites in a basin or region. The North Coast RRT agreed that these three Conservation Principles applied to the proposed acquisition project.

The Board Acquisition Subcommittee asked the RRT to specifically address whether all the properties have the same ecological values and vulnerabilities and whether the described risk of logging on steep slopes applies only to the USFS Late Successional Reserve (LSR) lands or the properties described in the application. The RRT's response to those questions is more fully explained in the RRT Evaluation document, but, in general, the RRT concluded that the properties all share the same ecological values and vulnerabilities and that the steep slopes exist on all the properties as well as on the surrounding USFS lands. The valley is relatively narrow and the surrounding hills rise steeply immediately from the valley floor.

2. Capacity to Sustain the Ecological Benefits

The MRT will hold and maintain the conservation easements. The MRT has operated as a non-profit land conservation group since 1991 and has helped to protect over 2000 acres of property in Lane and Douglas Counties. The MRT has four full-time staff and, whenever it acquires a conservation easement, it secures funding for a dedicated stewardship endowment. The anticipated endowment for the easements proposed in the application is $117,000.

The proposed project is described as an effort to permanently protect the majority of the remaining private land in a high priority watershed. Objectives for future management include control of invasive weeds, thinning of dense populations of hardwoods to accelerate late successional characteristics, restoration of floodplain habitat, creation of snag habitat, and recruitment of large wood. The management plan will be finalized after the easement is in place. In part because of the uncertainty over management goals and the draft nature of the attached easement, the North Coast RRT questioned the ability of the proposed easements to successfully protect and manage the ecological values of the properties. Since then, the easement has been reviewed and revised by legal counsel to clarify any ambiguities that may have existed in the draft.

3. Educational Benefits

MRT anticipates including the Tenmile Creek project in its ongoing efforts to educate supporters and the general public about its conservation activities. While public access has not been written into any of the draft conservation easements, possibilities for access have been discussed. One of the parcels, currently owned by the National Audubon Society, has been used for student and citizen education programs, and the applicants are hoping that additional funding can be secured to expand some of those components to the other parcels.

The Oregon Department of Fish and Wildlife continues to use Tenmile Creek as one of its salmon life-cycle monitoring stations and has been collecting data at this site for roughly 17 years. The North Coast RRT felt that the educational values of the project are good due to the ongoing nature of this effort.

4. Partners, Project Support and Community Effects

The application describes that the total property taxes paid to Lane County for all the properties, including those not proposed for OWEB funding, in 2004 was $1,927.43. Since the properties will remain in private ownership and will continue to pay property taxes, there should be no impact on the local tax base.

The project is supported by the Lane County Commission; MidCoast Watersheds Council; Steven P. Smith, U.S. Fish and Wildlife Service; Native Fish Society; Steven Johnson, ODFW Research Biologist; Jane Lubchenco, Distinguished Professor of Zoology at Oregon State University; Dr. J. V. Ward, Professor Emeritus of Aquatic Ecology at Swiss Federal University; Matt Hunter, Oregon Important Bird Area Coordinator; Kim Nelson; Oregon State University; and the landowners.

A majority of the private landowners in the watershed are interested in protecting and preserving the existing conditions and functions of the Tenmile Creek watershed and have come together to work with the Trust on conservation easements. There have also been significant investments by the USFS in restoration and enhancement activities in the watershed, including large wood placement on 3.5 miles of the stream. The watershed contains significant acreage of public lands that are accessible for public recreation. The applicants feel that conservation of existing conditions will enhance the recreation values of the public lands.

5. Legal and Financial Terms

The conservation easements for the three properties were appraised at $816,000. The property owner of the Willer/Clement parcel wants to reserve the right to construct a residence on a 2.3 acre portion of the parcel in the event it is ever allowed by Lane County. To account for this reserved right, the value of the easements was adjusted to $810,112.

The applicant is requesting 100 percent of the purchase price of the easements for the three properties. MRT proposes using the appraised value of the easement on the other two parcels as match for the OWEB grant. OWEB funds are requested for 47 percent of the $1.9 million appraised value of all five of the conservation easements. The applicants have secured funding from the U.S. Fish and Wildlife Service Landowner Incentive Program (LIP) and landowner bargain sales.

A legal review of the title reports, exceptions to the title reports and the option agreements has been conducted. These documents meet legal sufficiency pending removal of some of the exceptions in the preliminary title reports. OWEB would be listed as an additional insured in the title insurance.

MRT will hold the conservation easements on the three parcels, with OWEB having third party right of enforcement. The easements have been reviewed for legal sufficiency and

meet OWEB's requirements. Each of the easements have a provision for the development of a management plan to address future restoration activities, timber management for ecological functions and other activities that may influence the conservation values of the properties.

A Phase I Environmental Site Assessment (ESA) of the properties was conducted in June 2005 by OMNICON Environmental Management in Elmira. Review by the Oregon Department of Environmental Quality concurs with the ESA's findings of "no recognized environmental conditions" on the properties.

6. Conclusion

The Tenmile Creek Corridor Easement Project is viewed favorably by staff, the Board Acquisition Subcommittee, and North Coast Regional Review Team. The initial application included two parcels owned by the Pine Tree Conservation Society and National Audubon Society. Staff have worked with the MRT to revise the application to remove those two properties, which are no longer proposed for OWEB funding. At the September 2006 Board meeting, the application was deferred pending resolution of the valuation and conservation easement issues. Those issues have been resolved satisfactorily. Staff and the Board Acquisition Subcommittee believe this project is a good investment and recommends that the Board provides funding to purchase the conservation easements.

IV. Recommendation

Staff recommend the Board:

A. Defer consideration of the Pilcher Creek project (Application No. 206-339) until the due diligence items are submitted and reviewed.
B. Defer consideration of the Sandy River project (Application No. 207-072) pending receipt and review of additional information regarding the capacity of Western Rivers Conservancy to manage and sustain the ecological benefits of the property.
C. Award $810,112 in capital funds toward the purchase of conservation easements for the Tenmile Creek project (Application No. 206-058).

January 10, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager

SUBJECT: **Agenda Item I: Oregon Plan and Effectiveness Monitoring Products January 24-25, 2007 OWEB Board Meeting**

I. Introduction

This staff report describes the recent progress on implementation of the Monitoring Strategy for the Oregon Plan for Salmon and Watersheds and OWEB's Effectiveness Monitoring Program. This report also requests funding for the Center for Statistical Design and Analysis at Oregon State University and for the second year of livestock exclusion riparian project evaluations.

II. Background

In September 2004, the Board approved an implementation plan for the effectiveness monitoring program. This program is designed to fulfill specific needs identified within the Monitoring Strategy of the Oregon Plan for Salmon and Watersheds. The Monitoring and Reporting Program has made significant progress on a number of fronts including the evaluation of western juniper removal projects, successful completion of the effectiveness monitoring workshop, and implementation of an effectiveness monitoring program to evaluate riparian livestock exclusion projects.

III. Effectiveness Monitoring Program Activities

A. Western Juniper Removal Project Evaluation

In the report summarizing the results of monitoring the effectiveness of OWEB-funded western juniper treatments (OWEB Contract 204-937), a set five of recommendations were proposed. (Attachment A) The first three recommendations are to assist in the future selection and prioritization of sites for treatment, to offer guidance in pre-treatment inventory of proposed treatment areas, and to offer treatment options based on project area conditions and site potential. The products derived from these recommendations will have direct application to OWEB's current juniper treatment program. They are considered essential to effective treatment and effectiveness monitoring efforts.

Based on the first three recommendations OWEB staff recommend contracting with a consultant for the development of a field manual that will guide OWEB regional program representatives, regional review teams (RRTs), soil and water conservation district (SWCD) and watershed council staff in identifying and designing OWEB-funded juniper treatment projects. In addition to, and concurrently with the development of the field manual, a two

day workshop will be conducted for invited participants from OWEB, the RRTs, SWCDs, and watershed councils. This workshop will allow those personnel most directly related to the grant application process to observe and to discuss project results as influenced by site selection, pre-treatment conditions, treatment methods and follow-up treatments related to the degree of project success.

The time line for field manual development and the juniper treatment workshop is:

1. An outline of the field manual for OWEB review and comment. **Delivery: February 2007**
2. A two day field workshop for invited participants to apply the concepts, methods and techniques contained in the draft field manual. **Delivery: June 2007**
3. Field manual completed. **Delivery: July 2007**

The final two recommendations are to encourage OWEB's continued effectiveness monitoring program (Recommendation #4), and OWEB solicitation and support of further scientific research in watershed rehabilitation (Recommendation #5). Based on Recommendation #4, OWEB staff also recommend completing effectiveness monitoring in four additional counties, Grant, Harney, Lake, and Klamath. Six completed juniper removal projects will be monitored for effectiveness in Grant and Harney counties and six projects will be monitored in Klamath and Lake Counties. Monitoring will consist of on-site observation and measurements of soil and plant community response to the treatments at the selected locations, and where possible, adjacent un-treated sites will be used as the pre-treatment comparison area. Each project visit will include an interview with the landowner, when possible, and monitoring transects using the appropriate monitoring protocols and photos of the treatment and comparison areas. The results of monitoring and field observations will be documented in individual project reports and in a summary report on all projects.

The time line for the evaluation of these projects is:

1. An evaluation report for each project visited incorporating photos and the results of monitoring and field observations of pre and post-treatment areas. **Field work to be conducted in June and July 2007**
2. A summary report that combines and discusses the findings from all visited treatment locations. **Delivery: September 2007**
3. A briefing for OWEB staff on the results of the evaluations. **Delivery: September 2007**

The requested budget for the proposal is $20,000 to come from the Effectiveness Monitoring budget.

B. Center for Statistical Design and Analysis

In 2001, the U.S. Environmental Protection Agency (EPA) funded a pair of four-year projects for the purpose of improving the quality of scientific investigation that has been used extensively in Oregon and elsewhere. The two studies were; "Designs and Models for Aquatic Resource Surveys" at Oregon State University (OSU) and "Space-Time Aquatic

Resources Modeling and Analysis Program" at Colorado State University. The focus of these projects was the statistical design and analysis of surveys of aquatic resources, with dual objectives of developing methodology and transferring the methodology to states and tribes. These programs enabled the development of a close working relationship between the Oregon Plan for Salmon and Watersheds Monitoring Team scientists, statisticians at EPA, and a group of statisticians at OSU. This work was central to the scientific backbone of the Coastal Coho Assessment and the subsequent "no list" decision by NOAA Fisheries.

Staff propose the Board provide bridge funding for the Center for Statistical Design at OSU to continue the statistical outreach and support for Oregon Plan agencies. OSU is in the process of pursuing federal funding to provide the Center with increased capacity to provide statistical support for local groups (e.g. watershed councils), as well as enhanced value to Oregon Plan agencies. (More information on the proposal is provided in Attachment B.)

The requested budget for the proposal is $87,036.

IV. Recommendation

Staff recommend the Board approve:

A. $20,000 from reserved Effectiveness Monitoring funds for the Western Juniper Removal Project Evaluation as described in section III. A; and

B. $87,036 of non-capital funds for the Center for Statistical Design and Analysis as described in section III. B.

Attachments

A. OWEB Juniper Treatment Effectiveness Monitoring Final Report
B. Center for Statistical Design Proposal

OWEB Western Juniper Removal Effectiveness Monitoring: Expanded County Evaluation and Tool Development

Project Description:
Task 1. Monitoring of Juniper Projects

Effectiveness monitoring of OWEB funded treatments of western juniper will be expanded to include six projects in Klamath and Lake Counties and six projects in Grant and Harney Counties. Under OWEB contract #204-937, seven treatments were monitored in the John Day/Clarno Uplands in the Deschutes and John Day River basins in Crook and Wheeler counties. With the assistance of OWEB staff, the projects to be monitored will be selected for their potential to broaden the understanding of the effectiveness of various treatments in these additional counties of Oregon.

Contractor responsibilities will consist of on-site observation and measurements of soil and plant community response to the treatments at the selected locations and adjacent un-treated sites will be used as the pre-treatment comparison area. Each project visit will include an interview with the landowner; monitoring transects using the appropriate monitoring protocols and photos of the treatment and comparison areas. Survey methods include determination of soil depth, surface and subsurface soil textures, subsurface restrictions and soil limitations; determinations of pre- and post treatment plant community composition and cover; rangeland health assessment of both pre- and post-treatment conditions, analysis and synthesis of treatment effects on soil surface conditions, plant community composition, site hydrology, wildlife habitat, forage production and spring and seep flow. The results of monitoring and field observations will be documented in individual project reports and in a summary report on all projects.

Products to be delivered upon completion of Task 1 are:

1. An evaluation report for each project visited incorporating photos and the results of monitoring and field observations of pre- and post-treatment areas.
   Field work to be conducted in June and July, 2007

2. A summary report that combines and discusses the findings from all visited treatment locations.
   Delivery: September, 2007

3. A briefing for OWEB staff on the results of the evaluations.
   Delivery: September, 2007

Task 2. Workshops and Field Manual Development

This task focuses on the development of a field manual that will present guidance to OWEB Field Representatives and technical review committees and soil and water conservation district and watershed council staff in identifying and designing OWEB-funded juniper treatment projects.

The document is anticipated to consist of several sections, each outlining a specific phase in the design and implementation of an ecologically sound juniper treatment project. The manual will contain information meant to assist field staff in identifying and documenting the need and purpose of treatment; designing a project and selecting treatment methods (including seeding), and developing post-treatment management strategies. The manual will also, by way of reference, identify protocols for pre-treatment inventory and post-treatment monitoring. Drafts of document will be provided to scientists and practitioners specializing in the ecology of juniper and management, and to OWEB staff, for their review and comment prior to its final submission.

The material in the draft document will be field-tested and modified, as part of several two day field workshops (Recommendation 1) conducted for invited participants from OWEB, its technical review committee, conservation districts and watershed councils.

Products to be delivered during and upon completion of Task 2:

1. An outline of the Field Manual for OWEB review and comment
   Delivery: February 2007

2. Several two day field workshops for invited participants to apply the concepts, methods and techniques contained in the draft field manual.
   Delivery: June 2007

3. Field Manual described above.
   Delivery: July 2007

Estimated Amount: $20,000

Project Location: Klamath, Lake, Harney, Grant Counties

OWEB Basin: Lakes and John Day

Anticipated Begin Date: February 1, 2007

Projected End Date: February 1, 2008

Will Amendments be Allowed: ___ Yes __X__ No

OWEB Project Manager: Greg Sieglitz

Proposal for Statistical Support for the Oregon Plan

Problem Statement

Through the coastal Coho assessment project, it has become clear that state agencies and local entities do not have access to statistical support, either personnel or statistical tools, needed to design effective monitoring plans and to analyze the data collected. The goal of this request is to provide statistical support to state agencies and local entities. We propose to consult with operational personnel to identify issues needing statistical support, identify or develop a statistical resolution, create tools implementing these solutions, and place the tools in the hands of user groups and the Oregon Plan Monitoring Team. Issues that have already been identified include trend detection using a rotating panel sampling design; sampling patchy populations; and integrating fish population assessments with Total Maximum Daily Loads (TMDLs).

Background

In 2001, the U.S. Environmental Protection Agency (EPA) funded a pair of four-year, multimillion dollar projects: "Designs and Models for Aquatic Resource Surveys" at Oregon State University (OSU) and "Space-Time Aquatic Resources Modeling and Analysis Program" at Colorado State University. The focus of these programs was the statistical design and analysis of surveys of aquatic resources, with dual objectives of developing methodology and transferring the methodology to states and tribes. These programs enabled the development of a close working relationship between Oregon Plan for Salmon and Watersheds Monitoring Team (OPMT) scientists, statisticians at EPA, and a group of statisticians at OSU. This partnership between OSU statisticians and the OPMT has been vital to the success of the monitoring program.

Project Request

In order to ensure the continuation of this relationship after the EPA project ended in 2006, the OSU statistics group requests funding in the amount of $87,036 for one year beginning in March of 2007. This would support two part-time faculty members and one graduate student. Details of the budget are given below. This amount represents an initial investment in a Natural Resource Monitoring Statistical Support Unit at OSU.

Project Details

The group will initially focus on currently identified issues. The first is methods for sampling patchy populations. This will involve modifying the existing procedure used to determine random and spatially balanced sampling sites for coastal Coho monitoring. Data, collected without attention to randomness and balance, contain limited information and therefore are not an efficient use of monitoring effort. Populations east of the Cascades are patchier than the coastal populations, and the existing tools for drawing the sample are not optimal in this case. Further research is needed to tailor current tools for this situation.

The second issue is the analysis of monitoring data to detect temporal trend. Preliminary work is currently underway analyzing habitat data to detect an increase or decrease of Coho habitat over time. However, existing data analysis procedures are not appropriate

for much of these data, and further research is needed to develop methods for efficiently extracting trend information from the monitoring data.

Another issue that has been identified is the assessment of the effectiveness of remediation activities, especially regarding the impact of TMDL's on fish populations. This issue will be further defined in discussions with Oregon Department of Environmental Quality personnel.

Research done on these projects will be directed toward producing software tools, delivering these tools to the monitoring team, and providing training and support for using these tools. Software for choosing sampling sites for the coastal populations has been developed under the EPA projects, and this software is now being used by the monitoring team for its basic sampling designs. The statistical support group is currently modifying the software to accommodate more complicated sampling designs. Software tools produced will be made available to all of OWEB's affiliated agencies.

In addition to working on the projects described above, the statistical support group will continue to attend monthly meetings with Oregon Department of Fish and Wildlife and EPA scientists. These meetings provide a forum for ongoing dialog on statistical issues relevant to monitoring, and are open to all interested in natural resource sampling and monitoring. Representatives from other OWEB organizations are welcome at these meetings. Members of the statistics group will also be available at other times for more focused discussions with members of the OPMT.

Budget

Position	Stf_Name	Ann Rate	OPE Rate	FTE	GRA Stipend	Salary	OPE	Total
Proj Dir (9 mo/2 mo smr sal)	Madsen	67056	0.25	0.1818		12191	3048	15239
Faculty(12 mo/.2 FTE)	Stevens	105000	0.52	0.2		21000	10920	31920
GRA 9mo		31260	0.0317	0.49	750	15317	486	16553
GRA Smr 2mo		9500	0.03	0.67		6365	191	6556
Total pers. Cost								70268
Tuition 9 mo								8856
Total DC								79124
F& A (10% TDC)								7912
Total Cost								87036
Required 25% cost share								21759
Reduction in F&A from 26%								12660
Faculty FTE (Madsen, 0.0923)	Loaded annual salary*.0923 = 67056*1.47*.0923 =98572*.0923							9098
Total cost share								21758

December 26, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Special Projects Manager

SUBJECT: **Agenda Item K: Restoration Priorities Adoption**
Deschutes and Malheur Basins
January 24-25, 2007 OWEB Board Meeting

I. Introduction

This staff report asks the Board to adopt the format and approach to regional priorities for restoration projects for the Deschutes and Malheur basins and provides an update on other Columbia Basin restoration priorities. The priorities are intended to be used as guidance by OWEB in the review of grant applications and to help ensure a clear and strategic approach to prioritizing the funding of projects. Formal administrative rules will be proposed to define how the priorities will be used when priorities are completed for the whole state.

II. Background

The Board has identified the development of funding priorities as a significant need for project review and evaluation in OWEB's grant program. The development of regional restoration priorities also comes from statutory direction. ORS 541.371(c) states that OWEB: "*Shall establish statewide and regional goals and priorities that shall become the basis for funding decisions by the board. In adopting such goals and priorities, the board shall adopt priorities for grant funding based on the Oregon Plan and on measurable goals. In carrying out this function, the board shall consider local economic and social impacts among the criteria.*"

In September 2002, the Board authorized staff to contract for the facilitation of efforts to develop restoration priorities in two pilot basins, the Lower Columbia and the Hood-Fifteenmile basins.

In January 2004, staff presented to the Board a report on the principles for restoration prioritization. The five restoration principles are:

1. Restore watershed connectivity limiting key fish and wildlife populations;
2. Restore watershed processes impacting the aquatic system, water quality-limited streams, and wildlife habitat;
3. Restore key habitats and water quality for ESA-listed species;
4. Reduce or eliminate human impacts and inputs into watersheds from land use activities in the basin; and
5. Address the symptoms of disturbance that impact fish and wildlife populations and water quality-limited streams.

The ultimate goal is to establish investment priorities for each of the 15 Oregon Plan reporting basins in the state using information from subbasin planning and recovery planning and the principles developed for the Board. As discussed in previous meetings, these priorities will help focus the review of grant applications for restoration projects and assist in informing funding recommendations.

The Board allocated funding in May 2004 to coordinate OWEB regional priorities with subbasin plans in the Columbia Basin and complete regional priorities in the remainder of the state. Since that time, OWEB staff have contracted for the development of priorities in the Rogue, South Coast, John Day, Willamette, Malheur, Imnaha, Umatilla, Grande Ronde, and Powder basins.

In January and September 2006 staff reported on the process for developing priorities. In each basin, a local working group has been meeting and developing proposed priorities with the assistance of a consultant. Each working group has developed a list of limiting factors and has identified priorities for watershed geography, typically at the watershed ("5th field" Hydrologic Unit Code or HUC) scale.

III. Status and Approach

The Deschutes and Malheur basins restoration priorities project was contracted to Watershed Professionals Network, which has reviewed the subbasin plans for each of the drainages in the basins and has developed a crosswalk between the Ecosystem Diagnosis and Treatment (EDT) analysis and the proposed restoration priorities. The EDT is a stream-based approach to modeling limiting factors for target salmon species. The crosswalk helps to broaden the range of priorities and specifically include upland habitat priorities.

Attachment A shows the Limiting Factors matrix for the Deschutes Basin and Attachment B shows the matrix for the Malheur Basin. Summary Limiting Factors matrices are also available on the OWEB web site at www.oregon.gov/OWEB/restoration_priorities.shtml.

IV. Columbia Basin Next Steps

The approach and content of the most recent two restoration priorities for the Columbia Basin are part of a series of products proposed for use from subbasin plans developed by the Northwest Power and Conservation Council. OWEB staff have contracted with a consultant to take the analysis used in the development of subbasin plans and systematically convert the information into restoration priorities. The delivery schedule below identifies the approximate times that draft products will be available. OWEB staff will review the draft products with local watershed councils and soil and water conservation districts before bringing them to the Board. All of those listed below are expected to be ready for Board consideration at the March 2007 meeting.

Delivery Schedule for Remaining Restoration Priority Products

Delivery Date	Basin
December 2006	Imnaha
December 2006	Umatilla
December 2006	John Day
December 2006	Grande Ronde
December 2006	Powder
December 2006	Hood (update)

V. Recommendation

Staff request the Board approve the approach and content of the Deschutes and Malheur basins regional restoration priorities.

Attachments

A. Deschutes Basin Limiting Factors Matrix
B. Malheur Basin Limiting Factors Matrix

Watershed	Aquatic / Channel Habitats						
	Habitat Fragmentation / Connectivity / Fish Passage	Altered Disturbance Regime	Changes in Species Composition	Invasive Aquatic Species	Altered Habitat Complexity	Inputs of Bacteria	Altered Thermal Regime
1707030101: Deschutes River-Charleton Creek	Low Impact	High Impact	Impact Undocumented	Impact Undocumented	High Impact	Impact Undocumented	High Impact
1707030102: Deschutes River-Browns Creek	Moderate Impact	High Impact	Impact Undocumented	Moderate Impact	High Impact	Impact Undocumented	Moderate Impact
1707030103: Deschutes River-Fall River	Low Impact	High Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented	No Impact
1707030104: Deschutes River-Pilot Butte	Low Impact	High Impact	Moderate Impact	Impact Undocumented	High Impact	Impact Undocumented	High Impact
1707030105: Tumalo Creek	Moderate Impact	Low Impact	High Impact	Impact Undocumented	Low Impact	Impact Undocumented	High Impact
1707030106: Deep Canyon	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030107: Deschutes River-McKenzie Canyon	Moderate Impact	Moderate Impact	Low Impact	Low Impact	Low Impact	Impact Undocumented	Moderate Impact
1707030108: Whychus (Squaw) Creek	Moderate Impact	High Impact	Moderate Impact	Low Impact	Moderate Impact	Impact Undocumented	High Impact
1707030109: Upper Metolius River	No Impact	Low Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1707030110: Lower Metolius River	No Impact	High Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1707030111: Deschutes River-Haystack	No Impact	High Impact	Moderate Impact	Moderate Impact	No Impact	Impact Undocumented	Low Impact
1707030201: Upper Little Deschutes River	Moderate Impact	Low Impact	High Impact	Impact Undocumented	Low Impact	Impact Undocumented	High Impact
1707030202: Crescent Creek	Moderate Impact	Low Impact	Impact Undocumented	Impact Undocumented	Low Impact	Impact Undocumented	High Impact
1707030203: Middle Little Deschutes River	Moderate Impact	High Impact	High Impact	Impact Undocumented	High Impact	Impact Undocumented	High Impact
1707030204: Sellers Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030205: Little Walker Mountain	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030206: Long Prairie	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030207: Lower Little Deschutes River	No Impact	High Impact	High Impact	Impact Undocumented	High Impact	Impact Undocumented	High Impact
1707030301: Soldier Cap	Moderate Impact	High Impact	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	High Impact
1707030302: Upper South Fork Crooked River	Moderate Impact	High Impact	High Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	High Impact
1707030303: Buck Creek	Moderate Impact	High Impact	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	High Impact
1707030304: Lower South Fork Crooked River	High Impact	High Impact	High Impact	Impact Undocumented	Moderate Impact	Impact Undocumented	High Impact
1707030305: Twelvemile Creek	Low Impact	High Impact	Moderate Impact	Impact Undocumented	High Impact	Impact Undocumented	High Impact
1707030306: Grindstone Creek	Moderate Impact	High Impact	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	High Impact
1707030307: South Fork Beaver Creek	Low Impact	High Impact	Moderate Impact	Impact Undocumented	High Impact	Impact Undocumented	High Impact
1707030308: Upper Beaver Creek	High Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented	High Impact
1707030309: Paulina Creek	Moderate Impact	High Impact	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	High Impact
1707030310: Lower Beaver Creek	Low Impact	High Impact	Moderate Impact	Impact Undocumented	High Impact	Impact Undocumented	High Impact
1707030401: Crooked River-Watson Creek	Moderate Impact	High Impact	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	High Impact
1707030402: Camp Creek	High Impact	High Impact	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	High Impact
1707030403: Upper North Fork Crooked River	High Impact	High Impact	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	High Impact
1707030404: Deep Creek	No Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact	Moderate Impact
1707030405: Lower North Fork Crooked River	Low Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact	Moderate Impact
1707030406: Upper Crooked River	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact	High Impact
1707030407: Bear Creek	High Impact	High Impact	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	High Impact
1707030408: Prineville Reservoir	Impact Undocumented	Moderate Impact	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030501: Chimney Rock	Moderate Impact	Moderate Impact	High Impact	Low Impact	Moderate Impact	Moderate Impact	Low Impact
1707030502: Upper Ochoco Creek	Low Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact	High Impact
1707030503: Mill Creek-Ochoco Reservoir	Low Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact	Moderate Impact
1707030504: Lower Ochoco Creek	Low Impact	High Impact	High Impact	Moderate Impact	High Impact	Moderate Impact	Moderate Impact
1707030505: McKay Creek	No Impact	Moderate Impact	No Impact	No Impact	Moderate Impact	Moderate Impact	High Impact
1707030506: Kotzman Basin	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented

Watershed	Aquatic / Channel Habitats						
	Habitat Fragmentation / Connectivity / Fish Passage	Altered Disturbance Regime	Changes in Species Composition	Invasive Aquatic Species	Altered Habitat Complexity	Inputs of Bacteria	Altered Thermal Regime
1707030507: Upper Dry River	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030508: Lower Dry River	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030509: Crooked River Irrigation Canals	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030510: Lower Crooked Valley	No Impact	High Impact	High Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707030511: Crooked River-Crooked River Grassland	Low Impact	High Impact	High Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707030601: Headwaters Deschutes River	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030602: Willow Creek	No Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented	High Impact
1707030603: Upper Deschutes River	No Impact	Moderate Impact	High Impact	Low Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707030604: Mill Creek-Warm Springs River	No Impact	No Impact	High Impact	Low Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1707030605: Beaver Creek	No Impact	No Impact	No Impact	No Impact	High Impact	Impact Undocumented	Moderate Impact
1707030606: Warm Springs River	No Impact	Low Impact	High Impact	Low Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1707030607: Middle Deschutes River	Moderate Impact	High Impact	High Impact	Low Impact	Moderate Impact	Impact Undocumented	High Impact
1707030608: Bakeoven Creek	Moderate Impact	Low Impact	No Impact	No Impact	High Impact	Impact Undocumented	High Impact
1707030609: Tygh Creek	High Impact	Low Impact	High Impact	Low Impact	Low Impact	Impact Undocumented	Moderate Impact
1707030610: White River	High Impact	High Impact	High Impact	Low Impact	Moderate Impact	Low Impact	Moderate Impact
1707030611: Buck Hollow Creek	Moderate Impact	Moderate Impact	No Impact	No Impact	High Impact	Impact Undocumented	High Impact
1707030612: Lower Deschutes River	Moderate Impact	High Impact	High Impact	Moderate Impact	Moderate Impact	Impact Undocumented	High Impact
1707030701: Upper Trout Creek	No Impact	Moderate Impact	No Impact	No Impact	Moderate Impact	Impact Undocumented	High Impact
1707030702: Antelope Creek	No Impact	Moderate Impact	No Impact	No Impact	Moderate Impact	Impact Undocumented	High Impact
1707030703: Hay Creek	Moderate Impact	High Impact	No Impact	No Impact	High Impact	Impact Undocumented	High Impact
1707030704: Mud Springs Creek	Low Impact	Moderate Impact	No Impact	No Impact	High Impact	Impact Undocumented	Moderate Impact
1707030705: Lower Trout Creek	No Impact	Moderate Impact	No Impact	No Impact	Moderate Impact	Impact Undocumented	High Impact

Deschutes Limiting Factors Summary

Watershed	Aquatic / Channel Habitats						
	Limited In-Channel Wood	Inputs of Pesticides / Toxins	Floodplain Connection	Excessive Inputs of Nutrients	Altered Hydrologic Regime	Altered Sediment Regime / Excessive Inputs	Instream Flow
1707030101: Deschutes River-Charleton Creek	High Impact	No Impact	Impact Undocumented	Moderate Impact	Low Impact	High Impact	Low Impact
1707030102: Deschutes River-Browns Creek	High Impact	No Impact	Impact Undocumented	Moderate Impact	No Impact	High Impact	No Impact
1707030103: Deschutes River-Fall River	Moderate Impact	No Impact	Impact Undocumented	Moderate Impact	Moderate Impact	High Impact	Moderate Impact
1707030104: Deschutes River-Pilot Butte	Low Impact	No Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	High Impact	High Impact
1707030105: Tumalo Creek	Low Impact	No Impact	Impact Undocumented	Moderate Impact	Low Impact	Low Impact	Low Impact
1707030106: Deep Canyon	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030107: Deschutes River-McKenzie Canyon	Moderate Impact	No Impact	Impact Undocumented	Impact Undocumented	High Impact	Low Impact	High Impact
1707030108: Whychus (Squaw) Creek	High Impact	No Impact	Impact Undocumented	Moderate Impact	Moderate Impact	Low Impact	High Impact
1707030109: Upper Metolius River	Moderate Impact	No Impact	Impact Undocumented	Moderate Impact	No Impact	Moderate Impact	Low Impact
1707030110: Lower Metolius River	Moderate Impact	No Impact	Impact Undocumented	Moderate Impact	Moderate Impact	Moderate Impact	Low Impact
1707030111: Deschutes River-Haystack	No Impact	No Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Moderate Impact	Moderate Impact
1707030201: Upper Little Deschutes River	Low Impact	No Impact	Impact Undocumented	Moderate Impact	No Impact	Moderate Impact	No Impact
1707030202: Crescent Creek	No Impact	Low Impact	Impact Undocumented	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707030203: Middle Little Deschutes River	Moderate Impact	Low Impact	Impact Undocumented	High Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707030204: Sellers Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030205: Little Walker Mountain	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030206: Long Prairie	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030207: Lower Little Deschutes River	Moderate Impact	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707030301: Soldier Cap	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	High Impact	Impact Undocumented	Impact Undocumented
1707030302: Upper South Fork Crooked River	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	High Impact	Impact Undocumented	High Impact
1707030303: Buck Creek	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	High Impact	Impact Undocumented	Impact Undocumented
1707030304: Lower South Fork Crooked River	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	High Impact	High Impact
1707030305: Twelvemile Creek	High Impact	Low Impact	Moderate Impact	Impact Undocumented	High Impact	High Impact	High Impact
1707030306: Grindstone Creek	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	High Impact	Impact Undocumented	Impact Undocumented
1707030307: South Fork Beaver Creek	High Impact	Moderate Impact	Moderate Impact	Impact Undocumented	High Impact	High Impact	High Impact
1707030308: Upper Beaver Creek	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	High Impact
1707030309: Paulina Creek	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	High Impact	Impact Undocumented	Impact Undocumented
1707030310: Lower Beaver Creek	High Impact	Low Impact	Moderate Impact	Impact Undocumented	High Impact	High Impact	High Impact
1707030401: Crooked River-Watson Creek	High Impact	Moderate Impact	Moderate Impact	Impact Undocumented	High Impact	High Impact	High Impact
1707030402: Camp Creek	High Impact	Moderate Impact	Moderate Impact	Impact Undocumented	High Impact	High Impact	High Impact
1707030403: Upper North Fork Crooked River	High Impact	Low Impact	Moderate Impact	Impact Undocumented	High Impact	High Impact	High Impact
1707030404: Deep Creek	Low Impact	No Impact	Moderate Impact	Impact Undocumented	Low Impact	Moderate Impact	Low Impact
1707030405: Lower North Fork Crooked River	Moderate Impact	No Impact	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	High Impact
1707030406: Upper Crooked River	Moderate Impact	No Impact	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	High Impact
1707030407: Bear Creek	High Impact	Moderate Impact	Moderate Impact	Impact Undocumented	High Impact	High Impact	High Impact
1707030408: Prineville Reservoir	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030501: Chimney Rock	High Impact	No Impact	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	Low Impact
1707030502: Upper Ochoco Creek	High Impact	Low Impact	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	High Impact
1707030503: Mill Creek-Ochoco Reservoir	Moderate Impact	No Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact	Moderate Impact
1707030504: Lower Ochoco Creek	High Impact	Moderate Impact	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	Moderate Impact
1707030505: McKay Creek	High Impact	No Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact	High Impact
1707030506: Kotzman Basin	Moderate Impact	Low Impact	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented

Deschutes Limiting Factors Summary

Watershed	Aquatic / Channel Habitats						
	Limited In-Channel Wood	Inputs of Pesticides / Toxins	Floodplain Connection	Excessive Inputs of Nutrients	Altered Hydrologic Regime	Altered Sediment Regime / Excessive Inputs	Instream Flow
1707030507: Upper Dry River	Moderate Impact	Low Impact	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030508: Lower Dry River	Moderate Impact	Low Impact	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030509: Crooked River Irrigation Canals	Moderate Impact	Low Impact	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030510: Lower Crooked Valley	High Impact	Low Impact	Moderate Impact	Moderate Impact	High Impact	High Impact	Moderate Impact
1707030511: Crooked River-Crooked River Grassland	High Impact	Low Impact	Moderate Impact	Impact Undocumented	High Impact	High Impact	High Impact
1707030601: Headwaters Deschutes River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030602: Willow Creek	Moderate Impact	Low Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact	High Impact
1707030603: Upper Deschutes River	High Impact	No Impact	Impact Undocumented	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707030604: Mill Creek-Warm Springs River	High Impact	No Impact	Impact Undocumented	Moderate Impact	Low Impact	Low Impact	High Impact
1707030605: Beaver Creek	High Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Low Impact	Low Impact	Moderate Impact
1707030606: Warm Springs River	High Impact	Low Impact	Moderate Impact	Impact Undocumented	Low Impact	Moderate Impact	Moderate Impact
1707030607: Middle Deschutes River	High Impact	No Impact	Impact Undocumented	Impact Undocumented	High Impact	Moderate Impact	Moderate Impact
1707030608: Bakeoven Creek	High Impact	No Impact	Impact Undocumented	Moderate Impact	Moderate Impact	Low Impact	High Impact
1707030609: Tygh Creek	Moderate Impact	No Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Low Impact	Moderate Impact
1707030610: White River	Moderate Impact	No Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	High Impact	Moderate Impact
1707030611: Buck Hollow Creek	High Impact	No Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	High Impact
1707030612: Lower Deschutes River	High Impact	No Impact	Impact Undocumented	Impact Undocumented	High Impact	High Impact	Moderate Impact
1707030701: Upper Trout Creek	High Impact	No Impact	High Impact	Impact Undocumented	High Impact	Moderate Impact	High Impact
1707030702: Antelope Creek	High Impact	No Impact	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	High Impact
1707030703: Hay Creek	High Impact	No Impact	Moderate Impact	Impact Undocumented	High Impact	High Impact	High Impact
1707030704: Mud Springs Creek	High Impact	No Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	High Impact	Low Impact
1707030705: Lower Trout Creek	High Impact	No Impact	High Impact	Impact Undocumented	High Impact	Low Impact	High Impact

Deschutes Limiting Factors Summary

Watershed	Riparian / Floodplain Habitats			
	Habitat Fragmentation / Connectivity	Loss of Shade / Cover	Altered Habitat Structure	Invasive Species
1707030101: Deschutes River-Charleton Creek	High Impact	High Impact	High Impact	Impact Undocumented
1707030102: Deschutes River-Browns Creek	High Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030103: Deschutes River-Fall River	Moderate Impact	No Impact	High Impact	Impact Undocumented
1707030104: Deschutes River-Pilot Butte	Moderate Impact	Moderate Impact	High Impact	Impact Undocumented
1707030105: Tumalo Creek	High Impact	Low Impact	High Impact	Impact Undocumented
1707030106: Deep Canyon	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030107: Deschutes River-McKenzie Canyon	Low Impact	Moderate Impact	Low Impact	Impact Undocumented
1707030108: Whychus (Squaw) Creek	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030109: Upper Metolius River	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030110: Lower Metolius River	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030111: Deschutes River-Haystack	Low Impact	Moderate Impact	Low Impact	Impact Undocumented
1707030201: Upper Little Deschutes River	Low Impact	Moderate Impact	Impact Undocumented	Impact Undocumented
1707030202: Crescent Creek	Low Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030203: Middle Little Deschutes River	Moderate Impact	High Impact	Moderate Impact	Impact Undocumented
1707030204: Sellers Creek	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030205: Little Walker Mountain	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030206: Long Prairie	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030207: Lower Little Deschutes River	Moderate Impact	High Impact	Moderate Impact	Impact Undocumented
1707030301: Soldier Cap	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030302: Upper South Fork Crooked River	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030303: Buck Creek	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030304: Lower South Fork Crooked River	Moderate Impact	High Impact	Moderate Impact	Impact Undocumented
1707030305: Twelvemile Creek	High Impact	High Impact	Moderate Impact	Impact Undocumented
1707030306: Grindstone Creek	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030307: South Fork Beaver Creek	High Impact	High Impact	Moderate Impact	Impact Undocumented
1707030308: Upper Beaver Creek	Moderate Impact	High Impact	Moderate Impact	Impact Undocumented
1707030309: Paulina Creek	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030310: Lower Beaver Creek	High Impact	High Impact	Moderate Impact	Impact Undocumented
1707030401: Crooked River-Watson Creek	High Impact	High Impact	Moderate Impact	Impact Undocumented
1707030402: Camp Creek	High Impact	High Impact	Moderate Impact	Impact Undocumented
1707030403: Upper North Fork Crooked River	High Impact	High Impact	Moderate Impact	High Impact
1707030404: Deep Creek	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030405: Lower North Fork Crooked River	Moderate Impact	Moderate Impact	Moderate Impact	High Impact
1707030406: Upper Crooked River	High Impact	High Impact	Moderate Impact	Impact Undocumented

Deschutes Limiting Factors Summary

Watershed	Riparian / Floodplain Habitats			
	Habitat Fragmentation / Connectivity	Loss of Shade / Cover	Altered Habitat Structure	Invasive Species
1707030407: Bear Creek	High Impact	High Impact	Moderate Impact	Impact Undocumented
1707030408: Prineville Reservoir	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030501: Chimney Rock	Low Impact	No Impact	Moderate Impact	Impact Undocumented
1707030502: Upper Ochoco Creek	Moderate Impact	High Impact	High Impact	Impact Undocumented
1707030503: Mill Creek-Ochoco Reservoir	Moderate Impact	Moderate Impact	High Impact	Impact Undocumented
1707030504: Lower Ochoco Creek	High Impact	Moderate Impact	High Impact	Impact Undocumented
1707030505: McKay Creek	Moderate Impact	High Impact	High Impact	Impact Undocumented
1707030506: Kotzman Basin	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030507: Upper Dry River	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030508: Lower Dry River	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030509: Crooked River Irrigation Canals	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030510: Lower Crooked Valley	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030511: Crooked River-Crooked River Grassland	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030601: Headwaters Deschutes River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030602: Willow Creek	Moderate Impact	High Impact	Moderate Impact	Moderate Impact
1707030603: Upper Deschutes River	Moderate Impact	Moderate Impact	Impact Undocumented	Impact Undocumented
1707030604: Mill Creek-Warm Springs River	Low Impact	Moderate Impact	Impact Undocumented	Impact Undocumented
1707030605: Beaver Creek	Moderate Impact	Moderate Impact	Impact Undocumented	Impact Undocumented
1707030606: Warm Springs River	Low Impact	Moderate Impact	Impact Undocumented	Impact Undocumented
1707030607: Middle Deschutes River	Moderate Impact	Moderate Impact	High Impact	Impact Undocumented
1707030608: Bakeoven Creek	Moderate Impact	Moderate Impact	Impact Undocumented	Impact Undocumented
1707030609: Tygh Creek	Low Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030610: White River	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030611: Buck Hollow Creek	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030612: Lower Deschutes River	Moderate Impact	Moderate Impact	Impact Undocumented	Impact Undocumented
1707030701: Upper Trout Creek	Moderate Impact	High Impact	Moderate Impact	Impact Undocumented
1707030702: Antelope Creek	High Impact	High Impact	Moderate Impact	Impact Undocumented
1707030703: Hay Creek	High Impact	High Impact	Moderate Impact	Impact Undocumented
1707030704: Mud Springs Creek	High Impact	High Impact	Moderate Impact	Impact Undocumented
1707030705: Lower Trout Creek	High Impact	High Impact	Moderate Impact	Impact Undocumented

Deschutes Limiting Factors Summary

Watershed	Upland Precipitation and Storage		Terrestrial / Upland Habitats				
	Soil Erosion	Roads and Impervious Surfaces	Habitat Fragmentation / Connectivity	Altered Disturbance Regime	Habitat Loss	Invasive Terrestrial Species	Domestic Animal Impacts
1707030101: Deschutes River-Charleton Creek	Moderate Impact	Moderate Impact	High Impact	Moderate Impact	Moderate Impact	High Impact	Impact Undocumented
1707030102: Deschutes River-Browns Creek	Moderate Impact	Impact Undocumented	High Impact	Impact Undocumented	High Impact	High Impact	Impact Undocumented
1707030103: Deschutes River-Fall River	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707030104: Deschutes River-Pilot Butte	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707030105: Tumalo Creek	Low Impact	Impact Undocumented	Impact Undocumented	High Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030106: Deep Canyon	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030107: Deschutes River-McKenzie Canyon	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030108: Whychus (Squaw) Creek	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707030109: Upper Metolius River	High Impact	High Impact	High Impact	Impact Undocumented	Impact Undocumented	High Impact	Impact Undocumented
1707030110: Lower Metolius River	High Impact	Moderate Impact	High Impact	Impact Undocumented	Impact Undocumented	High Impact	Impact Undocumented
1707030111: Deschutes River-Haystack	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030201: Upper Little Deschutes River	Impact Undocumented	Impact Undocumented	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact
1707030202: Crescent Creek	Impact Undocumented	Impact Undocumented	Moderate Impact	Moderate Impact	Moderate Impact	High Impact	Moderate Impact
1707030203: Middle Little Deschutes River	Impact Undocumented	Impact Undocumented	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact
1707030204: Sellers Creek	Impact Undocumented	Impact Undocumented	Moderate Impact	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact
1707030205: Little Walker Mountain	Impact Undocumented	Impact Undocumented	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact
1707030206: Long Prairie	Impact Undocumented	Impact Undocumented	Moderate Impact	Moderate Impact	Impact Undocumented	Low Impact	Moderate Impact
1707030207: Lower Little Deschutes River	Impact Undocumented	Impact Undocumented	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact
1707030301: Soldier Cap	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030302: Upper South Fork Crooked River	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030303: Buck Creek	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030304: Lower South Fork Crooked River	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030305: Twelvemile Creek	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030306: Grindstone Creek	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030307: South Fork Beaver Creek	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030308: Upper Beaver Creek	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030309: Paulina Creek	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030310: Lower Beaver Creek	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030401: Crooked River-Watson Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030402: Camp Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030403: Upper North Fork Crooked River	High Impact	Moderate Impact	Moderate Impact	Moderate Impact	High Impact	Moderate Impact	High Impact
1707030404: Deep Creek	High Impact	High Impact	Moderate Impact	Moderate Impact	High Impact	Moderate Impact	High Impact
1707030405: Lower North Fork Crooked River	High Impact	Moderate Impact	Moderate Impact	Moderate Impact	High Impact	Moderate Impact	High Impact
1707030406: Upper Crooked River	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030407: Bear Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030408: Prineville Reservoir	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented
1707030501: Chimney Rock	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030502: Upper Ochoco Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	High Impact
1707030503: Mill Creek-Ochoco Reservoir	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	High Impact
1707030504: Lower Ochoco Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030505: McKay Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030506: Kotzman Basin	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030507: Upper Dry River	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented

Deschutes Limiting Factors Summary

Watershed	Upland Precipitation and Storage		Terrestrial / Upland Habitats				
	Soil Erosion	Roads and Impervious Surfaces	Habitat Fragmentation / Connectivity	Altered Disturbance Regime	Habitat Loss	Invasive Terrestrial Species	Domestic Animal Impacts
1707030508: Lower Dry River	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030509: Crooked River Irrigation Canals	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030510: Lower Crooked Valley	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030511: Crooked River-Crooked River Grassland	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707030601: Headwaters Deschutes River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact
1707030602: Willow Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707030603: Upper Deschutes River	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact	Moderate Impact
1707030604: Mill Creek-Warm Springs River	Moderate Impact	Moderate Impact	Moderate Impact	No Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707030605: Beaver Creek	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact	Moderate Impact
1707030606: Warm Springs River	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact	Moderate Impact
1707030607: Middle Deschutes River	Moderate Impact	Low Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707030608: Bakeoven Creek	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact
1707030609: Tygh Creek	Moderate Impact	Low Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707030610: White River	Moderate Impact	Low Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707030611: Buck Hollow Creek	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Moderate Impact	Moderate Impact	Moderate Impact
1707030612: Lower Deschutes River	Impact Undocumented	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact	Moderate Impact	Moderate Impact
1707030701: Upper Trout Creek	High Impact	High Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1707030702: Antelope Creek	Moderate Impact	Low Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact
1707030703: Hay Creek	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact
1707030704: Mud Springs Creek	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact
1707030705: Lower Trout Creek	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact	Impact Undocumented	Moderate Impact

Deschutes Limiting Factors Summary

Watershed	Wetland Habitats					
	Habitat Fragmentation / Connectivity	Habitat Loss	Altered Hydrologic Regime	Altered Species Composition	Invasive Species	Altered Soil Condition / Compaction / Fill
1707030101: Deschutes River-Charleton Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030102: Deschutes River-Browns Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Moderate Impact
1707030103: Deschutes River-Fall River	Impact Undocumented	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030104: Deschutes River-Pilot Butte	Moderate Impact	Moderate Impact	Low Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1707030105: Tumalo Creek	Moderate Impact	Moderate Impact	Low Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1707030106: Deep Canyon	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030107: Deschutes River-McKenzie Canyon	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030108: Whychus (Squaw) Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1707030109: Upper Metolius River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030110: Lower Metolius River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030111: Deschutes River-Haystack	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030201: Upper Little Deschutes River	Low Impact	Moderate Impact	Low Impact	Low Impact	Impact Undocumented	Low Impact
1707030202: Crescent Creek	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030203: Middle Little Deschutes River	Low Impact	Moderate Impact	Low Impact	Low Impact	Impact Undocumented	Low Impact
1707030204: Sellers Creek	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030205: Little Walker Mountain	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030206: Long Prairie	Low Impact	Moderate Impact	Low Impact	Low Impact	Impact Undocumented	Low Impact
1707030207: Lower Little Deschutes River	Low Impact	Moderate Impact	Low Impact	Low Impact	Impact Undocumented	Low Impact
1707030301: Soldier Cap	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030302: Upper South Fork Crooked River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030303: Buck Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030304: Lower South Fork Crooked River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030305: Twelvemile Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030306: Grindstone Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030307: South Fork Beaver Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030308: Upper Beaver Creek	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030309: Paulina Creek	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030310: Lower Beaver Creek	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030401: Crooked River-Watson Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030402: Camp Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030403: Upper North Fork Crooked River	High Impact	Moderate Impact	Low Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1707030404: Deep Creek	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030405: Lower North Fork Crooked River	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030406: Upper Crooked River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030407: Bear Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030408: Prineville Reservoir	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030501: Chimney Rock	High Impact	Moderate Impact	Moderate Impact	High Impact	Impact Undocumented	High Impact
1707030502: Upper Ochoco Creek	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented

Deschutes Limiting Factors Summary

Watershed	Wetland Habitats					
	Habitat Fragmentation / Connectivity	Habitat Loss	Altered Hydrologic Regime	Altered Species Composition	Invasive Species	Altered Soil Condition / Compaction / Fill
1707030503: Mill Creek-Ochoco Reservoir	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030504: Lower Ochoco Creek	High Impact	Moderate Impact	Moderate Impact	High Impact	Impact Undocumented	High Impact
1707030505: McKay Creek	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030506: Kotzman Basin	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030507: Upper Dry River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030508: Lower Dry River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030509: Crooked River Irrigation Canals	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030510: Lower Crooked Valley	High Impact	Moderate Impact	Moderate Impact	High Impact	Impact Undocumented	High Impact
1707030511: Crooked River-Crooked River Grassland	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030601: Headwaters Deschutes River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030602: Willow Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1707030603: Upper Deschutes River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030604: Mill Creek-Warm Springs River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030605: Beaver Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030606: Warm Springs River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030607: Middle Deschutes River	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1707030608: Bakeoven Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030609: Tygh Creek	Impact Undocumented	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030610: White River	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1707030611: Buck Hollow Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030612: Lower Deschutes River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030701: Upper Trout Creek	Impact Undocumented	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030702: Antelope Creek	Impact Undocumented	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030703: Hay Creek	Impact Undocumented	Moderate Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707030704: Mud Springs Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1707030705: Lower Trout Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact

Malheur Limiting Factors Summary

Attachment B

Watershed	Upland Precipitation and Storage		Terrestrial / Upland Habitats			
	Soil Erosion	Roads and Impervious Surfaces	Habitat Fragmentation / Connectivity	Altered Disturbance Regime	Habitat Loss	Invasive Terrestrial Species
1705011601: Upper Malheur River	Low Impact	Impact Undocumented	High Impact	High Impact	High Impact	Impact Undocumented
1705011602: Wolf Creek	High Impact	High Impact	High Impact	High Impact	High Impact	High Impact
1705011603: Pine Creek	High Impact	High Impact	High Impact	High Impact	High Impact	High Impact
1705011604: Stinkingwater Creek	High Impact	Impact Undocumented	High Impact	High Impact	High Impact	Impact Undocumented
1705011605: Upper Malheur R.-Griffin Creek	High Impact	Impact Undocumented	High Impact	High Impact	Impact Undocumented	Impact Undocumented
1705011606: Otis Creek	Low Impact	Impact Undocumented	High Impact	High Impact	Impact Undocumented	Impact Undocumented
1705011607: Upper Malheur R.-Warm Springs Res.	Not Rated	Not Rated	High Impact	High Impact	Impact Undocumented	Impact Undocumented
1705011608: Upper South Fork Malheur R.	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	High Impact	High Impact
1705011609: Crane Creek	High Impact	Impact Undocumented	High Impact	Moderate Impact	High Impact	High Impact
1705011610: Lower South Fork Malheur R.	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	Moderate Impact	High Impact
1705011611: Upper North Fork Malheur R.	Low Impact	Impact Undocumented	Moderate Impact	Moderate Impact	High Impact	Moderate Impact
1705011612: Little Malheur R.	Moderate Impact	Impact Undocumented	Moderate Impact	High Impact	Moderate Impact	Moderate Impact
1705011613: Lower North Fork Malheur R.	High Impact	Impact Undocumented	Moderate Impact	High Impact	Moderate Impact	Moderate Impact
1705011614: Upper Malheur R.-Juniper Basin Creek	Moderate Impact	Impact Undocumented	Moderate Impact	High Impact	Moderate Impact	High Impact
1705011701: Lower Malheur R.-Hunter Creek	Moderate Impact	Impact Undocumented	Moderate Impact	High Impact	Moderate Impact	High Impact
1705011702: Lower Malheur R.-Hog Creek	High Impact	Impact Undocumented	Moderate Impact	High Impact	Moderate Impact	High Impact
1705011703: Cottonwood Creek	Moderate Impact	Impact Undocumented	Moderate Impact	High Impact	Moderate Impact	High Impact
1705011704: Lower Malheur R.-Little Sandy Res.	High Impact	Impact Undocumented	Moderate Impact	High Impact	Moderate Impact	High Impact
1705011705: Sand Hollow Creek	Impact Undocumented	Impact Undocumented	Moderate Impact	High Impact	Moderate Impact	High Impact
1705011706: Lower Malheur R.-Johnston Gulch Res.	High Impact	Impact Undocumented	Moderate Impact	High Impact	Moderate Impact	High Impact
1705011801: Upper Bully Creek	Moderate Impact	Impact Undocumented	Moderate Impact	High Impact	Moderate Impact	High Impact
1705011802: Clover Creek	Moderate Impact	Impact Undocumented	Moderate Impact	High Impact	Moderate Impact	High Impact
1705011803: Lower Bully Creek	High Impact	Impact Undocumented	Moderate Impact	High Impact	Moderate Impact	High Impact
1705011901: South Willow Creek	Moderate Impact	Impact Undocumented	High Impact	High Impact	High Impact	Moderate Impact
1705011902: Upper Willow Creek	Moderate Impact	Impact Undocumented	High Impact	High Impact	High Impact	Moderate Impact
1705011903: Cow Creek	Impact Undocumented	Impact Undocumented	High Impact	High Impact	High Impact	Moderate Impact
1705011904: Middle Willow Creek	Moderate Impact	Impact Undocumented	High Impact	High Impact	High Impact	High Impact
1705011905: West Tub Mountain Res.	Impact Undocumented	Impact Undocumented	High Impact	High Impact	High Impact	High Impact
1705011906: Lower Willow Creek	High Impact	Impact Undocumented	High Impact	High Impact	High Impact	High Impact

Malheur Limiting Factors Summary

Watershed	Aquatic / Channel Habitats						
	Habitat Fragmentation / Connectivity / Fish Passage	Altered Disturbance Regime	Changes in Species Composition	Invasive Aquatic Species	Altered Habitat Complexity	Inputs of Bacteria	Altered Thermal Regime
1705011601: Upper Malheur River	Low Impact	Low Impact	High Impact	High Impact	Low Impact	Impact Undocumented	Moderate Impact
1705011602: Wolf Creek	Low Impact	Moderate Impact	Low Impact	Moderate Impact	Moderate Impact	Impact Undocumented	High Impact
1705011603: Pine Creek	Low Impact	Moderate Impact	Low Impact	Moderate Impact	Moderate Impact	Impact Undocumented	High Impact
1705011604: Stinkingwater Creek	High Impact	High Impact	Low Impact	Moderate Impact	High Impact	Impact Undocumented	High Impact
1705011605: Upper Malheur R.-Griffin Creek	High Impact	High Impact	Low Impact	Moderate Impact	High Impact	Impact Undocumented	High Impact
1705011606: Otis Creek	High Impact	High Impact	Low Impact	Moderate Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1705011607: Upper Malheur R.-Warm Springs Res.	High Impact	Not Rated	Moderate Impact	Moderate Impact	Not Rated	Not Rated	Not Rated
1705011608: Upper South Fork Malheur R.	No Impact	Moderate Impact	Low Impact	Impact Undocumented	Low Impact	Impact Undocumented	Low Impact
1705011609: Crane Creek	Moderate Impact	Low Impact	Low Impact	Impact Undocumented	High Impact	Impact Undocumented	Moderate Impact
1705011610: Lower South Fork Malheur R.	Low Impact	Low Impact	Low Impact	Impact Undocumented	High Impact	Impact Undocumented	Moderate Impact
1705011611: Upper North Fork Malheur R.	No Impact	Low Impact	Low Impact	Low Impact	Low Impact	Impact Undocumented	Low Impact
1705011612: Little Malheur R.	Moderate Impact	Moderate Impact	Moderate Impact	Low Impact	Moderate Impact	Impact Undocumented	High Impact
1705011613: Lower North Fork Malheur R.	High Impact	High Impact	High Impact	Low Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1705011614: Upper Malheur R.-Juniper Basin Creek	High Impact	High Impact	Impact Undocumented	High Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1705011701: Lower Malheur R.-Hunter Creek	High Impact	High Impact	Impact Undocumented	High Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1705011702: Lower Malheur R.-Hog Creek	High Impact	High Impact	Impact Undocumented	High Impact	High Impact	High Impact	High Impact
1705011703: Cottonwood Creek	No Impact	Moderate Impact	Impact Undocumented	High Impact	High Impact	Impact Undocumented	High Impact
1705011704: Lower Malheur R.-Little Sandy Res.	High Impact	High Impact	Impact Undocumented	High Impact	High Impact	High Impact	High Impact
1705011705: Sand Hollow Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011706: Lower Malheur R.-Johnston Gulch Res.	High Impact	High Impact	Impact Undocumented	High Impact	High Impact	High Impact	High Impact
1705011801: Upper Bully Creek	No Impact	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1705011802: Clover Creek	Low Impact	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	Impact Undocumented	Low Impact
1705011803: Lower Bully Creek	No Impact	High Impact	Impact Undocumented	High Impact	High Impact	High Impact	High Impact
1705011901: South Willow Creek	Low Impact	Moderate Impact	Impact Undocumented	High Impact	Moderate Impact	Impact Undocumented	Moderate Impact
1705011902: Upper Willow Creek	No Impact	Moderate Impact	Impact Undocumented	High Impact	Low Impact	Impact Undocumented	Moderate Impact
1705011903: Cow Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011904: Middle Willow Creek	Low Impact	Moderate Impact	Impact Undocumented	High Impact	Low Impact	Impact Undocumented	High Impact
1705011905: West Tub Mountain Res.	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011906: Lower Willow Creek	Low Impact	High Impact	Impact Undocumented	High Impact	High Impact	Moderate Impact	High Impact

Malheur Limiting Factors Summary

Watershed	Aquatic / Channel Habitats						
	Limited In-Channel Wood	Inputs of Pesticides / Toxins	Floodplain Connection	Excessive Inputs of Nutrients	Altered Hydrologic Regime	Altered Sediment Regime / Excessive Inputs	Instream Flow
1705011601: Upper Malheur River	Moderate Impact	No Impact	Low Impact	Impact Undocumented	Low Impact	Low Impact	Low Impact
1705011602: Wolf Creek	Low Impact	No Impact	Low Impact	Impact Undocumented	Low Impact	Moderate Impact	High Impact
1705011603: Pine Creek	Low Impact	No Impact	Low Impact	Impact Undocumented	Low Impact	Moderate Impact	High Impact
1705011604: Stinkingwater Creek	Not Applicable	No Impact	Low Impact	Impact Undocumented	High Impact	Moderate Impact	High Impact
1705011605: Upper Malheur R.-Griffin Creek	Not Applicable	No Impact	High Impact	Impact Undocumented	Low Impact	High Impact	High Impact
1705011606: Otis Creek	Not Applicable	No Impact	Moderate Impact	Impact Undocumented	Low Impact	Low Impact	High Impact
1705011607: Upper Malheur R.-Warm Springs Res.	Not Rated	Not Rated	Not Rated	Not Rated	Not Rated	Not Rated	Not Rated
1705011608: Upper South Fork Malheur R.	Not Applicable	No Impact	Low Impact	Impact Undocumented	Low Impact	Moderate Impact	Moderate Impact
1705011609: Crane Creek	Not Applicable	No Impact	Low Impact	Impact Undocumented	Low Impact	High Impact	Moderate Impact
1705011610: Lower South Fork Malheur R.	Not Applicable	No Impact	Moderate Impact	Impact Undocumented	Low Impact	Moderate Impact	Moderate Impact
1705011611: Upper North Fork Malheur R.	Low Impact	No Impact	Low Impact	Impact Undocumented	Low Impact	Low Impact	No Impact
1705011612: Little Malheur R.	Not Applicable	No Impact	Low Impact	Impact Undocumented	Low Impact	Moderate Impact	High Impact
1705011613: Lower North Fork Malheur R.	Not Applicable	No Impact	High Impact	Impact Undocumented	High Impact	High Impact	High Impact
1705011614: Upper Malheur R.-Juniper Basin Creek	Not Applicable	High Impact	High Impact	Impact Undocumented	High Impact	Moderate Impact	High Impact
1705011701: Lower Malheur R.-Hunter Creek	Not Applicable	High Impact	High Impact	Impact Undocumented	High Impact	Moderate Impact	High Impact
1705011702: Lower Malheur R.-Hog Creek	Not Applicable	High Impact	High Impact	High Impact	High Impact	High Impact	High Impact
1705011703: Cottonwood Creek	Not Applicable	High Impact	High Impact	Impact Undocumented	Low Impact	Moderate Impact	Low Impact
1705011704: Lower Malheur R.-Little Sandy Res.	Not Applicable	Impact Undocumented	High Impact	High Impact	High Impact	High Impact	Impact Undocumented
1705011705: Sand Hollow Creek	Not Applicable	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	High Impact
1705011706: Lower Malheur R.-Johnston Gulch Res.	Not Applicable	High Impact	High Impact	High Impact	High Impact	High Impact	Moderate Impact
1705011801: Upper Bully Creek	Not Applicable	No Impact	High Impact	Impact Undocumented	Low Impact	Moderate Impact	Moderate Impact
1705011802: Clover Creek	Not Applicable	No Impact	Low Impact	Impact Undocumented	No Impact	Moderate Impact	High Impact
1705011803: Lower Bully Creek	Not Applicable	High Impact	High Impact	Impact Undocumented	High Impact	High Impact	High Impact
1705011901: South Willow Creek	Not Applicable	No Impact	High Impact	Impact Undocumented	Low Impact	Moderate Impact	Moderate Impact
1705011902: Upper Willow Creek	Not Applicable	No Impact	Moderate Impact	Impact Undocumented	Low Impact	Moderate Impact	Moderate Impact
1705011903: Cow Creek	Not Applicable	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011904: Middle Willow Creek	Not Applicable	Low Impact	Low Impact	Impact Undocumented	High Impact	Moderate Impact	Moderate Impact
1705011905: West Tub Mountain Res.	Not Applicable	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011906: Lower Willow Creek	Not Applicable	High Impact	High Impact	High Impact	High Impact	High Impact	High Impact

Malheur Limiting Factors Summary

Watershed	Riparian / Floodplain Habitats			
	Habitat Fragmentation / Connectivity	Loss of Shade / Cover	Altered Habitat Structure	Invasive Species
1705011601: Upper Malheur River	High Impact	High Impact	Low Impact	Impact Undocumented
1705011602: Wolf Creek	Low Impact	High Impact	Low Impact	High Impact
1705011603: Pine Creek	High Impact	High Impact	Low Impact	High Impact
1705011604: Stinkingwater Creek	High Impact	High Impact	Low Impact	Impact Undocumented
1705011605: Upper Malheur R.-Griffin Creek	High Impact	High Impact	High Impact	Impact Undocumented
1705011606: Otis Creek	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1705011607: Upper Malheur R.-Warm Springs Res.	Not Rated	Not Rated	Not Rated	Impact Undocumented
1705011608: Upper South Fork Malheur R.	High Impact	Moderate Impact	Low Impact	High Impact
1705011609: Crane Creek	High Impact	Moderate Impact	Low Impact	High Impact
1705011610: Lower South Fork Malheur R.	High Impact	Moderate Impact	Moderate Impact	High Impact
1705011611: Upper North Fork Malheur R.	Moderate Impact	Moderate Impact	Low Impact	Moderate Impact
1705011612: Little Malheur R.	High Impact	High Impact	Low Impact	Moderate Impact
1705011613: Lower North Fork Malheur R.	High Impact	High Impact	High Impact	Moderate Impact
1705011614: Upper Malheur R.-Juniper Basin Creek	Moderate Impact	Moderate Impact	High Impact	Moderate Impact
1705011701: Lower Malheur R.-Hunter Creek	Moderate Impact	Moderate Impact	High Impact	High Impact
1705011702: Lower Malheur R.-Hog Creek	Moderate Impact	Moderate Impact	High Impact	High Impact
1705011703: Cottonwood Creek	High Impact	High Impact	High Impact	High Impact
1705011704: Lower Malheur R.-Little Sandy Res.	Moderate Impact	High Impact	High Impact	High Impact
1705011705: Sand Hollow Creek	Impact Undocumented	Impact Undocumented	High Impact	High Impact
1705011706: Lower Malheur R.-Johnston Gulch Res.	Moderate Impact	High Impact	High Impact	High Impact
1705011801: Upper Bully Creek	Moderate Impact	Moderate Impact	High Impact	High Impact
1705011802: Clover Creek	Moderate Impact	Moderate Impact	Low Impact	High Impact
1705011803: Lower Bully Creek	Moderate Impact	High Impact	High Impact	High Impact
1705011901: South Willow Creek	Moderate Impact	Moderate Impact	High Impact	Impact Undocumented
1705011902: Upper Willow Creek	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1705011903: Cow Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011904: Middle Willow Creek	Moderate Impact	High Impact	Low Impact	High Impact
1705011905: West Tub Mountain Res.	Impact Undocumented	Impact Undocumented	Impact Undocumented	High Impact
1705011906: Lower Willow Creek	High Impact	High Impact	High Impact	High Impact

Malheur Limiting Factors Summary

Watershed	Wetland Habitats					
	Habitat Fragmentation / Connectivity	Habitat Loss	Altered Hydrologic Regime	Altered Species Composition	Invasive Species	Altered Soil Condition / Compaction / Fill
1705011601: Upper Malheur River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011602: Wolf Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011603: Pine Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011604: Stinkingwater Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011605: Upper Malheur R.-Griffin Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011606: Otis Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011607: Upper Malheur R.-Warm Springs Res.	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011608: Upper South Fork Malheur R.	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011609: Crane Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011610: Lower South Fork Malheur R.	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011611: Upper North Fork Malheur R.	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011612: Little Malheur R.	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011613: Lower North Fork Malheur R.	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011614: Upper Malheur R.-Juniper Basin Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011701: Lower Malheur R.-Hunter Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011702: Lower Malheur R.-Hog Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011703: Cottonwood Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011704: Lower Malheur R.-Little Sandy Res.	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011705: Sand Hollow Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011706: Lower Malheur R.-Johnston Gulch Res.	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011801: Upper Bully Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011802: Clover Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011803: Lower Bully Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011901: South Willow Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011902: Upper Willow Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011903: Cow Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011904: Middle Willow Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011905: West Tub Mountain Res.	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1705011906: Lower Willow Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented

January 4, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator

SUBJECT: **Agenda Item L: 2005-2007 Oregon Plan Biennial Report**
January 24-25, 2007 OWEB Board Meeting

I. Introduction

This report provides an update on production of the 2005-2007 Oregon Plan Biennial Report.

II. Background

ORS 541.405, states that by January 15 of each odd-numbered year the Oregon Watershed Enhancement Board must submit a report to the Governor and to the appropriate committee or committees of the Legislative Assembly that assesses the statewide and regional implementation and effectiveness of the Oregon Plan. The report must address each drainage basin in the state and include watershed and key habitat conditions, an assessment of data and information needs, an overview of state agency programs and voluntary restoration activities, a summary of Board investments, and recommendations of the Board for enhancing Oregon Plan effectiveness in each basin.

III. 2005-2007 Biennial Report

The 2005-2007 Biennial Report follows the same general format of the 2001-2003 and 2003-2005 reports. The core of the report is a section of two-page layouts for each of the 15 Oregon Plan basins that reports basin statistics, completed and reported restoration projects, restoration issues, and investments. A new section in this report includes one page per basin showcasing the agencies, people, and projects at work in that basin. Each page includes three project stories and examples of Oregon Plan agency accomplishments over the reporting period. The report also includes an overview of the voluntary restoration, agency action, monitoring, and science oversight elements of the Oregon Plan. The 2005-2007 report concludes with Board observations and recommendations, developed by staff with the Board co-chairs, for improving implementation of the Oregon Plan.

Copies of the report will be available at the January Board meeting. Additional content, including more detailed project stories and photos, will be available on OWEB's website (www.oregon.gov/OWEB) by mid-January.

IV. Recommendation

This is an informational item. No Board action is requested at this time.

January 8, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: **Melissa Leoni, Senior Policy Coordinator**

SUBJECT: **Agenda Item O: Salmon Season State of Emergency Rules**
January 24-25, 2007 OWEB Board Meeting

I. Introduction

This report seeks Board approval of proposed administrative rules that establish grant application and award criteria for restoration, inventory and data collection, outreach, and project development grants that support priority fish habitat enhancement and that are able to create work opportunities for fishers displaced by the 2006 reduction in salmon stocks.

II. Background

On April 24, 2006, Governor Kulongoski issued Executive Order No. 06-06, declaring a state of emergency for Oregon's coastal counties impacted by the fishing restrictions. A copy of the Executive Order is contained in Attachment A. In response to the Executive Order, OWEB staff developed five concepts that (1) create immediate opportunities to employ displaced fishers in salmon recovery-related activities; (2) develop future employment opportunities for fishers for additional salmon recovery restoration work; and (3) significantly expand state and local efforts to recover salmon populations on the Oregon coast.

In response to legal advice, staff developed temporary (emergency) administrative rules to give OWEB the ability to apply award preferences related to the employment of displaced fishers, providing fish habitat benefits, and addressing identified watershed needs. The Board met by conference call on Thursday, July 20, 2006 and adopted the temporary rules. (Attachment B) These rules expire January 21, 2007.

In addition to giving OWEB the ability to apply these preferences to the 2006 Salmon Season Grant program, the rules contained a provision that these preferences may also be applied to other OWEB grants. At the September 2006 Board meeting, rather than apply the preferences to the October 2006 grant cycle, the Board allocated an additional $500,000 of capital funding to continue the 2006 Salmon Season Grants through January 21, 2007.

To continue to apply these award preferences beyond the January 21, 2007 expiration of the temporary rules, the Board would need to adopt permanent administrative rules. After discussion at the September 2006 meeting, the Board authorized staff to begin permanent rulemaking.

III. The Need for Permanent Rules

OWEB continues to receive new applications for this program. We expect a continuing interest and need for this program into the foreseeable future. As of the date of this staff report, OWEB

has received 19 applications (one was a resubmission). Thirteen (13) applications have been funded—six restoration, one project development, and six inventory and data collection—with the promise of employing a total of 47 fishers. See Attachment E for a tabular description of received and funded applications. To date, OWEB has funded $1,189,893 in restoration, project development, and inventory and data collection projects. Applications are still being received and processed. As of December 22, 2006, the list of interested fishers stands at 127: 61 are owners, 13 are operators, 42 are crew, and 11 are family members. Fishers have signed up from Clackamas (1), Coos (36), Curry (23), Lane (7), Lincoln (50), Linn (1), Marion (1), and Tillamook (8) counties.

IV. Permanent Rulemaking Process

Staff developed a proposed set of permanent rules (Attachment C) based on the temporary rules adopted by the Board and from the Board discussion at the September meeting. The proposed permanent rules contain the application criteria of the adopted temporary rules, but have been moved from the OWEB Grant Program (Division 5) to their own division (Division 7) of Chapter 695. This separation was done because the criteria in the proposed permanent rules only apply during the current state of emergency, and to facilitate the addition of rules pertaining to the purpose of these grants and program definitions.

Staff did not engage a rules advisory committee in drafting the proposed administrative rules because staff consulted with the Governor's Office, Oregon Salmon Commission, local watershed councils, soil and water conservation districts, Oregon State University Extension Sea Grant, and affected fishers in developing the temporary rules and grant program. These individuals and organizations are the stakeholders who would have been invited to participate in a rules advisory committee.

The proposed rules were filed with the Secretary of State on October 13, 2006, and printed in the Oregon Bulletin on November 1, 2006. Notice was mailed and emailed to our contact lists and posted on the OWEB web site.

V. Public Comment

The public comment period began on November 15, 2006, and closed at 5:00 p.m. on December 6, 2006. A public hearing was held at the Hatfield Marine Science Center in Newport on November 30, 2006. Five people attended the hearing and two testified. Three additional individuals and/or organizations provided written comments on the rules before the end of the public comment period. A summary of the comments and the staff response to those comments is Attachment D. Based on the comments received, staff do not recommend making any changes to the proposed rules.

VI. Recommendation

Staff recommend the Board approve the administrative rules as shown in Attachment C.

Attachments

A. Executive Order
B. July 20, 2006 Temporary Administrative Rules
C. Proposed Permanent Administrative Rules
D. Public Comments Received and Agency Response
E. 2006 Salmon Season Grants Status Report

EXECUTIVE ORDER NO. 06-06

DETERMINATION OF A STATE OF EMERGENCY IN TILLAMOOK, LINCOLN, COOS AND CURRY COUNTIES AND COASTAL PORTIONS OF LANE AND DOUGLAS COUNTIES DUE TO KLAMATH RIVER BASIN CONDITIONS AND LIMITATIONS ON OCEAN COMMERCIAL AND SPORT SALMON FISHING

Pursuant to ORS 401.055, I find that unexpected changing ocean conditions, prior drought years and poor water quality and parasites within the Klamath River Basin have caused a dramatic decline in Klamath River Basin Chinook Salmon available for harvest by the ocean fishing industry, resulting in the virtual elimination of a viable commercial salmon fishing season, and severe restrictions on the sport salmon fishing season, along the Oregon coast south of Cape Falcon. These conditions have resulted in an imminent emergency.

The commercial salmon fishery has been closed for six weeks and is not expected to reopen this year in Oregon coastal waters south of Florence. North of Florence to Cape Falcon, the season is expected to reopen in June, but will be of an extremely limited scope. On Oregon's southern coast, the recreational fishery is expected to be open only from mid-May until July 4, whereas a typical season would last into early September. These fishing limits will have profound consequences on many communities, including significant increases in unemployment, human suffering, financial losses and other stark economic impacts along the Oregon coast.

The affected areas are Tillamook, Lincoln, Coos and Curry Counties and the coastal portions of Douglas and Lane Counties that are west of Range 8 West, Willamette Meridian. I therefore declare a **State of Emergency** in the abovementioned counties and portions of counties.

NOW THEREFORE, IT IS HEREBY ORDERED AND DIRECTED:

1. All state agencies shall work in a cooperative and coordinated manner in order to mitigate the impacts of this emergency, provide expedited service and resources to persons and business adversely affected by the emergency, and focus state efforts in a manner most likely to relieve the unemployment, human suffering, financial loss and other economic impacts of this emergency. In addition to the specific measures discussed in this Executive

Order, all state agencies are encouraged to think broadly and creatively about actions that agencies can take to address this emergency and shall communicate such ideas to the Office of the Governor. Response to the emergency shall be directed and coordinated by the Office of the Governor.

2. The Oregon Department of Fish and Wildlife, which operates under the direction of the State Fish and Wildlife Commission, is strongly encouraged to develop recreational and commercial fishing seasons, consistent with the federal framework, that help mitigate the effects of this emergency on coastal economies, and to consider establishment of additional commercial salmon fishing opportunities in state waters, as appropriate.

3. The Department of Community Colleges and Workforce Development shall pursue all available retraining opportunities for ocean fishing industry workers wishing to pursue alternative employment and shall coordinate the timely delivery of state workforce services and other human and community services to affected workers and families.

4. The Employment Department shall offer re-employment assistance programs to affected ocean fishing industry workers and shall work with the appropriate state and federal agencies to help affected individuals obtain unemployment insurance to the fullest extent available.

5. The Department of Housing and Community Services shall work with the Oregon Food Bank to provide additional food and nutritional support for affected Oregonians. Where possible, the Department is directed to work with housing partners to provide additional assistance for emergency shelter, rental housing, and permanent housing for affected households in need. The Department is further directed to work with local community based organizations to provide additional energy assistance and weatherization services to affected Oregonians as appropriate.

6. The Oregon Economic and Community Development Department shall investigate retraining opportunities for workers in the ocean fishing industry wishing to pursue alternative employment and provide technical assistance to public ports and businesses that experience adverse effects on their operations or revenues due to this emergency.

7. The Oregon Department of Agriculture shall work with Oregon Sea Grant, a marine research and education program based at Oregon State University, and their Extension programs, to encourage dialogue between Klamath Basin farmers and the coastal fishing industry regarding management of resources within the Klamath River Basin.

8. The Oregon Department of Revenue shall investigate and pursue options for affected Oregonians to obtain income tax credits and refunds and other financial assistance.

9. The Oregon Tourism Commission is directed to actively inform the public of continued recreational fishing opportunities and other tourism activities along the Oregon Coast and to highlight travel to Oregon's coast, as appropriate within their overall marketing strategies.

10. The Department of Human Services shall continue to provide mental health and treatment services, alcohol and drug treatment services, nutrition programs, domestic violence assistance, and medical assistance to Oregonians in coastal communities with particular attention to the increased needs in coastal communities caused by this emergency.

11. The Oregon Watershed Enhancement board shall provide financial resources to support fish habitat enhancement along critical salmon streams in Oregon, for the purpose of accelerating the rebuilding of fish populations and creating new and meaningful work opportunities for displaced workers.

12. The Office of Emergency Management shall pursue any and all available federal funding or resources to additionally assist in the mitigation of the effects of this emergency.

13. All other state agencies are directed to provide appropriate state resources and to seek any available private and federal dollars to provide emergency assistance to affected individuals, families, businesses and communities and to deliver such assistance in the most expeditious manner.

EXECUTIVE ORDER NO. 06-06
PAGE FOUR

14. All state agencies specifically referenced in this Executive Order shall report to me within 60 days of the date of this Executive Order about progress made under this Executive Order and every 60 days thereafter until conclusion of the emergency.

Done at Salem, Oregon this 24th day of April, 2006.

GOVERNOR

ATTEST:

SECRETARY OF STATE

Office of the Governor
State of Oregon

EXECUTIVE ORDER NO. 06-07

AMENDMENT TO EXECUTIVE ORDER 06-06

On April 24, 2006, I issued Executive Order No. 06-06, determining that a state of emergency exists in Tillamook, Lincoln, Coos and Curry Counties and the coastal portions of Douglas and Lane Counties due to the virtual elimination of a viable commercial salmon fishing season, and severe restrictions on the sport salmon fishing season, along the Oregon coast south of Cape Falcon. That Executive Order was intended to coordinate the state response to this crisis and to facilitate the provision of state services to all persons adversely affected by the closure.

Just as the ocean is not divided by county lines, neither is fishing in those marine waters. Many of the people who live in Clatsop County, who live or dock north of Cape Falcon, nonetheless fish in waters south of Cape Falcon or will be otherwise adversely affected by the anticipated closure and limitations on ocean salmon fishing. Therefore, citizens of Clatsop County are likely be affected by restrictions on fishing south of Cape Falcon in a similar manner as the coastal communities further south.

In order to clarify that the provisions of Executive Order No. 06-06 are intended to apply equally to similarly affected individuals and businesses in Clatsop County, I wish to amend that order as follows.

NOW THEREFORE, IT IS HEREBY ORDERED AND DIRECTED:

Executive Order No. 06-06 is amended to include Clatsop County in the list of counties in which a **State of Emergency** is declared to exist.

Done at Salem, Oregon this 26 day of April, 2006.

GOVERNOR

ATTEST:

for SECRETARY OF STATE

July 20, 2006 Temporary Administrative Rules (Expire January 21, 2007)

695-005-0100 - 2006 Salmon Season State of Emergency Grants

(1) In response to the Governor's Executive Order (No. 06-06) declaring a salmon season state of emergency, the Board may provide grant funding to support fish habitat enhancement and related projects along critical salmon streams in Oregon, for the purpose of accelerating the rebuilding of fish populations and creating work opportunities for displaced workers.

(2) For grant applicants to receive funding, the following award preferences are applicable, in addition to the evaluation criteria set forth in any other applicable rule. Projects must employ displaced fishers in all project labor opportunities to the greatest extent possible over a period of several months, and also must:

(a) Provide benefit to high priority fish habitat along the Oregon coast and the Oregon portion of the Klamath River Basin;

(b) Directly address limiting factors for the recovery of coho in watersheds that drain directly to the ocean, including the Umpqua and Rogue basins;

(c) Directly address the recovery of Klamath River salmon stocks in the Klamath River Basin;

(d) Be identified in an existing watershed-scale assessment and action plan; or,

(e) Address a restoration need identified in the 2003-2005 Oregon Plan Biennial Report, Volume 2 published by the Oregon Watershed Enhancement Board in 2005.

(3) In addition to the preference criteria described in section 2, the following award preferences are applicable to specific types of grant applications:

(a) For Inventory and Data Collection grants, preference will be given to projects that focus on surveys and inventories that document conditions affecting aquatic resources or ground-truth mapping of high priority salmon habitat.

(b) For Restoration grants, preference will be given to projects that focus on restoration in high priority salmon habitat, or have received from OWEB a relevant technical assistance award in an earlier grant cycle.

(c) For Project Development grants, preference will be given to projects that have a high likelihood of being implemented within one year following completion of the project development grant, focus on high priority salmon habitat, or address a specific limiting factor identified in the 2003-2005 Oregon Plan Biennial Report, Volume 2 published by the Oregon Watershed Enhancement Board in 2005.

(4) The preferences identified in section 2 of this rule may also be applied to other OWEB grants, including Restoration Projects described in Division 10, Education and Outreach Grants described in Division 15, Monitoring Grants described in Division 25, and Assessment and Action Plan Grants described in Division 30, in addition to the evaluation criteria set forth in rules contained in those divisions.

Proposed Permanent Administrative Rules

DIVISION 7

SALMON SEASON STATE OF EMERGENCY GRANTS

695-007-0010 Purpose

(1) The following administrative rules apply to the state of emergency established by Executive Order No. 06-06 and No. 06-07, dated April 24, 2006, relating to limitations on commercial salmon fishing.

(2) These rules provide for action available to the Board and Director. These rules are operative until the Governor declares that the state of emergency established by Executive Order No. 06-06 and No. 06-07 is concluded. Action within these rules is intended to mitigate the economic and social impacts facing coastal communities during restricted commercial salmon fishing seasons and to advance and accelerate salmon habitat restoration and recovery efforts.

695-007-0020 Definitions

(1) "Board" means the Oregon Watershed Enhancement Board.

(2) "Director" means the Executive Director of the Oregon Watershed Enhancement Board.

(3) "Displaced Worker" or "displaced fisher" means an individual who meets the criteria adopted by the Oregon Salmon Commission to be considered displaced with respect to commercial fishing employment.

695-007-0030 OWEB Actions

(1) During the pendency of Executive Order No. 06-06 and No. 06-07 declaring a salmon season state of emergency, the Board may:

(a) Provide grant funding to support fish habitat enhancement and related projects within salmon-bearing watersheds in Oregon, for the purpose of accelerating the rebuilding of fish populations and creating employment opportunities for displaced workers, including projects that:

(A) Support fish habitat enhancement;

(B) Gather information that can be directly used for salmon habitat restoration;

(C) Conduct outreach to the public concerning salmon habitat restoration; or

(D) Support research that assists in the evaluation of salmon stocks at sea.

(b) Provide grant funding to develop projects that would enhance salmon habitat in the future.

695-007-0040 Application Criteria

(1) For grant applicants to receive funding, the following award preferences are applicable, in addition to the evaluation criteria set forth in any other applicable rule. Projects must employ displaced fishers in all project labor opportunities to the greatest extent possible over a period of several months, and also must:

(a) Provide benefit to high priority fish habitat along the Oregon coast and the Oregon portion of the Klamath River Basin;

(b) Directly address limiting factors for the recovery of coho in watersheds that drain directly to the ocean, including the Umpqua and Rogue basins;

(c) Directly address the recovery of Klamath River salmon stocks in the Klamath River Basin;

(d) Be identified in an existing watershed-scale assessment and action plan; or

(e) Address a specific limiting factor identified in the 2003-2005 Oregon Plan Biennial Report, Volume 2 published by the Oregon Watershed Enhancement Board in 2005.

(2) In addition to the preference criteria described in section 1, the following award preferences are applicable to specific types of grant applications:

(a) For Inventory and Data Collection grants, preference will be given to projects that focus on surveys and inventories that document conditions affecting aquatic resources or ground-truth mapping of high priority salmon habitat.

(b) For Restoration grants, preference will be given to projects that focus on restoration in high priority salmon habitat, or have received from OWEB a relevant technical assistance award in an earlier grant cycle.

(c) For Project Development grants, preference will be given to projects that have a high likelihood of being implemented within one year following completion of the project development grant, focus on high priority salmon habitat, or address a specific limiting factor identified in the 2003-2005 Oregon Plan Biennial Report, Volume 2 published by the Oregon Watershed Enhancement Board in 2005.

(3) The preferences identified in section 1 of this rule may also be applied to other OWEB grants, including Restoration Projects described in Division 10, Education and Outreach Grants described in Division 15, Monitoring Grants described in Division 25, and Assessment and Action Plan Grants described in Division 30, in addition to the evaluation criteria set forth in rules contained in those divisions.

Summary of Public Comments Received: Proposed Salmon Season Rules

Commenter(s)	Concerns/Issues	Response	Change
Dr. Clinton C. Shock Ontario, OR	OWEB should not make current rules permanent. The salmon emergency declared by the governor is for a limited time. OWEB does not need permanent rules for a short term emergency.	The temporary rules expire on January 21, 2007 and cannot be extended, so unless the Executive Order (EO) is rescinded prior to this date the only way the Board can continue to exercise an evaluation criteria that includes hiring displaced fishers, is through permanent rules tied to the EO. The intention is to tie the preference to the emergency not unlike a drought emergency.	No
Dr. Clinton C. Shock Ontario, OR	OWEB should reconsider the scientific basis of their original decision. The assumption behind the policy is that salmon numbers are down due to environmental deterioration in Oregon. If not due to environmental deterioration in Oregon, then largely due to a) short term fluctuations, b) fishing in excess of sustainable harvest, or c) loss of environment on the Trinity River, then we need other policies. Policies could be designed around a) a short break in fishing, b) fewer fishermen, or c) environmental restoration on the Trinity River.	The proposed rules do not address the ecological basis for the salmon season state of emergency. These rules are based on developing an effort to assist the fishing community affected while adding value to the ecological conditions of Oregon coastal salmon streams.	No
Dr. Clinton C. Shock Ontario, OR	Critical watershed restoration needs are present in every corner of Oregon. OWEB will be the best steward of funds by expenditures based on unbiased evaluations of the relative merits of all possible projects in the state.	The projects supported will provide the same ecological benefits as regular OWEB grants.	No
Harney County Watershed Council	We believe the creation of this problem was due to administrative acts directly from the Governors office and that solutions to the collapse of the commercial fishery employment should be a direct responsibility of the Governors office and not of the agencies peripheral to that office. We do not believe it is the obligation of OWEB to cure administrative decisions made by the Governors office.	The fishery closure occurred as a result of federal action, not state action. OWEB is part of the executive branch of Oregon government, which is headed by the Governor. State agencies are obligated, within their missions, to provide assistance under the executive order. OWEB is able to provide assistance through expedited, qualified grants to local groups who use displaced fishers (men or women) to complete needed restoration and related activities.	No

Summary of Public Comments Received: Proposed Watershed Council Support Rules

Commenter(s)	Concerns/Issues	Response	Change
Harney County Watershed Council	How will funding these programs will affect the watershed funding throughout the entire State? We request that another look be taken at the use of these funds for projects that are primarily directed a one time economic subsidy of a specific group of workers.	This funding is only provided for projects that benefit watershed health and key mission activities of OWEB and the Oregon Plan. The amount of funding available in the 2005-2007 biennium for restoration grants is greater than $40 million. More funding is available this biennium for each restoration grant cycle than ever before benefiting watershed health in all parts of the state.	No
Harney County Watershed Council	With the continuing growth of demand on OWEB funds for watershed enhancement programs we see the setting of a priority for these displaced fishermen programs as potentially a direct competition to the current stream of funding allocation to the watersheds of the entire state. The precedent set by selecting one group of displaced workers to thus subsidize, seems unfair to all the other groups who have been displaced by random acts in the name of natural resource protection. (i.e. logging, mining, and public land grazing).	These rules are OWEB's response to the directive in the Governor's Executive Order. Projects funded under these rules support the Oregon Plan and OWEB mission, which focuses on investments that have ecological, economic, and community benefits.	No
Kaety Hildenbrand Marine Fisheries Extension Faculty OSU Extension Service Lincoln County	While salmon habitat enhancement projects are vital to the recovery of the salmon fishery, there are also other avenues of research that are vital to maintaining the infrastructure, community, and market for the salmon fishery. These projects could really benefit from being included in OWEB's granting rules, and the salmon fishermen waiting for jobs could also benefit. I recommend that that under OWEB actions, letter B should state: Gather information that can be directly used for salmon habitat or fishery restoration and retention; and letter C should state Conduct outreach to the public concerning salmon habitat restoration, or the salmon fishery.	The needs identified are valid, but OWEB funds are limited by statute and mission to watershed and habitat restoration.	No

Summary of Public Comments Received: Proposed Watershed Council Support Rules

Commenter(s)	Concerns/Issues	Response	Change
Wayne Hoffman MidCoast Watersheds Council	The current application process permits three types of applications, with different forms. The process does not provide for applications with mixed types of work. Provision to allow such applications would facilitate the process of finding meaningful, valuable work for these fishers. The separation for accounting purposes does not need to extend to the application process. Request that the proposed rule be rewritten to provide for, or at least to avoid setting up unnecessary barriers to, applications to hire fishers for jobs that involve both restoration and data-collecting tasks.	This is a good idea in concept, but because of the nuances of OWEB funding, it is impractical to mix types of work in a single grant application and agreement.	No
Henry Bryson Commercial Salmon Troller (oral comment)	As a salmon troller, there is a need and want for this program, but desire is to fish. Would be nice to have these programs in winter when they're not fishing.	Employment through OWEB-funded projects is available at these time frames, but is set by the local grant recipient.	No
Henry Bryson Commercial Salmon Troller (oral comment)	There is no easily accessible full list of the programs available to him. Information seems to be passed by word of mouth, but it needs to be posted somewhere everyone can see.	Comment not germane to the rules, but is appreciated and will be passed along to others participating in the response.	No

2006 Salmon Season State of Emergency

Applications Received and Funded

(as of December 15, 2006)

TABLE SUMMARY OF FUNDED APPLICATIONS*

	FUNDS ALLOCATED	TOTAL OWEB FUNDS AWARDED	TOTAL OWEB FUNDS REMAINING	NUMBER OF DISPLACED FISHERS TO BE HIRED
Restoration (no limit)	$1,200,000**	$900,672	$299,328	26.5
Project Development (PD; $40,000 cap)	$500,000	$39,882	$460,118	0
Inventory and Data Collection (IDC; $50k cap)	$250,000	$249,339	$661	20.5
TOTAL	**$1,950,000**	**$1,189,893**	**$690,107**	**47**

** The numbers shown here represent funding decisions — not funding requests.*

*** Total equals $700,000 allocated by E-Board and $500,000 allocated by the Board at the September 2006 meeting.*

TABLE SUMMARY OF RECEIVED APPLICATIONS*

Date Rcv'd/ Date Mailed	Fund/ No Fund Date	Applicant No. & Type	Amount Requested of OWEB/ Total Cost	Project Summary/ Use of OWEB Funds	Number of Fishers/ Wage Rate	Duration/ Time of Year
7/7/06 7/7/06	**FUND $89,289 7/18**	**Coos WA 206-1000 Restoration**	$89,289 $98,271	Employ a 4-person fisher crew to suppress invasive species on existing riparian projects and perform site prep for new projects. OWEB funds will be used to pay wages of 4 fishers and 1 crew leader; tools and travel. **69%** of the OWEB request, or $61,800, is budgeted for the fisher crew labor (does not include crew leader).	4 fishers $15/hr.	4 months Aug – Nov 06
7/7/06 7/7/06	**FUND $195,450 7/18**	**Coquille WA 206-1001 Restoration**	$195,450 $256,450	OWEB funds will be used to hire 5 fishers for 12 months to construct riparian fences, plant native trees and shrubs, and maintain plantings. Also for supplies, equipment, and travel. **75%** of the OWEB request, or $146,640, is budgeted for the fisher crew labor (includes crew leader). After 3 months of employment, fishers will be eligible for health insurance and benefits. If not interested in these benefits, wages will increase to $13.75/hour.	5 fishers $12/hr.	12 months Aug 06 – Aug 07

** Shaded rows are funded applications.*

Date Rcv'd/ Date Mailed	Fund/ No Fund Date	Applicant No. & Type	Amount Requested of OWEB/ Total Cost	Project Summary/ Use of OWEB Funds	Number of Fishers/ Wage Rate	Duration/ Time of Year
7/10/06 7/14/06	**NO FUND 7/25**	Coquille WA 206-1002 **IDC**	$48,900 $66,200	OWEB funds will be used to hire a 2-person fisher crew to conduct sediment source surveys of road systems in Coos Co. sub-watersheds. **86%** of the OWEB request, or $42,000, is budgeted for the fisher crew labor. After 3 months of employment, fishers will be eligible for health insurance and benefits. If not interested in these benefits, wages will increase to $13.75/hour.	2 fishers $12/hr.	10 months Aug 06 – June 07
7/13/06 7/14/06	**NO FUND 7/25**	Coos WA 206-1003 **PD**	$39,882 $50,822	OWEB funds will be used to develop project designs, permits, and funding proposals for on-the-ground restoration projects in several lowland sub-basins of the Coos estuary. Project envisioned will be largely riparian plantings and bio-engineered streambank stabilizations, which will employ a displaced fisher crew of 4 for implementation and maintenance over a period of 24 months.	4 fishers N/A	24 mos. following completion of the PD project, 2007-2008.
7/20/06 7/21/06	**NO FUND 8/1**	L Rogue/S Coast WC 206-1004 **Restoration**	$283,232 $317,998	OWEB funds will be used to hire a 3-person fisher crew to plant 20,000 trees at multiple sites and perform tree maintenance. A companion grant (206-1005) will provide survey work for the fishers. **37%** of the OWEB request, or $104,192, is budgeted for the fisher crew labor.	3 fishers $15/hr. 0.75 FTE	2 yrs. Aug. 2006 – Sept. 2008
7/20/06 7/21/06	**FUND $22,669 8/1**	L Rogue/S Coast WC 206-1005 **IDC**	$93,214 $125,598	OWEB funds will be used to hire a 3-person fisher crew to complete stream shade monitoring, storm sampling, stream surveys, and fish seining. This is a companion grant to 206-1004; the same 3 fishers will be used. **69%** of the OWEB request, or $45,462, is budgeted for the fisher crew labor.	1.5 fishers $15/hr. 0.25 FTE	6 mos. Sept. 2006 – Feb. 2007
7/26/06 7/28/06	**FUND $49,946 8/7**	Coos WA 206-1006 **IDC**	$49,946 $57,980	OWEB funds will be used to hire a 2-person fisher crew to conduct salmonid spawning surveys in streams entering the upper Coos estuary. **68%** of the OWEB request, or $34,170, is budgeted for the fisher crew labor.	2 fishers $15/hr.	Oct 15, 2006 – Mar 15, 2007
8/4 8/7	**FUND $39,882 8/15**	Coos WA 206-1007 resubmit of 1003 **PD**	$39,882 $50,822	This is a resubmission of 206-1003. The project now anticipates participation from about 45 lowland landowners, and ultimately hiring a restoration crew of about 4-5 displaced fishers for at least a 24-month period.	4-5 fishers $15/hr crew $20/hr leader (future restor project only)	24 mos. following completion of the PD project, 2007-2008.

Date Rcv'd/ Date Mailed	Fund/ No Fund Date	Applicant No. & Type	Amount Requested of OWEB/ Total Cost	Project Summary/ Use of OWEB Funds	Number of Fishers/ Wage Rate	Duration/ Time of Year
8/10 8/11	**FUND $44,064 8/22**	Coos WA 206-1008 **IDC**	$44,064 $54,617	OWEB funds will be used to hire a 2-person fisher crew to assist in operating adult fish traps and smolt screw traps for monitoring salmonid life cycles on two high-intrinsic potential coho salmon streams in Coos Bay lowlands. **74%** of the OWEB request, or $32,790, is budgeted for the fisher crew labor and training.	2 fishers $162/day for a total of 220 days	8 months Oct. 2006 – May 2007
8/11 8/11	**FUND $127,331 Restore 8/22**	L Rogue/S Coast WC 206-1009 [Resubmission of 1004 (**Restor-ation**)	$277,214 $317,980	OWEB funds will be used to hire a 3-person fisher crew to plant 20,000 trees at multiple sites and perform tree maintenance. A companion grant (206-1005) will provide survey work for the fishers. Fishers will receive on-the-job training from Curry SWCD staff. **58%** of the OWEB request, or $122,946, is budgeted for the fisher crew labor.	1.5 fishers $15/hr. 0.75 FTE	6 mos. Mar. 2007 – Aug. 2007
8/11 8/11	**FUND $141,296 8/22**	TEP 206-1010 **Restoration**	$141,296 $163,851	OWEB funds will be used to hire a 5-person fisher crew to conduct riparian tree-release on 54 acres; eradicate knotweed in the Trask River watershed; and to support the Native Plant Cooperative, which provides trees for county-wide enhancements. **62%** of the OWEB request, or $87,180, is budgeted for the fisher crew labor.	4 fishers ($15/hr.) 1 fisher leader ($18/hr.)	1 year Nov. 2006 – Nov. 2007
8/21	**Inelig; request exceeds $50,000 allowable**	Benton SWCD 206-1011 **IDC**	$204,206 $248,056	OWEB funds will be used to hire two teams of displaced fishers (4 total) over nine months to conduct field surveys and landowner outreach for the purposes of developing a limited inventory in several high-priority sub-watersheds to refine the training methods and survey process used by volunteers. **54%** of the OWEB request, or $110,760, is budgeted for the fisher crew labor.	4 fishers ($15/hr. plus benefits)	9 months Feb-Oct 2007
8/25	**FUND $116,529 9/5**	Siuslaw WC 206-1012 **Restoration**	$116,529 $149,931	OWEB funds will be used to hire 3 fishers over a 12-month period to provide protective devices for trees, assess tree survival rate, and perform late-season release/invasives removal. **69%** of the OWEB request, or $70,200, is budgeted for the fisher crew labor.	3 fishers ($15/hr.)	12 months Sept 2006-Sept. 2007
8/25	**FUND $50,000 9/5**	MidCoast WC 206-1013 **IDC**	$50,000 $55,500	OWEB funds will be used to hire five fishers for nine weeks to gather information on the location, extent, and abundance of beaver dams, ponds, and channels in the Yaquina and Alsea basins and selected other streams. They will also gather stream morphology data for verifying the draft "High Intrinsic Potential" maps. **70%** of the OWEB request, or $34,820, is budgeted for the fisher crew labor.	5 fishers (4 in field, 1 in office) ($18/hr. for surveyors; $15/hr. for landowner contact and data entry)	9 weeks Sept-Nov 2006

Date Rcv'd/ Date Mailed	Fund/ No Fund Date	Applicant No. & Type	Amount Requested of OWEB/ Total Cost	Project Summary/ Use of OWEB Funds	Number of Fishers/ Wage Rate	Duration/ Time of Year
8/25	**FUND $32,660 9/5**	Douglas SWCD 206-1014 **IDC**	$32,660 $37,620	OWEB funds will be used to hire a two-person fisher survey crew to complete an inventory of culverts in the L. Umpqua and Middle Umpqua rivers, as well as in a portion of the Lake Crk watersheds. **57%** of the OWEB request, or $15,840, is budgeted for the fisher crew labor.	2 fishers ($12/hr.)	11 weeks Sept-Nov 2006
9/22	**NO FUND 10/3**	Benton SWCD 206-1015 **IDC**	$49,924 $67,376	OWEB funds will be used to hire two displaced fishers to conduct surveys of fish passage barriers throughout the Alsea watershed, ultimately contributing to the development of a single, comprehensive GIS fish passage inventory for the watershed. **56%** of the OWEB request, or $27,768, is budgeted for the fisher crew labor.	2 fishers ($13.35/hr. health benefits not included)	6 months April-Sept 2007
	FUND 12/11	Coos WA 206-1016 **Restoration**	$230,777 $253,874	OWEB funds will be used to hire a crew of four fishers and a fisher crew leader to erect bioengineered bank protection and conduct site preparation, riparian plantings and eliminate competing vegetation from planted sites. The Coos WA has identified 26 specific sites from their outreach efforts.	5 fishers ($15/hour)	5 months January – October 2007
	FUND 12/11	MidCoast WC 206-1017 **IDC**	$50,000 $57,000	OWEB funds would be used to hire two teams of 2 fishers each to run the fish traps at the North Fork Alsea Hatchery and to determine the upper extent of fish distribution in the Alsea, Yaquina and Siletz basins.	4 fishers ($17.92/hour)	6 months December 2006 – May 2007
	NO FUND 12/11	Lincoln SWCD 206-1018	$219,978 $249,718	OWEB funds would be used to remove trash from the river, remove competing vegetation, and plant riparian areas.	5 fishers ($15/hour, $16/hour for crew leader)	7 months December 2006 – June 2007

Approved by the Board March 14, 2007
Oregon Watershed Enhancement Board
January 24, 2007
OWEB Board Meeting
Hillsboro, Oregon

Minutes

OWEB Members Present
Miles Brown
Bobby Brunoe
Dan Carver
Alan Christensen
Dan Heagerty
Skip Klarquist
Jim Nakano
Jane O'Keeffe
Dave Powers
Scott Reed
Patricia Smith
Diane Snyder
Michael Tehan
Dan Thorndike
Ken Williamson

Members Not Present
Meta Loftsgaarden
Helen Westbrook

OWEB Staff Present
Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Wendy Hudson
Melissa Leoni
Tom Shafer
Greg Sieglitz
Cindy Silbernagel
Lori Warner-Dickason
Roger Wood

Others Present
Bruce Taylor
Margaret Nover
Jeff Kee
Dan Knoll
John Moriarty
Bob Jones
Jane VanDyke
Joe Moll
Amy Gillette
Kevin Fenn
Greg Apke
Stephen Caruana
Craig Ball
Charlie Corrarino
Jeff Rogers
Don Stevens
Eric Metz
Nicole Navas

A. Board Member Comments
Representatives on the OWEB Board commented on recent activities and issues facing their respective agencies. Board Co-Chair Dan Heagerty welcomed Dave Powers, representing the U.S. Environmental Protection Agency, who returned to the Board after completing a special assignment with the U.S. Forest Service in California.

B. Minutes
Minutes of the following Board meeting were unanimously approved:

September 24-25, 2006 Board meeting in Bend

C. Executive Director Update
Executive Director, Tom Byler, briefly described reports/updates on the following items.

1. Research Grants Update

Thirty-three research pre-proposals were received by the September 22, 2006, deadline, and were reviewed by a subcommittee of the Oregon Plan Monitoring Team. Based on the subcommittee's recommendations, OWEB has requested 14 applicants to submit full

proposals. Sea Grant will administer the full proposal peer review process, with Board consideration scheduled for September 2007. Staff Contact: Greg Sieglitz

2. Conservation Easement Stewardship

In order to protect OWEB's right to enforce the terms of its easements, and ensure accountability for public funds, OWEB will continue to develop a stewardship program with the following elements in preparation for the 2007 summer monitoring season: Monitoring, Landowner Relations, Recordkeeping, Amendments and Approvals, and Enforcement and Defense. Staff Contact: Lori Warner-Dickason

3. 2006 Council Support Applications

For the 2007-2009 biennium, improvements were made to the council support grant process. The application was streamlined, the evaluation criteria were clarified, and the review process was revised to include consensus scoring and other quality control measures.

Sixty applications were received by the December 15, 2006, deadline requesting a total of $7.9 million. The applications will be considered at the May 2007 Board meeting. Staff Contact: Lori Warner-Dickason

4. Mitigation Banking and OWEB Funding

The U.S. Fish and Wildlife Service, OWEB, and other agencies met late last year to develop a shared understanding and coordinated approach regarding the relationship between public funding for restoration and mitigation banking. Staff Contact: Ken Bierly

5. 2006 Biennial Conference

Director Byler thanked Board members for their attendance at the biennial conference, and Co-Chair Heagerty thanked OWEB staff for their efforts to make the conference a success.

Director Byler also reported the following:

- Meta Loftsgaarden is a new board member representing the NRCS, but was unable to attend the meeting.

- Director Byler made a few temporary staffing changes to allow OWEB to be more strategic as it enters the next biennium. The changes were made in October 2006, and involved reassigning the following staff: Ken Bierly as Grant Program Manager; Roger Wood is working on Special Projects, including strategic investments, interagency agreements, and the Local Innovation Fund, and Director Byler assumed management of the Policy and Oregon Plan Coordination Program.

- The following Board members volunteered to be on a Strategic Investments subcommittee staffed by Roger Wood: Dan Heagerty, Dave Powers, Diane Snyder, and Ken Williamson.

D. Governor's Recommended Budget and Legislative Update

Director Byler provided Board members with an overview of OWEB's budget as identified in the Governor's Recommended Budget (GRB). The GRB proposes allocating $78 million to OWEB ($61 million in capital funds; $17 million in non-capital funds). The proposed

allocations are increases over the current biennium. The GRB estimates OWEB receiving $10 million in PCSRF funds, however, Congress has not yet decided on the final appropriation for Oregon, which could be considerably less.

The Legislature is not holding floor sessions every day, allowing them to focus on committee work, which they expect to shut down in mid-March, except for a few key committees. OWEB's director and legislative coordinator, as well as the Board Co-Chairs will be scheduling time to meet with legislators to discuss OWEB's budget.

E. Conservation Reserve Enhancement Program (CREP) Status Report

Ken Bierly, Deputy Director, Lois Loop, Farm Services Agency, and Mike Powers, Oregon Department of Agriculture, provided Board members with background information on the CREP Program, and the growth of the Oregon CREP Program this biennium. This year, the USDA has paid approximately $4 million for conservation practices. OWEB has matched the federal conservation payments with $2.5 million of direct conservation payments and $500,000 in technical assistance. Since a revised USDA agreement was signed in 2004, public interest in the program has increased significantly, and the number of stream miles treated has grown dramatically.

OWEB staff expect to have a more detailed discussion at the September 2007 Board meeting to discuss the following:

- Strengthening the preference for CREP for all riparian restoration projects;
- Focusing technical assistance to aid in salmon recovery;
- Developing a cost forecasting tool for the state cost share;
- Conducting effectiveness monitoring for the program; and
- Increasing public awareness of the program.

This biennium, the Board has allocated $2.5 million for CREP cost share payments, and as of December 5, 2006, payments of $2,234,174.18 have been made. Examining the recent payment rate and history of payment requests, staff estimate an additional $1 million will be required for payment on existing contracts through the end of the biennium.

Board members unanimously approved $1 million in capital funds for CREP cost share payments through the end of the biennium.

F. Deferred Acquisition Projects

Lori Warner-Dickason, Policy Specialist, updated Board members on the following acquisitions which had been previously deferred.

Svensen Island (206-259)
This grant application submitted in October 2005 by the Columbia River Land Trust was withdrawn by the applicant. No Board action is required.

Pilcher Creek (206-339)
This grant application was submitted in October 2005 by the Rocky Mountain Elk Foundation. Staff are awaiting receipt of due diligence materials, and recommend deferral.

Board members unanimously approved deferral of this project until due diligence items are submitted and reviewed.

Sandy River (207-072)
This grant application was submitted in April 2006 by the Western Rivers Conservancy. Uncertainty over future ownership surfaced late in the application process, causing the Board subcommittee and staff to recommend deferral pending receipt and review of additional information from the applicant.

Board members unanimously approved the staff recommendation to defer consideration pending receipt and review of additional information regarding the capacity of Western Rivers Conservancy to manage and sustain the ecological benefits of the property.

Tenmile Creek Corridor Easement project (206-058)
This project was submitted in April 2005 by the McKenzie River Trust and requests $810,112 to assist in the purchase of conservation easements on 231 acres in the Tenmile Creek watershed. The project received a favorable review by the regional review team, the Board acquisition subcommittee, and OWEB staff, therefore funding is recommended.

Board members unanimously approved staff's recommendation to award $810,112 in capital funds toward the purchase of conservation easements for the Tenmile Creek project.

G. Public Comment

Joe Moll, McKenzie River Trust, updated Board members on progress at Green Island, and thanked staff for their support.

Stephen Caruana, Kleinfelder Engineering, updated Board members on Braeburn Creek project in Eugene.

Jeffrey Kee, Clackamas SWCD, recommended that OWEB spend money on marketing the Oregon Plan for Salmon and Watersheds.

Bruce Taylor, Oregon Habitat Joint Venture, commented that OWEB should work more on leveraging funding from the federal government through additional programs/grants, such as the National Wetlands Conservation Grant. He also thanked Wendy Hudson for moderating the upland session at the Biennial Conference.

Bob and Kathy Newcomb, Citizens for Safe Water, requested Board endorsement of a study on the impacts of global warming on the Willamette River. Although Board members could not offer an endorsement, Board member Ken Williamson recommended that they contact the EQC and the Institute for Natural Resources at OSU.

H. Oregon Plan Panel Presentation and Discussion

In separate presentations, the following state agency representatives discussed their individual agency's roles and responsibilities under the Oregon Plan for Salmon and Watersheds.

- Greg Apke, Oregon Department of Transportation
- Amy Gillette, Oregon Parks and Recreation Department
- Eric Metz and Nicole Navas, Department of State Lands

I. Oregon Plan and Effectiveness Monitoring Products

Greg Sieglitz, Monitoring and Reporting Program Manager, described the recent progress in implementing the Monitoring Strategy for the Oregon Plan for Salmon and Watersheds and OWEB's Effectiveness Monitoring Program. He also explained the following funding requests:

Western Juniper Removal Project Evaluation

Based on recommendations in a report summarizing the results of monitoring the effectiveness of OWEB-funded western juniper treatments, OWEB staff are recommending contracting with a consultant on the following products:

- Development of a field manual to guide OWEB regional program representatives, regional review teams, SWCDs, and watershed council staff in identifying and designing western juniper treatment projects following best management practices.

- Conduct a two-day field workshop for invited participants from the groups mentioned above to apply the concepts, methods, and techniques contained in the draft field manual.

- Evaluate each western juniper treatment project funded in Lake, Harney, Klamath, and Grant counties and repeat the sampling that occurred in Crook and Wheeler counties last year.

Board members unanimously approved a $20,000 allocation from reserved effectiveness monitoring funds for the Western Juniper Removal Project Evaluation.

Center for Statistical Design and Analysis

Dr. Don Stevens, Oregon State University, and Jeff Rogers, Oregon Department of Fish and Wildlife, provided an overview of a funding request for the Center for Statistical Design and Analysis to continue statistical outreach and support for Oregon Plan agencies for one year beginning in March 2007. OSU is in the process of pursuing federal funding to provide the Center with increased capacity to provide statistical support for local groups.

Board members unanimously approved staff's recommendation to award $87,036 in non-capital funds to the Center for Statistical Design and Analysis. The funds come from an effectiveness monitoring reserve allocation previously approved by the Board.

J. Clean Water Services Presentation and Tour

Bill Gaffi and Kendra Smith, Clean Water Services, presented an overview of their work in the Tualatin watershed.

After the presentation, Mark Jockers, Clean Water Services, lead Board members, staff, and interested public on a tour of the facility. The administration building complex is LEED (Leadership in Energy and Environmental Design) Gold certified, and is the first public building in Washington County to earn this designation for sustainable design and construction by the U.S. Green Building Council.

Local Partner Presentations

The following representatives from local watershed and conservation organizations made presentations to the Board.

- *April Olbrich, Tualatin River Watershed Council*
- *Lacey Townsend, Autumn Bryant, and Kevin Ferris, Tualatin Soil and Water Conservation District*
- *Russ Plaeger, Sandy River Basin Partnership, and Jonathan Soll, The Nature Conservancy*
- *Dean Marriott and Margaret Nover, City of Portland, and Travis Williams, Willamette Riverkeepers*
- *Jim Desmond, Metro, and Michelle Brussard, Johnson Creek Watershed Council*

At the conclusion of the Board meeting, Tualatin River Watershed Council, Tualatin Soil and Water Conservation District, Clean Water Services, and Jackson Bottom Wetlands Preserve sponsored an informal reception for OWEB Board members, staff, watershed partners, and local officials at the Jackson Bottom Wetlands Preserve facility.

Approved by the Board March 14, 2007
Oregon Watershed Enhancement Board
January 25, 2007
OWEB Board Meeting
Hillsboro, Oregon

Minutes

OWEB Members Present	OWEB Staff Present	Others Present
Miles Brown	Bonnie Ashford	Wayne Hoffman
Bobby Brunoe	Ken Bierly	Rich Carmichael
Alan Christensen	Tom Byler	Margaret Nover
Dan Heagerty	Rick Craiger	John Moriarty
Skip Klarquist	Melissa Leoni	John McDonald
Jim Nakano	Tom Shafer	Bob Jones
Jane O'Keeffe	Greg Sieglitz	Dan Knoll
Scott Reed	Roger Wood	Russ Hoeflich
Patricia Smith		Charlie Corrarino
Diane Snyder		Jeff Samuels
Michael Tehan		
Dan Thorndike		
Ken Williamson		

Members Not Present
Dan Carver
Meta Loftsgaarden
Dave Powers
Helen Westbrook

K. Restoration Priorities Adoption

Roger Wood, Special Projects, presented information seeking adoption of restoration priorities for the Deschutes and Malheur basins. The development of funding priorities will guide OWEB in the evaluation of grant applications, and will help ensure a clear and strategic approach to prioritizing funding of projects.

Adoption of these priorities continues OWEB's development of priorities for the 15 Oregon Plan reporting basins in the state. Adoption of restoration priorities remain for the Imnaha, Umatilla, John Day, Grande Ronde, and Powder basins.

Board members unanimously approved the approach and content of the Deschutes and Malheur basins regional restoration priorities.

L. Biennial Report Presentation

Melissa Leoni, Senior Policy Coordinator, provided Board members with a walk-through of the 2005-2007 Oregon Plan Biennial Report. As required by statute (ORS 541.405), the report was submitted to the Governor and appropriate committees of the Legislative Assembly by January 15, 2007. The report addresses the statewide and regional implementation and effectiveness of

the Oregon Plan. It addresses each drainage basin in the state and includes watershed and key habitat conditions, an assessment of data and information needs, an overview of state agency programs and voluntary restoration activities, a summary of Board investments, and recommendations of the Board for enhancing Oregon Plan effectiveness.

M. Public Comment

Wayne Hoffman, Mid Coast Watersheds Council, presented Board members with a copy of the Council's annual report.

Russ Hoeflich, The Nature Conservancy, supported OWEB's work on juniper, and challenged the Board to look at larger scales.

N. Council/District Collaboration Update

John McDonald, OACD, and John Moriarty, Network of Oregon Watershed Councils, updated Board members on the status of the Council-District collaboration process. They have been meeting with, and receiving an enthusiastic response from legislators and key stakeholders on the importance of non-capital, and equal funding to both watershed councils and soil and water conservation districts in the OWEB and ODA budgets.

Their joint message is "clean water" and taking care of the land that surrounds it.

O. Salmon Season State of Emergency Rules Adoption

Melissa Leoni, Senior Policy Coordinator, updated Board members on the Salmon Season State of Emergency funding to date. She provided a summary of the administrative rules process and explained the permanent administrative rules in front of the Board for adoption.

OWEB expects a continuing interest and need for the program into the foreseeable future. To date, OWEB has received 19 applications, with 13 being funded employing 47 fishers for a total of $1,189,893 in restoration, project development, and inventory and data collection projects.

Temporary administrative rules were adopted on July 20, 2006, and expired on January 21, 2007. They were created in response to the Governor's Executive Order No. 06-06 and its amendment 06-07. To continue to apply award preferences beyond the expiration of the temporary rules, permanent administrative rules need to be adopted by the Board.

A public comment period was held on the proposed rules, and a summary of public comments and OWEB's responses were included with the staff report. After review, OWEB staff did not recommend making any changes to the permanent rules and are seeking Board adoption of the rules. The rules will remain in place unless the Governor cancels the State of Emergency.

Due to the demand on funding for the salmon season state of emergency grants, staff are also seeking an additional $300,000 in capital funds for the program.

Board members unanimously adopted the permanent administrative rules (695-007-0010 through 695-007-0040) as presented in Attachment C of the staff report.

In addition, Board members unanimously adopted allocation of $300,000 to fund Salmon Season State of Emergency projects submitted through the process, and authorized delegation of

expenditure authority for Salmon Season State of Emergency grant awards to the director to disburse funds for those grants.

P. Coastal Coho and Mid-Columbia Steelhead Conservation and Recovery Plans
Presentations were provided to Board members by Kevin Goodson and Rich Carmichael, Oregon Department of Fish and Wildlife.

Q. Other Business
There was none.

Having no further business, the meeting was adjourned.

Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board
March 14-15, 2007

The Mallard Banquet Hall
725 West 1st Avenue
Eugene

Directions: From I-5, take Exit 194-B (I-105/OR-126W) toward Eugene. Take the OR-99N/OR-126 exit toward Florence (6th Ave. exit). Turn right at Madison (1st light at end of exit ramp). Located on the NW corner of 1st & Madison.

Wednesday, March 14, 2007

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items E and I), anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. ***The Board encourages persons to limit comments to no more than five minutes.***

A. Board Member Comments
Board representatives from state and federal agencies will provide an update on issues related to the natural resource agency they represent. This is also an opportunity for public and tribal Board members to report on their recent activities and share information and comments on a variety of watershed enhancement and Oregon Plan-related topics. *Information item.*

B. Review and Approval of Minutes
The minutes of the January 24-25, 2007, meeting will be presented for Board approval. *Action item.*

C. Executive Director Update
Tom Byler, Executive Director, will update the Board on agency business and late-breaking issues. *Information item.*

D. Oregon Explorer, Conservation Registry, and Oregon Watershed Restoration Inventory
Greg Sieglitz, Monitoring and Reporting Program Manager; Sara Vickerman, Defenders of Wildlife (Defenders), and Renee Davis-Born, Institute for Natural Resources (INR) at Oregon State University, will provide the Board with a description of the relationships established between the Defenders Conservation Registry, the INR Oregon Explorer web site, and OWEB's Oregon Watershed Restoration Inventory. The presentation will demonstrate the utility of these tools for interested members of the public. *Information item.*

E. Public Comment – Technical Assistance, Education, Monitoring, Assessment, and Restoration/Acquisition Grants [approximately 10:00 a.m.]

This time is reserved for public comment on Technical Assistance, Education, Monitoring, Assessment, and Restoration/Acquisition grant applications to be considered for funding by the Board. Only comments pertaining to the specific grant applications will be accepted during this time. The Board will not accept any written materials at this time. Any written comments pertaining to pending grant proposals must be received by agency staff by the March 6, 2007, deadline.

F. Board Consideration of Pending Technical Assistance, Education, Monitoring, Assessment, and Restoration/Acquisition Grants

The Board will consider Technical Assistance, Education, Monitoring, Assessment, and Restoration/Acquisition grant applications submitted by the October 16, 2006, application deadline. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

G. Council-District Collaboration Update

John McDonald, Oregon Association of Conservation Districts; and John Moriarty, Network of Oregon Watershed Councils, will update Board members on the progress made in the collaborative effort between OWEB, the Oregon Department of Agriculture, soil and water conservation districts, and watershed councils. *Information item.*

Local Partner Presentations - 3:30 - 5:00 p.m.

Representatives of local watershed and conservation organizations will provide presentations to the Board.

Long Tom Watershed Council
McKenzie River Watershed Council
Middle Fork Willamette Watershed Council
Coast Fork Willamette Watershed Council
East Lane Soil and Water Conservation District
City of Eugene
McKenzie River Trust

Informal Reception - 5:15 - 6:30 p.m.

The Oregon Watershed Enhancement Board invites you to join Board members and staff for a reception for area councils, districts, and local officials who are OWEB's partners supporting watershed restoration activities.

5:15 – 6:30 p.m.
The Mallard Banquet Hall

Thursday, March 15, 2007

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items E and I), anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. ***The Board encourages persons to limit comments to no more than five minutes.***

H. Strategic Investments
Roger Wood, Special Projects, will discuss agency efforts to explore opportunities for the Board to consider initiating a strategic investment program next biennium. *Information item.*

I. Public Comment [approximately 9:00 a.m.]
This time is reserved for public comment on any matter before the Board.

J. Coastal Coho Conservation Plan
Sue Knapp with the Governor's Natural Resources Office, and Kevin Goodson, Oregon Department of Fish and Wildlife, will present an overview of the Conservation Plan for the Oregon Coast Coho ESU. The Board will be asked to endorse the efforts identified through the Plan. *Action item.*

K. High Desert Partnership Presentation
Chad Karges, U.S. Fish and Wildlife Service, will discuss the efforts of the High Desert Partnership. *Information item.*

L. Grant Solicitation for April 2007
Ken Bierly, Deputy Director, will make recommendations on whether to accept Technical Assistance grant applications for the April 23, 2007, grant cycle. *Action item.*

M. Other Business

Meeting Procedures: Generally, agenda items will be taken in the order shown. However, in certain circumstances, the Board may elect to take an item out of order. To accommodate the scheduling needs of interested parties and the public, the Board may also designate a specific time at which an item will be heard. Any such times are indicated on the agenda.

Please be aware that topics not listed on the agenda may be introduced during the Board Comment period, the Executive Director's Update, the Public Comment period, under Other Business or at other times during the meeting.

Oregon's Public Meetings Law requires disclosure that Board members may meet for meals on Tuesday, Wednesday, and Thursday.

****Public Testimony:** The Board encourages public comment on any agenda item. However, public testimony must be limited on items marked with a double asterisk (**). The double asterisk means that the item has already been the subject of a formal public hearing. Further public testimony may not be taken except upon changes made to the item since the original public comment period, or upon the direct request of the Board members in order to obtain additional information or to address changes made to proposed rules following a public hearing.

A public comment period for restoration, acquisition, technical assistance, monitoring, and education grant applications will be held on Wednesday, March 14, 2007. The Board will not accept any written materials at that time. Any written comments pertaining to pending grant proposals must be received by the March 6, 2007, deadline. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to no more than five minutes.***

A general public comment period will be held on Thursday, March 15, 2007, for any matter before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to no more than five minutes.***

Tour: The Board may tour local watershed restoration project sites. The public is invited to attend, however transportation may be limited to Board members and OWEB staff. If you wish to join the tour, be prepared to provide your own transportation.

Executive Session: The Board may also convene in a confidential executive session where, by law, only press members and OWEB staff may attend. Others will be asked to leave the room during these discussions, which usually deal with current or potential litigation. Before convening such a session, the presiding Board member will make a public announcement and explain necessary procedures.

Questions? If you have any questions about this agenda or the Board's procedures, please call Bonnie Ashford, OWEB Board Assistant, at 503-986-0181.

If special physical, language or other accommodations are needed for this meeting, please advise Bonnie Ashford (503-986-0181) as soon as possible but at least 48 hours in advance of the meeting.

Oregon Watershed Enhancement Board Membership

Voting Members

Environmental Quality Commission member: ***Ken Williamson***
Fish and Wildlife Commission member: ***Skip Klarquist***
Board of Forestry member: ***Diane Snyder***
Board of Agriculture member: ***Dan Carver***
Water Resources Commission member: ***Dan Thorndike***
Public member: ***Jane O'Keeffe, Board Co-Chair***
Public member: ***Daniel Heagerty, Board Co-Chair***
Public member (tribal): ***Bobby Brunoe***
Public member: ***Patricia Smith***
Public member: ***Jim Nakano***
Public member: ***Helen Westbrook***

Non-voting Members

Representative of Director of Oregon State University Extension Service: ***Scott Reed***
Representative of U.S. Forest Service: ***Alan Christensen***
Representative of U.S. BLM: ***Miles Brown***
Representative of U.S. NRCS: ***Meta Loftsgaarden***
Representative of U.S. EPA: ***Dave Powers***
Representative of NMFS: ***Michael Tehan***

Contact Information

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OWEB Assistant to Executive Director and Board - Bonnie Ashford

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2007 Board Meeting Schedule

May 15-16, 2007 – Salem
September 18-19, 2007 – La Grande

For online access to staff reports and other OWEB publications check our web site: www.oregon.gov/OWEB

March 1, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item F: OWEB Grant Award Recommendations**
Overview and Statewide Projects
March 14-15, 2007 OWEB Board Meeting

I. Introduction

This staff report describes the process for evaluation of the capital and non-capital grant applications submitted by the October 16, 2006, deadline. The report also includes budget considerations and a summary of combined funding recommendations. Finally, this report includes the statewide Education and Monitoring grant evaluations and staff recommendations.

II. Background and Summary

Two hundred and six grant applications seeking a total of $19,226,568 were received by the October 16, 2006, deadline. The breakdown by region, project type, and dollar amount is shown on the attached table. (Attachment A)

Restoration and Acquisition applications that use capital funds were solicited in this funding cycle, as were Technical Assistance, Assessment, Monitoring, and Education and Outreach applications that use non-capital funds. After being screened for eligibility and completeness, the applications were sent to the five Regional Review Teams (RRTs), which reviewed them for merit and made prioritized funding recommendations to OWEB staff. OWEB staff considered the funding availability and funds budgeted, and integrated the separate RRT recommendations into the staff funding recommendation to the Board. A map showing the location of the projects recommended for funding by the RRTs and by OWEB staff is attached. (Attachment B)

Following this overview are staff reports containing the OWEB staff funding recommendations for each region.

III. Review Process

The applications were screened for completeness, categorized by application type and copied for review. The RRTs were sent packets of eligible grant proposals to read and consider. OWEB staff in each region then scheduled visits to as many sites as possible, emphasizing new applications, acquisitions, and the more complicated projects. All RRT members were invited on these visits and some members were able to participate at each site. In their RRT meetings,

reviewers were asked to determine the technical merit of each proposal and, with the exception of acquisition projects (for which the RRT only discussed the ecological and conservation value of the proposed acquisition), whether to recommend each project for funding. After classifying projects as "fund" or "no fund," the RRTs were then asked to prioritize the projects recommended for funding. The RRT recommendations are included in each applicable regional staff report in this agenda item. The recommended funding amount and any special conditions are identified in the tables attached to each regional staff report.

OWEB received five Education/Outreach grant applications that have broader focus than a single region. These applications were reviewed by the Oregon Plan Outreach Team.

The Oregon Plan Monitoring Team reviewed each Monitoring and Assessment grant application and identified their significance to the Oregon Plan and their likelihood of success. These review comments were passed along to the RRT for their consideration and use in recommending funding and ranking. OWEB also received two Monitoring applications with broader focus than a single region; these were reviewed only by the Oregon Plan Monitoring Team.

The RRT recommendations in summary form were distributed to all applicants whose proposals were reviewed by that RRT. Staff continued in this grant cycle the practice of forwarding all comments received from applicants regarding the RRT recommendations to the Board prior to the Board meeting.

IV. Statewide Education and Monitoring Projects

The Oregon Plan Outreach Team recommended five Education/Outreach applications totaling $429,714. Staff only recommend two of these applications for a total of $125,000 (with special conditions). The Oregon Plan Monitoring Team and staff recommend two statewide Monitoring applications for funding at $23,804.

V. Acquisition Projects

Three new land acquisition applications and a water acquisition application were reviewed during this grant cycle. By rule, land acquisition projects undergo a multifaceted review. Applications are first reviewed by a Board Acquisition Subcommittee, which recommends whether or not staff should proceed with a due diligence review of the project. Simultaneously, applications are reviewed by the RRTs for ecological and educational values. The Subcommittee may ask for additional information from the applicant or may ask that specific questions be addressed by the RRT.

If the due diligence review is recommended, staff request an appraisal report, title report and exceptions, option, donation disclosure, environmental site assessment, and proposed conservation easement. An independent review appraiser evaluates the appraisal report. OWEB's legal counsel at the Department of Justice reviews the title report, exceptions, option agreement, and conservation easement. Staff at the Department of Environmental Quality review the environmental site assessment.

After the due diligence review is complete, the Subcommittee synthesizes the proposed project's ecological and educational benefits, applicant capacity, partnerships, local support, local and

regional community effects, RRT evaluation, and due diligence results into a funding recommendation to OWEB staff. Staff then consider all evaluation criteria, the Subcommittee's recommendation, and available funding resources to develop a funding recommendation to the full Board. The staff funding recommendations are summarized in a separate section in the appropriate regional staff report.

Only one of the land acquisition grant applications submitted in October 2006 is ready for funding decision at this time (McKenzie Oxbow, application 207-302 in Region 3). The other two (Newton Creek Wetlands, 207-301, and Lostine River Wetlands, 207-324) are recommended for deferral. The status of other acquisition projects, previously submitted and deferred by the Board, is also described in the regional reports.

In the October 2006 grant cycle, OWEB received a water acquisition grant application for the first time. The OWEB Board adopted administrative rules for water lease and transfer (acquisition) applications in January of 2005. The ecological value of a proposed water acquisition project is based on a project's ability to increase instream flow to address the needs of priority habitat and species, and/or to improve water quality in a water quality limited stream reach. This evaluation is conducted in part by reference to The Oregon Plan Streamflow Restoration Priorities (2001) and by evaluation by the appropriate RRT.

In addition to the ecological review of a proposed project, a review of due diligence materials is conducted. Due diligence materials include a fair market appraisal or other valuation assessment, a written assessment of the water right, the water right certificate, an ownership and lien report, an option agreement, and a donation disclosure statement. The appraisal or other valuation assessment is reviewed by OWEB's review appraiser. The assessment of the water right is evaluated by Oregon Water Resources Department to determine its reliability to provide instream benefit. The remaining items are evaluated by staff for consistency with the administrative rules and by OWEB's legal counsel for legal sufficiency.

The water right acquisition is for a long-term lease in the Rogue Basin (Evans Creek Flow Enhancement, application 207-274) and is recommended for funding by the Region 2 RRT and by staff.

VI. Budget Considerations

Capital Funds. The Board established a capital funding target for each grant cycle for the 2005-2007 biennium of $7.5 million. The Board reserved an additional $7.5 million for the biennium, which has been allocated to cover additional applications from previous grant cycles and additional needs for the CREP program. There is approximately $7,757,991 currently available of capital and salmon license plate funds for the remainder of the biennium. Additional returned unspent grant funds from completed grants (approximately $150,000) will also be available for this round of funding for a total of $7,907,991. With this understanding, staff recommend the expenditure of $7,816,170 at the March Board meeting.

Non-Capital Funds. Table 1 shows the non-capital funding reserved for each grant type. This reserve was approved by the Board in May of 2006.

Table 1. Non-Capital Budget Reserve for the October 2006 Grant Cycle

Grant Type	Budget
Education	$500,000
Monitoring	$771,000
Assessment	$450,000
Technical Assistance	$500,000
Total Budgeted	**$2,221,000**

OWEB also uses non-capital funds for the education and outreach elements of Restoration projects. These non-capital costs are identified in the tables attached to each regional report.

VII. Summary of Funding Recommendation

Staff recommendations for Board actions are identified by region for the projects indicated in each of the following five regional reports. "Do Fund" projects are indicated on the tables by shading.

1. Funding Shift into the 2007-2009 Biennium Funds

At the September 2006 meeting, the Board approved partial funding for two grants with a commitment to fully funding the project next biennium on the condition that they report progress on their grants in September 2007. The two projects from September 2006 are:

Grant #	Grantee	Amount Awarded 9/06	9/07 Award
207-107	East Fork Irrigation District	$900,000	$500,000
207-138	Willow Creek	$1,050,568	$896,186
			$1,396,186

The proposed funding scenario presented to the Board in the following staff reports also recommends extending funding for two projects into the next biennium.

Grant #	Grantee	Amount Recommended	9/07 Award
207-319	Middle Deschutes Streamflow	$500,000	$998,750
207-072	Sandy River Acquisition	$364,000	$360,000
			$1,358,750

The cumulative recommendation from this funding cycle and the September 2006 funding cycle will commit the allocation of $2,754,936 from the 2007-2009 biennium capital funds at the September 2007 meeting.

2. Capital Funding Recommendations

The statewide funding total recommended by staff is shown below. Details are contained within each of the attached regional staff reports.

Restoration Projects, *Capital* Portion	**$ 7,156,698**
Capital Monitoring Project	**$ 149,647**
Acquisition Projects	**$ 509,825**
TOTAL *Capital* Staff Recommendation:	**$ 7,816,170**

3. Non-Capital Funding Recommendations

The statewide funding total for non-capital projects recommended by staff exceeds the budgeted amount by approximately $320,000. Staff propose that the additional non-capital funds come from previous Board reserves and allocations that have not been used and will not otherwise be used before the end of the biennium.

Technical Assistance Projects	**$ 583,894**
Monitoring Projects	**$ 825,059**
Assessment Projects	**$ 464,885**
Education/Outreach Projects	**$ 636,102**
Restoration Projects, *Non-Capital* Portion	**$ 23,967**
TOTAL *Non-Capital* Staff Recommendation	**$2,533,907**

The proposed funding level exceeds the budgeted amount for each type of grant application. There were, however, significant additional Technical Assistance and Education/Outreach projects that staff were not able to recommend due to the limited amount of non-capital funds available this cycle.

VIII. Staff Recommendations for Statewide Project Funding

Attachment C shows the proposals, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the Oregon Plan Monitoring and Outreach teams. The table also indicates, by means of shaded entries, the OWEB staff funding recommendation to the Board. For some projects, the amount shown in the table may be the staff funding recommendation rather than the RRT recommendation.

Staff recommend the Board approve the staff funding recommendations contained in Attachment C to this report.

Attachments

A. Types of Applications Received and Amounts Requested by Application Type
B. Map Showing Projects Recommended by RRTs and OWEB Staff
C. Statewide Projects Recommended for Funding

ATTACHMENT A

Oregon Watershed Enhancement Board

Types of Applications Received October 16, 2006

	Technical Assistance	Education	Monitoring	Assessment	Acquisition	Restoration	Totals
Region 1	3	6	6	1	0	15	**31**
Region 2	8	7	8	1	1	26	**51**
Region 3	10	8	1	3	2	15	**39**
Region 4	8	8	4	2	0	6	**28**
Region 5	9	2	3	3	1	32	**50**
Statewide	0	5	2	0	0	0	**7**
Totals	**38**	**36**	**24**	**10**	**4**	**94**	**206**

Dollar Amounts Requested by Application Type

	Technical Assistance	Education	Monitoring	Assessment	Acquisition	Restoration	Totals
Region 1	130,204	111,987	259,640	45,200	0	2,242,081	**2,789,112**
Region 2	240,636	207,231	509,686	45,365	18,825	2,311,835	**3,333,578**
Region 3	360,745	357,029	33,689	168,228	1,627,000	3,105,967	**5,652,667**
Region 4	294,145	309,254	290,557	236,127	0	1,852,241	**2,982,324**
Region 5	294,785	65,307	138,796	399,533	516,000	2,492,102	**3,906,523**
Statewide	0	538,560	23,804	0	0	0	**562,364**
Totals	**$1,320,515**	**$1,589,368**	**$1,256,181**	**$894,453**	**$2,161,825**	**$12,004,226**	**$19,226,568**

ATTACHMENT C

Statewide

Education Projects Recommended for Funding by the Oregon Plan Outreach Team
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-222	Building New Coordinator Capacity/Council Gathering 2007 *	45,000	1
207-223	Advancing Watershed Stewardship in the Neighborhood *	80,000	2
207-224	Healthy Waters Institute	150,000	3
207-221	Oregon Watershed Education Consortium	141,046	4
207-220	Resources & People Camp (RAP) Outreach Project	13,668	5
Total Education Projects Recommended for Funding to Staff by the Outreach Team		**$429,714**	
Total Education Projects Recommended for Funding by Staff to the Board		**$125,000**	

*Listed Amount Reflects Recommended Reduction

Monitoring Projects Recommended for Funding by the Oregon Plan Monitoring Team
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount
207-247	Best Practices Guidelines for Wetland Restoration Projects & Salmon	$12,265
207-248	Oregon Water Trust Streamflow Monitoring Equipment Grant	$11,539
Total Monitoring Projects Recommended for Funding to Staff by the Monitoring Team		**$23,804**
Total Monitoring Projects Recommended for Funding by Staff to the Board		**$23,804**

*Listed Amount Reflects Recommended Reduction

March 1, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Tom Shafer, North Coast Regional Program Representative

SUBJECT: **Agenda Item F: OWEB Grant Award Recommendations**
Region 1, North Coast
March 14-15, 2007 OWEB Board Meeting

I. Introduction

This staff report describes the North Coast Regional Review Team recommendations, special issues, and staff recommendations for funding.

II. Background

The table attached to the Overview report contains the numbers and types of applications received and dollar amounts requested. The North Coast Regional Review Team (RRT) met at the Beverly Beach State Park on January 10, 2007, to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a "do fund" or "no fund" recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

III. Regional Review Team Recommendations

The Region 1 RRT recommended one Assessment application for $45,200, five Monitoring applications for $229,208, five Education/Outreach applications for $104,387, two Technical Assistance applications for $80,436, and thirteen Restoration applications for $2,055,308 for funding.

Special conditions are recommended for two Monitoring, one Technical Assistance, and one Assessment application. For Restoration applications, special conditions are recommended for three, reductions are recommended for two, and the budgets for three have been adjusted based on revisions following site visit discussions.

IV. Special Issues

The Region 1 RRT participated fully in field visits of the proposed projects. Their participation and contributions at the site visits resulted in an opportunity to adjust projects to better meet review considerations. As a result, three applications were modified in ways that improved the project benefits and will result in improved ecological benefits.

There are significant restoration projects that address coho habitat from Region 1. The projects either address high intrinsic potential habitat, creating improvements to overwintering habitat or provide access to upstream habitat.

There were no land acquisition applications received from this region this grant cycle.

V. Staff Recommendation

Staff recommend funding for the two Technical Assistance applications, all five Education/Outreach applications, four of the five Monitoring applications, and the Assessment application.

Two Restoration applications were withdrawn by the applicant after the RRT meeting and one was withdrawn following the site visit. The site visit identified unresolved issues with the Siuslaw fish passage application (207-273) that will take some time to resolve. The two Salmon River estuary applications (207-260 and 207-259) also need additional development and will likely be resubmitted. Staff recommend the remaining eleven Restoration applications for funding.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as "do fund" to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff "do fund" recommendations to the Board. For some "do fund" projects, the amount shown in the table may be the staff funding recommendation rather than the RRT recommendation.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

A. Projects Recommended for Funding
B. Projects Not Recommended for Funding

ATTACHMENT A

Region 1 – North Coast
Technical Assistance Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-152	Limiting Factors Analysis on Five MidCoast Watersheds	49,999	1
207-151	Tweedle Lane Salmon Passage Design **	30,437	2
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		**$80,436**	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		**$80,436**	

** Fund with Conditions

Region 1 – North Coast
Education Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-194	Siuslaw Middle School Stream Team	8,169	1
207-193	Stream Team Extension	17,689	2
207-191	Mapleton Schools" Natural Resources Education Program V	15,400	3
207-190	Siuslaw Summer Watershed Exploration Workshops 07	12,191	4
207-189	MidCoast Watersheds Council Education Program	50,938	5
Total Education Projects Recommended for Funding to Staff by the RRT		**$104,387**	
Total Education Projects Recommended for Funding by Staff to the Board		**$104,387**	

ATTACHMENT A

Region 1 – North Coast
Monitoring Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-225	Tillamook Bay Rapid Bio-Assessment (RBA) – Year 3	62,000	1
207-226	Yachats Water Quality Monitoring Project **	4,600	2
207-227	MidCoast Watersheds Evaluation and Restoration Project	103,191	3
207-228	Siuslaw Basin Rapid Bioassessment Project **	48,948	4
207-230	Siuslaw Volunteer WQ Monitoring Program 2007-08 (VWQMP)	10,469	5
Total Monitoring Projects Recommended for Funding to Staff by the RRT		**$229,208**	
Total Monitoring Projects Recommended for Funding by Staff to the Board		**$218,739**	

** Fund with Conditions

Region 1 – North Coast
Assessment Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-249	Nicolai-Wickiup Habitat Assessment **	45,200	1
Total Assessment Projects Recommended for Funding to Staff by the RRT		**$45,200**	
Total Assessment Projects Recommended for Funding by Staff to the Board		**$45,200**	

** Fund with Conditions

ATTACHMENT A

Region 1 – North Coast
Restoration Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
207-264	Munson Creek Habitat Restoration Project □		$163,855	$163,855	1
207-263	Lost Creek Stream Habitat, Riparian Habitat, and Fish Passage Improvement □		$68,944	$68,944	2
207-268	Wolfe Creek Enhancement Project **		$320,138	$320,138	3
207-270	Horse/Meadow Creek Large Wood Placement		$135,919	$135,919	4
207-271	Lobster, Little Lobster, and Preacher Creek Stream Enhancement		$311,229	$311,229	5
207-272	NFK Beaver Cr LWD Placement/Elkhorn Cr LWD Placement & Road Development		$272,398	$272,398	6
207-266	Hawley Creek - Stream/Floodplain Restoration & Fish Passage Improvement □		$65,508	$65,508	7
207-261	Little Nestucca River Restoration Project **		$180,127	$180,127	8
207-260	Salmon River Estuary Enhancement and Gnos Dike Improvement Project		$72,528	Withdrawn	9
207-262	Bear Creek (East Beaver) Restoration		$41,378	$41,378	10
207-267	Phase 1: Jewell Meadows Riparian & Instream Enhancement Project - Fishhawk Creek		$24,941	$24,941	11
207-259	Crowley Creek Restoration */**		$25,770	Withdrawn	12
207-265	2007 Upper Necanicum Restoration *		$51,800	$51,800	13
Total Restoration Projects Recommended for Funding to Staff by the RRT			**$1,734,535**	**$1,734,535**	
Total Restoration Projects Recommended for Funding by Staff to the Board			**$1,636,237**	**$1,636,237**	

*Listed Amount Reflects Recommended Reduction ** Fund with Conditions □ Listed Amount Reflects Recommended Increase

Region 1 – North Coast
Projects Not Recommended for Funding by the RRT and OWEB Staff
October 16, 2006 Grant Cycle

Project #	Project Type	Project Name	Amount Requested
207-153	Technical Assistance	The Alsea and Marys Watersheds Passage Barrier Survey and Action Plan	49,768
207-192	Education	Stewardship in Citizenship (Book)	8,000
207-229	Monitoring	Invertebrate and Diatom Communities-Hoffman and Karnowsky Creeks	30,432
207-269	Restoration	South Clatsop Slough Restoration Project	183,901

Region 1 – North Coast
Restoration Project Withdrawn By Applicant
October 16, 2006 Grant Cycle

Project #	Project Name	Amount Requested
207-273	Alma Tributaries 3 Culverts Replacement	333,567

March 1, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Mark Grenbemer, Southwest Oregon Regional Program Representative

SUBJECT: **Agenda Item F: OWEB Grant Award Recommendations**
Region 2, Southwest Oregon
March 14-15, 2007 OWEB Board Meeting

I. Introduction

This staff report describes the Southwest Oregon Regional Review Team recommendations, water acquisition grant application, and staff recommendation for funding.

II. Background

The table attached to the Overview report shows the numbers and types of applications received and dollar amounts requested. The Southwest Oregon Regional Review Team (RRT) met at the DEQ Regional offices in Medford on February 1, 2007, to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a "do fund" or "no fund" recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

III. Regional Review Team Recommendations

The Region 2 RRT recommended for funding seven Technical Assistance applications for $227,936, six Education/Outreach applications for $154,821, seven Monitoring applications for $477,236, and eighteen Restoration applications totaling $1,516,450. The RRT gave the water acquisition application (207-274) a positive rating for ecological merit. A reduction is recommended for one Education application.

IV. Evans Creek Water Acquisition (207-274)

This is the first water right acquisition application that OWEB has processed under Division 46 of OWEB's administrative rules. The Oregon Water Trust (OWT) originally requested $18,825 for a 30 year lease of 25.1 acres of a 1902 water right to be initiated in the 2007 irrigation season. The application was revised to include a 29-year lease to begin in the 2011 irrigation season. The project will improve instream flow and aquatic habitat in Evans Creek near Wimer in the Rogue Basin. The landowner is planting the irrigated pasture to trees through Oregon Department of Forestry's (ODF) Forest Resource Trust program.

A. Ecological Benefits

The ecological value of a proposed instream water lease or transfer project is evaluated based on a project's ability to increase instream flow to address the conservation needs of priority habitat and species, and/or to improve water quality in a water quality limited stream reach. Projects to address the conservation needs of priority habitat and species are evaluated in part by reference to the Oregon Plan Streamflow Restoration Priorities (2001) and by evaluation by the appropriate RRT.

The project is located in a high priority area in the Oregon Plan Streamflow Restoration Priorities. The creek often goes completely dry when water rights are exercised for irrigation. With the water right transfer, the stream will have water throughout the summer in good water years and extend the available habitat into the summer in dry years.

The transfer would occur at the original point of diversion, which is upstream from the confluence with Pleasant Creek. The flow benefits would occur through a reach extending below the mouth of Pleasant Creek. This would allow juvenile fish the opportunity to move freely between the two streams during the low flow summer months. Juvenile coho salmon, steelhead and other native fish species such as Chinook salmon, cutthroat trout and Pacific lamprey are expected to benefit from the instream transfer. The RRT confirmed benefit to these species, although they commented that this is a relatively small amount of water in a large system.

Evans Creek is listed as water quality limited for temperature and bacteria on the Oregon Department of Environmental Quality's 303(d) list. The application indicated that the transfer may reduce water temperature, dilute fecal coliform and decrease turbidity modestly. The RRT also confirmed the project's value for water quality improvement.

The Oregon Water Resources Department (WRD) provided a review of the reliability of the transfer to provide instream benefits. According to WRD, the water rights proposed for this transfer are generally available throughout the irrigation season, although in some low water years, only a portion of the rights may be met. This portion of the stream has been regulated by WRD back to the 1902 water right in the past 3 out of 5 years. Water would need to be shared between other water rights with 1902 priority dates in this portion of Evans Creek in low to below average water years. Regulation of junior water users and coordination between other users with the 1902 priority date would be necessary.

The water rights will be held in trust for the people of Oregon by WRD. WRD will be enforcing the instream right as part of the existing Streamwalker program. The routine measurement location is at Wimer. The RRT stated that WRD is planning to install an automatic monitoring station near the diversion. WRD will make additional measurements for enforcement purposes, as necessary.

B. Financial Partners and Project Support

OWEB funds are requested for 75 percent of the cost of the purchase of the water rights. The Ann and Bill Swindells Charitable Trust is providing $6,275 in match for the acquisition and additional funding for project management costs associated with the water right transfer process.

A letter of support was received from the Oregon Department of Fish and Wildlife. According to the application, the project is also supported by WRD andODF. WRD submitted a letter saying that a transfer is likely to be approved pending application submittal and review by WRD.

C. Effect on Local and Regional Community

The property is currently used for irrigated hay pasture mixed with timber and rural housing. Adjacent properties are also rural residential with small pasture and tree lots. The property is zoned Exclusive Farm Use and will be enrolled in the Forest Resource Trust program. According to the applicant, the transfer of the water rights should not have any effect on the local tax base (forest deferral being the same as agricultural deferral for the property).

The applicant states that the transfer presents an opportunity to demonstrate the value of a partnership with the Forest Resource Trust program. This is an innovative way to improve stream flow and keep the land productive. This project could serve as a model for similar partnerships across the state.

D. Legal and Financial Terms

According to the option agreement between OWT and the landowner, OWT will apply for the transfer when funding is secured. The final order from OWRD, approving the transfer, is expected by October 2007. Because the landowner might need to water his newly planted trees, the lease will not start until the 2011 irrigation season. The option agreement also included a requirement that an access easement be granted to OWT for the first 10 years of the instream lease for monitoring purposes. This monitoring is in addition to the monitoring that will be conducted by OWRD.

Because the cost of an appraisal is $5,000 to $10,000 and it would depend largely on comparables provided by OWT, the applicant proposed an alternative method of valuation. Valuation was based on the average cost of water rights in the Rogue Basin purchased in the past 10 years, adjusted for inflation. The cost per acre is $1,000. This approach was found to be sufficient by OWEB's review appraiser.

The title report was reviewed and approved for legal sufficiency. OWEB's attorneys recommend that a title report be produced for OWEB inspection prior to closing.

E. Conclusion

The RRT concluded that the project would increase stream flow to address the conservation needs of priority habitat and species and improve water quality in a water quality limited stream reach. A due diligence review was conducted and approved. Staff recommends that the Board award OWT $18,825 toward the 29-year lease of a water right for instream transfer.

V. Staff Recommendation

Staff recommend funding for four of the seven RRT recommended Technical Assistance applications. The highest priority Technical Assistance application will implement estuarine restoration in the Umpqua Basin. This emphasis on estuarine portions of the landscape can greatly assist the recovery of coho and chinook salmon. Staff only recommend four because of

the limitation of non-capital funds. The three applications not recommended each have significant merit and could result in Restoration projects in the future.

Staff recommend funding for five of the seven Monitoring applications and for five of the six Education/Outreach applications. The highest priority Monitoring application is a continuation of a monitoring effort on tide gates that may be able to provide significant information about the effect of tidegates on coho productivity.

Staff recommend funding for all RRT recommended Restoration applications, except the application from Douglas SWCD (207-297). The applicant has had significant funds advanced on other OWEB grants and has not been able to document expenditures or comply with reporting requirements. OWEB staff has worked with the Douglas SWCD to get their billings current. At the time of the staff report the district has 14 open grants with OWEB and eight have had no fiscal activity even though some projects date back to October of 2005. Staff have worked with the applicant to address these matters over a protracted time, and the outstanding issues have not been resolved. Therefore, staff do not believe it would be prudent to add to their workload until issues related to open projects are resolved.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff "do fund" recommendations to the Board. For some projects, the amount shown in the table may be the staff funding recommendation rather than the RRT recommendation.

Attachment B shows those applications not recommended for funding at this time by the RRT or OWEB staff.

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

A. Projects Recommended for Funding
B. Projects Not Recommended for Funding

Region 2 – Southwest Oregon
Technical Assistance Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-157	Tidal Wetlands Project Development	49,907	1
207-156	Buck Cr Wetland Habitat Improvement	21,535	2
207-155	Watts Topping Fish Ladder Phase I	10,474	3
207-158	South Slough Reserve Action Plan for WS Mgmt, Restoration and Research	47,929	4
207-160	Isthmus Slough Road Sediment Reduction Project	39,815	5
207-159	Rogue Basin Fish Passage Action Planning	25,793	6
207-161	Applegate Landowner Recruitment Project	32,483	7
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		**$227,936**	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		**$129,845**	

Region 2 – Southwest Oregon
Education Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-200	Southern Oregon Storm Water Education Program	11,222	1
207-197	Wild Rivers Coast Education & Outreach	52,825	2
207-199	Bear Creek Regional Education Project	23,155	3
207-198	Applegate Salmon-Safe Education Project	21,835	4
207-195	URWA Education/Outreach Newsletter Project *	8,747	5
207-201	Upper Rogue Basin Education Project	37,037	6
Total Education Projects Recommended for Funding to Staff by the RRT		**$154,821**	
Total Education Projects Recommended for Funding by Staff to the Board		**$117,784**	

* Listed Amount Reflects Recommended Reduction

Region 2 – Southwest Oregon
Monitoring Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-238	Coos Watershed Tide Gate Replacement Project Effectiveness Monitoring - Phase II	170,642	1
207-235	Umpqua Basin Stream Flow Monitoring Project	72,788	2
207-231	Coos Watershed Hydrological and Meteorological Monitoring 2007-2008	20,184	3
207-234	Upper South Umpqua Life Cycle Monitoring	12,540	4
207-233	Umpqua Basin Stream Gage Monitoring	77,198	5
207-236	Coquille Watershed Monitoring 2007	53,100	6
207-232	Rogue Basin Stream Flow Monitoring Project	70,784	7
Total Monitoring Projects Recommended for Funding to Staff by the RRT		**$477,236**	
Total Monitoring Projects Recommended for Funding by Staff to the Board		**$353,352**	

Region 2 – Southwest Oregon
Restoration Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
207-291	Elk Creek Wood Placement Phase III		71,997	71,997	1
207-295	Curry Sediment Abatement 2007	1,200	143,070	144,270	2
207-276	S. Sisters Structure Placement II		80,590	80,590	3
207-298	Allen WQ Restoration Project		21,764	21,764	4
207-292	Dellwood Mainline Road Sediment Reduction Phase 3	550	49,646	50,196	5
207-293	Mixed Ownerhsip 0500 Road Upgrade	325	47,829	48,154	6
207-284	Myrtle Creek Instream Project		77,649	77,649	7
207-299	Buck Creek Habitat Restoration Project		88,225	88,225	8
207-281	Falcon Creek Instream Restoration		98,000	98,000	9
207-277	Little Butte Creek Restoration		69,714	69,714	10
207-282	Brownie Creek Instream Restoration Project		82,350	82,350	11
207-294	Sullivan Creek 3000 Road Stormproofing Upgrades	325	28,534	28,859	12
207-278	Bryant Elder Push Up Dam Removal		35,179	35,179	13
207-300	West Fork Williams Creek Instream Restoration Project.	1,900	87,846	89,746	14
207-283	Jordan/Alder Creek Fish Passage Project		407,442	407,442	15
207-297	Elkhead Oak Woodland and Riparian Restoration	1,820	39,276	41,096	16
207-280	Lower Yale Creek Fish Passage Improvement Project	500	71,230	71,730	17
207-296	Larson Creek Riparian Restoration		9,489	9,489	18
Total Restoration Projects Recommended for Funding to Staff by the RRT		**$6,620**	**$1,509,830**	**$1,516,450**	
Total Restoration Projects Recommended for Funding by Staff to the Board		**$4,800**	**$1,470,554**	**$1,475,354**	

Region 2 – Southwest Oregon

Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT

Project #	Project Name	Amount
207-274	Evans Creek at Wimer Flow Enhancement	18,825

Region 2 – Southwest Oregon
Projects Not Recommended for Funding by the RRT and OWEB Staff
October 16, 2006 Grant Cycle

Project #	Project Type	Project Name	Amount Requested
207-154	Technical Assistance	Bank Erosion Design - Rieves	12,700
207-196	Education	Full Circle Schools Restoration Ecology Program Partnership	49,495
207-237	Monitoring	Lower Umpqua Basin WQ Monitoring Program	32,450
207-250	Assessment	Wagner Creek Assessment	45,365
207-275	Restoration	Garrison Lake Restoration Package	150,500
207-279	Restoration	Little Butte Creek Restoration Project - 2007	79,565
207-285	Restoration	Applegate Riparian Restoration	64,428
207-286	Restoration	Coquille Instream 2007	99,150
207-287	Restoration	Brummit Creek Instream Log Placement	39,052
207-288	Restoration	Johnson Creek Fish Passage	195,000
207-289	Restoration	Beaver Slough Tidegates	119,090
207-290	Restoration	Coquille Fish Passage 2007	48,600

March 1, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Wendy Hudson, Willamette Basin Regional Program Representative

SUBJECT: **Agenda Item F: OWEB Grant Award Recommendations**
Region 3, Willamette Basin
March 14-15, 2007 OWEB Board Meeting

I. Introduction

This staff report describes the Willamette Basin Regional Review Team recommendations, special issues, land acquisition grant applications, and staff recommendations for funding.

II. Background

The table attached to the Overview report contains the numbers and types of applications received and dollar amounts requested. The Willamette Basin Regional Review Team (RRT) met at the Roth's Hospitality Center in Salem on January 30, 2007, to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a "do fund" or "no fund" recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

III. Regional Review Team Recommendations

The Willamette Basin RRT recommended 12 Restoration applications for funding totaling $2,400,481. The RRT also recommended six Technical Assistance applications totaling $215,583, seven Education/Outreach applications totaling $351,144, and two Assessment applications totaling $49,328. Special conditions were recommended for one Technical Assistance application, and one was recommended at a reduced amount. For Restoration, reductions are recommended for two, and the budget for one has been adjusted based on revisions following further discussions.

The RRT found that both the Newton Creek Wetlands and McKenzie Oxbow Conservation acquisition proposals have high ecological and educational merit. Additional discussion of these applications is included in Section V.

IV. Special Issues

There are two Restoration applications from the Johnson Creek Watershed Council that seek significant funding. The RRT recommended both -- East Powell Butte Fish Habitat/Floodplain Restoration (207-317) and Crystal Springs Culvert Replacement and Habitat Project (207-316). Staff recommend only the East Powell Butte application, which the RRT ranked 8 out of 12 (Crystal Springs ranked 12 of 12 and fell below the line for available funds). East Powell Butte

is one of the highest priorities in the Johnson Creek Restoration Plan, and will restore 20 acres of historic habitat, reconnect five acres of off-channel rearing habitat and refugia for native fish, and will provide 100 acre-feet of additional flood storage capacity. The proposed project is adjacent to the 51-acre Kelly Creek wetlands restoration site, completed in 2006. The total cost for the East Powell Butte project is $5,953,815.

V. Acquisitions

A. Newton Creek Wetlands (207-301)

The Mary's Peak Natural Resources Interpretive Center (MPNRIC) originally requested $1,500,000 (total project cost of $2,531,000) to purchase fee title on 124 acres of wetland and upland along Newton Creek, in Philomath. The project was recently revised to eliminate some of the partially developed lots on the parcel with a revised request of $750,000.00. At the time of writing this staff report, the Board Subcommittee has not had an opportunity to review the revised proposal.

1. Ecological Benefits

The application lists autumnal freshwater mudflats, depressional wetland broadleaf forest, depressional wetland shrublands, freshwater emergent marsh, oak woodland, riparian forests and shrublands, vernal pools, and western Oregon wet prairie as priority ecological systems that will be protected or restored on the site. Approximately 60 acres of these priority ecological systems currently exist on the site with a potential to restore more acres. The RRT confirmed the existence and importance of preserving these priority ecological systems.

Tufted hairgrass-California oatgrass exists on the site: The site has small remnants of rare or at-risk plant communities and has a high potential for enhancement. There is potential to restore common *Downingia* vernal pools, coyote thistle-low gumweed vernal pools, creeping spikerush-one sided sedge marsh, dense sedge-tufted hairgrass prairie, pacific willow/stinging nettle, and white oak/poison oak/blue wild rye plant communities.

The following priority species are known to exist on the site or on adjacent properties: Cutthroat trout, Oregon chub, Pacific lamprey, Acorn woodpecker, American Bittern, Hooded merganser, Oregon vesper sparrow, red-legged frog, Western pond turtle, and Western gray squirrel. The RRT confirmed these species and emphasized the importance of this site for Western pond turtle and Cutthroat trout.

The RRT thought the project met the majority of the conservation principles, particularly, "protect a large intact area" and "stabilize an area 'on the brink' of ecological collapse."

The parcel was used as a veneer mill that closed 20 years ago and was heavily disturbed through the creation of log ponds and associated berms. This has resulted in the creation of diverse hydrological regimes and a high degree of habitat complexity that would not otherwise exist. The site is bordered on the northwest by Lupine Meadows, another OWEB-funded acquisition, and on the northeast by the Boy Scout Lodge.

The Board Subcommittee has asked about the potential of the property to be affected by future development of adjacent lands that are zoned Industrial Park land. This information is pending.

2. Capacity to Sustain the Ecological Benefits

MPNRIC is an educational non-profit organization and will hold title to the property. MPNRIC was formed in 2004 and operates with an 8-member board. A technical management team will advise MPNRIC on the development and implementation of the management plan. MRNRIC plans to fund a director through development and capacity building grants and program revenue. MPNRIC intends to establish a stewardship endowment of $500,000 through private grants and donations. The Board Subcommittee has asked additional questions of the applicant related to the capacity of the organization to manage the property for the long term. Information on this issue is pending.

3. Educational Benefits

For the past three years, the MPNRIC has conducted extensive educational programs on the site, including "Science, Music and Marshmallows", teacher workshops, high school student research projects and public tours. The acquisition would support the MRNRIC's plan to develop an interpretive center on the site and expand its educations offerings. The RRT confirmed the extensive educational activities currently being conducted on the site and anticipate a continued educational benefit from the acquisition. Education is an important part of this project.

4. Partners, Project Support and Community Effects

The following organizations have agreed to participate in the technical management team: Mary's River Watershed Council (MRWC), U.S. Fish and Wildlife Service, Institute for Applied Technology, Pacific Wildlife Research, Oregon Department of Fish and Wildlife, Benton Soil and Water Conservation District, Oregon State University, Greenbelt Land Trust, and Philomath School District. Benton County will provide GIS support and one of the Benton County Commissioners is on the MRNRIC board. The City of Philomath will assist with permitting. The MRWC will participate in future educational programs.

The MRNRIC is planning to finance the balance of the project through grants and community donations and has raised $2,500 so far. There are no other established funding partners.

The property is located in an Industrial Park zone. In 2002, the property was annexed into the city of Philomath and utilities were extended to the site in preparation of a small industrial park. Because of the cost of mitigating for the wetlands on the site, the landowner abandoned the project and entered into an option agreement with the MPNRIC. The Board Subcommittee wondered what effect this project may have on the City's industrial land base. In a letter to the applicant dated December 12, 2006, the City of Philomath confirmed its support for the preservation of the wetlands portion of the parcel but stated its need for the remainder of the parcel to be retained for industrial development. In response, the applicant recently submitted a revised proposal to limit the acquisition project to the wetland areas and small portion of upland for the interpretive center. The remainder of the partially developed lots would be used to construct a resource related "green campus" of light industry. At the time of this staff report, the Board Subcommittee had not had an opportunity to evaluate this revised proposal.

Taxes for 2005-2006 totaled $10,055. The MRNRIC will apply for tax exempt status. The City is aware that it may need to accept the deferral of property taxes on portions of the subject property. Given the potential economic benefits of this site as a regional attraction, the city continues to support the project and has included the interpretive center in Philomath's Strategic Plan. A letter of support was received from the Benton County Board of Commissioners.

5. Legal and Financial Terms

OWEB funds were originally requested for 75 percent of the purchase price of the property. The revised request is for $750,000 and it is not clear what percent of the purchase price this represents because the appraisal has not been conducted.

At the time of this staff report, due diligence materials have not been requested. A Level I environmental site assessment has been conducted for the site, but it has not undergone a third party review.

6. Conclusion

The Willamette Basin RRT concluded that the project has high ecological and educational benefit and meets five of OWEB's conservation principles. The Board Subcommittee and staff concur with this assessment. The Board Subcommittee has raised questions related to the capacity of MPNRIC to own and manage the site, the lack of other funding partners and the potential for incompatible uses adjacent to the site. The Board Subcommittee has not requested due diligence materials pending responses to these questions. Staff and the Board Subcommittee recommend the Board defer consideration of this request pending additional information.

B. McKenzie Oxbow (207-302)

McKenzie River Trust (MRT) is requesting $127,000 ($171,250 total project cost) to purchase fee title to 21 acres of a 50 acre parcel located near Walterville on the McKenzie River. The applicant proposes to purchase a conservation easement on the remaining 27.5 acres of the parcel. The southern portion of the parcel proposed for fee title purchase contains a river oxbow and island. The northern portion proposed for conservation easement is a forested riparian area.

1. Ecological Benefits

The property is located east of Springfield and contains the north and south bank of an old oxbow of the McKenzie River. The application lists coniferous forested wetlands (small inclusions), freshwater aquatic beds, freshwater emergent marsh, and riparian forests and shrublands as priority ecological systems on the property. Almost 2 miles of riparian edge are located on the parcel. There are not any rare or at-risk plant communities listed in the application for the site. The application indicates that the parcel provides habitat for Chinook Salmon, Oregon Chub, Pacific lamprey, Bull Trout and Steelhead. Western pond turtle and red-legged frog are present.

The Willamette Regional Review Team (RRT) concluded that the property is host to a diverse list of species and the project provides an excellent opportunity to preserve a floodplain area that provides significant fish habitat. The site has excellent potential for chub, bull trout and turtle habitat. This oxbow of the McKenzie has retained significant floodplain function. The RRT concluded that the project has high ecological benefit.

The RRT thought the project could meet three of OWEB's conservation principles: allow restoration that would not occur without a change in ownership, protect a site with exceptional biodiversity and complement an existing network of sites in the basin.

2. Capacity to Sustain the Ecological Benefits

MRT will hold title to the southern portion of the parcel and a conservation easement only on the northern portion. MRT is a local non-profit land trust established in the 1980's that consists of a volunteer board from the local community. The organization has five full-time employees and manages 2,000 acres of similar habitat, many of which are in the McKenzie watershed.

MRT has enlisted the McKenzie Watershed Council, Eugene Water and Electric Board (EWEB) and Oregon Department of Fish and Wildlife (ODFW) for their participation in the development of a management plan for the site. MRT has adopted the Standards and Practices of the Land Trust Alliance for lands conservation and stewardship and will employ those standards in Monitoring and long-term management of the site.

3. Educational Benefits

MRT will make the site available for tours and research. Public access will be provided to large groups. The RRT concluded that the site could provide many opportunities for watershed education, and the MRT has an excellent track record for providing these opportunities. The RRT thought MRT should address public access in their management plan and could do more to involve the public.

4. Partners, Project Support & Community Effects

Partners that will assist in the development of the management plan include the U.S. Fish and Wildlife Service, (USFWS), McKenzie Watershed Council and ODFW. Letters of support for the acquisition project were received from EWEB, the McKenzie Watershed Council, ODFW and the Eugene District Office of the Bureau of Land Management.

The land is currently zoned exclusive farm use. Small portions of the property have been used for timber harvest and livestock grazing in the past. The applicant will continue to pay property taxes on the property and there will be no effect of the acquisition on the local property tax base.

5. Legal and Financial Terms

OWEB funds are requested for 75 percent of the $171,250 cost of the project. The balance of the funds will be provided by EWEB, through the McKenzie Watershed Council, and the landowner.

Legal review of the option agreement, title report and exceptions to the title did not identify any issues or concerns.

OWEB will hold an easement on the southern portion of the parcel proposed for fee title purchase. MRT will hold an easement, with OWEB third party right of enforcement, for the northern section proposed for only a conservation easement. Staff and the applicants are working on the final language of both easements to protect OWEB's proposed investment in the property. Language in the conservation easements requires the

development of a management plan to address issues such as public access and future restoration.

An appraisal of the property was completed on September 20, 2006, by Duncan and Brown of Eugene, Oregon. The appraisal concluded a fair-market value of $42,000 for the fee title of the southern portion of the parcel and $100,000 for the conservation easement on the northern portion of the parcel. OWEB's independent review appraiser has concluded that the report complies with the Uniform Standards of Professional Appraisal Practice standard and the market value is supported. The appraised value was based on an estimated boundary of the 5.3 acres portion excluded from the project area. The review appraiser recommends that that value be adjusted after a surveyed boundary of this area is completed, if needed.

A Phase I Environmental Site Assessment (ESA) of the property was completed on December 13, 2006 by Omnicon. Review by the Oregon Department of Environmental Quality (DEQ) indicated that the report meets the American Society for Testing and Materials (ASTM) practice. DEQ agrees with the conclusion that the ESA has not revealed evidence of recognized environmental conditions as identified by the ASTM.

6. Conclusion

This acquisition project clearly meets the evaluation criteria for high ecological and educational value confirmed by the RRT. The due diligence materials submitted for the project have been reviewed and approved by staff and legal counsel.

The Board Subcommittee and the RRT have expressed unanimous support for the project. Staff and the Board Subcommittee recommend that the Board award $127,000 in funds toward the McKenzie Oxbow acquisition project.

C. Deferred Acquisition - Sandy River (207-072)

Western Rivers Conservancy (WRC) submitted an application on April 24, 2006, requesting $727,500 ($970,000 total project cost) to purchase fee title on 30 acres along the Sandy River near ZigZag. The application states that WRC hopes to transfer ownership of the property to the City of Portland Water Bureau (Water Bureau) in the future. In the interim, WRC will hold title and manage the property until a permanent fee title owner is determined.

1. Ecological Benefits

The application states that about 18 acres of the property include priority ecological systems, including riparian forest and shrublands, freshwater aquatic beds, and freshwater wetlands. The parcel contains nearly ½ mile of Sandy River frontage. A black cottonwood-red alder/salmonberry plant community has been observed on the site. This reach of the Sandy River is a low-gradient, unconfined channel and had been designated as primary anchor habitat for winter steelhead and spring Chinook by the Sandy River Basin Partners. Priority species that are expected to benefit from protection and restoration of this site include coastal cutthroat trout, Coho salmon, steelhead trout, olive-sided flycatcher, willow flycatcher, Cope's giant salamander, red-legged frog, and Townsend's big-eared bat. The application states that four of OWEB's seven conservation principles are addressed by the project. These include protecting a large intact area, securing a transition area protecting it from development, improving connectivity of habitat and complementing an existing network of sites in the basin.

The RRT concluded that the property has unique attributes for a rural residential environment and provides valuable and rare habitat for winter steelhead and spring Chinook. The low gradient nature of this reach of the Sandy River provides off channel habitat and floodplain connection that will benefit a variety of species. They confirmed that the habitats on the site could support the extensive list of species cited in the application. The RRT thought the project meets three of the four conservation principles listed in the application, including securing a transition area protecting it from development, improving connectivity of habitat, and complementing an existing network of sites in the basin.

The Board Subcommittee asked the RRT to address how future recreational use of the property may affect the ecological values of the parcel. The RRT noted that there is currently little evidence of recreational use, except for foot trails on the parcel. They recommend that the management plan include provisions to address future public access and a plan to monitor public use.

2. Capacity to Sustain the Ecological Benefits

The application states that WRC hopes to transfer the fee title ownership of the property to the Water Bureau. The Water Bureau has expressed a strong interest in accepting the management responsibilities for the property, however, at the time of this staff report, future fee title ownership has not been confirmed.

WRC will own and manage the property in the interim for an indefinite period of time pending resolution of the future ownership. OWEB will have the right to approve the entity WRC identifies to take title for the long term. WRC will work with OWEB and other partners in the Sandy River basin to identify the best long-term conservation steward for the property.

WRC owns and manages lands as an interim owner on a regular basis. WRC has limited ability on-staff to implement a land management plan, but WRC has extensive relationships with proven land managers. The Nature Conservancy (TNC) has agreed to assist WRC in the management of the site, but the details of the arrangement are not known at this time.

Because of the natural conditions of the site, the cost to manage and monitor the site is estimated to be less than five thousand dollars annually. During the interim period that WRC owns the property, WRC will directly cover management expenses.

3. Educational Benefits

The property will not be closed to the public, but there will be no signs or other methods to encourage public use. The Sandy River Basin Watershed Council (SRBWC) may use the site for demonstration purposes. The RRT evaluated the educational benefits of the project. They concluded that the site could serve as an excellent example of a variety of habitats and features that benefit fish and wildlife. Association with the SRBWC will provide many opportunities for watershed education.

4. Partners, Project Support & Community Effects

Partners for the project include the SRBWC, the neighborhood association, the Sandy River Basin Partners and potentially the Water Bureau should they decide to take ownership and/or participate in the long term management of the site. The Sandy River Basin Partners includes representatives from Portland General Electric (PGE), NOAA Fisheries, U.S. Fish and Wildlife Service (USFWS), U.S. Forest Service (USFS), Oregon Department of Fish and Wildlife (ODFW), METRO, Multnomah County, Clackamas County, Northwest Steelheaders, Department of Environmental Quality (DEQ), and the Bureau of Land Management (BLM).

Letters of support were received from USFS, Oregon Trout, Mt. Hood National Forest, Water Environment Services, BLM, ODFW, Oregon Natural Resources Council, and the SRBWC.

The property is zoned RR (recreational resort). Taxes for 2005-2006 totaled $1,541.36. WRC plans to exercise their tax exempt status and not pay taxes on the property.

5. Legal and Financial Terms

OWEB funds were requested for 75% of the purchase price of the property. The original application lists the Water Bureau and WRC as providing the 25% match. At the time of writing this staff report, WRC has confirmed that it will provide the 25% match.

The Land Acquisition Board Subcommittee and OWEB's legal counsel questioned whether this project was part of the habitat conservation plan for the Water Bureau's incidental take permit, which is currently being developed. WRC confirmed that this project will not be used as a conservation measure in the habitat conservation plan and therefore will not be used to mitigate for any adverse effects of the Water Bureau's future operations.

The legal review of the title report and exceptions and the option agreement did not identify concerns or issues. The option to purchase the property expires on May 15, 2007. It is important to note that WRC is seeking OWEB funding prior to securing a long-term fee title holder because of the development threats facing the property. The landowner has received a generous purchase offer from a developer of adjacent property. If WRC does not make good on our purchase agreement by May 2007, then the property will be developed as part of a large residential subdivision

OWEB will be the holder of a conservation easement to protect OWEB's investment in the property. The applicant has proposed OWEB's standard language for the easement, which prohibits future partition, construction or commercial activities in perpetuity. The applicant will develop a management plan to address restoration activities and public access.

An appraisal of the property was completed on November 25, 2005. The appraisal concluded a fair-market value of $900,000. OWEB's independent review appraiser has concluded that the report complies with the Uniform Standards of Professional Appraisal Practice (USPAP) and the market value is supported.

A Phase I Environmental Site Assessment (ESA) of the property was completed on May 10, 2006. Review by the Oregon Department of Environmental Quality (DEQ) indicated that the report meets the American Society for Testing and Materials (ASTM) practice. DEQ agrees with the conclusion that the ESA has not revealed evidence of recognized environmental conditions as identified by the ASTM Practice.

6. Conclusion

The RRT concluded that the project has high ecological and educational benefit and meets three of OWEB's conservation principles. The Board Subcommittee and staff concur with this assessment.

WRC does not intend to be the long term fee title holder of the property and a future owner has not yet been determined. WRC will own the site for an indefinite period and they have made arrangements with TNC to assist them with temporary stewardship of the site. The option agreement expires in May and the property is at risk of development. The Board subcommittee and staff believe there is some risk associated with funding the project before the ownership issue is resolved. By providing partial funding now, with a commitment to provide the remainder when a permanent owner is identified, the risk is more equitably shared. The Board subcommittee and staff recommend the Board award half of the amount requested by WRC ($364,000) and the remainder upon Board approval of a long term owner of the property.

VI. Staff Recommendations for Project Funding

Staff recommend funding for four of the six RRT recommended Technical Assistance applications, four of the Education/Outreach applications, and both Assessment applications. It should be noted that all four of the recommended Education/Outreach applications are reduced in amount to help limited funds go further. The three Education/Outreach applications not recommended by staff each have merit, but the limitation of non-capital funds makes it impossible to meet these needs. Staff also recommend funding for 11 of the 12 Restoration applications, and for two Acquisition applications.

Attachment A shows the applications, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff recommendations to the Board. For some projects, the amount shown in the table is the staff funding recommendation rather than the amount applied for.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

A. Projects Recommended for Funding
B. Projects Not Recommended for Funding

Region 3 – Willamette Basin
Technical Assistance Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-169	Newton Creek Wetlands - Technical Assistance	24,252	1
207-162	Gooseneck Creek Confluence Restoration Design *	17,658	2
207-168	Project Planning and Management Plan Development for Cardwell Hills Landowners	50,000	3
207-167	Willow Creek Confluence Restoration Scoping and Budgeting	37,708	4
207-171	Upper Willamette Landowner Recruitment and Floodplain Restoration Design	35,965	4
207-165	North Santiam Spawning Gravel Enhancement Design Study **	50,000	6
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		**$215,583**	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		**$129,618**	

*Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 3 – Willamette Basin
Education Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Amount Requested	Amount Recommended	Priority
207-209	Oregon Envirothon *	29,333	24,000	1
207-208	Clackamas River Basin Council Outreach and Education *	117,869	55,000	2
207-205	Slough School Education Program *	45,012	38,000	3
207-204	Marys River Watershed Council Outreach & Education *	60,515	40,000	4
207-206	Watershed Wide - Youth Engaged	30,336		5
207-203	Spawning Education	24,409		6
207-207	Calapooia and Santiam Joint Education Project - Phase II	43,670		7
Total Education Projects Recommended for Funding to Staff by the RRT		**$351,144**		
Total Education Projects Recommended for Funding by Staff to the Board		**$252,729**	**$157,000**	

*Listed Amount Reflects Recommended Reduction

Region 3 – Willamette Basin
Assessment Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-253	Long Tom Watershed Fish Barrier Assessment	31,830	1
207-252	Pudding River Watershed Action Plan	17,498	2
Total Assessment Projects Recommended for Funding to Staff by the RRT		**$49,328**	
Total Assessment Projects Recommended for Funding by Staff to the Board		**$49,328**	

Region 3 – Willamette Basin
Acquisition Projects Receiving a Positive Rating for Ecological Merit by the RRT

Project #	Project Name	Amount
207-301	Newton Creek Wetlands	1,500,000
207-302	McKenzie Oxbow Acquisition	127,000
207-072	Sandy River Acquisition❖	364,000
Total Acquisition Projects Recommended for Funding by Staff to the Board		**$491,000**

❖Total amount is $727,500. Staged award with $364,000 recommended now and $363,500 to be awarded upon Board approval of the long term property owner.

ATTACHMENT A

Region 3 – Willamette Basin
Restoration Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
207-312	M-DAC Farms Wetland Restoration		219,274	219,274	1
207-311	3-Pond Restoration - multi - Species Habitat Improvement		46,991	46,991	2
207-308	Upper Clear Creek Habitat Improvement Project	325	109,166	109,491	3
207-306	West Fork Dairy Creek Restoration □		82,695	82,695	4
207-305	Long Tom Watershed 2006 Restoration Projects	11,217	206,613	217,830	5
207-315	Sandy River Riparian Habitat Protection		94,411	94,411	6
207-309	Powell Creek Fish Passage Restoration Project	1,875	99,630	101,505	7
207-317	Johnson Creek Fish Habitat and Floodplain Restoration Project at East Powell Butte *	4,250	596,200	600,450	8
207-314	Lost Creek Confluence Riparian Restoration Project Phase 3		117,949	117,949	9
207-307	Hogan Ranch Restoration Project	1,000	103,290	104,290	10
207-304	Mohawk River Watershed Enhancement Project		105,930	105,930	11
207-316	Crystal Springs Culvert Replacement and Habitat Restoration Project - Phase 1 *			599,665	12
Total Restoration Projects Recommended for Funding to Staff by the RRT		**$18,667**	**$1,782,149**	**$2,400,481**	
Total Restoration Projects Recommended for Funding by Staff to the Board		**$18,667**	**$1,782,149**	**$1,800,816**	

*Listed Amount Reflects Recommended Reduction □ Listed Amount Reflects Recommended Increase

Region 3 – Willamette Basin
Projects Not Recommended for Funding by the RRT and OWEB Staff
October 16, 2006 Grant Cycle

Project #	Project Type	Project Name	Amount Requested
207-163	Technical Assistance	Upper Poodle Creek Fish Passage Analysis and Design	15,950
207-164	Technical Assistance	Klein Point Fish Habitat Improvement Design	49,575
207-166	Technical Assistance	Santiam Basin Fish Passage Improvement Project	50,000
207-170	Technical Assistance	Limiting Factors Analysis - Pedee Creek	29,167
207-202	Education	Writing Your Watershed	5,885
207-239	Monitoring	Willamette River Bacteria Monitoring	33,698
207-251	Assessment	The Molalla River Rehabilitation Action Plan	118,900
207-303	Restoration	Round Lake Wetland Restoration	85,000
207-310	Restoration	Lower McKenzie Islands Floodplain Restoration	274,890
207-313	Restoration	Holcmb Creek-Salmon River-Bear Creek Bridges	218,704

March 1, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Rick Craiger, Central Oregon Regional Program Representative

SUBJECT: **Agenda Item F: OWEB Grant Award Recommendations**
Region 4, Central Oregon
March 14-15, 2007 OWEB Board Meeting

I. Introduction

This staff report describes the Central Oregon Regional Review Team recommendations, special issues, and staff recommendations for funding.

II. Background

The table attached to the Overview report contains the numbers and types of applications received and dollar amounts requested. The Central Oregon Regional Review Team (RRT) met at the ODOT office in Bend on January 18, 2007, to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a "do fund" or "no fund" recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

III. Regional Review Team Recommendations

The Region 4 RRT recommended for funding five Technical Assistance applications totaling $204,525. Special conditions were suggested for one of the proposed projects. The RRT also recommended for funding six of the Education/Outreach applications totaling $256,867, three Monitoring applications totaling $251,314 and two Assessment applications totaling $236,127.

The RRT recommended for funding four Restoration applications totaling $1,640,833. One application (207-319) was reduced in amount with special conditions.

IV. Special Issues

The Middle Deschutes Streamflow Project, Phase II (207-319) requested approximately $1.9 million. This project is the final phase of a project awarded last September. The final phase will result in a legal dedication of 24 cubic feet per second of flow in the Deschutes River. The timing of the project is such that staff recommend an award of $500,000 from this biennium to support the project, with the remainder to be allocated in September of 2007 from the 2007-2009 budget.

The Williamson River Delta monitoring project (207-241) is an excellent project designed to provide information about water quality changes from wetland restoration. The project is proposed to be funded from capital funds because of the direct connection to a previously funded project (Williamson Delta restoration project, 206-328).

V. Staff Recommendation

Staff recommend funding for four of the six Education/Outreach applications recommended by the RRT. The two applications not recommended by staff were ranked low by the RRT, but have previously been funded by OWEB. These two applications are important Deschutes Basin education efforts but are not recommended because of limited non-capital funding.

Likewise, staff are not recommending two Technical Assistance applications that were recommended by the RRT because of the limited non-capital funding.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as "do fund" to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff "do fund" recommendations to the Board. For some "do fund" projects, the amount shown in the table is the staff funding recommendation rather than the RRT's recommendation.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

A. Projects Recommended for Funding
B. Projects Not Recommended for Funding

Region 4 – Central Oregon
Technical Assistance Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-173	Crooked River Watershed Council Hydrologist	49,575	1
207-179	Riparian Improvements in Gilliam County	50,000	2
207-174	Stream Channel Restoration Design at Rimrock Ranch (Whychus Creek)**	33,600	3
207-177	The Thirtymile Creek Watershed Action Plan	31,505	4
207-172	Willow Creek Channel Renovation Design	39,845	5
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		**$204,525**	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		**$133,175**	

** Fund with Conditions

Region 4 – Central Oregon
Education Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-210	Outdoor Science Education Camps	48,356	1
207-214	The Traveling Watershed Box	11,369	2
207-211	Hood River County Rural Living Handbook	14,505	3
207-212	Community Education on Western Juniper Impacts and Management	6,937	4
207-215	Deschutes Basin Watershed Education	72,000	5
207-216	Community Rivers Program	103,700	6
Total Education Projects Recommended for Funding to Staff by the RRT		**$256,867**	
Total Education Projects Recommended for Funding by Staff to the Board		**$81,167**	

Region 4 – Central Oregon
Monitoring Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-242	Restoration Effectiveness Monitoring in Priority Watersheds of the Upper Deschutes Basin	76,725	1
207-241	Williamson River Delta WQ Monitoring ❶	149,647	2
207-243	Jefferson County WQ Monitoring	24,942	3
Total Monitoring Projects Recommended for Funding to Staff by the RRT		**$251,314**	
Total Monitoring Projects Recommended for Funding by Staff to the Board		**$101,667**	

❶Fund from capital funds

Region 4 – Central Oregon
Assessment Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-254	Pine Hollow/Jackknife Watershed Assessment	104,233	1
207-255	Rock Creek/Lonerock Creek Watershed Assessment	131,894	2
Total Assessment Projects Recommended for Funding to Staff by the RRT		**$236,127**	
Total Assessment Projects Recommended for Funding by Staff to the Board		**$236,127**	

Region 4 – Central Oregon
Restoration Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
207-319	Middle Deschutes Streamflow Restoration Project Phase II **/❖		500,000	500,000	1
207-323	Livestock Management Practices for Improved Riparian Ecosystems		63,749	63,749	2
207-320	Beaty Butte Grazing Distribution Project		56,604	56,604	3
207-321	Stump Grinder Demonstration		21,730	21,730	4
207-241	Williamson River Delta WQ Monitoring		149,647	149,647	2
Total Capital Projects Recommended for Funding to Staff by the RRT		**$0.00**	**$642,083**	**$1,640,833**	
Total Capital Projects Recommended for Funding by Staff to the Board		**$0.00**	**$791,730**	**$791,730**	

** Fund with Conditions

❖Total amount is $1,498,750. Staged award with $500,000 recommended now and $998,750 to be awarded from 2007-09 funds in September 2007.

ATTACHMENT B

Region 4 – Central Oregon
Projects Not Recommended for Funding by the RRT and OWEB Staff
October 16, 2006 Grant Cycle

Project #	Project Type	Project Name	Amount Requested
207-175	Technical Assistance	Lower Grass Valley Canyon Creek Restoration Action Plan	32,035
207-176	Technical Assistance	The Hay Creek/Scott Canyon Watershed Action Plan	31,505
207-178	Technical Assistance	Technical Assistance for Lower Crooked River Restoration	26,080
207-213	Education	Demonstration of Drip Irrigation in Orchard Crops	29,887
207-217	Education	The Four W Strategy for Watershed Enhancement	22,500
207-240	Monitoring	Crooked River Watershed WQ Monitoring	39,243
207-318	Restoration	Tim Long Creek Juniper Thinning	17,343
207-322	Restoration	Herbicide Use Reduction Program for Dryland Crop	194,065

March 1, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Karen Leiendecker, Eastern Oregon Regional Program Representative

SUBJECT: **Agenda Item F: OWEB Grant Award Recommendations**
Region 5, Eastern Oregon
March 14-15, 2007 OWEB Board Meeting

I. Introduction

This staff report describes the Eastern Oregon Regional Review Team recommendations, any special issues, land acquisition grant applications, and staff recommendations for funding.

II. Background

The table attached to the Overview report contains the numbers and types of applications received and dollar amounts requested. The Eastern Oregon Regional Review Team (RRT) met in Pendleton on January 8 and 9, 2007, to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a "do fund" or "no fund" recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

III. Regional Review Team Recommendations

The Region 5 RRT recommended for funding seven Technical Assistance applications totaling $222,185. They also recommended for funding two Education/Outreach (both were reduced), three Monitoring (one was reduced), and three Assessment (one with conditions and reduced) applications.

The RRT also recommended for funding 23 Restoration applications totaling $1,858,966. Special conditions were suggested for two and four were reduced in amount.

IV. Acquisitions

A. Lostine River (207-324)

The Wallowa Land Trust (WLT) requests $516,000 toward purchase of a conservation easement on 175 acres of riparian habitat in Wallowa County. The parcel is located near the confluence of the Lostine and Wallowa Rivers. The acquisition is a first step toward future restoration of the riparian and wetland areas on the parcel, which is a key motivation for the conservation easement.

1. Ecological Benefits

There are approximately 70 acres of freshwater emergent marsh and lowland riparian forest and scrubland on the property. Future restoration activities entail converting the remainder of the parcel to these priority ecological systems. Approximately 4,800 feet of the Lostine River runs through the property and the parcel fronts about 4,800 feet of the southern bank of the Wallowa River. There is about 500 feet of Spring Branch creek that provides off-channel salmon habitat. The Eastern Oregon RRT confirmed the presence of priority ecological systems on the site.

The application states that the following rare or at-risk plant communities occupy or historically occupied the area: Basin wildrye bottomlands, Black cottonwood/black hawthorn, Black cottonwood/coyote willow, Black hawthorn-common snowberry, Black hawthorn-woods rose, Mockorange, and Scouler willow. It is unclear from the application if these plant assemblages currently exist on the site, but there are plans to establish these rare or at-risk plant communities through restoration activities.

The following species have been identified as occurring or potentially occurring on the parcel: Inland redband trout, Steelhead, Chinook salmon, Bull trout, Ferruginous hawk, Sharp-tailed grouse, and Willow flycatcher have been documented on the property. The property provides habitat conditions for the Bobolink, Long-billed curlew, Wilson's phalarope, Columbia spotted frog, Western small-footed bat, and Oregon Semaphore grass. The RRT confirmed that the project will benefit these priority species. The area near the confluence of the Lostine and Wallowa Rivers provides an excellent opportunity to improve backwater habitat for fish.

The RRT thought the project could meet three of OWEB's conservation principles: Stabilize an area on the brink of ecological collapse, require active restoration to achieve its conservation purpose that would not occur without a change in ownership and complement an existing network of sites in the basin or region.

The applicant plans to enhance about 80 acres of degraded wetland on the parcel, enhance riparian habitat to improve about 1 mile of the habitat of both rivers, and implement a grazing management plan to enhance the habitats that support the species listed above while maintaining a working landscape. This area is a collection point for return irrigation water and restoration of the wetlands could have a significant effect on water quality for the region. Once the conservation easement is obtained, restoration activities can be initiated. According to the applicant, grazing within the easement area will be allowed only to enhance the conservation values according the management plan. The RRT concluded that the ecological benefits of the acquisition are dependent on the details of the future management plan especially as it pertains to water use and grazing.

2. Capacity to Sustain the Ecological Benefits

WLT will hold the conservation easement, with OWEB having third party right of enforcement. WLT was established in 2004 and is dedicated to conservation of lands in Wallowa County. They operate with a six member Board. WLT has one full time staff person, a large volunteer base, and access to consultants who specialize in acquisition and land management. WLT is currently working on transactions involving 5 donated

easements. They are working toward Land Trust Alliance Certification and plan to manage the site according to LTA standards.

WLT is planning on obtaining additional funds through other grant programs. The budget lists a $20,000 stewardship endowment to be provided by the landowner.

3. Educational Benefits

The applicant plans to feature this site in the organization's educational materials and workshop activities. They will provide tours and hope to install an educational kiosk along the highway, where the project is located. The property owner currently allows agencies to use the site for field trips and other educational purposes. The RRT confirmed the potential educational benefits due to the project's proximity to the highway.

4. Partners, Project Support & Community Effects

The applicant has applied for funds from the Federal Wetland and Endangered Species Habitat Protection and Stewardship Program and the Federal Farm and Ranchland Protection Programs. The Grande Ronde Model Watershed Foundation will be managing the future restoration activities, but only if the property is placed under easement. They hope to partner with the Nez Perce Tribe and Wallowa Resources to assist them with the terrestrial restoration work.

The property is zoned EFU. The annual property taxes are approximately $625 and the property will remain on the tax rolls. The application asserts that keeping the property in production, while conserving sensitive areas provides essential balance in an area undergoing transition.

5. Legal and Financial Terms

WLT will hold the easement with an OWEB third party right of enforcement. The proposed easement incorporates OWEB's required language. The total cost of the project is estimated at $612,500, but an appraisal of the conservation easement has not been conducted yet.

6. Conclusion

Staff requested due diligence materials in November of 2006; they have not yet been received. Staff and the Board Subcommittee recommend that the Board defer consideration of this acquisition project pending receipt and review of due diligence materials.

B. Deferred Acquisitions-Pilcher Creek (206-339)

The Rocky Mountain Elk Foundation submitted an application on October 24, 2005 requesting $250,000 toward purchase of a conservation easement on a 138-acre parcel on Pilcher Creek in the North Powder River Watershed. The Board has deferred consideration of this application pending review of due diligence materials at the March 2006, September 2006, and January 2007 Board meetings. Due diligence materials have not been submitted. Staff and the Board Subcommittee recommend the Board continue to defer this acquisition project.

V. Staff Recommendation

Staff recommend funding all but three of the RRT recommended Restoration applications. Two of the three applications not recommended by staff are weed eradication projects. Given current OWEB funding limitations, and because of the potential for additional funding to the Department of Agriculture for weed eradication program in the 2007-2009 biennium, OWEB staff do not recommend funding these projects at this time.

Staff also recommend funding only three of the seven RRT recommended Technical Assistance and two of the three RRT recommended Assessment applications for funding due to the limited non-capital funds available.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The tables also indicate, by means of shaded entries, the OWEB staff "do fund" recommendations to the Board. For some projects, the amount shown in the table is the staff funding recommendation rather than the applicant amount.

Attachment B shows those applications not recommended for funding at this time by the RRT and OWEB staff.

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

A. Projects Recommended for Funding
B. Projects Not Recommended for Funding

Region 5 – Eastern Oregon
Technical Assistance Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-187	Little Walla Walla Assessment and Initial Action Plan	16,180	1
207-183	Engineering Bank Stability on the Middle Fork Malheur	45,640	2
207-184	Lostine River Fish Passage Enhancement	49,000	3
207-186	Malheur River Bank Stabilization Design	36,125	4
207-188	Kirkway Collaborative Project for Powder River Restoration	14,850	5
207-181	Eagle Creek Reach Analysis	43,950	6
207-180	Umatilla River at Horseshoe Curve	22,440	7
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		**$222,185**	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		**$110,820**	

Region 5 – Eastern Oregon
Education Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-218	STELLAR*	16,164	1
207-219	Wildlands Juniper Management Interpretive Project*	35,000	2
Total Education Projects Recommended for Funding to Staff by the RRT		**$51,164**	
Total Education Projects Recommended for Funding by Staff to the Board		**$51,164**	

*Listed Amount Reflects Recommended Reduction

Region 5 – Eastern Oregon
Monitoring Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-245	Snake River/Hells Canyon TMDL Agriculture Drain Monitoring Project	65,193	1
207-246	Grande Ronde Basin Gauging Stations Operation	49,229	2
207-244	Wallowa Mountains Bull Trout Redd Monitoring 2007-2008 *	13,075	3
Total Monitoring Projects Recommended for Funding to Staff by the RRT		**$127,497**	
Total Monitoring Projects Recommended for Funding by Staff to the Board		**$127,497**	

*Listed Amount Reflects Recommended Reduction

Region 5 – Eastern Oregon
Assessment Projects Recommended for Funding by the RRT
October 16, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-258	Malheur Co. Irrigated Ag Conservation Inventory & Analysis */**	80,000	1
207-257	Guano & Thousand Virgin Subbasin Watershed Assessment	54,230	2
207-256	Upper Owyhee Assessment	88,460	3
Total Assessment Projects Recommended for Funding to Staff by the RRT		**$222,690**	
Total Assessment Projects Recommended for Funding by Staff to the Board		**$134,230**	

*Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 5 – Eastern Oregon
October 16, 2006 Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT and Recommended for Deferral by OWEB Staff

Project #	Project Name	Amount
207-324	Lostine River Wetlands Protection Conservation Easement	516,000
Total Acquisition Projects Recommended for Deferral by Staff to Board		**$516,000**

ATTACHMENT A

Region 5 – Eastern Oregon
Restoration Projects Recommended for Funding by the RRT
April 26, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
207-330	Middle John Day/North Fork Project		195,375	195,375	1
207-329	Catherine Creek - State Diversion Fish Passage *		90,720	90,720	2
207-346	Mill Creek Push-Up Dam Elimination		13,950	13,950	3
207-354	Orodell Diversion Fish Passage Project		188,965	188,965	4
207-356	Bear Creek Riparian Fencing		12,282	12,282	5
207-342	TNC and Boulder Creek Ranch Aquatics *		249,430	249,430	6
207-344	2007 Upper Joseph Creek Restoration		35,200	35,200	7
207-339	Roberts Creek Ditch Improvements		60,960	60,960	8
207-347	Dry Creek Bank Stabilization & Habitat		33,888	33,888	9
207-349	Wildcat Bridge Replacement *		155,895	155,895	10
207-325	Lower Burnt River Rangeland Improvement **		109,570	109,570	11
207-331	Wallowa Co Fuels Treatment and Forest Restoration		82,235	82,235	12
207-334	Butte Creek Culvert Replacement		67,650	67,650	13
207-345	Doe Creek Culvert Removal		102,500	102,500	14
207-327	Carney Canyon Rangeland Restoration		19,080	19,080	15
207-348	Williams Dairy Corral Restoration	500	46,645	47,145	16
207-353	Jordan Valley Weed Restoration Project		61,100	61,100	17
207-350	Mountain Creek Ditch Conversion Phase II		75,556	75,556	18
207-351	County Fair Wash Rack Solution		10,334	10,334	19
207-326	Brangham Irrigation Conversion Project **		9,040	9,040	20
207-335	Monument's Attack on Medusahead	150	76,402	76,552	21
207-341	Wheeler Co Medusahead Containment & Treatment		110,959	110,959	22
207-338	Ridley Creek Improvement and Spring Dvpt *		50,580	50,580	23
Total Restoration Projects Recommended for Funding to Staff by the RRT		**650**	**1,858,316**	**$1,858,966**	
Total Restoration Projects Recommended for Funding by Staff to the Board		**$500**	**$1,620,375**	**$1,620,875**	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 5 – Eastern Oregon
Projects Not Recommended for Funding by the RRT and OWEB Staff
October 16, 2006 Grant Cycle

Project #	Project Type	Project Name	Amount Requested
207-182	Technical Assistance	Campbell Springs Wetlands	16,600
207-185	Technical Assistance	Pine Creek Free Span Bridge	50,000
207-328	Restoration	Vansycle Animal Feeding Relocation	95,442
207-332	Restoration	Bridge Creek Animal Feeding Relocation	88,461
207-333	Restoration	Myrtle Canyon Eagle Roost	77,000
207-336	Restoration	Rudio Creek Restoration	43,347
207-337	Restoration	Milk Ranch Final Restoration Phase	22,383
207-340	Restoration	Five Point Ditch Diversion Improvement Project	78,100
207-343	Restoration	Medicine Creek Bank and Headcut Stabilization	28,258
207-352	Restoration	Alkali Canal Irrigation Enhancement Project	78,242
207-355	Restoration	Malheur River Stream Restoration Project	17,840

March 1, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Special Projects

SUBJECT: **Agenda Item H: Strategic Investments**
March 14-15, 2007 OWEB Board Meeting

I. Introduction

This report provides an update on development of the Strategic Investments concept.

II. Background

This concept was first discussed with the Board as an item in the Director's Report at the January 2007 Board meeting. Director Byler explained then that several circumstances are combining to present OWEB with significant challenges and opportunities:

A. Revenues from the Measure 66 Lottery source are steadily increasing. Forecasts for the 2007-09 biennium estimate that about $30 million in capital funds will be available each year, and this level of revenue is expected to continue, if not increase, for the foreseeable future.

B. More and more complex, multi-objective projects are being developed by local stakeholder partnerships to address increasingly ambitious objectives that seemed out of reach ten years and even five years ago. OWEB has been seeing, and funding, more of these through the regular grant program. However, questions remain as to whether the regular grant program will always provide the best tool for considering and funding these types of projects and objectives.

C. Measure 66 and the Lottery Fund revenues it provides to OWEB's grant programs may end after 2014. Ensuring we have all the necessary tools available to make effective investments in projects with strong and lasting ecological outcomes between now and 2014 is of critical importance.

D. Measure 66 revenue increases to OWEB will allow the dedication of a certain percentage of capital funds to special projects while at the same time continuing robust funding for the regular capital grant program.

At the January 2007 meeting, the Board appointed a subcommittee to work with staff on developing the details of the strategic investment concept. Subcommittee members are Dan Heagerty, Diane Snyder, Dave Powers, and Ken Williamson. The subcommittee is charged with working with staff to discuss and develop draft documents laying out preliminary goals, structure, process, and developmental steps and time line, and to raise and explore related issues.

III. Subcommittee Meeting

The subcommittee and staff met for the first time on February 27. The following discussion reviews the issues discussed by the group at the meeting.

At the outset, staff and the subcommittee agreed that the initial working title of "Strategic Investments" is misleading as it implies a new program to address "strategic" issues for the first time. In fact, OWEB's grant programs and awards have always emphasized strategic goals relating to watershed enhancement and protection. Assessment and planning grants have been awarded to help local groups arrive at watershed strategies, and subsequent grant awards have always favored project proposals that implement those strategies. Accordingly, staff suggest changing the working title of the concept to the "Special Investment Partnerships."

The subcommittee focused its discussion on the core elements of why the Board would consider a special investment partnerships (SIP) approach and what that might entail. The following sets out some of the key points of consideration discussed by the subcommittee.

A. Why are we considering this?

1. To use OWEB's financial resources to support projects and partnerships at a scale and in a way that might not otherwise happen through the regular grant program.
2. To assure that the larger strategic goals of Measure 66 and of the Oregon Plan are addressed in a concerted fashion that produces significant and thoroughly measurable outcomes.
3. To assure that OWEB is using all the "tools" available to take full advantage of the funding opportunity presented by the Measure 66 funds between now and the potential expiration date of Measure 66 in 2014 – just seven years from now.
4. To reach across organizational and jurisdictional lines to forge partnerships capable of accomplishing big outcomes.
5. To collaboratively provide the "missing pieces" necessary to boost existing partnerships with outstanding ideas along to the implementation stage.
6. Because increasing Measure 66 revenues are expected to allow for SIP projects to be funded, while at the same time assuring that the regular OWEB capital grant program will continue to be robustly funded and will continue to be the main focus of the agency's restoration and acquisition investments.

B. What are we considering?

1. A special process by which the OWEB Board may provide funding to projects with exceptional ecological, economic, and community significance – the "triple bottom line" of sustainability.
2. Watershed and ecological outcomes would be *qualitatively* similar to those directed by existing OWEB statutes and rules and to those traditionally funded by OWEB, particularly for Restoration and Acquisition projects. For example, SIP projects would:
    a. Address major limiting factors for watershed and habitat health.
    b. Implement major restoration/protection priorities for the locality in question.
    c. Support comprehensive projects with clear objectives, clear work plans, and definite time lines.
    d. Act to prevent species and/or watershed functions from being lost or threatened.

3. Although qualitatively similar to "regular" OWEB funded projects, overall SIP project objectives could be significantly greater in scope, the contributions of other project partners would be much greater in amount and greater as a percentage of total effort, and the *quantifiable* results would be much greater in measure.
4. While all OWEB investments have at least incidental local economic and community benefits, SIP projects offer an opportunity to incorporate the overt social and economic objectives of the Local Innovation Fund program.
5. SIP would emphasize a collaborative, cooperative gathering of partners willing and able to work together toward large and commonly held objectives. These same partners might otherwise feel it necessary to compete against each other for access to funds through a "regular" OWEB grant program.
6. One potential scenario anticipates a limited number of SIP awards, perhaps six to eight, each granted several million dollars by OWEB, and each implementing a major project over a period of several years, either nearing or finishing completion by mid-2014.
7. The total capital funding awarded by the Board might be in the neighborhood of 20 to 25 percent of the Measure 66 capital funds available each year between now and the end of 2014.

C. SIP Project Characteristics

The subcommittee discussed several key criteria that would establish the framework under which potential SIP projects would be evaluated. These ideas are conceptual at this point, and will undergo further review and refinement.

1. **High level ecological outcomes.** SIP will allow the Board to invest in these outcomes at a significant scale – "scale" in this case meaning either spatial extent or ecological impact – or both.
2. **Strong community partnerships.** Strong support and involvement by partners at a scale that may not be possible through the regular grant program.
3. **Efficiencies.** Investments that offer a more cost-effective vehicle for achieving outcomes – e.g., through economies of scale, through inclusive partnerships, and through the elimination of unnecessary competition for resources like technical assistance, public outreach, and implementation funding.
4. **Sustainability.** The beneficial outcomes of the projects will address ecological, community, and economic benefits at a larger and more measurable scale.
5. **Ripeness.** Viable SIP projects – and the partners involved – must be ready to move forward with implementation of their projects.
6. **Leveraging.** Although OWEB's regular grant investments attract good "match" support, SIP investments will strive for contributions – including non-capital funding – from other partners significantly above and beyond what we typically achieve through the regular grant program

Staff are planning additional meetings of the subcommittee leading to a report and possible recommendations for action to the full Board at the September 2007 Board meeting. Further subcommittee refinements of the SIP concept will be presented for Board discussion at the upcoming meeting in May.

IV. Recommendation

This is an informational item. No Board action is requested at this time.

March 1, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Miriam Hulst, Oregon Plan Implementation Specialist

SUBJECT: **Agenda Item J: State of Oregon Conservation Plan for the Oregon Coast Coho Evolutionarily Significant Unit**
March 14-15, 2007 OWEB Board Meeting

I. Introduction

In a January 9, 2007, letter to natural resource agency directors (Attachment A), Governor Kulongoski asserts that successful implementation of the State of Oregon Conservation Plan for the Oregon Coast Coho Evolutionarily Significant Unit (coastal coho conservation plan) will depend on commitments made by state natural resource agencies to fulfill statutory authorities and responsibilities for protecting coho habitat and conserving fish. The Governor requests that each agency familiarize its board or commission with the plan and the commitments and obligations made by the agency.

This report requests that the Oregon Watershed Enhancement Board support the proposed role and commitments for OWEB to help implement the coastal coho conservation plan.

II. Background

The October 6, 2006, draft coastal coho conservation plan was developed primarily by staff at the Oregon Department of Fish and Wildlife (ODFW), with assistance and input from many interests, including OWEB. ODFW staff presented the draft plan to the OWEB Board at its meeting on January 25, 2007. ODFW will seek final approval of the coastal coho conservation plan from the Oregon Fish and Wildlife Commission at its March 16, 2007, meeting.

The purpose of the proposed coastal coho conservation plan is to ensure continued viability of the coast coho ESU and to achieve a desired status that provides substantial ecological and societal benefits. The plan maintains and enhances support for the Oregon Plan and meets the requirements of Oregon's Native Fish Conservation Policy. It does not propose new land-use regulations; instead the plan maintains existing regulatory programs and enhances support for non-regulatory cooperative conservation. A key element of the plan is to provide a more effective level of support to local conservation groups and private landowners.

The process to develop this Conservation Plan began in June of 2004. The Conservation Plan was developed during an interative process by considering substantial review, discussion, critique, and recommendations from three primary groups: a diverse public Stakeholder Team, the Oregon Plan Core Team, and a National Oceanic and Atmospheric Administration (NOAA) Technical Recovery Team (TRT).

A 21-member Stakeholder Team was recruited to serve as advisors in the development of the Conservation Plan. Team members represented a wide range of interests including: watershed councils, soil and water conservation districts (SWCDs), local government, recreational fishing, commercial fishing, land-based industries (forestry, agriculture, aggregate), private landowners, fish advocacy groups, and Salmon and Trout Enhancement Program (STEP) volunteers. The Stakeholder Team met 20 times over the course of over two-and-one-half years.

A public draft of the Conservation Plan was released on October 6, 2006, for public review. Public comments on the draft Conservation Plan were accepted through December 8, 2006. Public meetings were held in Coquille, Florence, Newport, and Tillamook in November 2006 to describe the Conservation Plan and accept public comment.

The Executive Summary from the public draft is Attachment B. The plan public draft can be found at www.oregon.gov/OPSW/cohoproject/coho_proj.shtml. Additional information about the Stakeholder Team and comments are found in Appendix 1.

Sue Knapp, Natural Resources Policy Advisor for Governor Kulongoski, and Kevin Goodson of the Oregon Department of Fish and Wildlife, will be available at the Board meeting to update Board members on the latest information relating to the plan and to respond to questions.

III. OWEB and the State of Oregon Conservation Plan for the Oregon Coast Coho Evolutionarily Significant Unit

The Pacific Coastal Salmon Recovery Fund (PCSRF) has been an important resource in the development of the coastal coho conservation plan. Through OWEB, PCSRF funds have been used to pay for staff time devoted to coho conservation plan development. PCSRF funds have also enabled stakeholder facilitation, watershed council involvement, and soil and water conservation district participation in the development of the plan as stakeholders.

OWEB has also provided funding for completion of watershed assessments throughout the Oregon coast. The assessments are independent of the current coho conservation planning efforts, but serve as an important building block for the draft plan. They have been used by local conservation groups to develop priorities for habitat restoration and protection. The Oregon Coastal Coho Assessment, conducted in 2004-2005, and funded in large part by OWEB, helped to identify population level limiting factors for coho salmon. This information has been useful for both local priority setting and the watershed assessment work.

The October 6, 2006, draft coastal coho conservation plan places emphasis on the restoration of low-gradient, unconfined channels that provide refuge for young coho during high winter flows. Restoration of these historically degraded stream reaches is expected to increase coho freshwater productivity. OWEB's coastal regional review teams consistently evaluate how proposed projects will contribute to coho restoration needs. Although the review teams have not ceased funding other priorities, coho restoration needs factor largely in coastal funding decisions.

During the summer of 2006, OWEB allotted more than $1 million to the employment of displaced fishers who conduct projects that improve high priority coastal coho habitat. This effort is a direct link between OWEB funding and the implementation of priorities identified in the coastal coho conservation plan.

IV. OWEB's Continuing Commitment to the Coastal Coho Conservation Plan

The draft coastal coho conservation plan includes the following commitments of OWEB:

A. OWEB will continue to provide funding for projects that restore and protect coastal coho habitat. Staff will soon issue a Request for Proposals (RFP) for the compilation of limiting factors in the range of coastal coho. The compilation will be conducted at the 5th field hydrological unit code (HUC) spatial scale. The results will be used to review and prioritize restoration activities and guide future funding decisions. OWEB will also continue to fund technical assistance, education, and outreach efforts that facilitate implementation of coastal coho projects.

B. OWEB will support research that addresses objectives relevant to the coastal coho conservation plan, particularly those concerning watershed function and process issues that are relevant to local protection and restoration issues. OWEB recently received research proposals totaling approximately $9.5 million for projects that address effectiveness monitoring, interactions between hatchery fish and wild fish, life history evaluations, water quality, fisheries genetics, population modeling, and habitat mapping. Many of these projects are expected to produce valuable information pertaining to coastal coho management and conservation.

C. OWEB will continue to encourage the use of the Oregon Conservation Reserve Enhancement Program (CREP) in coastal counties. The goal of Oregon CREP is to enhance riparian habitat on agricultural lands along streams that provide habitat for ESA-listed salmonids and water quality benefits.

D. OWEB will continue to work with other agencies to improve monitoring protocols for OWEB-funded projects. OWEB will also continue working with partnering agencies to develop large-scale, high-level indicators of ecosystem function and determine how to track changes through time.

E. OWEB will increase staff capacity specifically to provide outreach to sectors and individuals that can assist with coastal coho conservation projects. Staff will facilitate interagency cooperation to accomplish outreach activities and develop restoration projects that strategically advance the habitat goals of the coastal coho conservation plan.

V. Recommendation

Staff recommend the Board endorse the OWEB commitments referenced in Section IV of this report to assist in the implementation of the coastal coho conservation plan.

Attachments

A. January 9, 2007, Letter from Governor Kulongoski
B. Executive Summary

Conservation Plan for the Oregon Coast Coho ESU
October 6, 2006 Public Draft
Executive Summary

Introduction

The purpose of this Conservation Plan is to ensure the continued viability of the Oregon Coast Coho Evolutionary Significant Unit (ESU) and to achieve a desired status that provides substantial ecological and societal benefits. The Oregon Coast Coho ESU is viable (*see* Table 2; State of Oregon, May 6, 2005; Federal Register/ Vol. 71, No. 12/Thursday, January 19, 2006) and does not currently require protection under the federal Endangered Species Act (ESA). The current status of this ESU reflects a reduction in fishery harvest, improved hatchery management, and extensive habitat restoration work initiated or maintained under the Oregon Plan for Salmon and Watersheds (Oregon Plan). This Conservation Plan maintains and enhances support of the Oregon Plan and meets the requirements of Oregon's Native Fish Conservation Policy (NFCP). This Conservation Plan does not propose new land-use regulations, maintains existing regulatory programs, and enhances support for non-regulatory cooperative conservation. A key element of this Plan is to provide a higher and more effective level of support to local conservation groups and private landowners (e.g., Soil and Water Conservation Districts, watershed councils, industrial forestland owners, Salmon and Trout Enhancement Program volunteers, and other individuals and groups). These community-based organizations have demonstrated an impressive record of planning, prioritizing, and implementing habitat improvement projects through their participation in the Oregon Plan.

This document is Oregon's Conservation Plan for the Oregon Coast coho Evolutionary Significant Unit (ESU), prepared by the Oregon Department of Fish and Wildlife (ODFW). The Conservation Plan incorporates findings presented in the Oregon Coastal Coho Assessment (State of Oregon, May 6, 2005; *hereafter referred to as the 2005 OCCA)* and extensive experience implementing the Oregon Plan since 1997. Oregonians have demonstrated extensive and diverse support for non-regulatory, community-based, habitat improvement work under the Oregon Plan. Participants in this effort include watershed councils, Soil and Water Conservation Districts, Salmon-Trout Enhancement Program volunteers, industrial and private landowners and a variety of non-governmental organizations and individuals. Implementation of the Oregon Plan across this ESU from 1997 to 2003 included significant investments ($107 million) in restoration work by private landowners and state and federal agencies; private landowners voluntarily contributed about one-third of these funds; Oregon Watershed Enhancement Board restoration grants supported roughly $13 million during this timeframe.

The Conservation Plan was developed during an iterative process by considering substantial review, discussion, critique, and recommendations from three primary groups: a diverse public Stakeholder Team (see Appendix 1), an Oregon Plan Core Team, and a Technical Recovery Team (TRT). The Conservation Plan describes commitments by the State of Oregon that will conserve the sustainability of this ESU and restore biological attributes necessary to achieve a science-based, socially established desired status goal. Achievement of the desired status goal

will provide significant ecological, economic and cultural benefits for all Oregonians. Hereafter, the Oregon Coast coho Conservation Plan will be referred to as the Conservation Plan or simply the Plan.

This Conservation Plan, in supporting the Oregon Plan, is a dynamic strategy that will adapt and be modified over time in response to learning from monitoring data and implementation experience. The intent of this Plan, like the Oregon Plan, is to support efforts to improve habitat for coho salmon and other native fish and wildlife species through on-the-ground, non-regulatory work by community-based entities and individuals

As defined in Oregon Administrative Rule, the term *conservation* means managing for sustainability of native fish so present and future generations may enjoy their ecological, economic, recreational and aesthetic benefits (OAR 635-007-0501-10). *Native fish* are defined as indigenous to Oregon and include both naturally and hatchery produced fish (OAR 635-007-0501-36).

This Plan meets the requirements for conservation plans described in Oregon's Native Fish Conservation Policy (NFCP). The NFCP (OAR 635-007-0502 to 0509) was adopted by the OFWC in 2002 to support and increase the effectiveness of the 1997 Oregon Plan. The Conservation Plan does not replace or supersede the Oregon Plan. Fundamentally, the Conservation Plan is designed to improve the status of the ESU and virtually all of its constituent populations by increasing the productive capacity of the coho and their habitat to levels significantly higher than where the ESU could be considered a potential candidate for listing under federal ESA. Significantly, Oregon notes that all of the actions in this Conservation Plan are expected to benefit co-existing native species and water quality across the ESU.

The NFCP employs conservation plans to identify and implement appropriate strategies and actions necessary to restore native fish in Oregon to levels that provide benefits to the citizens of the state. This is achieved through a sequential process:

1. Define the management unit, or ESU.
2. Determine its current status.
3. Define a desired status.
4. Determine any gap between the two and the factors causing the gap (limiting factors).
5. Identify strategies and actions that address the limiting factors.
6. Monitor and evaluate the ESU status and actions implemented and use adaptive management to make adjustments.

The Conservation Plan contains the elements identified above and is also intended to be consistent with and contain most of the elements required by a federal ESA Recovery Plan. The primary required elements of a federal Recovery Plan include 1) objective and measurable criteria for delisting, 2) site-specific actions required for recovery, and 3) estimates of the time and cost of implementing the plan. A key distinction exists between this Conservation Plan and a federal Recovery Plan. Specifically, whereas ESA Recovery Plans focus on criteria actions needed to achieve delisting of species, this Conservation Plan is developed for a species that is not listed under federal ESA and therefore addresses actions needed to achieve a socially established desired status goal that could be described as one scenario of broad sense recovery.

The Conservation Plan would need to be modified somewhat, e.g., to include delisting criteria and actions in order to serve as a federal Recovery Plan.

Structure and Biology of the Oregon Coast coho ESU
The Oregon Coast coho ESU includes naturally produced coho salmon in 56 populations – as defined by the National Oceanic and Atmospheric Administration (NOAA) TRT (Lawson, et al, 2005) – from the Necanicum River near Seaside to the Sixes River near Port Orford. Twenty one of these populations are classified as potentially or functionally independent because they occur in basins with sufficient historical habitat to have persisted through several hundred years of normal variations in marine and freshwater conditions. These anadromous salmon spawn in rather small low-gradient streams from November through March, the offspring spend the next summer and one winter in freshwater, and then migrate through estuaries to the ocean in the spring of their second year of life. The vast majority of coho salmon then spend two years (summer growth seasons) in the ocean, remaining principally off the Northern California and Oregon coast, before returning to their home streams to spawn.

Current Status of the ESU
Oregon's conclusion was that the ESU is currently viable and sustainable (2005 OCCA). In other words, Oregon Coast coho populations generally demonstrate sufficient abundance, productivity, distribution, and diversity to be sustained under the current and foreseeable future range of environmental conditions, even including conditions somewhat more adverse than were observed during the 1990s, a period characterized by adverse ocean survival conditions, drought, and flood across the ESU. NOAA's Federal Register Notice (Vol. 71, No.12: Proposed Rules) contained the following statement:

> *After considering the best available scientific and commercial information available, we have concluded that the ESU is not in danger of extinction throughout all or a significant portion of its range, nor is it likely to become so within the foreseeable future. (page 3033)*

Desired Status and Measurable Criteria
This Conservation Plan describes a desired status for future condition and performance of the Coast coho ESU. The desired status goal was discussed over more than twelve months with the Stakeholder Team and others and represents a science-based, social consensus. The goal targets a return of spawners to the ESU (at 1.1% marine survival) that is about twice the spawners observed during 1993-1996. Oregon has described a set of measurable criteria that will be monitored and evaluated to determine if and when the desired status goal has been achieved (see Appendix 2). These measurable criteria include parameters such as abundance, productivity, distribution, persistence, diversity, and habitat.

Desired Status Vision
A conceptual statement of the desired status goal for this ESU is consistent with the *Mission* of the Oregon Plan for Salmon and Watersheds *Populations of naturally produced coho salmon are sufficiently abundant, productive, and diverse (in terms of life histories and geographic distribution) that the ESU as a whole 1) will be self-sustaining into the foreseeable future, and 2) will provide significant ecological, cultural, and economic benefits.*

Oregon's Coho Conservation Strategy

Oregon is relying on a combination of existing regulatory programs plus effective long-term participation in non-regulatory conservation work to achieve the desired status goal for the Coast coho ESU. Policies and actions in this Plan will address the potential effects of human activities across the full life-cycle of the Coast coho ESU including management activities upstream from the distribution of coho salmon, downstream through tributaries, mainstems, estuaries where coho reside and/or migrate, and the ocean. Principal activities that could potentially limit or support achievement of the desired status goal for the ESU include fishery harvest, hatchery operation, land use management, and on-the-ground work to increase the productive capacity of coho habitat. These policies and actions are framed to 1) conserve the existing productivity, distribution, diversity of coho salmon and habitat across the ESU and 2) improve the productive capacity of coho populations and habitat. Both elements are considered essential to achieve Oregon's desired status goal.

The long-term effectiveness of this Conservation Plan requires development of conservation and restoration strategies at scales within populations. Oregon will continue to support local watershed entities as they implement population-specific actions at scales appropriate for conservation. These finer resolution strategies will include prioritized and time sequenced action plans across all land ownerships.

Key Conservation Commitments

Key commitments in this Plan include the following.

Oversight

- *Desired status goal*. This Conservation Plan establishes policy regarding the desired status for the ESU and constituent populations within the ESU. The desired status goal (and measurable criteria) in this Conservation Plan is significant because it provides a quantitative target for the ESU that can be used to evaluate the Plan's effectiveness over time.
- *Regulatory programs*. State and federal agencies will implement, monitor compliance with, and enforce their legislatively mandated regulatory programs.
- *Accountability*. The Oregon Plan Core Team is responsible for implementation of conservation efforts statewide (i.e., the Oregon Plan) including this Conservation Plan. An Oregon Plan Regional Implementation Team will be responsible for tracking implementation and preparation of reports described as part of Oregon's adaptive management commitment in this Plan.

Implementation

- *Modified hatchery programs*. Two coho hatchery programs are being altered in a manner that is designed to achieve viability for the affected populations.
- *Conservation priorities*. The plan provides information intended to guide funding and action investments in watershed conservation by diverse management entities.
- *Oregon Plan Habitat Strategy*. The strategy is to provide more effective financial and technical support to private landowners to maintain and increase participation in

cooperative conservation actions. Implementing the strategy will support the viability of the ESU and will help achieve the desired status for habitat – roughly a doubling in the amount of high quality habitat across the ESU. The habitat strategy enhances the Oregon Plan approach for developing cooperative conservation partnerships and conducting effective habitat restoration projects.

The habitat strategy of this Conservation Plan will provide additional resources to community-based conservation networks (e.g., watershed councils, Soil and Water Conservation Districts, Salmon and Trout Enhancement Program volunteers, and other community groups) and private landowners engaging in voluntary, cooperative conservation projects. Oregon has over ten years of positive experience implementing habitat restoration under the OPSW. Specifically, this strategy will provide 1) a better understanding of coho's ecological needs, 2) a better understanding of where and how habitat restoration can be most effective, 3) improved financial incentives to conduct voluntary habitat restoration, and 4) more technical support for project designs, permits, monitoring and reporting for restoration projects. This is not a new initiative, just better assistance and support for Oregon Plan participants so that their involvement can be most effective.

This strategic approach – recognizing the good work already completed under the Oregon Plan and a growing level of participation in Oregon Plan programs – is supported by the Oregon Forest Industries Council, Oregonian's for Food and Shelter, and the Oregon Farm Bureau. Enhanced partnerships among private forest and agricultural landowners represent a powerful means of increasing the level of investment and participation in effective voluntary habitat-improvement work on private lands. The Oregon Plan Core Team will coordinate this strategy among participating entities.

- State and federal agencies provided detailed descriptions of their respective contributions to the Conservation Plan along with abstract summaries of their actions. Abstracts are in the main body of this Conservation Plan, detailed descriptions are in Appendix 3 to the Conservation Plan. Funding available to support conservation infrastructures (especially SWCDs and watershed councils) will be maintained and most likely, modestly increased during the next biennium (2007-2009).

<u>Research, Monitoring and Evaluation</u>

- *Research.* Seven topics that merit research are identified. These topics include information needs that are particularly relevant to achieving Oregon's desired status goal for this ESU.
- *Monitoring.* Monitoring within the ESU has been modified to improve estimates of coho spawners; juvenile coho density and distribution; and habitat quality.
- *Evaluation to support adaptive management.* First, Oregon commits to assess the ESU and the effectiveness of the Conservation Plan (in 6 years, every 12 years thereafter, or as needed). Second, Oregon will produce a succinct annual report – *an early warning system* –that will alert Oregon to the need to reconsider the status of the Coast coho ESU, monitoring, and management systems in place throughout the ESU.

Reaching Desired Status – Time Frame Expectations

Whereas immediate benefits to coho are expected as the actions identified in the Plan are implemented, the desired status goal for this ESU is ambitious. Achieving the desired status goal will require an institutionalization of the cooperative conservation commitments embedded in the Oregon Plan and this Conservation Plan, sustained leadership, extensive non-regulatory participation by private landowners, funding, reassessment, and adaptive management. With the enhanced level of habitat monitoring proposed in this plan, Oregon will be able to determine, the trajectory of habitat condition and the approximate time-frame that the observed trajectory would require to achieve the desired status goal. A 50 year time-frame is probably the most realistic scenario to achieve the desired status goal for the ESU, given likely levels of funding, the time required to resolve scientific uncertainty, and the time required to restore ecological processes.

Assessment of the Conservation Plan

Oregon is relying therefore on a combination of the current regulatory programs plus effective long-term participation in non-regulatory, cooperative conservation work to achieve the desired status goal for the Coast coho ESU. The Oregon Plan habitat strategy is designed to support effective work by the existing cooperative conservation network (including SWCDs, watershed councils, Salmon and Trout Enhancement Program volunteers and others) across the ESU. This effort is expected to increase participation in non-regulatory cooperative conservation work by private landowners, especially landowners in areas with the greatest potential to create high quality coho habitat and support achievement of the desired status goal for the ESU.

Oregon is generally optimistic that the elements of this Conservation Plan will achieve the desired status goal for the ESU, based on the following observations.

- Coho salmon are broadly distributed across all 21 independent populations within the ESU and spawning escapements during recent years of relatively favorable ocean survival have been higher on average than in the last 5 decades.
- The ESU is currently viable and adaptive management has virtually eliminated significant adverse impacts of fishery harvest and hatchery programs on the ESU.
- Practical methodologies exist to materially improve the environmental conditions principally limiting productive capacity of the ESU.
- An extensive and diverse locally-based infrastructure of committed groups and individuals has demonstrated a decades-long track record of restoration commitment and action. The fiscal support for restoration efforts and infrastructure support in the ESU is likely to increase.

March 1, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item L: Grant Solicitation for April 2007**
March 14-15, 2007 OWEB Board Meeting

I. Introduction

This report proposes the Board revise the 2005-2007 grant cycle schedule to allow staff to solicit grant applications for Technical Assistance for the upcoming April 23, 2007, deadline. The Board will consider grant awards for this solicitation at its September 2007 meeting. Staff will propose a grant cycle schedule for the full 2007-2009 biennium at the May Board meeting.

II. Background

In OAR Chapter 695, Division 5, OWEB's rules direct the Board to announce the timing and type of grant applications to be considered. In May of 2005, the Board adopted a grant cycle schedule for the 2005-2007 biennium. For the April 23, 2007, grant deadline, the schedule currently includes a solicitation of Restoration/Acquisition grant applications only.

III. Current Status of Grant Offerings

At present, we do not know with certainty how much funding will be available for the OWEB grant program during the 2007-2009 biennium. However, there are strong indications that there will be significant capital funds available for restoration and acquisition projects. There is less certainty regarding the level of non-capital funding that will be available for the grant program. Non-capital funds support a variety of grant types that directly and indirectly support capital-funded projects – such as monitoring, assessments, technical assistance, and education and outreach. Over the years, the relatively modest levels of non-capital funds have forced the Board to very carefully consider how to direct those funds.

In the 2005-2007 biennium, the Board directed limited non-capital funding to technical assistance. Beginning in October of 2005, technical assistance grant applications have been accepted at each grant cycle. With the prospect of significant capital funds next biennium, staff continue to believe one of the best uses of non-capital funds is to ensure technical assistance is available to guide capital project development.

The demand for technical assistance has been clearly demonstrated. Of the 38 Technical Assistance applications submitted in October of 2006, only 16 applications are recommended for funding by staff. Staff are not recommending funding for 11 applications recommended by the regional review teams due to limited amount of available funding.

Even though OWEB's 2007-2009 budget is not yet known, staff recommend soliciting Technical Assistance grant applications on the April 23, 2007, deadline for Board consideration at the September 2007 meeting. Staff are not suggesting a Board reserve of the 2007-2009 non-capital funding at this time. Instead staff will propose a non-capital spending plan, and Technical Assistance funding recommendations that address that proposed plan, at the September 2007 meeting.

Staff do not recommend soliciting grant applications for the other non-capital grant types (education, monitoring, and assessment) at this time. Future offerings for these grant types will be discussed in greater detail at the upcoming May and September Board meetings.

IV. Recommendation

Staff recommend the Board revise the grant cycle schedule to add the solicitation of Technical Assistance applications to the April 23, 2007, grant application deadline.

Approved by the Board May 15, 2007
Oregon Watershed Enhancement Board
March 14, 2007
OWEB Board Meeting
Eugene, Oregon

Minutes

OWEB Members Present
Miles Brown
Bobby Brunoe
Dan Carver
Alan Christensen
Dan Heagerty
Skip Klarquist
Meta Loftsgaarden
Jane O'Keeffe
Dave Powers
Scott Reed
Patricia Smith
Diane Snyder
Michael Tehan
Dan Thorndike
Helen Westbrook
Ken Williamson

Members Not Present
Jim Nakano

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

Others Present
David Bowers
Kip Wood
Pat Willis
Liz Redon
Erika Lang
Tara Putney
Eric Harlston
Renee Davis-Born
Kevin Goodson
Bob Kinyon
Walt Barton
Jennifer Hampel
Liz Vollmer-Buhl

Others Present
Leo Naapi
Bruce Taylor
Traci Price
Alan Horton
Dave Waddell
Jon Souder
Margaret Kirby
Kim Carson
Ryan Houston
John Moriarty
Dan Weitz
Max Nielsen-Piners
Paula Crowder
Lorena Freel
Jeanne Ginter
Carol Ach
John Eccles
Tom Taylor
Grace Dinsdale
Lee Russell
Josh Kling
Karla Kay Edwards
Clint Shock
Jenny Shine
John McDonald
Larry Six
Megan Finnessy
Shawn Mahugh
Maggie Kirby
Bryan vonBargen
Jenna Garmon

A. Board Member Comments

Representatives on the OWEB Board commented on recent activities and issues facing their respective agencies. Board Co-Chair Jane O'Keeffe reported on meetings she and Co-Chair Heagerty had with Legislators to promote OWEB and its budget, focusing on the importance of non-capital funds.

B. Minutes

Minutes of the following Board meeting were unanimously approved:

January 24-25, 2007 Board meeting in Hillsboro

C. Executive Director Update

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

1. Ongoing Grant Offerings

Last fall, OWEB held a solicitation for research proposals. Of the 33 submitted, OWEB asked ten entities to submit full proposals for Board consideration in September 2007. OWEB will need to ask the Legislature for expenditure limitation on the funds from the Research and Protection Account.

2. Watershed Council Support

Sixty watershed council support applications were received by the December 2006 deadline requesting $7.9 million. The council support advisory committee met for four days in February to review the applications. The Board will consider staff's funding recommendations at the May 2007 meeting.

3. At the September 2006 Board meeting, Board member Helen Westbrook, requested a future Board discussion about the balance of applications received from region to region, noting that Region 1 has fewer applications than other regions. She also requested further information from staff on the number of funded watershed councils by region, and how staff balance the proposed funding recommendations for each region.

Director Byler reported that staff will provide additional information at the May 2007 Board meeting, but noted that there appear to be no trends or patterns for grant applications among the regions. Staff have been working to develop regional restoration priorities, and have brought them to the Board for adoption as they are completed. Some still remain to be submitted for Board consideration. The priorities will be a useful tool for the regional review teams, staff, and the Board to weigh and balance applications among the regions.

4. Legislature and Budget

OWEB's 2007-2009 budget presentation to the Ways and Means Subcommittee on Natural Resources is scheduled for March 20, 21, and 26, with public testimony scheduled for March 27. OWEB's budget work session with the Subcommittee will most likely be scheduled toward the end of the session. OWEB staff are participating on a water measurement work group on HB 2564. The federal government is under a continuing resolution and NOAA Fisheries has authority to distribute $67 million in PCSRF funds to the Pacific Northwest states. To date, there are no earmarks.

5. Board Retreat

Roger Wood, Special Projects, is working to develop the agenda for a Board Retreat this summer.

D. Oregon Explorer

Greg Sieglitz, Monitoring and Reporting Program Manager, and Janine Salwasser and Renee Davis-Borne from Oregon State University Libraries, gave an update on the status and improvements made to the Oregon Explorer, and provided an overview of the site located at *www.oregonexplorer.info*.

New features include:

- Access to restoration project locations and information from the Oregon Watershed Restoration Inventory database
- A feature to cut and paste charts and graphs featured in the Oregon Plan 2005-2007 Biennial Report.
- A feature to create charts and tables from information contained on the site.

E. Public Comment on Pending Grant Applications

Bob Kinyon, Partnership for the Umpqua Rivers, thanked OWEB for supporting 207-157, which was recommended for funding, which could be a potential project for the Strategic Investment Program.

Liz Vollmer-Buhl, Jeanne Giner, and Corena Freel, Siuslaw Watershed Council, supported 207-230 which was not recommended for funding.

Curt Mykut, Ducks Unlimited, supported 207-303 which was not recommended for funding.

Johnny Sundstrom, Siuslaw Institute, supported 207-192 which was not recommended for funding. He expressed concerns about the regional review team's evaluation of education applications.

Walt Barton, Douglas SWCD, supported 207-297, which was not recommended for funding due to fiscal concerns with outstanding grants.

Jennifer Hampel, Coquille Watershed Association, supported 207-286, 207-287, and 207-236, which were not recommended for funding.

Liz Redon, North Santiam Watershed Council, supported 207-207, which was not recommended for funding. They are open to a funding award at $15,000 instead of the requested $44,000, in order to secure $100,000 in other grants.

Patrick Willis, Jackson Bottom Wetlands Preserve, supported maintaining grant funds for education and outreach.

Kip Wood, Lincoln SWCD, supported 207-227, which was recommended for funding.

Russell Hoeflich, The Nature Conservancy, supported 207-342which was recommended for funding at a reduced level.

Dale Waddell and Jay Hopp, Wolftree, Inc., supported 207-215, which was not recommended for funding.

Ala Norton and Traci Price, Oregon Trout, and Ryan Houston, Upper Deschutes Watershed Council supported 207-224, which was not recommended for funding.

David Bowers, Willow Creek Watershed Council, supported 207-172, which was not recommended for funding.

Jon Souder, Coos Watershed Association, supported 207-160, which was not recommended for funding.

Michelle Bussard, Johnson Creek Watershed Council, supports 207-206, which was not recommended for funding; 207-316, which was recommended for funding at a reduced level; and 207-317, which was recommended for funding at a reduced level.

Grace Dinsdale, Dinsdale Farm, Inc. supported 201-184, and provided an overview of events related to their request to re-fund the grant. (See Agenda Item M, Other Business.)

Max Nielsen-Pincus and Scott Turo, Crooked River Watershed Council and Confederated Tribes of the Warm Springs Reservation, supported 207-178, which was not recommended for funding, and 207-173, which was recommended for funding.

Dan Weitz, Powder Basin Watershed Council, supported 207-188, which was not recommended for funding.

Clint Shock, Owyhee Watershed Council supported 207-256, which was not recommended for funding.

John Eccles, West Multnomah SWCD, supported 207-220, which was not recommended for funding.

Russ Stauff, Oregon Department of Fish and Wildlife, supported 207-275, which was not recommended for funding.

Josh Kling, Western Rivers Conservancy, supported 207-072, clarifying application information regarding the title holder for the Sandy River acquisition.

F. Board Consideration of Pending Applications

Ken Bierly, Deputy Director, briefed the Board on the applications received. A total of 206 grant applications seeking a total of $19,226,568 were received by the October 16, 2006, deadline.

Technical Assistance	38	$ 1,320,515
Education	36	$ 1,589,368
Monitoring	24	$ 1,256,181
Assessment	10	$ 894,453
Acquisition	4	$ 2,161,825
Restoration	94	$12,004,226

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 priorities developed to prepare the funding recommendation for Board consideration taking the budget into account.

Three new land acquisition applications and a water acquisition application received this cycle were first reviewed by the Board acquisition subcommittee that recommends whether staff should proceed with due diligence review or whether the application be denied and no due diligence review would occur. The applications are also reviewed by the regional review teams for ecological and educational values. Staff then consider all evaluation criteria, the subcommittee's recommendation, and available funding resources to develop a funding recommendation to the full Board.

One of the land acquisition applications is ready for funding (McKenzie Oxbow, 207-302 in Region 3). The other two land acquisition applications are recommended for deferral (Newton Creek Wetlands, 207-301, and Lostine River Wetlands, 207-324), and the water right acquisition is also recommended for funding (Evans Creek Flow Enhancement, 207-274).

STATEWIDE EDUCATION AND MONITORING
Ken Bierly, Deputy Director
Greg Sieglitz, Monitoring and Reporting Program Manager

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

REGION 1, NORTH COAST
Ken Bierly, Deputy Director
Tom Shafer, Regional Program Representative

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

Acquisition Projects
There were no outstanding acquisition projects in Region 1.

REGION 2, SOUTHWEST OREGON
Ken Bierly, Deputy Director
Mark Grenbemer, Regional Program Representative

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

Acquisition Projects
Evans Creek at Wimer Flow Enhancement (207-274) was approved for funding.

Board members unanimously approved staff's funding recommendation for this project.

REGION 3, WILLAMETTE BASIN
Ken Bierly, Deputy Director
Wendy Hudson, Regional Program Representative
Greg Sieglitz, Monitoring and Reporting Program Manager

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

Acquisition Projects
Newton Creek Wetlands (207-301) was recommended for deferral pending receipt of additional information on the capacity of the Mary's Peak Natural Resources Interpretive Center to own and manage the site, the lack of other funding partners, and the potential for incompatible uses adjacent to the site.

McKenzie Oxbow Acquisition (207-302) meets the criteria for high ecological and educational value. Due diligence materials have been reviewed and approved by staff and legal counsel, and was recommended for funding.

Sandy River Acquisition (207-072) was recommended for funding at half the amount ($364,000) requested by the Western Rivers Conservancy with the remainder ($363,500) upon Board approval of a long-term owner of the property.

Board members unanimously approved staff's recommendations.

REGION 4, CENTRAL OREGON
Ken Bierly, Deputy Director
Rick Craiger, Regional Program Representative

Board member Bobby Brunoe recused himself from voting on Application No. 207-319 (recommended for funding) citing a conflict of interest.

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

Acquisition Projects
There are no outstanding acquisition projects in Region 4.

REGION 5, EASTERN OREGON
Ken Bierly, Deputy Director
Karen Leiendecker, Regional Program Representative

Board member Diane Snyder recused herself from voting on Application Nos. 207-344 (recommended for funding) and 207-345 (recommended for funding) citing a conflict of interest.

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

Acquisition Projects

Lostine River (207-324) was deferred pending receipt and review of due diligence materials.

Pilcher Creek (206-339) was deferred pending receipt and review of due diligence materials.

Board members unanimously approved staff's funding recommendations.

At the conclusion of the Statewide and Regional grant awards, staff identified additional funds available to address some of the needs identified in public testimony. Board members were asked to consider the following additional projects for funding:

Non Capital funds

Board members unanimously approved the following non-capital grants with revised work plans to be developed in cooperation with the regional program representatives:

207-230	Siuslaw Watershed Council	$8,000
207-236	Coquille Watershed Association	$40,000
207-206	Johnson Creek Watershed Council	$20,000
207-215	Wolftree	$42,000
207-256	Owyhee Watershed Council	$40,000
	TOTAL	$150,000

Capital funds

Board members unanimously approved the following capital grants:

201-184	Grace Dinsdale/Tualatin SWCD	$134,000
207-286	Coquille Watershed Association	$99,150
207-342	The Nature Conservancy	$16,850
	TOTAL	$250,000

Other

The Board was asked to consider special conditions for four grants. Following a discussion of the situation of each grant, the Board considered the following;

Johnson Creek Watershed Council

Allow the difference between the $600,450 awarded for 207-317 and the amount provided by the Department of State Lands mitigation fund to be used for project 207-316.

Crooked River Watershed Council

Allow the council to use award of $49,575 for 207-173 to be partially used for the purposes of 207-178.

Board member Bobby Brunoe recused himself from voting due to a conflict of interest.

Board members approved with one abstention.

Local Partner Presentations

The following representatives from local watershed and conservation organizations took Board members on an in-house tour highlighting accomplishments made by the following local partners.

- *Joe Moll, McKenzie River Trust*
- *Megan Finessy, McKenzie Watershed Council*
- *Lauri Mullen, City of Eugene*
- *Pam Reber and Allen Martin, Coast Fork Watershed Council*
- *Dana Erickson, Long Tom Watershed Council*
- *Dave Downing, East Lane Soil and Water Conservation District*
- *Eve Montanaro, Middle Fork Watershed Council*
- *Rolf Anderson, Rolf Anderson & Associates*

At the conclusion of the business meeting, an informal reception for OWEB Board members, staff, watershed partners, and local officials was held.

Approved by the Board May 15, 2007
Oregon Watershed Enhancement Board
March 15, 2007
OWEB Board Meeting
Eugene, Oregon

Minutes

OWEB Members Present	OWEB Staff Present	Others Present
Dan Carver	Bonnie Ashford	Marty Suter
Dan Heagerty	Ken Bierly	John Moriarty
Skip Klarquist	Tom Byler	Sue Knapp
Meta Loftsgaarden	Rick Craiger	Jeff Samuels
Jane O'Keeffe	Mark Grenbemer	Bruce Taylor
Dave Powers	Miriam Hulst	
Patricia Smith	Karen Leiendecker	
Diane Snyder	Tom Shafer	
Michael Tehan	Greg Sieglitz	
Dan Thorndike	Roger Wood	
Helen Westbrook		
Ken Williamson		

Members Not Present
Miles Brown
Bobby Brunoe
Alan Christensen
Jim Nakano
Scott Reed

G. Council-District Collaboration Update
John McDonald, OACD, and John Moriarty, Network of Oregon Watershed Councils, updated Board members on the status of the Council-District collaboration process. They continue to meet with legislators to reinforce the importance of non-capital, and equal funding to both watershed councils and soil and water conservation districts in the OWEB and ODA budgets.

H. Strategic Investments
Roger Wood, Special Projects, discussed agency efforts to explore opportunities for the Board to consider initiating a special investments partnerships program next biennium. At the January 2007 Board meeting, the Board appointed a subcommittee (Dan Heagerty, Diane Snyder, Dave Powers, and Ken Williamson) to work with staff on developing the details of the special investments concept. The subcommittee first met on February 27 and focused its discussion on the core elements of why the Board would consider a special investment partnerships approach and what that might entail. They also discussed several key criteria that would establish the framework under which potential SIP projects would be evaluated. The preliminary list includes:

1. High level ecological outcomes.
2. Strong community partnerships.
3. Efficiencies.
4. Sustainability.
5. Ripeness.
6. Leveraging.

The special investments partnerships (SIP) is a continuing effort to expand the offering from OWEB. It is not meant to replace OWEB's grant program which will remain whole. The intent is to focus on complicated proposals or special partnerships for projects with substantial funding or long-term funding needs, that would not normally fit into OWEB's regular grant program, and that would benefit economic and community sustainability. No Board action was requested. Staff plan to set up regular meetings with the Board subcommittee and will report at future Board meetings on progress toward the effort.

I. Public Comment – General

Joe Mill, McKenzie River Trust, offered support for the Strategic Investment Partnership that was discussed under Agenda Item H.

Sam Chan, OSU Sea Grant Extension, expressed concern and support for OWEB's education and outreach efforts.

Chris Orsinger, Friends of Buford Park and Mt. Pisgah, discussed a possible acquisition opportunity for OWEB at the Coast Fork, Middle Fork confluence.

J. Coastal Coho Conservation Plan

Sue Knapp, Governor's Natural Resources Office, Kevin Goodsen, Oregon Department of Fish and Wildlife, and Ken Bierly, Deputy Director, briefed Board members on the State of Oregon Conservation Plan for the Oregon Coast Coho Evolutionarily Significant Unit. The draft coastal coho conservation plan was developed by the Oregon Department of Fish and Wildlife (ODFW) with assistance and input from many interests, including OWEB. The purpose of the proposed plan is to ensure continued viability of the coast coho ESU and to achieve a desired status that provides substantial ecological and societal benefits. Successful implementation of the plan depends on commitments made by state natural resource agencies to fulfill statutory authorities and responsibilities for protecting coho habitat and conserving fish populations. ODFW will seek final approval of the plan from the Oregon Fish and Wildlife Commission at its March 16, 2007, meeting.

The draft plan includes the following commitments from OWEB:

A. OWEB will continue to provide funding for projects that restore and protect coastal coho habitat. Staff will soon issue a Request for Proposals (RFP) for the compilation of limiting factors in the range of coastal coho. The compilation will be conducted at the 5th field hydrological unit code (HUC) spatial scale. The results will be used to review and prioritize restoration activities and guide future funding decisions. OWEB will also continue to fund technical assistance, education, and outreach efforts that facilitate implementation of coastal coho projects.

B. OWEB will support research that addresses objectives relevant to the coastal coho conservation plan, particularly those concerning watershed function and process issues that are relevant to local protection and restoration issues. OWEB recently received research proposals totaling approximately $9.5 million for projects that address effectiveness monitoring, interactions between hatchery fish and wild fish, life history evaluations, water quality, fisheries genetics, population modeling, and habitat mapping. Many of these projects are expected to produce valuable information pertaining to coastal coho management and conservation.

C. OWEB will continue to encourage the use of the Oregon Conservation Reserve Enhancement Program (CREP) in coastal counties. The goal of Oregon CREP is to enhance riparian habitat on agricultural lands along streams that provide habitat for ESA-listed salmonids and water quality benefits.

D. OWEB will continue to work with other agencies to improve monitoring protocols for OWEB-funded projects. OWEB will also continue working with partnering agencies to develop large-scale, high-level indicators of ecosystem function and determine how to track changes through time.

E. OWEB will increase staff capacity specifically to provide outreach to sectors and individuals that can assist with coastal coho conservation projects. Staff will facilitate interagency cooperation to accomplish outreach activities and develop restoration projects that strategically advance the habitat goals of the coastal coho conservation plan.

Board members unanimously approved OWEB's commitments to the plan as described above.

K. High Desert Partnership Presentation

Chad Karges, U.S. Fish and Wildlife Service, and Marty Suter, Harney SWCD, discussed efforts of the High Desert Partnership. The High Desert Partnership was formed in 2005. The partnership brings together diverse interest groups such as landowners, conservationists, agencies and other interested parties to address the challenges of the high desert of southeast Oregon, focusing on a balance between community, and economical and environmental factors.

L. Grant Solicitation for April 23, 2007 Grant Cycle

Ken Bierly, Deputy Director, briefed Board members on the April 23, 2007, grant application deadline. Currently, the grant cycle is for restoration and acquisition applications using capital funds. OWEB staff would like the Board to consider accepting technical assistance applications which use non-capital funds. Although non-capital funds are limited, there is a demand for technical assistance funding which in turn would be necessary for capital grant application – better design resulting in better restoration projects.

Board members voted unanimously to approve staff's recommendation to accept technical assistance applications in the April 23, 2007, grant solicitation.

M. Other Business

Board Authorization to Allocate Funds to Implement an Expired Project: Dinsdale Wetland Restoration Grant (201-184) to Ducks Unlimited.

Although the staff report for this Agenda Item was under Other Business, the item was discussed during Agenda Item F: Board Consideration of Pending Grants – Region 3. This grant was ranked number 1 of 8 restoration projects from the Willamette Basin and was awarded at the May 18, 2001, Board meeting. Since then, the project experienced numerous delays and setbacks. Staff attempted to accommodate the grantee's various requests for time extensions, but ultimately, the grantee was unable to complete the project by the time project funding expired on December 31, 2006.

Late last year, the landowner and NRCS contacted OWEB staff to explore alternative ways to complete the project. After discussions with the landowner, NRCS, and the Tualatin SWCD, OWEB staff developed a funding proposal to present to Board members. After receiving requested information, staff forwarded information to the Board for approval.

Board members unanimously approved staff's recommendation to enter into a new grant agreement with the landowner and Tualatin SWCD; approve an additional $70,913 in capital funds; and allow staff to reallocate unspent capital funds of $63,090 from the original grant for a total project cost of $134,003.

Having no further business, the meeting was adjourned.

Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board
May 15-16, 2007

Land Board Room
State Lands Building
775 Summer Street NE
Salem

Please see www.oregon.gov/OWEB for directions.
Parking information is available on page 4.

Tuesday, May 15, 2007

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items D and K), anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. ***The Board encourages persons to limit comments to no more than five minutes.***

A. Board Member Comments
Board representatives from state and federal agencies will provide an update on issues related to the natural resource agency they represent. This is also an opportunity for public and tribal Board members to report on their recent activities and share information and comments on a variety of watershed enhancement and Oregon Plan-related topics. *Information item.*

B. Review and Approval of Minutes
The minutes of the March 14-15, 2007, meeting will be presented for Board approval. *Action item.*

C. Executive Director Update
Tom Byler, Executive Director, will update the Board on agency business and late-breaking issues. *Information item.*

D. Public Comment – Pending Watershed Council Support Applications [approximately 9:00 a.m.]
This time is reserved for public comment on Watershed Council Support applications to be considered for funding by the Board. Only comments pertaining to the specific grant applications will be accepted during the meeting. The Board will not accept any written materials at this time. Any written comments pertaining to pending Watershed Council Support proposals must be received by agency staff by the May 4, 2007, deadline.

E. Board Consideration of Pending Watershed Council Support Applications
The Board will consider Watershed Council Support applications submitted by the December 15, 2006, application deadline. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

F. At-Sea Research: Oregon State University and Oregon Salmon Commission
Greg Sieglitz, Monitoring and Reporting Program Manager, Gil Silvia, Superintendent, Oregon State University Collaborative Research on Oregon Ocean Salmon (Project CROOS), and Jeff Feldner, commercial fisherman, will report on last year's ocean salmon fishing season and the corresponding genetic research and mapping undertaken by the Oregon Salmon Commission, OSU, and commercial fishermen. The final results from the 2006 season and a description of work planned for the 2007 ocean salmon season will be presented. *Information item.*

G. Effectiveness Monitoring
Courtney Shaff, Effectiveness Monitoring Specialist, and Greg Sieglitz, Monitoring and Reporting Program Manager, will present an overview of the OWEB Effectiveness Monitoring Program, accomplishments since 2006, and activities planned for 2007-2009. Mike Powers, ODA Water Quality Specialist, will describe a proposal to initiate effectiveness monitoring of the ecological benefits provided through the Conservation Reserve Enhancement Program (CREP). *Action item.*

H. Special Investments Partnerships
Roger Wood, Special Projects, will discuss agency efforts to explore opportunities for the Board to consider initiating special investments partnerships next biennium. *Information item.*

Informal Reception - 5:15 - 6:30 p.m.

The Oregon Watershed Enhancement Board invites you to join Board members and staff for a reception for area councils, districts, and local officials who are OWEB's partners supporting watershed restoration activities.

Alessandro's
120 Commercial Street NE, Salem
Mezzanine
5:15 – 6:30 p.m.

Wednesday, May 16, 2007

Business Meeting – 9:30 a.m.

During the public comment periods (Agenda Items D and K), anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. ***The Board encourages persons to limit comments to no more than five minutes.***

I. Small Grant Program
Ken Bierly, Deputy Director, and Bev Goodreau, Grant Program Specialist, will provide information about the 2005-2007 Small Grant awards and request funding for the Small Grant Program for the 2007-2009 biennium. *Action item.*

J. Sandy River Acquisition
Lori Warner-Dickason, Policy Specialist, will update Board members on the Sandy River land acquisition project and present a funding recommendation for Board consideration. *Action item.*

K. Public Comment [approximately 10:15 a.m.]
This time is reserved for public comment on any matter before the Board.

L. Oregon Plan Monitoring
Greg Sieglitz, Monitoring and Reporting Program Manager, Charlie Corrarino, ODFW Conservation and Recovery Program Manager, and Tara Schultz, ODFW John Day Monitoring Coordinator, will describe the history of, and request funding for, the ODFW John Day River Chinook salmon and steelhead monitoring program. Michael Banks, OSU Hatfield Marine Science Center, and Charlie Corrarino, ODFW, will present the Non-pareil Dam and Umpqua Pedigree findings of the last three years and request funding for a 2007-2008 study plan. *Action item.*

M. Tribal Policy
Ken Bierly, Deputy Director, will discuss a proposed policy regarding interaction of agency actions with Oregon Tribes to comply with ORS 182.162 to 182.168. *Action item.*

N. Pacific Northwest Whole Watershed Restoration Venture Partnership
Scott Peets, U.S. Forest Service, and Brent Davies, Ecotrust, will give an overview of 2006-2007 activities and accomplishments, existing partnerships, and opportunities to continue the collaborative effort to complete restoration within focus watersheds. *Information item.*

O. 2007-2009 Board Meeting Dates and Grant Application Deadlines
Tom Byler, Executive Director, and Ken Bierly, Deputy Director, will discuss the proposed Board meeting and grant application deadline schedule for the 2007-2009 biennium. *Action item.*

P. Restoration Priorities
Roger Wood, Special Projects, will update Board members on the program for completion and adoption of basin restoration priorities and request adoption of the John Day, Umatilla, Powder, Grande Ronde, Imnaha, and Hood/Fifteenmile basin restoration priorities. *Action item.*

Q. Other Business

Parking Information: Street parking (2 hr) is available on the west side of the building (Winter Street). Metered parking is available along Summer and Union Streets. Daily parking is available at the State "yellow lot" located at Marion and Summer Streets for $6/day (machine takes bills and coins; gives change and a receipt). A Park and Ride lot is located at the State Motor Pool with buses running approximately every 15-30 minutes.

Meeting Procedures: Generally, agenda items will be taken in the order shown. However, in certain circumstances, the Board may elect to take an item out of order. To accommodate the scheduling needs of interested parties and the public, the Board may also designate a specific time at which an item will be heard. Any such times are indicated on the agenda.

Please be aware that topics not listed on the agenda may be introduced during the Board Comment period, the Executive Director's Update, the Public Comment period, under Other Business or at other times during the meeting.

Oregon's Public Meetings Law requires disclosure that Board members may meet for meals on Monday, Tuesday, and Wednesday.

****Public Testimony:** The Board encourages public comment on any agenda item. However, public testimony must be limited on items marked with a double asterisk (**). The double asterisk means that the item has already been the subject of a formal public hearing. Further public testimony may not be taken except upon changes made to the item since the original public comment period, or upon the direct request of the Board members in order to obtain additional information or to address changes made to proposed rules following a public hearing.

A public comment period for Watershed Council Support grant applications will be held on Tuesday, May 15, 2007. The Board will not accept any written materials at that time. Any written comments pertaining to pending grant proposals must be received by the May 4, 2007, deadline. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to no more than five minutes.***

A general public comment period will be held on Wednesday, May 16, 2007, for any matter before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to no more than five minutes.***

Tour: The Board may tour local watershed restoration project sites. The public is invited to attend, however transportation may be limited to Board members and OWEB staff. If you wish to join the tour, be prepared to provide your own transportation.

Executive Session: The Board may also convene in a confidential executive session where, by law, only press members and OWEB staff may attend. Others will be asked to leave the room during these discussions, which usually deal with current or potential litigation. Before convening such a session, the presiding Board member will make a public announcement and explain necessary procedures.

Questions? If you have any questions about this agenda or the Board's procedures, please call Bonnie Ashford, OWEB Board Assistant, at 503-986-0181.

If special physical, language or other accommodations are needed for this meeting, please advise Bonnie Ashford (503-986-0181) as soon as possible but at least 48 hours in advance of the meeting.

Oregon Watershed Enhancement Board Membership

Voting Members

Environmental Quality Commission member: ***Ken Williamson***
Fish and Wildlife Commission member: ***Skip Klarquist***
Board of Forestry member: ***Diane Snyder***
Board of Agriculture member: ***Dan Carver***
Water Resources Commission member: ***Dan Thorndike***
Public member: ***Jane O'Keeffe, Board Co-Chair***
Public member: ***Daniel Heagerty, Board Co-Chair***
Public member (tribal): ***Bobby Brunoe***
Public member: ***Patricia Smith***
Public member: ***Jim Nakano***
Public member: ***Helen Westbrook***

Non-voting Members

Representative of Director of Oregon State University Extension Service: ***Scott Reed***
Representative of U.S. Forest Service: ***Alan Christensen***
Representative of U.S. BLM: ***Miles Brown***
Representative of U.S. NRCS: ***Meta Loftsgaarden***
Representative of U.S. EPA: ***Dave Powers***
Representative of NMFS: ***Michael Tehan***

Contact Information

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OWEB Executive Director - Tom Byler

tom.byler@state.or.us

OWEB Assistant to Executive Director and Board - Bonnie Ashford

bonnie.ashford@state.or.us
503-986-0181

2007 Board Meeting Schedule

September 18-19, 2007 – La Grande

For online access to staff reports and other OWEB publications check our web site: www.oregon.gov/OWEB

May 15-16, 2007 OWEB Board Meeting
Executive Director Update #C1: Research Grants Update

Background
At the May 2006 Board meeting, staff proposed a formal research proposal grant process that has clear criteria, utilizes the appropriate scientific expertise for evaluating requests, and minimizes impacts on current staff workload. Board members unanimously approved the process. Since then, OWEB has used the Sea Grant program at Oregon State University to assist in the administration of the research grant solicitation and review process.

Research Grants Review Process
Sea Grant solicited research pre-proposals for the 2007-2009 biennium and received 33 preliminary concept papers by the September 22, 2006, deadline. A subcommittee of the Oregon Plan Monitoring Team (OPMT) prioritized the pre-proposals based on their potential to address research questions that are relevant to OWEB's Research Priorities, the Oregon Coast Coho Recovery Plan priorities or existing management needs or uncertainties, or are expected to produce findings that are tangible and useful for near-term management purposes. The OPMT subcommittee forwarded their analysis and recommendations to OWEB staff. Based on these recommendations, OWEB staff requested full proposals from 14 of the applicants. Four of the proponents were asked to work together to develop a single proposal, and a fifth declined the opportunity to submit a full proposal. A brief description of the 14 pre-proposals and their respective status is found in Attachment A.

Sea Grant completed the external review of the project proposals requested by OWEB in mid-April. A review of each application was conducted by two to five experts in the natural resource sciences from around the nation and several countries. Each reviewer provided a written evaluation and overall qualitative score at the conclusion of the review. Qualitative scores were then converted to a numeric value. Each application was considered within the following categories: overall *Rationale* for the proposed work, *Scientific or Professional Merit, Innovativeness, Qualifications and Past Record of Investigators, and User Relationship* (overall utility to end users).

All of the proposals were given scores by each reviewer in the *Good*, *Very Good*, and *Excellent* brackets except one that was given a *Fair* score. Averaging scores among reviewers reveals that 8 of the 10 applications fall into the *Very Good* rank with the remaining two considered *Good*.

Staff Review
Since the conclusion of the Sea Grant review process in April, staff have been processing reviewers' comments and scores in preparation of selecting a portion of the proposals for future Board consideration. Current requests through the Research Grant Solicitation slightly exceed $4.6 million. The research account presently contains $3.6 million of both capital and non-capital dollars. After the Legislature passes the 2007-2009 budget, staff will evaluate current priorities for research and report to the Board in September with recommendations on how to proceed.

Staff Contact
Contact Greg Sieglitz at greg.sieglitz@state.or.us or 503-986-0194 with questions about OWEB's research grant process.

OWEB Research Grant Cycle Full Proposal List Feb 2007

updated 3/6/07

Attachment A

Title	PI	Brief Summary	Product	Topic	Amt Requested Final Proposal	Cap	Non-cap
Oregon plan effectiveness: Watershed scale research in Western Oregon	Johnson	Trask/Hinkle/Alsea	**improved understanding** forest harvest on downstream fish bearing streams	effectiveness	$499,384	$426,106	$73,279.50
Evaluating the role of dam removal for salmon and sucker recovery in Oregon	Tullos	Dam removal	**develop and evaluate** a monitoring framework for short and long term effects of dam removal	dam removal	$426,354	$385,134	$41,220
Coast Range Beaver studies	Hoffman	Beaver/coast	**information** on **beaver** pop and habitat dynamics , **dev protocols**	species	Not submitted	N/A	N/A
Fiber-optic observations of stream function and condition: demonstration and application.	Selker	Fiber optic/temperature	**test** new technology/**validation** management tools	Indicator	$641,756	$596,756	$45,000
Recovery of Wild coho salmon in Salmon River basin	Jones	Salmon R/coho recovery	**information** on hatchery influence on **coho** life history in Salmon R life history	hatchery/wild	$749,335	$742,305	$7,030
Effects of Tide gates on juvenile coho movement and residence time in Estuarine habitats	Giannico	Tide gates/coho	**Information** on **coho** residence time, habitat utilization in estuary and movement through tidegates (206-244 - habitat use no pit-tagging or residence time, habitat focused)	effectiveness	$267,121	$234,180	$32,941
Reconstructing water temperatures in Oregon streams through analysis of growth increments in long-lived pearlshell mussels	Black	Mussel temperature reconstruct	**method development** to link long-term temp to land use histories	indicator	$47,649	$45,899	$1,750
Linking coldwater refuges into a framework for river and floodplain restoration	Gregory	Willamette/ temperature	**maps** of potential restoration locations	landscape	$628,311	$627,311	$1,000
Identifying relationships between coho salmon abundance and trend, and land-use/land cover changes in the Oregon Coastal Province.	Burnett	Coho/land use	**model, map** of predicted **coho** salmon abundance and habitat conditions.	landscape	Combined	N/A	N/A
Assessing the relationships between landscape dynamics, riparian conditions, and aquatic resources.	Wondzell	Landscape/riparian/ habitat model	**model testing** using upland/riparian condition to assess salmonid habitat quality	landscape	$745,711	$727,491	$18,220
Identifying habitat restoration priorities for multiple species in dynamic riverine environments	Beechie	Habitat restoration prioritization	**modeling tools**, applied examples	landscape	Combined	N/A	N/A
Mapping Riparian Vegetation and Salmonid Habitats in Oregon from Field and Remotely-sensed Data.	Kagan	Riparian mapping	**method development** for integration of remote sensing data and stream condition	landscape	Combined	N/A	N/A
Development of physiological health criteria to assess habitat quality in degraded and recovering/restored stream systems	Heppell, Scott	Physiological criteria John Day	**develop physiological indicators** of habitat quality linked to vital rates	indicator	$244,763	$233,363	$11,500
Integrated Dynamics landscape and coho salmon model	Lawson	Landscape coho model	**test and combine models** to evaluate different landscape scenarios	landscape	$352,914	$324,541	$28,373
			Total Requested from OWEB		**$4,603,298**	$4,343,086	$260,313.50

* This is a preliminary breakdown of cap and non-cap and could change.

April 25, 2007

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Grant Program Manager
Lori Warner-Dickason, Policy Specialist

SUBJECT: Agenda Item E: 2007-2009 Watershed Council Support Funding
May 15-16, 2007 OWEB Board Meeting

I. Introduction

On December 15, 2006, OWEB received 60 applications for Watershed Council Support grants requesting a total of $7.9 million. This report describes the application and review process, funding alternatives, considerations for special situations, and a recommendation for funding the 2007-2009 biennium Watershed Council Support grants.

II. Background

From 1997 through 2001, Watershed Council Support (Council Support) grant applications were accepted, reviewed, and awarded along with applications for other project types. Council Support applications were reviewed based on the scope of work and a description of accomplishments submitted by the applicants. In December 1999, the Governor's Watershed Enhancement Board raised funding to an equivalent of a biennial budget of $4.1 million for Council Support grants. OWEB later standardized all local groups seeking Council Support to the same two-year grant cycle in order to coincide with the State's budget cycle.

For the 2001-2003 biennium, OWEB accepted Council Support grant applications only once, in November 2000. Applications were still reviewed based on the proposed scope of work and a description of accomplishments submitted by the applicants. Funding was allocated by OWEB region at the same level as the 1999-2001 biennium. While the amount of funding remained the same, the number of groups seeking support grew by four. In regions with no increase in applicants, staff negotiated budget reductions to achieve the regional funding allocation. In the Willamette and Southwest regions, where the number and amount of requests for Council Support had increased, the region's budget allocation was divided equally, except for new applicants who were awarded half-time support. This distribution effectively "thinned the soup" in these two regions.

In January 2001, the Board asked staff to explore options for incorporating geographic and biological values into the process for evaluating and awarding Council Support grants. OWEB also was given a budget note from the 2001 Legislative Joint Ways and Means Natural Resources Subcommittee that stated:

> *OWEB will report to the 72nd Legislative Assembly on progress developing grant program criteria for Watershed Council Support that emphasizes the following principles: funding*

based on performance and accomplishments supporting the Oregon Plan for Salmon and Watersheds; mechanisms ensuring accountability for public funds received; the watershed restoration and species habitat challenges faced by the region in which the council is located; community and local government support for and participation in council activities; and the ability to share staff and consolidate organizational efforts with other watershed councils. Past receipt of Council Support funds should not be a principle consideration as the Board awards future grants.

In response to the direction of the Legislature and Board, staff initiated a rulemaking to move the Council Support grant criteria toward a merit-based approach. As a first step, rule language was adopted by the Board on September 19, 2002, to clarify existing eligibility policies, refine the elements to be addressed by the council work plan, define and narrow eligible expenditures, and establish initial preference criteria. On December 11, 2002, OWEB received 57 Council Support applications requesting $6.3 million in funding. Applications were reviewed and ranked by an evaluation committee. The rankings resulted in merit category placements, upon which the funding recommendations were based.

A final phase of rule revisions began in the fall of 2003 to more clearly describe the merit criteria to be used in evaluating applications and address problems experienced in applying merit evaluation to the 2003-2005 Council Support applications. In March of 2004, the Board adopted new rules and staff presented updated application and evaluation forms. On December 13, 2004, OWEB received 57 Council Support grant applications requesting $6.6 million in funding. Funding was awarded on a graduated point scale, using a standard formula, rather than a standard amount by category or a percentage of the funding requested by the applicant. An additional percentage ranging from 15 to 30 percent was awarded to umbrella watershed councils.

III. 2007-2009 Application and Review Process

In March 2006, staff started revising the Council Support review process. Significant changes were made to the application, review criteria, and merit evaluation process. The following sections summarize of some of the most significant changes and process outcomes.

A. The Application

The most significant change made to the Council Support application was a reduction in its size. In 2005-2007, completed applications ranged from 30 to 90 pages in length. This required a significant amount of time from applicants to prepare and reviewers to evaluate. Revising the application form resulted in grant applications that were 20 pages or less.

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

Criteria #1	Organization Make-up and Citizen Involvement
Criteria #2	Organization Improvement Efforts
Criteria #3	Management of the Organization
Criteria #4	Fiscal Management
Criteria #5	Leadership Role in Watershed Activities
Criteria #6	Planning Strategically
Criteria #7	Working Collaboratively
Criteria #8	Accomplishments

In addition to sections related to each criteria, the application included a section called "special circumstances." This section provided the opportunity for councils to describe staffing situations and demographic or social issues that influenced their work. The objective of the "special circumstances" section was to provide reviewers with a context for evaluating the accomplishments of each council.

B. Scoring the Applications

The make up of the review team or Council Support Advisory Committee (CSAC), was also revised. The CSAC was made up of 18 members and divided into two teams. Each team was comprised of one person from each of OWEB's regions and four "statewide" representatives. For a list of CSAC members see Attachment A. The role of the CSAC was to assist OWEB in reviewing applications and developing "consensus scores" for each application.

Consensus scoring was a new addition to the process. After pre-scoring the applications, the CSAC met for facilitated "consensus scoring sessions." At the sessions, the CSAC teams discussed the applications and sought clarification from OWEB's Regional Program Representatives (RPRs). The results were consensus scores for each application. Instead of averaging scores from each reviewer, as in 2005-2007, each score represented the consensus of the CSAC team.

The reviewers were asked to focus on the criteria and avoid comparing councils to each other as they scored the applications. The reviewers also considered the level of funding previously received in their evaluation of the accomplishments of each council. Because councils are vastly different with regard to their organization, available resources, geography and other factors, staff felt that this was critical in achieving an equitable process.

After the scoring sessions, staff conducted an extensive review of the comments and scores generated by the CSAC. Minor adjustments were made to the scores to improve consistency between the teams. Minor adjustments to some scores were also made based on field staff knowledge of situations where staff felt the reviewers clearly missed an important aspect of a council's work.

C. Limitations of the Process

Although many changes were made to improve the application, it was not perfect. Some questions did not have the level of validity staff had hoped for, i.e. the information provided in the question response was not what staff had intended, and although staff tried to simplify the application, some questions were confusing for applicants. To be fair, the reviewers had to rely on what was in the application and there were instances where the information provided in the application did not accurately reflect the council.

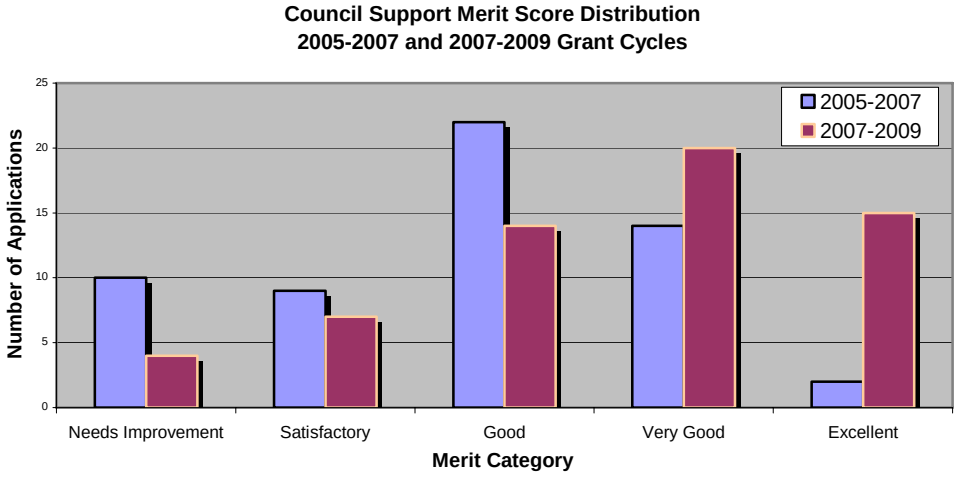
The scoring sessions went very well. The reviewers were very prepared, engaged, and thoughtful in their deliberation of the applications. The two teams were relatively consistent in their evaluation, but they were not as consistent in how the criteria were scored. This was mitigated in part by making minor adjustments to the scores for consistency. However, due to the diversity of councils, scoring will always involve an element of subjectivity.

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

D. The Final Merit Scores and Evaluations

The merit scores ranged from 52 to 100. Figure 1 shows a comparison between the distribution of merit scores for 2007-2009 and 2005-2007. Scores are generally higher for the 2007-2009 grant cycle than for the 2005-2007 biennium; more than half of the applicants scored 85 or higher. This outcome is a result of the attempts to focus on the criteria, not compare councils to each other, and consideration of the level of funding and special circumstances in the evaluation of a council's accomplishments. One of the objectives in revising the process was to minimize the effects of regional and demographic differences and allow for differences in how these community organizations operate.

Figure 1



Staff prepared written summaries of the evaluation by the CSAC. Copies were sent to Board members and applicants on April 11, 2007. Applicants have until 5:00 p.m., Friday, May 4, 2007, to submit comments on their evaluations. A packet of response letters will then be sent to the Board before the May 15-16 meeting. Staff will not recommend changes to individual grant awards at the May 2007 meeting based on applicant responses to the written comments.

IV. Individual Grant Awards

The current rules governing Council Support [OAR 695-040-0060 (4)] state that individual Council Support grant awards will be based on four factors:

(a) An applicant's merit category.
(b) Whether the applicant is an umbrella watershed council as defined in OAR 695-040-0020(4).

(c) Whether the applicant is two or more watershed councils serving unique geographic areas in a single Watershed Council Support grant where the application demonstrates operational economies of scale over two separate grant applications.
(d) Available funding.

The following sections discuss how each of the factors were used in establishing individual award amounts.

A. Applicant's Merit Category

Once the final merit scores were determined, the next step was to develop an approach to determining base awards that would provide the greatest benefit to the greatest number of applicants, while remaining true to the merit-based review concept. Staff developed three approaches to determine base awards: a "merit point" approach, three merit categories, and five merit categories. All three approaches were discussed with members of the Council Support Board Subcommittee at a meeting in Portland on April 3, 2007, and with OWEB's RPRs. Below is a discussion of the three approaches that were considered.

1. Merit Point

For the "merit point" approach, dollar amounts are assigned to each council based on a standard formula; the total Board award divided by the total of all scores, yielding a per-point dollar amount, which is multiplied by each council's merit score. For example, at the $5 million funding level, scores would be multiplied by $950. For a council score of 100, this would translate to an individual award of $95,000.

The "merit point" approach was used for the 2005-2007 awards. The advantage of this approach is that is most closely reflects a true merit system. The disadvantage is that for every point difference in merit score, there is a significant difference in base award amount. Some staff and Board Subcommittee members thought that the process to determine the merit scores was not sensitive enough to justify using the "merit point" approach.

2. Three Categories

Staff and the Board Subcommittee also considered grouping the merit scores into three categories, "Excellent," "Good," and "Needs Improvement." When three categories are created, a wide range of scores are included in each category. Creation of the base award by averaging the scores within each category results in relatively large differences between categories. For example, at the $5 million funding level, the award amount for the "Excellent" category is about $17,000 higher than that for the "Good" category.

The three category approach significantly reduces the award amounts for the highest scorers within each group when compared to the "merit point" approach. Some staff and Board Subcommittee members thought the broad categories did not go far enough to distinguish the high scorers or to establish "merit." Advocates of this approach thought that given the differences in councils and the sensitivity of the scoring process, the three category approach was the most defensible.

3. Five Categories

The third approach was to create five categories, "Excellent," "Very Good," "Good," "Satisfactory," and "Needs Improvement." The five category approach results in less difference between adjacent categories and higher award amounts for the highest scorers within each group. For example, at the $5 million funding level, the award amount established for the "Excellent" category is only about $10,000 higher than the "Very Good" category. Also, the highest scorers in the "Excellent" category receive only about $2,000 less than they would in the "merit point" approach. Staff and the Board Subcommittee thought that the five category approach represented a compromise that balances the need to demonstrate merit with the level of sensitivity of the scoring process.

After much deliberation, staff and the Board Subcommittee decided to present the five category approach to the Board as part of the funding recommendation.

B. Umbrella Watershed Councils

As defined in OAR 695-040-0020(4), umbrella watershed councils include (a) those that provide support and coordination for at least three watershed groups or councils, have a coordinating council, shared staff, and a single Council Support grant; and (b) those that provide service to a watershed area containing three or more 4th-field hydrologic units.

Staff identified five type (a) umbrella councils, six type (b) umbrella councils, and two type (a and b) councils. Staff seek to have the Board award additional funds to all umbrella councils, *above the base award*, allocated by the Board. Staff recommend that the type "a," "b," and "a and b" umbrella councils receive an additional 18, 9 and 22 percent, respectively, of their base award. This amount is commensurate with the umbrella awards for 2005-2007.

C. Two or More Watershed Councils - Single Application

This factor was established to allow flexibility to award additional funding to a few isolated cases where two or more distinct watershed councils that had historically submitted a single application for Council Support were now (by the 2004 rules) prohibited from applying separately. Historically, these councils had shared staff and other resources during the council formation and early development stages, but as each council evolved, the citizen involvement, council organization and project management tasks became too significant for a single organizational structure and coordinator. Staff have not recommended additional funds for this factor, in part because the situations it was developed to address have been resolved by applicants either qualifying for the umbrella council factor because of additional partnerships, or because of approved requests to the Board to apply independently.

D. Available funding

At the time of writing this staff report, the Legislature has yet to take action on OWEB's budget. As a result, we do not know what the final legislative decision will be with respect to funding watershed councils in the 2007-2009 agency budget. The funding level proposed for Watershed Council Support in the Governor's Recommended Budget (GRB) is $4,058,879. The GRB also contained narrative recognizing the Board's authority to increase Council Support funding beyond the amount recommended by the Governor. The narrative also encouraged the Board to maintain funding parity between watershed councils and soil and water conservation districts. A budget proposed by the co-chairs of the Joint Ways and Means committee proposes funding councils at the same level as the GRB.

Until the OWEB budget is adopted by the Legislature, we will not know with certainty the total amount of funding that will be legislatively appropriated for councils. Also unclear is the total amount of non-capital funds that will be available for grant program purposes. A better understanding of available funds in the 2007-2009 budget will provide important context for the Board in making key funding decisions. At this time, it is not known whether the Legislature will take action on the OWEB budget before the May Board meeting. Staff will provide a budget update at the meeting.

V. Funding Alternatives

Given the current status of OWEB's 2007-2009 budget, staff have developed four funding alternatives using the five category approach described above. Funding alternatives at $4 million, $5 million, $5.5 million, and $6 million are shown in Attachment B. The attachment also includes the individual Council Support awards for the 2005-2007 biennium as well as the amount requested by each council.

For the current biennium (2005-2007), the Board awarded just under $4.5 million for Council Support, with an average award of approximately $74,000. The majority of Council Support funds are used for coordinator salary, with other eligible costs (rent, utilities, travel operations, and fiscal administration). It is clear that $74,000 over a two-year period is not sufficient to provide what most watershed councils need to effectively operate. This biennium, 47 percent received less than $74,000.

How have the councils fared under the current level of funding of $4.5 million? Some councils, who have been very successful in leveraging OWEB Council Support funds, have continued to do very well. Many have struggled.

During the first 18 months of this biennium, at least 17 watershed councils did not have enough funding to employ full-time staff. At least 16 councils experienced staff turnover, which may be related to the levels of and uncertainties about funding. Another 12 councils experienced unexpected temporary layoffs and/or reductions in coordinator hours due to funding shortfalls. Those councils that were able to employ a full-time coordinator did so by supplementing their operations with project management dollars through OWEB capital restoration grants. The effect for some councils has been a shift in attention from capacity and community building to implementing restoration projects. Without the attention to capacity building, there is a higher incidence of volunteer and Board member burnout, a reduction in education and outreach and a dwindling community presence. This was reported as a significant setback for many councils and one that will be difficult to recover from.

At the $4 million level, the average award would be approximately $66,000, which is about $8,000 less than the average award in 2005-2007. Forty-nine watershed councils would receive less than they did in 2005-2007. Those councils who have in past biennia ranked high and received the largest awards are most impacted at this funding level, because more councils have scored better this cycle and the limited funds are divided more equitably.

The $6 million level represents a 33 percent increase over the $4.5 million the Board was able to allocate for 2005-2007 Council Support. The average award would be $100,002. This amount would greatly increase council ability to retain qualified staff, which is essential for the long-term viability of these local groups.

OWEB recognizes that it has neither the ability, nor the obligation, to fully support all watershed groups. The agency does, however, have an opportunity to make a serious investment in local capacity so that watershed groups can effectively build their organizations to sustain themselves beyond 2014.

VI. Special Funding Considerations

In addition to the funding alternatives discussed above, there are a couple of special situations that warrant Board attention.

A. Councils in the "Needs Improvement" Category

Every biennium, we are faced with a handful of watershed councils that demonstrate poor performance based on the merit criteria. In the last two biennia, the Board has opted to award some level of funding to all applicants, even if the merit score resulted in a low funding award.

The Board could establish a merit threshold below which the Board may approve an alternative funding scenario. The advantages of establishing a merit threshold are:

- It sends a clear message to the Legislature that OWEB is committed to accountability.
- It sends a clear message to councils that funding is not automatic and may provide an impetus for needed change.
- It could be used to reinforce the framework for merit and provide a target for councils to work toward.

Based on review of the distribution of merit scores for the past two biennia, it appears that a significant break in the distribution of scores has consistently occurred around 60 percent of the highest score. The resulting funding award at this level has been relatively nominal ($60,000 or less). Staff feel that a merit threshold of 60 is reasonable and has used that score to establish the "Needs Improvement" category. Four watershed councils fall into this merit category.

There are a couple of ways that the Board could use the merit threshold to make funding awards for those councils that fall in the "Needs Improvement" category. The first option is to not provide any funding to those councils that do not meet the merit threshold (no fund). Another option is to award funding, but direct staff to release the funds when certain performance benchmarks are met (provisional funding).

1. No Funding

There has been much discussion among staff and the Board Subcommittee around whether the lowest-ranked applicants should receive any funds. The awards at the low funding level are so small as to be potentially useless to those applicants. Also, some felt that the funds would be better spent by being distributed among the better performing applicants.

Others felt that zeroing an applicant might mean permanent demise for a council. In the past, some poorly performing applicants who received limited OWEB Council Support managed to turn themselves around and become solid performers. Also, a nominal amount of funding may provide for delivery of some watershed services, such as

community presentations, which have value. Staff and Board Subcommittee members who do not support the "no fund" option argue for greater attention to poorly performing applicants, rather than cutting them off altogether.

2. Provisional Funding

The notion of providing provisional funding has also been discussed. Under this option, half of the award would be dispersed the first year. The other half would be dispersed after certain performance benchmarks, based on an improvement plan, are met. Since OWEB does not "regulate" watershed council operations, the improvement plan should be developed by the council and mutually agreed upon by staff. Staff believe that there may also be a role for a "mentoring council" or the Network of Oregon Watershed Councils to assist councils in developing their improvement plan and reaching their performance benchmarks.

Staff and the Board subcommittee agreed that provisional funding for one biennium is appropriate, with the potential use of the "no fund" option in the following biennium if performance benchmarks are not met.

B. New Watershed Councils

One new watershed council, The Greater Oregon City Watershed Council (GOCWC), applied for council support this cycle. GOCWC was formed in 2004. The watershed includes two small tributaries to the Willamette River. The council rated in the "Needs Improvement" category. However, reviewers felt that this is highly correlated to their stage of development.

The Board adopted a funding principle in 2003 to limit awards for new watershed council applicants to $37,500, regardless of merit. Staff and the Board Subcommittee believe that an award of $37,500 is appropriate in this circumstance.

VII. Recommendation

Staff recognize that previous funding levels for Watershed Council Support have not provided sufficient resources to allow many councils to deliver sustainable and effective levels of watershed services to their communities. The work of watershed councils is critical to the success of OWEB objectives to promote and implement voluntary cooperative conservation actions. We strongly believe increasing the capacity of councils will have direct and positive benefits to further OWEB goals throughout the state. That said, it is staff's desire to increase funding for watershed councils to the highest practicable level—ideally $6 million. However, because of uncertainty over the final outcome of the OWEB budget for next biennium, staff do not believe taking action to fund councils at this level would be prudent at this time.

Pending a final decision on OWEB's budget, staff recommend the Board approve funding for councils at the $4,058,879 level proposed by the GRB and Co-Chairs' budgets. Staff further recommend that the Board meet again, by conference call, soon after the final OWEB budget is adopted by the Legislature. At that time, the Board will have a clearer understanding of the availability of non-capital funding for the 2007-2009 biennium and can consider additional funding options for council support. Staff anticipate the conference call will take place in early July.

Regardless of when OWEB's budget is passed, grant agreements will be written to be effective starting July 1, 2007.

Staff and the Board Subcommittee recommend:

1. The Board adopt the creation of five base award categories: "Excellent," "Very Good," "Good," "Satisfactory," and "Needs Improvement."

2. The Board award umbrella watershed councils an additional amount of 18, nine and 22 percent of the base award for "a," "b," and "a/b" type umbrella watershed councils, respectively.

3. The Board direct staff to provide provisional funds to watershed councils in the "Needs Improvement" merit category.

4. The Board adopt the $4,058,879 funding level for Council Support.

5. The Board meet via conference call to further consider Council Support after final passage of OWEB's budget.

Attachments
A. Council Support Advisory Committee Members
B. Council Support Proposed Funding Awards

Council Support Advisory Committee Members

Team 1

Debbie Pickering	OWEB Region 1	The Nature Conservancy
Brian Barr	OWEB Region 2	National Center for Conservation, Science & Policy
Ed Emrich	OWEB Region 3	City of Salem/Public Works
John Merwin	OWEB Region 4	Upper Chewaucan WSC
Tom Straughan	OWEB Region 5	Oregon Department of Agriculture
Mike Powers	Statewide	Oregon Department of Agriculture
Dave Ross	Statewide	US Fish/Wildlife Service
Jason Dedrick	Statewide	City of Eugene/Planning
Mitch Wolgamott	Statewide	DEQ/Pendleton

Team 2

John Sanchez	OWEB Region 1	US Forestry Service
Bobbi Lindberg	OWEB Region 2	DEQ
Stephanie Page	OWEB Region 3	Oregon Department of Agriculture
Mike Connelly	OWEB Region 4	Klamath Basin Ecosystem Foundation
Ken Diebel	OWEB Region 5	Oregon Department of Agriculture
Alan Henning	Statewide	Environmental Protection Agency
Sam Chan	Statewide	OSU-Extension
Cassandra Moseley	Statewide	Ecosystem Workforce Program
Chuck Korson	Statewide	Bureau of Reclamation-MP Region

Council Support Proposed Awards for Four Funding Levels

App #	Applicant	4 million	5 million	5.5 million	6 million	Requested	2005-2007
208-010	Coos Watershed Association	$ 75,500	$ 96,000	$ 104,000	$ 114,000	$ 126,344	$ 90,794
208-041	Crooked River WSC (b)	$ 82,295	$ 104,640	$ 113,360	$ 124,260	$ 154,245	$ 96,453
208-049	Grande Ronde Model WS (b)	$ 82,295	$ 104,640	$ 113,360	$ 124,260	$ 196,205	$ 89,421
208-043	Hood River WS Group	$ 75,500	$ 94,100	$ 94,100	$ 94,100	$ 94,100	$ 88,602
208-026	Johnson Creek WSC	$ 75,500	$ 96,000	$ 104,000	$ 114,000	$ 155,343	$ 98,755
208-027	Long Tom WSC	$ 75,500	$ 96,000	$ 104,000	$ 114,000	$ 143,638	$ 96,447
208-028	Marys River WSC	$ 75,500	$ 96,000	$ 104,000	$ 114,000	$ 158,707	$ 74,910
208-038	McKenzie WSC	$ 75,500	$ 96,000	$ 104,000	$ 114,000	$ 131,645	$ 83,678
208-003	Midcoast (a)	$ 89,090	$ 113,280	$ 122,720	$ 134,520	$ 179,520	$ 115,783
208-004	Nehalem WSC (a)	$ 89,090	$ 113,280	$ 122,720	$ 134,520	$ 139,072	$ 100,185
208-016	Southcoast (a)	$ 89,090	$ 113,280	$ 122,720	$ 134,520	$ 155,700	$ 119,784
208-017	Tenmile Lakes Basin Partnership	$ 75,500	$ 96,000	$ 97,980	$ 97,980	$ 97,980	$ 77,642
208-047	Upper Deschutes WSC	$ 75,500	$ 96,000	$ 104,000	$ 114,000	$ 187,800	$ 90,910
208-054	Walla Walla Basin WSC	$ 75,500	$ 96,000	$ 104,000	$ 114,000	$ 126,799	$ 89,525
208-039	Yamhill Basin WSC	$ 75,500	$ 96,000	$ 104,000	$ 114,000	$ 115,050	$ 66,682
208-008	Applegate River WSC	$ 67,500	$ 86,000	$ 96,000	$ 104,000	$ 186,342	$ 92,063
208-022	Calapooia WSC	$ 67,500	$ 86,000	$ 96,000	$ 104,000	$ 115,214	$ 86,295
208-023	Clackamas River Basin Council	$ 67,500	$ 86,000	$ 96,000	$ 104,000	$ 212,957	$ 82,912
208-024	Coast Fork Willamette WSC	$ 67,500	$ 86,000	$ 93,462	$ 93,462	$ 93,462	$ 35,595
208-025	Columbia Slough WSC	$ 67,500	$ 86,000	$ 96,000	$ 104,000	$ 131,632	$ 86,987
208-011	Coquille Watershed Association	$ 67,500	$ 86,000	$ 96,000	$ 104,000	$ 157,698	$ 69,991
208-012	Illinois Valley WSC	$ 67,500	$ 86,000	$ 96,000	$ 99,211	$ 99,211	$ 47,762
208-045	Lake County WSC (a)	$ 79,650	$ 101,480	$ 113,280	$ 122,720	$ 129,200	$ 65,376
208-014	Lower Rogue WSC	$ 67,500	$ 86,000	$ 94,331	$ 94,331	$ 94,331	$ 83,295
208-058	Luckiamute WSC	$ 67,500	$ 86,000	$ 96,000	$ 104,000	$ 205,260	$ 32,400
208-029	Middle Fork Willamette WSC	$ 67,500	$ 86,000	$ 96,000	$ 104,000	$ 164,220	$ 72,335
208-015	Middle Rogue WSC	$ 67,500	$ 86,000	$ 96,000	$ 104,000	$ 110,616	$ 84,910
208-001	North Coast WSC (a)	$ 79,650	$ 101,480	$ 113,280	$ 122,720	$ 134,096	$ 95,386
208-056	Owyhee WSC (b)	$ 73,575	$ 93,740	$ 104,640	$ 113,360	$ 130,900	$ 101,300
208-018	Partnership for the Umpqua (b)	$ 73,575	$ 93,740	$ 104,640	$ 113,360	$ 142,370	$ 105,607
208-034	Sandy River Basin WSC	$ 67,500	$ 86,000	$ 96,000	$ 104,000	$ 108,056	$ 89,064
208-035	Scappoose Bay WSC	$ 67,500	$ 86,000	$ 96,000	$ 104,000	$ 105,115	$ 89,756
208-06	Siuslaw WSC	$ 67,500	$ 86,000	$ 96,000	$ 104,000	$ 172,780	$ 83,526
208-007	Tillamook Bay WSC	$ 67,500	$ 86,000	$ 96,000	$ 104,000	$ 127,007	$ 82,026
208-037	Tualatin River WSC	$ 67,500	$ 86,000	$ 96,000	$ 104,000	$ 108,912	$ 83,180
208-009	Bear Creek WSC	$ 61,000	$ 76,000	$ 83,000	$ 91,880	$ 91,880	$ 73,951
208-021	Elk Creek WSC	$ 61,000	$ 76,000	$ 83,000	$ 94,000	$ 96,800	$ 12,500
208-050	Harney County WSC (b)	$ 66,490	$ 82,840	$ 84,282	$ 84,282	$ 84,282	$ 67,265
208-040	Klamath WSC (a/b)	$ 74,420	$ 92,720	$ 101,260	$ 114,680	$ 244,294	$ 99,522
208-002	Lower Columbia River WSC	$ 61,000	$ 76,000	$ 77,820	$ 77,820	$ 77,820	$ 76,890
208-051	Malheur WSC (a/b)	$ 74,420	$ 92,720	$ 101,260	$ 114,680	$ 136,121	$ 88,669
208-052	North Fork John Day WSC	$ 61,000	$ 76,000	$ 83,000	$ 94,000	$ 136,560	$ 81,449
208-030	North Santiam WSC	$ 61,000	$ 76,000	$ 83,000	$ 94,000	$ 152,733	$ 77,642
208-057	Powder Basin WSC (b)	$ 66,490	$ 82,840	$ 90,470	$ 102,460	$ 121,906	$ 49,620
208-032	Rickreall & Glenn-Gibson Cr WSCs	$ 61,000	$ 76,000	$ 83,000	$ 94,000	$ 132,500	$ 76,009
208-020	Seven Basins WSC	$ 61,000	$ 76,000	$ 83,000	$ 94,000	$ 119,240	$ 41,417
208-036	South Santiam WSC	$ 61,000	$ 76,000	$ 83,000	$ 94,000	$ 132,500	$ 68,759
208-053	Umatilla Basin WSC	$ 61,000	$ 76,000	$ 83,000	$ 94,000	$ 101,227	$ 64,297
208-048	Wasco Area WSCs	$ 61,000	$ 76,000	$ 83,000	$ 94,000	$ 121,934	$ 62,068
208-013	Little Butte Creek WSC	$ 52,000	$ 63,000	$ 70,500	$ 80,000	$ 92,840	$ 55,529
208-044	Middle Deschutes WS Councils	$ 52,000	$ 63,000	$ 70,500	$ 80,000	$ 140,408	$ 66,452
208-005	Nestucca-Neskowin WSC	$ 52,000	$ 63,000	$ 70,500	$ 80,000	$ 117,816	$ 37,494
208-031	Pudding River WSC	$ 52,000	$ 63,000	$ 70,500	$ 80,000	$ 162,129	$ 62,298
208-046	Sherman County WS Councils	$ 52,000	$ 63,000	$ 70,500	$ 80,000	$ 120,072	$ 63,914
208-019	Upper Rogue WS Assn	$ 52,000	$ 63,000	$ 70,500	$ 80,000	$ 90,547	$ 73,835
208-055	Wheeler County WS Groups	$ 52,000	$ 63,000	$ 70,500	$ 80,000	$ 132,612	$ 70,143
208-042	Gilliam-East John Day WSC	$ 43,000	$ 50,250	$ 60,000	$ 63,470	$ 63,470	$ 51,375
208-059	Greater Oregon City WSC	$ 37,500	$ 37,500	$ 37,500	$ 37,500	$ 39,280	$ -
208-033	Salem Keizer WSCs	$ 43,000	$ 50,250	$ 60,000	$ 67,000	$ 75,000	$ 52,261
208-060	Smith River WSC	$ 43,000	$ 50,250	$ 60,000	$ 67,000	$ 131,985	$ 10,500
Average		$ 66,594	$ 83,567	$ 91,661	$ 100,002	$ 130,125	$ 73,887
Total		$ 3,995,630	$ 5,014,030	$ 5,499,685	$ 6,000,096	$ 7,807,483	$ 4,433,196

Excellent	
Very Good	(a), (b) or (a/b) next to the applicant name, indicates an umbrella council.
Good	The award amounts include the umbrella awards of 0.18, 0.09 and 0.22 times
Satisfactory	the base award for type (a), (b) and (a/b) umbrellas, respectively.
Needs Improvement	Amounts in red were adjusted to the requested amount or amount recommended by staff.

April 25, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Manager

SUBJECT: **Agenda Item F: At-Sea Research: Oregon State University and Oregon Salmon Commission**
May 15-16, 2007 OWEB Board Meeting

I. Introduction

This report provides an update on OWEB's response to the 2006 Salmon Season State of Emergency and the continuation of activities by the Collaborative Research on Oregon Ocean Salmon (CROOS), Oregon Salmon Commission, and commercial fishermen during the 2007 ocean salmon fishing season.

II. Background

A major objective in salmon fishery management is ensuring access to healthy populations while also protecting weak stocks. Given limited understanding of the behavior and migration patterns of individual salmon stocks, it is difficult to manage stocks as distinct units. Ocean salmon managers are often compelled to institute large time/area closures to protect the weakest stocks. In 2006, this problem became acute when managers were forced to close most of the Oregon and California ocean troll salmon fishery to protect weak runs of Klamath River Chinook salmon. The result was the loss of many jobs and millions of dollars in coastal income and a declaration of a "salmon emergency" by the Governors of California and Oregon.

In response to the emergency declaration, the OWEB Board took the following action at the May 2006 meeting:

- Approved the allocation of $40,000 of non-capital funds to purchase equipment for salmon-related ocean research.
- Directed staff to request expenditure limitation from the Emergency Board for no more than $3,000,000 in Measure 66 Lottery Funds for a non-competitive grant program.
- Delegated, to the Executive Director, the authority to enter into appropriate grant and interagency agreements to distribute funds for the non-competitive grant program.

In June 2006, the Legislative Emergency Board allocated $2.2 million in Measure 66 Lottery Funds to allow OWEB to carry out these efforts. The approved allocation was apportioned as follows:

Ocean Research	$586,391
Restoration Implementation	$700,000
Inventory and Assessment	$250,000
Development of Restoration Projects	$500,000
Recovery Plan Outreach	$175,000

The distribution of the funds by the Executive Director is depicted in Attachment A.

Staff presented updates about the 2006 Salmon Season State of Emergency response, including Project CROOS and individual grant awards, at the September 2006 and January 2007 Board meetings.

III. Results of Project CROOS and Oregon Salmon Commission in 2006

The following section highlights the results from the OWEB-funded ocean research pilot project. Additional results can be found in Attachment B.

A. Financial Assistance

The project provided financial assistance to 40 percent of the active Oregon fleet. More than 72 vessels participated in at least one opener (72 operators, 54 crew). Over 4,270 fish were sampled which represented 16 percent of the Oregon commercial salmon harvest in 2006. A total of $327,900 was distributed to operators and crew.

B. Genetic Stock Identification (GSI)

Over 4,200 tissue samples were delivered to the Coastal Oregon Marine Experiment Station (COMES) genetics laboratory along with associated digital or manual data. A total of 3,097 samples were processed and 2,567 fish were used to estimate stock mixture proportions. Probability values of stock assignment for these fish ranged from 28 to 100 percent. A total of 2,097 fish were assigned probabilities greater than or equal to 90 percent to a specific hatchery or reporting region.

C. Stock Mixture Proportions

The majority of sampled fish originated from California's Central Valley (59.08 percent). The Rogue River contributed the second greatest proportion (7.61 percent), followed by the Mid Oregon Coast (7.11 percent), and the Klamath Basin (6.58 percent). The California Coast and Northern California/Southern Oregon Coast regions contributed 2.17 percent and 1.89 percent, respectively. The Upper Columbia River summer/fall run was estimated to contribute 3.03 percent of the total. Twenty other stocks contributed less than two percent each.

D. Near "Real Time" Analysis

Near "real-time" genetic analysis was difficult to achieve during the initial few months of the project due to logistical issues and inadequate investment in laboratory resources. However, by September and October of 2006 fish were successfully assigned to individual genetic stock estimates in near "real-time" and all accompanying data was entered into the database within 24 to 48 hours of the laboratory receiving the sample.

E. Geographic Information Systems (GIS) Maps

GIS-based maps were developed that include troll tracks, precise time/location data on harvested fish, and menus for exploring relational data.

F. Website Development

A working "prototype" website was developed capable of reporting information to multiple audiences using a variety of tools, maps and statistical analysis. The entire working website will be accessible by mid to late May 2007 at www.ProjectCROOS.com.

IV. Plans for Project CROOS during the 2007 Ocean Salmon Season

Numerous persons and entities have expressed significant interest in the findings and exploratory research funded during the 2006 ocean salmon season. In March of 2007, local interests from the coastal communities, legislators, NOAA Fisheries, and the Governor's Office contacted OWEB with inquiries into the availability of funds for supporting Project CROOS for the upcoming ocean salmon fishing seasons. A request of $600,000 was presented to OWEB in mid-April. At the time of this report, OWEB and the requestors are finalizing an agreement to use the remaining funds from the OWEB Salmon Emergency allocation to allow a second season of research to move forward. Project CROOS and the Oregon Salmon Commission have indicated their intent to request an additional $200,000 in non-capital funds at the September 2007 Board meeting if funding is available.

A. Work Plan (Attachment C)

The funds proposed will be used to continue the 2006 work, which includes six major components: 1) conducting genetic stock identification (GSI) in spatially and temporally defined sampling grids along the entire Oregon Coast to determine behavior, location, and migration patterns of salmon stocks; 2) developing data loggers for use on small fishing vessels; 3) developing bar coding, traceability, and marketing technologies to manage and integrate salmon information; 4) designing a multiuse "real" time website to communicate information with multiple audiences; 5) collecting and analyzing otoliths (the inner ear bone that measures age like the rinds of a tree) and oceanographic information to understand salmon stock behavior and linkages with marine and freshwater ecosystems; and, 6) conducting salmon management analysis to improve salmon utilization and conservation.

B. Budget (Attachment D)

The proposed 2007 budget functions as a bridge between 2006 and 2008 when federal dollars are expected to fund a three-year West Coast GSI CROOS-related project. The requested funding for 2007 will allow CROOS, in cooperation with the National Marine Fisheries Service (NMFS) and the California salmon troll industry to 1) conduct scientific sampling protocols in the relatively open fisheries of 2007; 2) support collaborative salmon research infrastructure; and 3) help fishermen continue to financially recover from 2006.

The proposed CROOS project budget from May 1, 2007 – June 30, 2008 totals $971,826. Of this amount, $593,972 was requested from OWEB in April 2007, for expenditure from May 1 to September 21, 2007 ($393,972), and $200,000 for expenditure from September 21, 2007, to June 30, 2008. Project CROOS requested an additional $218,254 from NMFS, and as of April 19, 2007, has only been able to secure $100,000 of that amount. Match for the project totals $159,599 ($116,713 is the proportionate match for OWEB funds).

V. Recommendation

This is an information item only and no Board action is requested at this time.

Attachments

A. Summary of Salmon Emergency Grants
B. 2006 Executive Summary
C. CROOS 2007 Work Plan
D. CROOS 2007 Budget

Attachment A

FISHER EMERGENCY PROJECTS

Project Number	Project Type	Grantee	Project Name	Award Date	Fund Amount
Non-Capital					
206-1005	Assessment	South Coast & Lower Rogue WSCs	South Coast Fishers of Data	8/1/2006	22,669.00
206-1006	Assessment	Coos Watershed Association	Coos Estuary Heads of Tide Streams Coho Salmon Spawning Surveys	8/7/2006	49,946.00
206-1008	Assessment	Coos Watershed Association	Coho Salmon Life Cycle Monitoring in Palouse and Larson Creeks	8/22/2006	44,064.00
206-1013	Assessment	MidCoast WSC	Workforce Beaver Pond Inventory	9/5/2006	50,000.00
206-1014	Assessment	Douglas SWCD	Lower Umpqua Basin Fish Barrier Inventory and Prioritization	9/5/2006	32,660.00
206-1017	Assessment	MidCoast WSC	Adult Salmon Trapping	12/11/2006	50,000.00
206-1021	Assessment	Coos Watershed Association	Coos Bay Estuary Fish Seining Project Meta-analysis	2/21/2007	49,993.00
206-1007	Technical Assis	Coos Watershed Association	Coos Lowland and Heads-of-Tide Riparian Project Development	8/15/2006	39,882.00
206-1023	Restoration	Salmon Drift Cr WSC	Lower Salmon-Siletz Riparian Restoration	2/8/2007	3,418.00
206-832	Research	Oregon Salmon Commission	At-Sea DNA research pilot project	5/17/2006	286,391.00
206-839	Education	OSU Research Accounting	OSU Recovery Planning Outreach-Fishing Disaster	8/17/2006	190,840.00
206-1025	Research	Oregon Salmon Commission	At-Sea DNA research pilot project-phase II 2007	5/1/2007	391,528.00
				Grants Committed	1,211,391.00
				Board Funds Available	1,211,391.00
				Uncommitted Remaining Funds	**0.00**
Capital					
206-1016	Restoration	Coos Watershed Association	Coos Bay Riparian Planting, Maintenance and Bank Stability Fisher Crew Project	12/11/2006	230,777.00
206-1020	Restoration	Lincoln SWCD	Fishing for Trees - Resubmittal	1/19/2007	200,432.00
206-1023	Restoration	Salmon Drift Cr WSC	Lower Salmon-Siletz Riparian Restoration	2/8/2007	72,173.00
206-1000	Restoration	Coos Watershed Association	Coos Bay Riparian Enhancement Crew	7/18/2006	89,289.00
206-1001	Restoration	Coquille Watershed Association	Coquille WS Salmon Season Riparian Restoration	7/18/2006	195,450.00
206-1009	Restoration	South Coast & Lower Rogue WSCs	South Coast Fishers at Work	8/22/2006	127,331.00
206-1010	Restoration	Tillamook Estuaries Partnership	Tillamook Bay Riparian Enhancement	8/22/2006	141,296.00
206-1012	Restoration	Siuslaw WSC	Siuslaw Riparian Restoration and Release Support Crew	9/5/2006	116,529.00
				Grants Committed	1,173,277.00
				Board Funds Available	1,500,000.00
				Uncommitted Remaining Funds	**326,723.00**
Research and Development					
206-832	Research	Oregon Salmon Commission	At-Sea DNA research pilot project	5/17/2006	300,000.00

PROJECT CROOS
Collaborative Research on Oregon Ocean Salmon

Using "Real Time" Genetic Information to Address the Klamath 'Weak' Stock Crisis for Oregon's Ocean Salmon Fishery

EXECUTIVE SUMMARY

Background

A major objective in salmon fishery management is ensuring access to healthy populations while also protecting weak stocks. Given limited understanding of the behavior and migration patterns of individual salmon stocks, it is difficult to manage stocks as distinct units. Ocean salmon managers are often compelled to institute large time/area closures to protect the weakest stocks. In 2006 this problem became acute when managers were forced to close most of Oregon and California's ocean troll salmon fishery to protect weak runs of Klamath River Chinook salmon. The result was the loss of 100's of jobs and millions of dollars in coastal income and a declaration of a "salmon disaster" by the Governors of California and Oregon.

To address the challenge of inadequate science supporting management of multi-stock ocean salmon fisheries, the Oregon Salmon Commission, together with scientists from Oregon State University and federal and state agencies co-located at the Hatfield Marine Science Center, formed the CROOS group (*Collaborative Research on Oregon Ocean Salmon*). CROOS proposed a comprehensive pilot project to test the potential of using *genetic stock composition* (GSI) and the GAPS database (Genetic Analysis of Pacific Salmonids) to identify in "real time" spatial and temporal characteristics of individual salmon stocks. It was proposed that the availability of "real-time" data could potentially enable fisheries managers to 1)) differentiate stocks in "real time" at refined spatial areas, 2) improve salmon conservation while allowing harvest of healthy stocks, and 3) integrate science and management of freshwater, estuarine, and marine salmon ecosystems. In June 2006, the Oregon Watershed Enhancement Board (OWEB), as part of a state-wide effort to provide salmon disaster assistance, agreed to fund a CROOS pilot project to test the potential application of GSI techniques.

Objectives

The goal of CROOS was to conduct collaborative research and develop protocols using "real time" GSI to improve science, management, and marketing of West coast Chinook salmon. Specific objectives included 1) providing financial assistance to participating salmon fishermen 2) developing sampling protocols for fishermen and fleet coordinators/managers, 3) conducting near "real time" GSI analysis, 4) developing digital technologies and "traceability" systems, 5) designing a comprehensive web site, 6) developing methods for collecting oceanographic information, and 7) considering potential of GSI technologies for improving salmon management.

Findings and Results

Financial Assistance The project provided financial assistance to 40% of the active Oregon fleet. More than 72 vessels participated in at least one opener (72 operators, 54 crew). Over 4,270 fish were sampled which represented 16% of the Oregon commercial salmon harvest in 2006. A total of $327,900 was distributed to operators and crew.

Protocols Project managers developed detailed protocols for biological sampling, data collection, fleet management, fishermen training, and project coordination.

Genetic Stock Identification (GSI) Over 4,200 tissue samples were delivered to the Coastal Oregon Marine Experiment Station (COMES) genetics laboratory along with associated digital or manual data. A total of 3,097 samples were processed and 2,567 fish were used to estimate stock mixture proportions. Probability values of stock assignment for these fish ranged from 28% - 100%. A total of 2,097 fish were assigned probabilities ≥ 90% to a specific hatchery or reporting region.

Stock Mixture Proportions The majority of sampled fish originated from California's Central Valley (59.08%) The Rogue River contributed the second greatest proportion (7.61%), followed by the Mid Oregon Coast (7.11%) and the Klamath basin (6.58%). The California Coast and Northern California/Southern Oregon Coast regions contributed 2.17% and 1.89%, respectively. The Upper Columbia River summer/fall run was estimated to contribute 3.03% of the total. Twenty other stocks contributed less than 2% each.

100% Assignment of Coded Wire Tagged (CWT) Fish Thirty-one of the 2,097 fish that met the 90% probability criteria contained coded wire tags. All 31 CWT fish assigned to the correct hatchery of origin.

Near "Real Time" Analysis Near "real-time" genetic analysis was difficult to achieve during the initial few months of the project due to logistical issues and inadequate investment in laboratory resources. However, by September/October fish were successfully assigned to individual genetic stock estimates in near "real-time" and all accompanying data entered into the database (within 24 - 48 hours of laboratory receiving the sample).

Geographic Information Systems (GIS) Maps GIS-based maps were developed that include troll tracks, precise time/location data on harvested fish, and menus for exploring relational data.

Data Loggers Digital data-logging devices for fishing vessels were successfully tested and proved to be easier to use than "manual" sampling protocols.

Website Development A working "prototype" website was developed capable of reporting information to multiple audiences using a variety of tools, maps and statistical analysis. The entire working website will be accessible by mid-late May 2007 at www.ProjectCROOS.com .

Oceanographic Data Collection by Autonomous Vessels A successful pilot test was conducted which showed that autonomous underwater gliders could be used in conjunction with commercial fishing vessels for collecting a wide range of oceanographic data.

Recommendations and Next Steps

Improving Project Protocols Many protocols will need adjustment in response to changing fishing and sampling conditions. CROOS project members can work with other West coast states, industries, and agencies to design, implement, and refine protocols.

Improving the GAPS Database The GAPS database requires continual improvement. Further characterization of stocks within and adjacent to the Klamath basin are recommended.

Expanding GSI Data Collection Coast Wide Implementing GSI for salmon management will require expanded data collection along the West coast. Expanded data should be used to identify stock distribution patterns, test relevant hypotheses, and integrate oceanographic information.

Collecting and Integrating Oceanographic Information Oceanographic data will be critical for understanding salmon behavior and improving science and management. Future projects should combine vessel-based data collection with autonomous underwater gliders.

Improving the Design of Vessel Data Loggers Commercial digital dataloggers are inadequate given the needs for a tough, waterproof, relatively inexpensive, portable and reprogrammable logger. A national workshop should be conducted to examine digital-based data collection from commercial fishing vessels. Partnerships with private manufactures should be evaluated.

Designing a Multiuse "Real time" Website The prototype GIS-based website should be developed and tested to ensure security, privacy, reliability, and to accommodate multiple users.

Using Barcodes, Traceability, and the Website to Improve Salmon Marketing Test markets should be conducted that "link" individual harvest information from producers to consumers, enhance market development, and minimize fraud.

Developing and Testing GSI-based Salmon Management Models Management models should be developed that incorporate GSI information. Management simulations should be conducted with salmon managers in "real time" to evaluate in-season management approaches. Bioeconomic models should evaluate GSI information and industry incentives for improving management of the salmon fishery.

Proposal -- Project CROOS 2007

Using "Real Time" Genetic Information to Improve Science, Management, and Marketing of Oregon's Ocean Salmon Fisheries

Proposal to: Oregon Watershed Enhancement Board
775 Summer Street NE, Ste 366
Salem OR 97301-1290

Submitted by: Oregon Salmon Commission
P.O. Box 983
Lincoln City, OR 97367

Coastal Oregon Marine Experiment Station (COMES)
Oregon State University
Hatfield Marine Science Center
2030 Marine Science Drive
Newport, OR 97365

Requested amount: $ 593,972 ($393, 972 May 1-Sept 21, 2007)
($200,000 Sept 21, 2007 – June 30, 2008)

Proposed duration: Fourteen months

Starting date: May 1, 2007

Principal Investigators:

Nancy Fitzpatrick, Administrator-Oregon Salmon Commission
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Proposal -- Project CROOS 2007

Using "Real Time" Genetic Information to Improve Science, Management, and Marketing of Oregon's Ocean Salmon Fisheries

Project Summary

Managers were required to close most of Oregon's troll salmon fishery during 2006 in order to reduce harvests of Klamath River salmon. This resulted in the loss of 1000's of jobs and millions of dollars in coastal income. Although Klamath stocks are rebounding in 2007, traditional salmon management tools are expected to continue to require large time/area closures to protect weak stocks. New tools are needed that can 1) differentiate stocks in "real time" at refined spatial areas, 2) improve salmon conservation while allowing harvest of healthy stocks, and 3) integrate science and management of freshwater, estuarine, and marine salmon ecosystems.

This project builds on the experience and leadership demonstrated by the Oregon salmon industry and its university and agency partners in the pilot project known as CROOS (*Collaborative Research on Oregon Ocean Salmon*). The CROOS project demonstrated that hatchery or basin of origin could be determined for salmon stocks in virtual "real time" using data obtained by commercial fishing vessels. The project heralded a new era for "real time" management of ocean fisheries based on interdisciplinary collaboration and cutting edge tools in genetic science and digital technologies.

The proposed project continues the work begun in 2006 and includes six major components: 1) conducting genetic stock identification (GSI) in spatially and temporally defined sampling grids along the entire Oregon Coast to determine behavior, location, and migration patterns of salmon stocks; 2) developing data loggers for use on small fishing vessels; 3) developing barcoding, traceability, and marketing technologies to manage and integrate salmon information; 4) designing a multiuse "real" time website to communicate information with multiple audiences; 5) collecting and analyzing otoliths and oceanographic information to understand salmon stock behavior and linkages with marine and freshwater ecosystems; and, 6) conducting salmon management analysis to improve salmon utilization and conservation.

Project Budget

This project builds on 2006 OWEB funded work. The proposed 2007 budget functions as a bridge between 2006 and 2008 when federal dollars are expected to fund a three year West Coast GSI CROOS related project. The requested funding in 2007 will allow CROOS, in cooperation with NMFS and the California salmon troll industry, to 1) conduct scientific sampling protocols in the relatively open fisheries of 2007, 2) support collaborative salmon research infrastructure, and 3) help fishermen continue to financially recover from 2006. The project budget from May 1, 2007 – June 30, 2008 totals $971,826. Of this amount $593,972 is requested from OWEB for expenditure from May 1-September 21, 2007 ($393,972) and September 21, 2007-June 30, 2008 ($200,000). National Marine Fisheries Service is expected to contribute between $75,000-$250,000 to the project, although the exact amount is yet unknown. Match for the project totals $159,599 ($116,713 proportionate match for OWEB funds).

Collaborative Research on Oregon Ocean Salmon-May 2007-June 2008 Budget

Position, Name	Monthly Salary	OPE %	FTE	MM	May-June 07	July 07-June 08	TOTAL	PROJECT MATCH	PROJECT TOTAL
RESEARCHER SALARIES									
Professor (Gil Sylvia)	$ 8,703	39.5%	1.00	2				$ 24,281	
Assistant Prof (Jessica Miller)	$ 5,250	42.9%	1.00	1				$ 7,502	
Assistant Prof (Michael Banks)	$ 8,394	40.3%	1.00	2				$ 23,554	
Professor (Michael Morrissey)	$ 7,942	40.5%	1.00	1				$ 5,579	
Professor (David Sampson)	$ 6,445	43.2%	1.00	1				$ 4,615	
Assistant Professor (Jeff Feldner)	$ 4,992	43.5%	1.00	4				$ 28,654	
Dr. Peter Lawson	$ 7,331	29.0%	1.00	2				$ 18,914	
Faculty Research Associate (Renee Bellinger)	$ 3,250	0.59	1	2				$ 6,500	
Subtotal								**$ 119,599**	**$ 119,599**
Faculty Research Associate (Renee Bellinger)	$ 3,380	0.59	1	12		$ 64,490			
Res. Asst:(Salary and OPE tech staff - genetics)	$ 2,500	0.65	1	6		$ 24,750			
Res. Asst:(Salary and OPE tech staff - genetics real t	$ 2,500	0.65	1	4		$ 16,500			
Res. Asst: (Salary for OPE tech staff - otoliths)	$ 2,500	0.65	1	3		$ 12,375			
Graduate Research Assistant-Management	$ 3,750	$437	1	6		$ 24,248			
Subtotal						**$ 142,363**	**$ 142,363**		**$ 142,363**
EXPENDABLE SUPPLIES & EQUIPMENT									
Field Supplies					$ 16,314				
Laboratory Supplies					$ 50,769				
Port Liaison Supplies					$ 3,802				
Subtotal					**$ 70,885**		**$ 70,885**		**$ 70,885**
CAPITAL EQUIPMENT									
Port Liaison					$ 3,978				
Genetics Laboratory					$ 36,000				
Field equipment					$ 18,000				
Subtotal					**$ 57,978**	**$ -**	**$ 57,978**		**$ 57,978**
CAPITAL PROJECTS									
Commercial Fishing Vessel Charter for Fish Sampling					$ 120,000	$ 180,000		40,000	
Recreational Fishing Vessel Charter for fish Sampling					$ 5,000	$ 15,000			
Subtotal					**$ 125,000**	**$ 195,000**	**$ 320,000**	**40,000**	**$ 360,000**
OTHER RESEARCH COSTS									
Port liasons					$ 18,000	$ 32,000			
GIS and Website Design Contractors					$ 8,500	$ 47,000			
Fleet management					$ 4,000	$ 6,000			
ODFW scale aging (Lisa Borgerson)					$ -	$ 24,000			
Otolith spectroscopy analysis						$ 12,500			
Subtotal					**$ 30,500**	**$ 121,500**	**$ 152,000**		**$ 152,000**
TRAVEL									
Travel OSU					$ 1,500	$ 10,000			
Travel Salmon Commission					$ 3,000	$ 5,500			
Subtotal					**$ 4,500**	**$ 15,500**	**$ 20,000**		**$ 20,000**
ADMINISTRATIVE COSTS					**$ 7,000**	**$ 42,000**	**$ 49,000**		**$ 49,000**
GRAND TOTAL					**$ 295,863**	**$ 516,363**	**$ 812,226**	**$ 159,599**	**$ 971,826**
SALMON COMMISSION PORTION					**$ 199,094**	**$ 304,500**	**$ 503,594**	**$ 40,000**	**$ 543,594**
OSU PORTION					**$ 96,769**	**$ 211,863**	**$ 308,632**	**$ 119,599**	**$ 428,232**
Requested OWEB Budget for May 1 -September 21, 2007					**$ 295,863**	**$ 98,109**	**$ 393,972**	**$ 77,414**	**$ 471,386**
Requested OWEB Budget for September 21-June 30 2008						**$ 200,000**	**$ 200,000**	**$ 39,299**	**$ 239,299**
Total Requested OWEB Budget 2007							**$ 593,972**	**$ 116,713**	**$ 710,685**
Requested NMFS Budget July 1 2007-June 30, 2008						**$ 218,254**	**$ 218,254**	**$ 42,886**	**$ 261,141**
Total Requested CROOS Budget May 1 2007 - June 30, 2008							**$ 812,226**	**$ 159,599**	**$ 971,826**

April 12, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Courtney Shaff, Effectiveness Monitoring Specialist
Greg Sieglitz, Monitoring and Reporting Manager

SUBJECT: **Agenda Item G: Effectiveness Monitoring and CREP Report**
May 15-16, 2007 OWEB Board Meeting

I. Introduction

This staff report provides an update to the Board regarding OWEB's Effectiveness Monitoring Program accomplishments from September 2006 to May 2007. This report also seeks Board authorization to use previously allocated capital funds to initiate effectiveness monitoring related to the Conservation Reserve Enhancement Program (CREP).

II. Background

OWEB initiated an Effectiveness Monitoring Program to evaluate the relative merits and accomplishments of projects funded under its jurisdiction. The Monitoring and Reporting Program has made significant progress on a number of fronts including the completion of Phase I of the evaluation of western juniper removal projects, completion of the first year of effectiveness monitoring to evaluate riparian livestock exclusion projects, progress in the development of effectiveness monitoring guidelines for irrigation efficiency and water management projects, and progress towards the effectiveness monitoring of dam removal projects.

III. The Big Picture

The investments made by the OWEB Board span most of the diverse watershed geographies, ecoregions, and habitats of Oregon. Projects are adapted to the diverse regions of the state and are designed to address local conditions and needs. Many OWEB funded restoration projects are designed to provide benefits to fish populations and habitats, while others are focused on water quality and quantity. Still others are designed to improve upland conditions or wetlands and provide habitat for terrestrial species.

Every OWEB grant has a requirement to conduct monitoring, which is reported to Regional Program Representatives and the Grant Program Manager after the project is completed. This monitoring is conducted on an annual basis for as long as 10 years. More recently, projects have generally been required to report only for three to five years. These reports provide valuable information about the construction, maintenance and overall implementation of the project. By design, these reports are characterized best as implementation monitoring reports; contractually

they are known as “Status Reports” and their requirements are attached as an exhibit to all OWEB restoration grant agreements.

Most of these monitoring reports do not evaluate the overall effectiveness of a project, and because of their project-specific nature, are not capable of answering questions at a larger geographic scale. Additionally, project-specific effectiveness monitoring does not lend itself to the evaluation of the effects of multiple projects acting in concert to provide combined results in a watershed.

Effectiveness Monitoring can play a key role in demonstrating the accountability, success, and value of OWEB’s Measure 66 investments. It is important to define what we mean by effectiveness when evaluating success. For the purposes of OWEB’s Effectiveness Monitoring Program, staff have determined that the original objective of the project, as described by the applicant, is an important first tier in answering whether OWEB has been effective in pursuit of its mission.

Larger questions of effectiveness relate often to larger scales of response than a specific project area. A description of these larger scales is found below.

A. Project Level Effectiveness Monitoring

There is an important distinction between the question “was the project implemented in the manner, time, and budget as proposed” and “did the project achieve the larger objective it was designed to meet?” The former question is addressed during implementation monitoring and the latter only through more in-depth effectiveness monitoring.

Effectiveness monitoring should follow established protocols, be statistically valid, generate quantifiable data, and produce results, that when tested, are repeatable. Implementation monitoring generally does not have a threshold set this high.

OWEB, and the Governor’s Watershed Enhancement Board before it, has invested $21 million in monitoring grants (Attachment A).

B. Intensively Monitored Watersheds

Intensively Monitored Watersheds (IMWs), or intensive watershed-scale research and monitoring efforts, are being designed in the Pacific Northwest to answer questions that the typical project level effectiveness monitoring program cannot answer. These questions are often posed by policy makers, decision-makers, legislators, boards, and commissions in an effort to describe the relative success of programs or the likelihood of success from future investments.

Typical questions that IMWs are designed to answer often include (at the fifth and sixth field watershed scale):

- Does the collective effect of restoration and/or management actions result in an improved watershed condition or population parameter of interest?
- Why or why not?
- What are the causes of those responses?

- Are certain combinations of restoration and/or management actions more effective than others at delivering the intended responses?
- Does the implementation sequence of restoration and/or management actions affect the attainment of the objectives?

OWEB has been working with the Pacific Northwest Aquatic Monitoring Partnership (PNAMP), the Oregon Plan Monitoring Team, state and federal agencies, and local groups to establish the appropriate mix of IMWs in Oregon and throughout the Northwest (Attachment B). The OWEB Board has invested in the Hinkle Creek IMWs in southwest Oregon, the Palouse and Larson creeks in the Coos Basin, and a variety of tasks within IMWs such as salmon Life Cycle Monitoring Stations conducted by Oregon Department of Fish and Wildlife (ODFW) in various basins in the coast range.

The central and eastern regions of the state are under-represented by IMWs. OWEB has recently secured funding for IMWs specifically targeted to evaluate habitat improvement for salmon recovery within the mid-Columbia River Basin. The Middle Fork of the John Day River has an active group of tribal, state and federal agency, private, and local interests that have developed a study plan and design for this new IMWs. The Upper Middle Fork IMWs plan will utilize existing restoration and monitoring investments by the tribes, Bureau of Reclamation, Bonneville Power Administration, U.S. Forest Service, The Nature Conservancy, local groups, OWEB, and others as the foundation. Additional coordination and monitoring intensity will be supported with $400,000 provided by the National Marine Fisheries Service. OWEB has also received a grant request from a group spearheaded by Oregon State University (OSU) and the Oregon Department of Forestry to establish a new IMWs project in the Trask basin on the north coast.

C. High Level Indicators

High Level Indicators answer the most basic accountability questions. This is the largest scale for effectiveness monitoring in terms of both spatial area and the breadth of questions asked. Typical questions under High Level Indicators might include:

- How are the salmon doing this year in Oregon? In the Deschutes basin?
- Have restoration actions improved water quality conditions in Oregon? In the Owyhee basin?
- Are projects funded by OWEB preventing additional species from becoming listed under the Endangered Species Act?

High level indicators can be the same or parallel and complementary to performance measures, benchmarks, and large-scale trend reporting. They are complex and comprised of both project level and IMWs effectiveness monitoring efforts and data. The process of informing the answers to High Level Indicators through other types of effectiveness monitoring is often referred to as “rolling-up.”

OWEB staff is presently working with the Oregon Department of Forestry and the Oregon Plan Monitoring Team on High Level Indicators and strategies for the Oregon Forestry Program. An update to an inventory of ongoing monitoring programs within state natural resource agencies is underway to assist with the “rolling-up” process. It is not clear what level of commitment will be made to embarking upon additional High

Level Indicator evaluations nor is it clear what the relationship will be to ongoing monitoring programs. The inventory update will assist with this endeavor.

IV. Effectiveness Monitoring Program Activities

A. Western Juniper Removal Project Evaluation

In response to the results from Phase I of juniper removal evaluation and as a part of Phase II, OWEB, in coordination with CSR Natural Resources Consulting, is planning two Juniper Removal Workshops in June of 2007. These workshops will be open to OWEB staff, OWEB Regional Review Team members, soil and water conservation district (SWCD) staff, and watershed council staff.

One of the products of this workshop will be a manual to help landowners choose locations for juniper removal projects and provide them with guidelines to monitor those projects. In addition, CSR Natural Resources Consulting will begin evaluation of juniper removal projects in Lake, Harney, Grant, and Klamath counties.

B. Irrigation Efficiency/Water Management

In December 2006 OWEB met with the Water Resources Department, watershed councils, SWCDs, Department of Agriculture, Oregon Water Trust, Natural Resources Conservation District, OSU, and Deschutes River Conservancy to discuss how to evaluate irrigation efficiency and water management projects. Several next steps were identified at the meeting that staff have been working on, including:

Workshop Suggestions	OWEB Actions
Clearly define what OWEB means by irrigation efficiency.	Projects designed to improve water delivery efficiency, improve water quality, improve timing of delivery, and protect instream flow. • Projects reducing water loss in irrigation delivery, conversion of gravity diversions to pumps or infiltration galleries, and irrigation system improvements.
Clearly define OWEB's irrigation efficiency restoration and monitoring objectives.	Draft in progress
OWEB to decide where and when baseline data needs to be required and then follow through with that decision	
Find out what data already exists and does not need to be recreated.	Currently being done for the Malheur Basin.

C. Riparian Livestock Exclusion Monitoring

OWEB has continued to collaborate with the Washington State Salmon Recovery Funding Board (SRFB) on livestock exclusion monitoring. The report for the first year of monitoring was presented at the OWEB Biennial Conference in October 2006. OWEB has initiated the second year of a pilot project evaluating the effectiveness of livestock exclusion projects in riparian areas. A request for proposals to complete the second year of monitoring was posted in March 2007 and a contractor was hired in April 2007. The second year of monitoring will include additional coordination with the SRFB through

the development of a joint report of the effectiveness of riparian livestock exclusion projects.

D. Dam Removal Monitoring

In September 2006, OWEB funded the removal of Sodom and Brownsville dams along the Calapooia River. Savage Rapids and Chiloquin dams in Southern Oregon also are scheduled for removal. This has placed OWEB in a unique position to support the evaluation of small dam removal projects in Oregon. OWEB staff have been working with researchers from OSU to develop an effectiveness monitoring plan for both Sodom and Brownsville dams. This monitoring plan will be presented to the Board in September.

E. Conservation Reserve Enhancement Program (CREP)

As a requirement of the Biological Opinion issued by the National Marine Fisheries Service and the U.S. Fish and Wildlife Service, OWEB is responsible for reporting on the effectiveness of riparian buffers on local stream conditions. In 2001, staff contracted with AmeriCorp volunteers to evaluate riparian restoration projects, primarily the survival of riparian plantings, funded by OWEB and its predecessor, the Governor's Watershed Enhancement Board. The report concluded:

> *"The relative success of CREP riparian tree establishment projects over grant program projects is likely due to mandatory tree establishment and practice cost-share with landowners. Because grant projects do not provide money for maintenance, the CREP program may be more appropriate for eligible landowners interested in riparian buffers."*

Public interest in CREP has increased significantly and the number of stream miles treated has grown dramatically. Since 1999, nearly 2,000 miles of riparian buffers have been installed covering nearly 24,000 acres.

Staff have worked with the Oregon Department of Agriculture to develop a study proposal to determine the effectiveness of Oregon's CREP program (Attachment C). Specifically the proposal will test two hypotheses: the first is that there is a noticeable physical and biological response to CREP plantings, and second that the cumulative impact bonus in CREP is providing a biologically significant response.

Staff recommend that the Board approve the use of up to $175,000 of the $1.0 million in capital funds allocated by the Board for CREP cost share payments in January 2007 to fund the CREP effectiveness monitoring proposal. Staff will negotiate a final budget for site selection and field sampling within this allocation.

IV. Recommendation

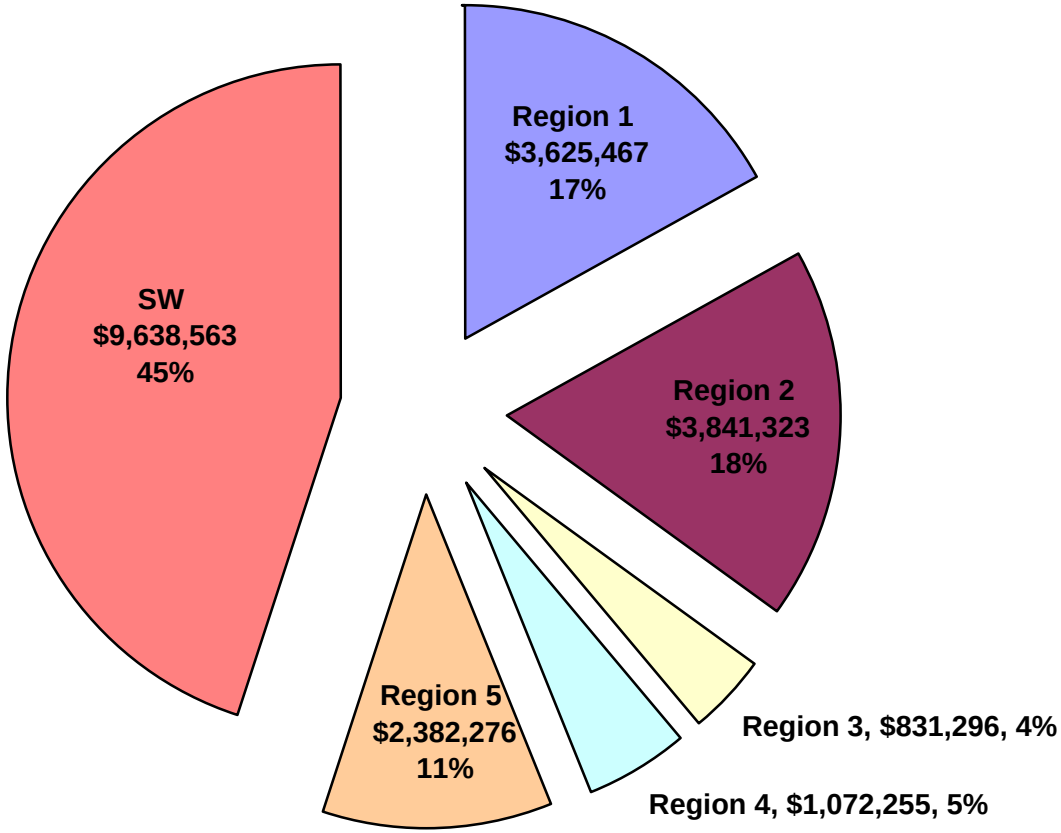
Staff recommends that the Board reallocate up to $175,000 of the $1.0 million in capital funds allocated for CREP cost share payments in January 2007 to fund CREP effectiveness monitoring.

Attachments:

A. Monitoring Investments 1997-2007
B. Map of Intensively Monitored Watersheds in the Northwest
C. CREP Study Proposal

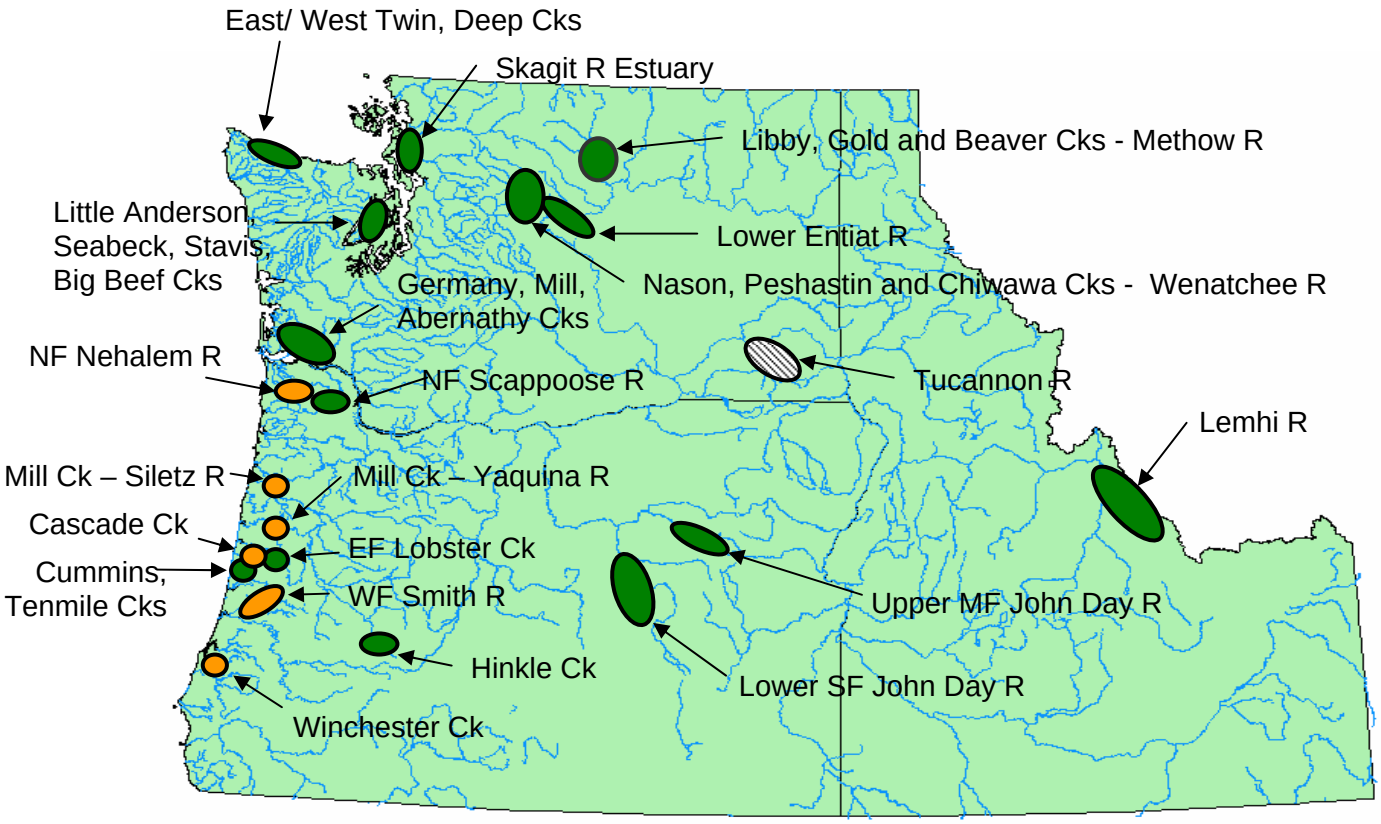
OWEB Monitoring Dollars Awarded by Region 1997 - March 2007

Total Dollars Awarded: $21,391,180



Data from OGMS. Accessed 12/1/06, 4/6/07

Attachment B



Intensively Monitored Watersheds in the Pacific Northwest

DRAFT

An ecological assessment of Oreogn's CREP cumulative impact incentive program

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Introduction

Riparian buffer strips perform important ecological services. For example, they absorb floodwaters during high flows, filter sediment and nutrient runoff from upland areas, regulate river water temperatures, and provide allochthonous nutrient inputs to rivers. In agricultural areas, riparian buffers are often highly degraded, if not absent entirely, and incapable of providing these important ecological services. The result is degraded streams that are eutrophic, have high sediment loads with wide channels and high water temperatures and are often unsuitable for fish and macroinvertebrates. The Pacific Northwest struggles with riparian management and it is especially important here because of the many species of endemic anadramous fish that are listed as threatened or endangered on the endangered species list.

Unbuffered riparian reaches have high sediment loads that change the substrate of the riverbed, making it unsuitable for salmonid fish to nest. In addition, in riparian areas without a vegetated buffer, stream temperatures are often too high for successful development of eggs and fry. Large woody debris (LWD) is also important in stream systems for creating small pools for fish to spawn in and to protect the young fry. Several methods for riparian restoration have been proposed (e.g. adding LWD, nutrient addition) but fencing riparian areas from agricultural disturbance seem to have the highest success rate for restoration. Riparian fencing can be coupled with native vegetation plantings or the vegetation can be allowed to restore naturally. Results from riparian fencing projects include decreased sediment loads in the stream, water temperatures, channel width, and increased LWD. All these results are thought to increase habitat suitability for anadromous fish. One limitation for many studies on riparian fencing is that the area fenced is small in size which limits inference about the success of riparian fencing for stream vertebrates and macroinvertebrates.

The Conservation Reserve Enhancement Program (CREP) is a federal program that pays rental fees to farmers on land along riparian areas that the farmer removes from production. The resulting area is fenced for restoration and conservation purposes. Despite the fact that CREP is a federal program, it is the responsibility of the individual states to see that the program is implemented and the money distributed. Oregon's CREP program is unique due to its cumulative impact incentive payment. This is a program in which a landowner (or group of landowners) can fence >50% of a 5 mile stream segment and receive a one time payment of four times the annual rental rate. This cumulative impact incentive program has generated controversy because of the lack of data to support paying such a large monetary incentive for restoration of longer stream sections.

Despite the enormous efforts of private, state and federal agencies to encourage riparian restoration, very little data exists that illustrates the effectiveness of such measures. Many of the studies conducted to date are on small fenced areas that were fenced many years ago. Evidence

exists that these small riparian fencing projects are not large enough to effect any change on the stream reach in question. Parkyn et al. (2003) suggest that the width and length of riparian buffers need to be created in proportion to the size of river segment that is to be restored. For example, wider rivers need wider and longer buffers to effect any change on the river ecosystem. Wooster and DeBano (2006) concluded that wooded buffer length has a greater impact on stream macroinvetebrates than width of wooded buffers. Although, (Kondolf 1993) concluded that riparian buffers along one section of the stream will have little effect on overall stream recovery if cattle are allowed access to the stream in other sections.

The purpose of this study is to determine the effectiveness of Oregon's CREP program. Specifically we will select areas of cumulative impact buffers for an in depth assessment and determine their effectiveness compared to control (unbuffered) reaches and a series of shorter buffered areas whose total buffer area is equal to the total length of cumulative impact buffer. This comparison will allow us to assess whether cumulative impact buffered areas have a higher impact than shorter buffers.

Methods

Site selection will take place in June – August 2007. Data from the Farm Services Agency indicates that the majority of CREP buffers are located in Sherman and Wasco counties; therefore, site selection will focus on these counties in north central Oregon. We will determine, which stream reaches have been enrolled in the CREP program, when the restoration was initiated, and the length of the stream segment included. A subset of CREP areas will be selected that span a variety of ages since restoration. We will attempt to make sure stream buffers are as similar as possible (e.g. equal lengths and widths) and have similar land uses adjacent to the buffer and similar geology. At the selected streams we will attempt to obtain pre-restoration data from landowners, project managers, and aerial photos.

Objective: Evaluate cumulative impact program
The purpose of this objective is to collect data to provide a quantitative description of how stream quality differs among cumulative impact buffers, unbuffered areas, and smaller CREP buffers and to determine if cumulative impact buffers are meeting the criteria for the program. We will ask the question: Do cumulative impact buffers increase stream quality compared to 1) unbuffered controls and 2) smaller buffered areas? We will select 3 sets of sites, one set will be a recent addition to the CREP program, the second site will have buffers 3-4 years old and a third set will have buffers >5 years old. A set of sites includes 1) cumulative impact buffer, 2) series of smaller CREP buffers whose length sum to the length of the cumulative impact buffer and 3) an unbuffered control equal to the length of the cumulative impact buffer. We will choose areas that have similar geography and landscape context. We will sample the following measures: vegetation, shade, width-to-depth ratio, channel cross section, bank stability, stream temperature, macroinvertebrates, sediment, nutrients (nitrogen and phosphorous) and bacterial content. We will measure these variables using standard techniques described in the scientific literature so that results from this study can be compared to other investigations on riparian buffers. The PI and other qualified field assistants will collect the data for this objective. Data collection will occur from April – August 2008.

Vegetation: We will measure density and survival of CREP plants. In addition, we will measure percent cover of invasive plants with special focus on those plants on the noxious weed list.

We will collect soil cores from each of the sites at three distances from the stream edge: 0, 10 m, and 20 m. We will remove the top 2 cm of sol from the soil core and spread this soil over vermiculite in a greenhouse pot. The remainder of the soil from the soil core will be spread over vermiculite in a separate pot. Both samples will be allowed to germinate and seedlings identified. Separating the soil core in this way will allow us to determine recent deposition of seeds (in the top 2 cm) from long term seed bank deposition.

To determine potential for water dispersal of native and exotic plants, we will collect seeds from the stream and germinate them in the greenhouse. A variety of techniques for sampling water deposition of seeds will be tested during June – August 2007 with the assistance of a work study student from Eastern Oregon University. Data will be collected during the 2008 field season using the best technique tested during the 2007 field season.

Shade: We will calculate percent shade using a spherical densitometer at equally spaced points within the stream reach (Wooster and Debano 2006).

With-to-depth ratio and Channel cross section: At equally spaced points along the streams, we will measure stream width and depth using measuring tapes (Bauer and Burton 1993). We will also measure bankful height and measure the depth of undercut banks (Bauer and Burton 1993).

Bank stability: We will survey stream bank erosion and measure the length of any area of unstable or damaged stream bank (Pfankuch 1975, Bauer and Burton 1993).

Stream temperature: We will install temperature data loggers at equally spaced locations along the stream reach being investigated. We will set the temperature loggers to record water temperatures hourly. Before data analysis, we will “smooth” temperature by using a moving window average of water temperatures (e.g. 7 or 10 day moving window average).

Macroinvertebrates: We will sample macroinvertebrates using a D-net which is placed on the stream bottom and the upstream portion of the stream bed in front of the net is disturbed. Invertebrates that are disturbed from the substrate then flow into the net and are preserved in an alcohol solution until processing, identification and analysis.

Sediment: We will measure the percent of fine particles using the grid method. We will place a 20 X 30 cm grid over the stream sediment and count the number of grid intersections that have fine sediment (< 6 mm) beneath them.

Bacteria and nutrients: We will collect water samples at the downstream end of the study reaches. These samples will be analyzed for total dissolved reactive phosphorous, total nitrogen, nitrate nitrogen and bacterial content. We will send these samples to an accredited lab to perform the analysis.

Impact

A number of studies have investigated the impacts of riparian buffers. However, most studies focus on one issue related to buffered areas (e.g. nutrient run-off, sediment filtering, water temperature, etc.). Few studies have investigated a number of effects of riparian buffers on the streams. This will be among the first to do so. This study will allow us to draw conclusions about the community effects of buffers on streams, something that other studies cannot do due to their narrow focus. In addition, we will publish our findings in the scientific literature so that impacts of riparian buffers are disseminated to those studying them in other areas of the globe. It is important that impacts of stream buffers be investigated and the results published in the scientific literature so that we can learn about what methods work and which don't in order to improve stream buffers (Kondolf 1995).

The principle investigators on this grant have experience writing reports to agencies and scientific papers. The design of the proposal is such that it would be written up as a journal article for a peer-reviewed scientific journal. In addition, AMB and PLK have experience and success working with private landowners.

Literature Cited

Bauer, S.B. and T.A. Burton. 1993. Monitoring Protocols to Evaluate Water Quality Effects of Grazing Management on Western Rangeland Streams. U.S. Environmental Protection Agency, Washington, D.C.

Kondolf, G.M. 1993. Lag in stream channel adjustment to livestock exclosure, White Mountains, California. Restoration Ecology 1:226-230.

Kondolf, G.M. 1995. Five elements for evaluation of stream restoration. Restoration Ecology 3:133-136.

Parkyn, S.M., R.J. Davies-Colley, N.J.Halliday, K.J.Costley, G.F. Crocker. 2003. Planted riparian buffer zones in New Zealand: do they live up to expectations? Restoration ecology 11:436-447.

Pfankuch, D.J. 1975. Stream reach inventory and channel stability evaluation. USDA Forest Service Report, Region 1, Missoula Montana, U.S.A.

Wooster, D.E. and S.J. DeBano. 2006. Effect of woody riparian patches in croplands on stream macroinvertebrates. Archiv für Hydrobiologie 165:241-268.

Budget – site selection

Salary:		
1 post-doctoral researcher (Anne M. Bartuszevige)	3 months@$3334	$10 002
+ 61% OPE		$ 6 102
Total Salary		**$16 104**
Travel:		
OSU motor pool vehicle (4X4 truck)	$450/mo*3mo	$1 350
Mileage	$0.34/mile*1500miles	$ 510
Food per diem (camp rate)	$25/day*10days	$ 250
Lodging/hotel	$75/night*10nights	$ 750
Total		**$2 860**
TOTAL DIRECT		**$18 964**
INDIRECT (10%)		**$ 1,896**
GRAND TOTAL		**$20,860**

This budget includes money used for site selection on CREP buffers in Wasco and Sherman counties. Initial site selection will use GIS layers of aerial photos of Wasco and Sherman counties, FSA data of locations of CREP buffers in Oregon, and land use and land cover maps. Final selection of sites will require field visits to assess the site for suitability and to obtain landowner permission. Money for an Oregon State University motor pool vehicle and money for food and lodging are requested for travel to potential field sites. Food per diem is requested at a lower rate because I anticipate shopping for low-cost food items that can be prepared easily instead of eating at restaurants. Shopping for food will be a lower cost than restaurant eating, so I will need only $25/day for food.

Budget – field sampling

Salary:		
1 post-doctoral researcher (Anne M. Bartuszevige) 9 months@$3334		$30 006
+ 61% OPE		$18 304
Plant field crew (10 weeks @ 40h/wk *$10/hr)		$ 4 000
+10% OPE		$ 400
Total		**$52 710**
Travel:		
OSU motor pool vehicle (4X4 truck)	$450/mo*4mo	$1 800
Mileage	$0.34/mile*3000miles	$1 020
Food per diem (camp rate)	$25/day*20days	$ 500
Lodging/hotel	$75/night*20nights	$1 500
Total		**$4 820**
Equipment:		
Hobos	$75/each*120	$9 000
Rebar	$300/120 pieces	$300
Batteries		$500
Tools (wire cutters, sledge hammer, etc)		$100
Plant sampling stuff		$1 000
Total		**$10 900**
Contract work:		
Invertebrate work	$575/site*120 sites	$69 000
Water quality (N,P, Bacteria)	$100/sample*36	$3 600
Total		**$87 600**
Subtotal		**$141 030**
INDIRECT (10%)		**$ 14 103**
TOTAL		**$155,133**
GRAND TOTAL (Site selection + Field sampling)		**$175,993**

April 24, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Special Projects

SUBJECT: **Agenda Item H: Special Investments Partnerships**
May 15-16, 2007 OWEB Board Meeting

I. Introduction

This report provides an update on the ongoing development of the Special Investment Partnerships (SIP) concept.

II. Background

This concept was first discussed with the Board as an item in the Executive Director Update at the January 2007 Board meeting. Director Byler explained that anticipated increases in Measure 66 Lottery capital revenues for the 2007-2009 biennium present OWEB with the opportunity to maintain a robust regular grant program while also exploring new ways to provide funding to partnerships that are addressing especially large, complicated watershed enhancement projects. The Board then appointed a subcommittee to work with staff on developing the details of a Special Investments Partnerships concept. Subcommittee members are Dan Heagerty, Diane Snyder, Dave Powers, and Ken Williamson.

The subcommittee meeting on February 27, 2007, addressed SIP goals and characteristics. (Attachment A) The full Board then discussed these goals and characteristics at the March 2007 Board meeting.

III. SIP Program Development Progress and Issues

The subcommittee met on April 3, 2007, to address the SIP process and a program development time line. Attachment B shows the subcommittee's meeting schedule and likely main topics.

A. SIP Process

Staff and the subcommittee agree that the SIP process for identifying and evaluating potential SIP projects must be streamlined to minimize wasted effort by applicants, should be flexible to adapt to the likely diversity of prospective projects, and should emphasize the collaborative nature of the program rather than the competitive nature of conventional grant programs. A process that staff believe meets these requirements is described on the next page. We invite the whole Board to comment on this direction. A more formal and perhaps revised version of this process will be brought to the Board at the September 2007 meeting.

1. **Identifying Potential SIP Projects**
   a. Staff and subcommittee (henceforth "we") will describe SIP program characteristics.
   b. We will identify interesting SIP project concepts based on our knowledge of present needs and opportunities and of promising initiatives already launched or in the works by our partners.
   c. We will develop a list of partners with whom to meet to explore other potential SIP projects.
   d. Staff will survey the OWEB Board for project ideas and partners to consult.
   e. Staff will write up each project concept in a brief, standard format.
   f. We will arrive at preliminary conclusions as to which of the original "interesting" SIP project concepts still seem viable; perhaps rank-ordering them by ripeness and other indicators of merit.
   g. Staff (and perhaps subcommittee or Board members) will further research promising project concepts and will meet with key partners.
   h. For each promising project, staff will seek detailed, specific information from the other partners.
   i. Throughout the process we will refine the SIP program as necessary to better fit the reality of likely project opportunities.

2. **Evaluating Promising SIP Projects**
   a. We will develop standard evaluation criteria (e.g. in the form of a review/rating sheet).
   b. Staff and the subcommittee will do the review. For each prospective project special technical specialists may be selected to provide in-depth review, but there will be no single standing SIP review team.
   c. Staff will interact with other partners to address questions, resolve issues, discuss funding conditions, and refine project concepts and partnership roles as necessary.
   d. We may make initial selection(s) of one or more "early action" SIP projects for recommendation to the Board in either September 2007 or January 2008.
   e. We will continue to evaluate other potential SIP projects, pursuing in-depth discussions with partners as necessary.
   f. Staff will prepare funding recommendations to the Board in the form of staff reports.

B. SIP Funding: The 2007-2009 Biennium and Beyond

At the September 2007 Board meeting, staff and the subcommittee will ask the Board to consider allocating or earmarking a portion of the OWEB funds anticipated to be available in the 2007-2009 biennium. Staff, with the advice of the subcommittee, will propose a budget for the SIP program in those recommendations. This recommended SIP allocation may be 20 to 25 percent of the Measure 66 capital funds available each year between now and the end of 2014 depending on the availability of funds.

It is too early for staff and the Board subcommittee to identify a target number of projects for SIP funding. Part of the issue involves striking the balance between "depth" – very high funding for just a few projects – versus "breadth" – somewhat lesser funding for a larger number of projects. This decision will depend in part by how many potential project concepts truly meet the SIP characteristics described in Attachment A, especially in terms of "ripeness." Another key factor will be what the appropriate OWEB contribution to each of those projects might be.

At this time we cannot be certain that even one prospective SIP project will be ready to recommend for Board consideration by September 2007, but staff and the subcommittee will ask the Board at that time to reserve an appropriate amount of funding for SIP awards in the 2007-2009 biennium. Any of the earmarked SIP funding that remains unallocated later in the biennium may be redirected into the regular capital grant program if the Board wishes.

Some SIP actions taken by the Board in the 2007-2009 biennium may not be awards in the usual sense – that result in a signed grant agreement – but may be some other form of commitment sufficient to definitively earmark funds from future biennia. Future funds cannot be legally obligated (through a grant agreement or other contract) until OWEB has received authorization from the Legislature for receipt and expenditure of funds for each respective biennium. Nevertheless, some SIP projects may depend on OWEB being willing and able to make solid funding commitments extending out a number of years.

C. The <u>Critical</u> Need for Technical Assistance

"Help us with advance technical assistance!" is usually the first answer given when we ask how OWEB can help big ideas move forward. Technical assistance takes many forms and is important for different reasons at the different stages of each project. Technical assistance during implementation – often in the form of engineering plan adjustments and construction oversight – is routinely covered (at least in part) by OWEB capital fund grants. Technical assistance immediately preceding less complicated projects – often in the form of detailed engineering drawings necessary to acquire permits – also is routinely covered by OWEB capital funds.

But SIP-style projects will likely be more complicated and have much longer planning trajectories. Technical assistance may be necessary in the early stages of these big projects to:

1. attract more partners and funding support;
2. address public and regulatory concerns by moving project plans beyond the conceptual phase and into dealing with details;
3. navigate complicated regulatory, legal, and capital finance processes;
4. set up an appropriate fiscal and business entity; and
5. generate the options and scenarios necessary to plot a rational and efficient course forward to implementation.

Although lumped together for convenience as "technical assistance," some of this project development effort requires not engineers or scientists but lawyers, accountants, banking and finance specialists, marketing experts, tax specialists, and business managers. OWEB's occasional Technical Assistance grant solicitations attempt to address this need, but OWEB's

dire shortage of non-capital funds obliges us to limit both the grant award amounts and the number of grants offered. Other funding sources tend to prefer implementation funding and do not provide much technical assistance help.

The lack of this crucial technical assistance severely constrains many of the SIP project concepts and other ideas that could make the biggest improvement in Oregon's watershed and ecosystem health. Staff are considering approaches to breaking this bottleneck and will report its ideas to the Board.

IV. Next Steps

A. Staff are talking with OWEB's traditional partners to collect interesting potential SIP ideas. To cast our net more broadly, the subcommittee asked staff to survey OWEB Board members by April 24, 2007, on the following two points:

   1. Any potential SIP project concepts members may be aware of and want staff to be aware of.
   2. People or groups who staff should contact about the SIP program.

B. Staff continue to talk with partners who are planning projects with SIP characteristics.

C. Staff are writing up summaries of possible SIP projects in a standard format similar in concept to conventional grant applications but emphasizing SIP characteristics.

D. Staff and the SIP subcommittee will continue to discuss project possibilities as they come into focus.

E. As soon as practical the subcommittee will direct the in-depth evaluation by staff and select technical specialists for any particularly promising project concepts.

V. Recommendation

This is an informational item. No Board action is requested at this time.

Attachments

A. Summary of Special Investments Partnerships Characteristics
B. SIP Subcommittee Meeting Schedule and Topics

Summary of Special Investments Partnerships Characteristics

April 16, 2007

A. SIP Purposes

1. To use OWEB's financial resources to support projects and partnerships at a scale and in a way that might not otherwise happen through the regular grant program.
2. To assure that the larger strategic goals of Measure 66 and of the Oregon Plan are addressed in a concerted fashion that produces significant and thoroughly measurable outcomes.
3. To assure that OWEB is using all the "tools" available to take full advantage of the funding opportunity presented by the Measure 66 funds between now and the potential expiration date of Measure 66 in 2014 – just seven years from now.
4. To reach across organizational and jurisdictional lines to forge partnerships capable of accomplishing big outcomes.
5. To collaboratively provide the "missing pieces" necessary to boost existing partnerships with outstanding ideas along to the implementation stage.
6. To explore new ways to provide funding assistance to worthy watershed enhancement projects while at the same time assuring that the regular OWEB capital grant program will be robustly funded and will continue to be the main focus of the agency's restoration and acquisition investments.

B. SIP Project Characteristics

Special Investments Partnerships grants will fund projects that are similar in many ways to those routinely handled by OWEB's "regular" capital grant programs. For example, SIP projects will:

- Address major limiting factors for watershed and habitat health.
- Implement major restoration/protection priorities for the locality in question.
- Support comprehensive projects with clear objectives, clear work plans, and definite time lines.
- Act to prevent species and/or watershed functions from being lost or threatened.

SIP projects also will have these special characteristics:

1. **Higher level ecological outcomes.** SIP will allow the Board to invest in watershed restoration outcomes at a programmatic scale – meaning that the spatial extent, temporal duration, and ecological impact of SIP projects will tend to be much greater than typical OWEB funded projects.
2. **Sustainability.** SIP projects will produce ecological, community, and economic outcomes – the "triple bottom line" – in a deliberate effort to produce benefits that sustain themselves over time because they've become a part of local custom and culture.

3. **Strong community partnerships.** The scale, importance, and sustainability of SIP projects will result from – and will attract – strong support and involvement by partners with a demonstrated stake in the local community and ecology. SIP projects will tend to pull together and unite partnerships that might not otherwise join in common cause.
4. **Efficiencies.** SIP will emphasize collaboration rather than competition. We will foster inclusive partnerships among entities that might otherwise compete against each other for grant resources necessary to address critical watershed resource needs. At the same time, SIP evaluation criteria will reward lean and cost-effective approaches, economies of scale, and shrewd utilization of innovations to get more accomplished with less.
5. **Leveraging of Effort.** The scale of SIP will allow OWEB to join projects where the other partners have demonstrated their dedication through the commitment of very significant contributions of cash funding, technical assistance, organizational effort, policy support, and other tangibles necessary for project success.
6. **Ripeness.** Viable SIP projects – and the partners involved – must be ready to finalize plans immediately, to begin implementation within a couple of years, and to complete the effort by (or soon after) 2014.

SIP Subcommittee Meeting Schedule and Topics

April 16, 2007

A subcommittee work plan for 2007 is shown below (as of April 16). Detailed agendas will be developed a week or so prior to each meeting. Study materials will be prepared and distributed to members by OWEB staff. All subcommittee meetings will convene at OWEB Co-Chair Dan Heagerty's office at David Evans and Associates in Portland.

April 24 meeting: Staff will share results of surveying the Board for SIP project and partner suggestions. Discuss possible SIP projects.

May 22 meeting: Staff will share results of surveying partners for SIP project ideas. Discuss possible SIP projects. Subcommittee will task staff to fill any gaps in information about the candidate projects.

June 19 meeting: Staff will provide detailed descriptions of candidate projects identified to date. Review possible SIP projects. Discuss a "go-no-go" sorting of ripe and likely candidate projects from those that are less ripe or of less merit. Prepare talking points for Board planning workshop in Maupin on July 17-19, 2007.

July 24 meeting: Review possible SIP projects. Prepare recommendations for mid-September Board meeting.

August 23 meeting: Review possible SIP projects. Prepare recommendations for mid-September Board meeting.

September 25 meeting: Review possible SIP projects.

October 23 meeting: Review possible SIP projects.

December 4 meeting: Review possible SIP projects. Prepare recommendations for January 2008 Board meeting.

April 25, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Bev Goodreau, Grant Program Specialist

SUBJECT: **Agenda Item I: Small Grant Program**
May 15-16, 2007 OWEB Board Meeting

I. Introduction

This staff report provides information on the 2005-2007 Small Grant awards and requests funding for the Small Grant Program for the 2007-2009 biennium.

II. Background

In 1999, OWEB was seeking ways to be more responsive to small, straightforward restoration grant applications. During this time, the Legislature added a budget note to OWEB's budget to encourage the agency to initiate a county-based, local cost-share program.

In response to these identified needs, in September 2000 the Board authorized the formation of a subcommittee to provide guidance for developing a Small Grant Program. The subcommittee developed nine overarching policy objectives, which the Board approved at its January 2001 meeting. At that meeting, the Board also authorized staff's initiation of rulemaking to develop a program with the nine policy objectives serving as a guide. A Rules Advisory Committee — composed of representatives of the Oregon Association of Conservation Districts, Soil and Water Conservation Commission, watershed councils, and other interests — met five times over the summer to develop rules.

In January 2002, the Board adopted administrative rules establishing a Small Grant Program. Twenty-eight small grant teams (Attachment A) consisting of representatives from local watershed councils, soil and water conservation districts, and tribes were each awarded $100,000 to put toward restoration projects of $10,000 or less, a total commitment of $2.8 million.

For the 2001-2003 biennium, teams awarded approximately $2.5 million for 403 projects, which averaged about $6,100 each. All of those projects have been completed.

For the 2003-2005 biennium, the Board again awarded $2.8 million for the Small Grant Program. The 28 teams awarded approximately $2.4 million for 384 projects, which averaged about $6,200 each. Of those projects, 36 (9%) have not yet been completed. Approximately $173,000 in payments has yet to be requested.

In 2004, staff continued to seek ways to streamline and improve the program. At the January 2005 meeting, the Board approved a staff request to begin rulemaking and to form a Rules Advisory Committee. The Board approved the resulting proposed rule changes presented by staff in May 2005.

III. 2005-2007 Biennium

In May 2005, the Board awarded $2.8 million in capital funds for the Small Grant Program for the 2005-2007 biennium. To date, the 28 teams have recommended and OWEB has funded 302 grants for over $2 million with an average of $6,800 per grant. Currently, three teams have allocated all but $2 or less of their allotted $100,000 and 116 (38%) of the projects are completed. However, past experience has shown that there will be numerous recommendations as we near the end of the biennium. Teams have been asked to submit any new applications they wish to recommend for funding by May 15, 2007 to allow time for processing before the end of the biennium (June 30, 2007).

A. Small Grant Teams

A few teams have experienced staff changes that have made it difficult for them to function well. For example, the Umpqua Small Grant Team has faced the most significant difficulties, having just formed for the 2005-2007 biennium in March of this year due to staffing issues. The Umpqua Team realizes it will not have time this biennium to allocate its full $100,000. However, we understand it has several worthy projects ready for funding and expects to be able to implement them this spring or summer. Staff believe the efforts of the team this spring and summer will better prepare them for greater productivity next biennium to get projects on the ground in their area.

B. Small Grant Projects

During the 2005-2007 biennium, the Small Grant Program continued to fund a variety of projects from a low of $500 to the maximum of $10,000. The Small Grant rules designate the following project types as eligible for Small Grants: instream process and function, fish passage, urban impact reduction, riparian process and function, wetland process and function, upland process and function, water quantity and quality/irrigation efficiency, and road impact reduction. Attachment B shows how the Small Grant Teams have prioritized and used their funding this biennium.

Small grant projects often offer excellent examples of local collaboration and partnerships. Two projects from this biennium are worth noting. First, is the Rock Creek Dam Modification project for fish passage funded at $10,000 through the MidCoast Small Grant Team. This project was recently recognized by the State Land Board as one of two exemplary stream projects statewide. Rock Creek is the only productive stream in the Devils Lake Basin for native coho salmon, steelhead and cutthroat trout. Modifying the dam, which involved cutting and removing a 20 foot by three foot concrete section, is expected to have long-lasting, positive impacts for Oregon's fish populations. Partners included the Salmon Drift Creek Watershed Council, Devils Lake Water Improvement District, the City of Lincoln City, the Preservation Association of Devils Lake, Oregon Department of Fish and Wildlife, and U.S. Fish and Wildlife Service.

The second project is the Stradley Upland Structure grant funded for $642 through the Lower Deschutes Small Grant Team. This project demonstrates an upland process and function grant intended to protect cropland from sheet and rill run-off to prevent sediment entering streams in Sherman County, and as a consequence addresses issues identified in the Agricultural Water Quality Management Plan for the Lower Deschutes.

IV. 2007-2009 Biennium

The Small Grant Program continues to be extremely popular because of its ability to fund restoration projects more quickly with less process and paperwork than the regular grant program. The program also serves an important function by providing an element of local control and fostering local collaboration. For these reasons, staff recommend the Board continue funding for the Small Grant Program for the 2007-2009 biennium at the $2.8 million level. This will provide the same level of funding to the teams as has been provided in previous biennia. In addition, this action will allow for the development of agreements with the Small Grant Teams starting July 1, 2007.

Staff will report to the Board on the final expenditures for the 2005-2007 biennium at the September 2007 meeting. At that meeting, staff may also discuss the potential for additional team funding and how staff might structure team agreements to better coincide with the legislative approval of OWEB's budget.

V. Recommendation

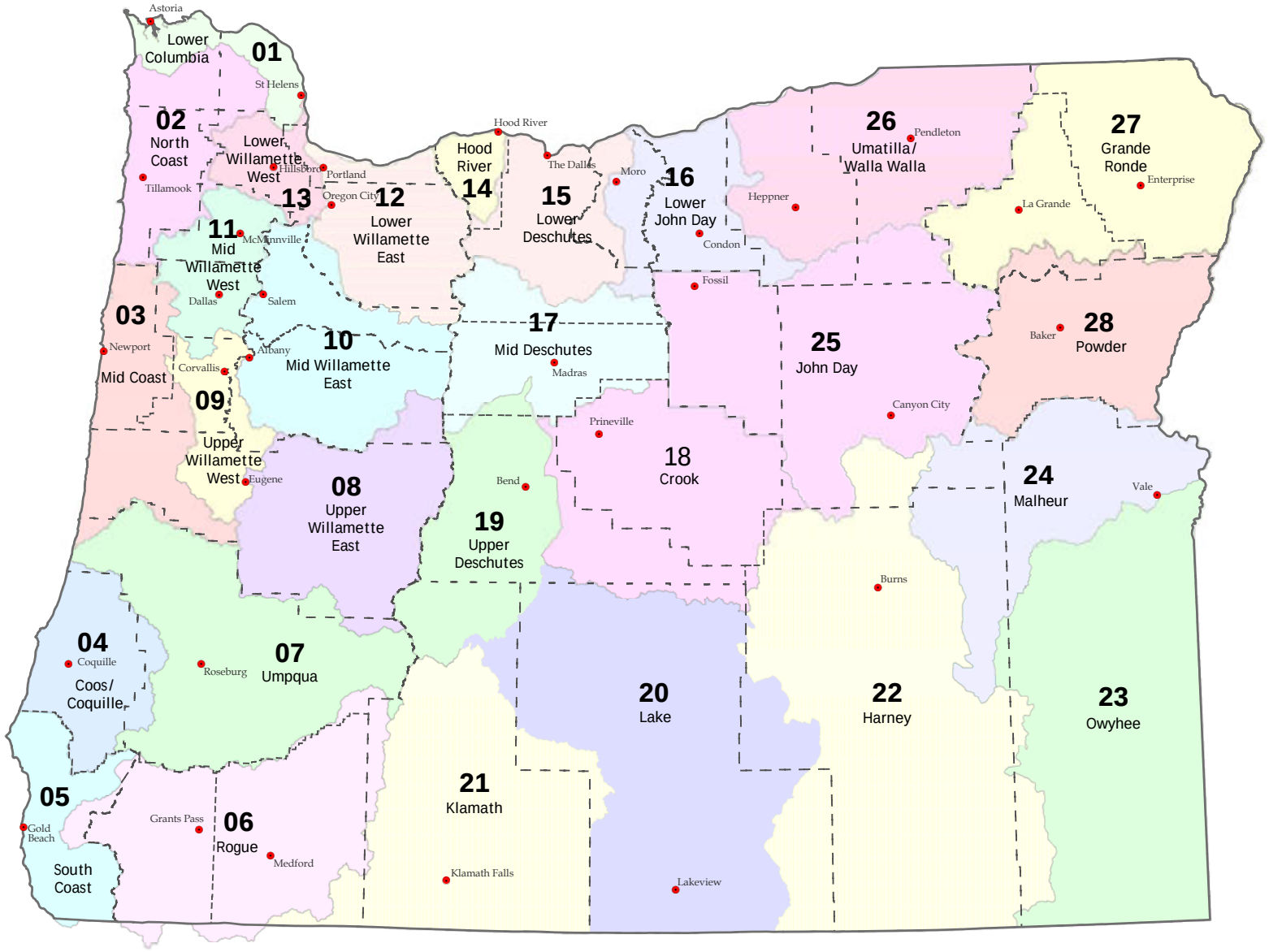
Staff recommend that the Board allocate funding for the Small Grant Program for the 2007-2009 biennium at a level of up to $2.8 million in capital funds, with a distribution of $100,000 per team. This action will make funding available upon legislative approval of OWEB's 2007-2009 budget.

Attachments

A. Small Grant Team Map
B. 2005-2007 Grant Types by Team

OWEB Small Grant Areas

Oregon Watershed Enhancement Board
775 Summer St. NE, Suite 360
Salem, OR 97301
503-986-0178



October 2004

SMALL GRANT TEAM PROJECT FUNDING BY TYPE
2005-2007 BIENNIUM THROUGH APRIL 24, 2007

ATTACHMENT B

		Instream Process			Fish Passage			Urban Impact			Riparian Process		
Team	Small Grant Team	Priority	#	Amount	Priority	#	Amount	Priority	#	Amount	Priority	#	Amount
01	Lower Columbia	H	2	$20,000	H	3	$25,500	H	0	$0	H	4	$32,677
02	North Coast	H	3	$20,027	H	0	$0	H	0	$0	H	7	$55,792
03	Mid Coast	H	4	$31,567	H	2	$16,237	M	0	$0	H	1	$4,654
04	Coos Coquille	H	0	$0	H	1	$9,955	M	0	$0	H	1	$6,750
05	South Coast	H	3	$24,050	H	3	$24,220	H	0	$0	H	2	$20,000
06	Rogue Basin	H	0	$0	H	0	$0	M	0	$0	H	3	$21,801
07	Umpqua Basin	H	0	$0	H	0	$0	L	0	$0	H	0	$0
08	Upper Willamette East	H	0	$0	H	0	$0	M	0	$0	H	11	$60,493
09	Upper Willamette West	H	1	$10,000	H	0	$0	M	0	$0	H	6	$38,242
10	Mid Willamette East	M	0	$0	M	0	$0	H	0	$0	H	4	$20,326
11	Mid Willamette West	H	1	$8,470	H	3	$18,446	M	0	$0	H	3	$23,525
12	Lower Willamette East	M	0	$0	M	1	$10,000	M	1	$9,777	H	6	$33,405
13	Lower Willamette West	M	0	$0	M	0	$0	M	0	$0	H	6	$34,824
14	Hood River	H	1	$3,856	H	0	$0	L	1	$2,020	H	3	$30,000
15	Lower Deschutes	M	0	$0	M	0	$0	L	0	$0	H	2	$19,500
16	Lower John Day	H	0	$0	H	0	$0	N/A	0	$0	H	0	$0
17	Mid Deschutes	H	0	$0	H	0	$0	L	0	$0	M	1	$3,225
18	Crook	H	0	$0	H	0	$0	L	0	$0	H	3	$26,175
19	Upper Deschutes	H	1	$8,670	H	0	$0	M	0	$0	H	1	$7,190
20	Lake	H	1	$1,325	H	1	$9,950	L	0	$0	H	1	$5,858
21	Klamath Basin	M	2	$14,475	M	0	$0	M	0	$0	H	0	$0
22	Harney Basin	H	0	$0	M	0	$0	L	0	$0	H	3	$24,131
23	Owyhee	M	0	$0	L	0	$0	N/A	0	$0	H	1	$10,000
24	Malheur	M	0	$0	H	0	$0	L	0	$0	H	1	$10,000
25	John Day	H	0	$0	H	0	$0	L	0	$0	H	3	$16,470
26	Umatilla-Walla Walla	H	0	$0	H	1	$3,619	L	0	$0	H	0	$0
27	Grande Ronde	L	0	$0	M	0	$0	L	0	$0	H	0	$0
28	Powder	H	1	$4,800	H	0	$0	L	0	$0	H	3	$29,923
Number of Projects & Amount			20	$147,240		15	$117,927		2	$11,797		76	$534,961

Priority Watershed Concerns
H = High
M = Medium
L = Low
N/A = Not Applicable

SMALL GRANT TEAM PROJECT FUNDING BY TYPE
2005-2007 BIENNIUM THROUGH APRIL 24, 2007

ATTACHMENT B

		Wetland Process			Upland Process			Water Quantity Irrigation Eff.			Road Impact Reduction		
Team	**Small Grant Team**	**Priority**	**#**	**Amount**	Priority	**#**	**Amount**	**Priority**	**#**	**Amount**	Priority	**#**	**Amount**
01	Lower Columbia	H	1	$9,900	H	1	$8,666	M	0	$0	M	0	$0
02	North Coast	H	0	$0	H	0	$0	H	0	$0	H	0	$0
03	Mid Coast	H	0	$0	H	0	$0	H	0	$0	H	0	$0
04	Coos Coquille	H	0	$0	M	0	$0	N/A	0	$0	M	0	$0
05	South Coast	H	0	$0	H	1	$10,000	H	0	$0	H	0	$0
06	Rogue Basin	H	0	$0	M	1	$9,309	M	5	$30,342	M	0	$0
07	Umpqua Basin	M	0	$0	M	0	$0	H	0	$0	M	0	$0
08	Upper Willamette East	H	0	$0	M	0	$0	M	0	$0	M	0	$0
09	Upper Willamette West	H	1	$9,256	M	3	$22,100	M	2	$14,554	M	0	$0
10	Mid Willamette East	H	0	$0	H	9	$75,070	N/A	0	$0	N/A	0	$0
11	Mid Willamette West	H	2	$19,369	H	4	$25,523	L	2	$4,607	N/A	0	$0
12	Lower Willamette East	H	0	$0	H	7	$35,472	M	0	$0	M	0	$0
13	Lower Willamette West	M	0	$0	H	4	$29,928	L	1	$9,998	N/A	0	$0
14	Hood River	M	0	$0	H	2	$9,330	H	6	$55,135	M	0	$0
15	Lower Deschutes	M	0	$0	H	16	$70,203	H	2	$11,855	N/A	0	$0
16	Lower John Day	L	0	$0	H	20	$81,111	M	1	$6,909	L	0	$0
17	Mid Deschutes	H	0	$0	H	0	$0	H	7	$70,000	M	1	$10,000
18	Crook	M	0	$0	H	6	$36,395	H	1	$9,333	L	0	$0
19	Upper Deschutes	M	0	$0	M	0	$0	H	1	$10,000	L	0	$0
20	Lake	H	1	$3,370	H	5	$49,492	H	1	$10,000	H	1	$9,550
21	Klamath Basin	M	0	$0	H	3	$23,535	H	9	$58,774	M	0	$0
22	Harney Basin	M	0	$0	H	5	$42,616	H	0	$0	M	0	$0
23	Owyhee	L	0	$0	H	0	$0	H	3	$24,070	L	0	$0
24	Malheur	H	0	$0	M	1	$9,844	H	11	$80,154	L	0	$0
25	John Day	H	0	$0	H	14	$71,040	H	0	$0	H	0	$0
26	Umatilla-Walla Walla	H	0	$0	H	13	$85,013	H	1	$10,000	M	0	$0
27	Grande Ronde	M	0	$0	H	5	$29,951	H	1	$5,964	H	1	$8,615
28	Powder	H	0	$0	H	3	$22,930	H	4	$36,490	L	0	$0
Number of Projects & Amount			5	$41,895		123	$747,527		58	$448,185		3	$28,165

Priority Watershed Concerns
H = High
M = Medium
L = Low
N/A = Not Applicable

April 24, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lori Warner-Dickason, Policy Specialist

SUBJECT: **Agenda Item J: Sandy River Acquisition**
May 15-16, 2007 OWEB Board Meeting

I. Introduction

This staff report provides additional information related to the Sandy River acquisition, a project that was considered and funded at the March 14-15, 2007, Board meeting. Information provided in this staff report will assist the Board in considering awarding the balance of the funds requested for this acquisition project.

II. Background

At the March Board meeting, the Board approved an award of approximately half of the requested funds ($364,000) for the acquisition of the Sandy River property by the Western Rivers Conservancy (WRC). Staff recommended and the Board approved a condition that the remainder of the requested funds ($363,500) would be awarded upon Board approval of a long-term owner of the property.

The WRC is now requesting Board approval for the Columbia Land Trust (CLT) to receive title to this property and act as long-term owner. In the interim, the WRC will seek financing to provide the balance of funding to purchase the property prior to the May 11, 2007, expiration date of the purchase option. The WRC will hold title to the property for approximately 60 to 90 days. Upon approval and subsequent release of OWEB funds the WRC will transfer title to the CLT.

III. Long-term Owner Information

The CLT is a 501(c)(3) non-profit conservancy organization that was formed in 1990 to conserve 'signature landscapes and vital habitat together with the communities of the Columbia River region.' In the last seven years, CLT has grown from an all volunteer group to an organization with 11 full-time staff members.

The CLT currently owns approximately 4,300 acres, holds conservation easements or leases on over 1,300 acres, and has partnered to conserve an additional 2,400 acres within the Lower Columbia River region. As part of its conservation program, the CLT has established a science-based stewardship program focused on ensuring the long-term maintenance and enhancement of conservation values on all of its protected properties.

The Sandy River watershed is a relatively new conservation priority area for CLT. However, the land trust has been actively involved in restoration work within the Sandy River delta in partnership with the U.S. Forest Service.

The CLT has established a stewardship fund and endowment to finance ongoing stewardship activities on all of its conservation properties. This fund serves existing holdings and currently exceeds $1 million. In most cases, new acquisitions require a fundraising effort. The WRC and CLT will work to secure additional funds to cover management expenses from a variety of foundation grants and private donors. Management expenses are expected to be relatively low, given the current condition of the property.

The CLT appears to be an excellent choice for a long-term owner of the Sandy River project. They have the stewardship staff, technical expertise, and organizational framework to be effective conservation landowners.

IV. Recommendation

Staff and the Board Land Acquisition Subcommittee recommend that the Board approve the Columbia Land Trust as the long-term owner of the Sandy River acquisition project, and approve the remainder of the requested funds in the amount of $363,500.

April 25, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager

SUBJECT: **Agenda Item L: Oregon Plan Monitoring and Research Request**
May 15-16, 2007 OWEB Board Meeting

I. Introduction

This report seeks Board approval to provide funding for the Oregon Department of Fish and Wildlife (ODFW) John Day Chinook Salmon Productivity and Escapement Monitoring project in the John Day River Evolutionarily Significant Unit (ESU). This report also provides a summary and funding request for the Non-pareil Dam/Umpqua coho genetic pedigree work conducted by the Coastal Oregon Marine Experiment Station at Oregon State University (OSU).

II. John Day Monitoring

The John Day River Basin supports one of the last remaining intact wild populations of spring Chinook salmon in the Columbia River Basin. These populations, however, remain depressed relative to historic levels. Columbia Basin fish managers have identified the John Day Basin spring Chinook populations as an index population for assessing the effects of alternative future management actions on salmon stocks in the Columbia Basin (Schaller et al. 1999). Significant monitoring is necessary to meet the data needs for John Day spring Chinook as index salmon stocks. The monitoring actions can help assess the long-term effectiveness of habitat projects and differentiate between freshwater and ocean survival. Sufficient annual estimates of salmon spawner escapement, age structure, smolt-to-adult survival, smolts/redd, recruits/spawner, and freshwater habitat use are essential to meet these monitoring needs.

From the 1960s to the 1980s, ODFW conducted adult census surveys in the John Day Basin. ODFW began more significant monitoring of spring Chinook salmon in the John Day Basin through Bonneville Power Administration (BPA) funded spawning ground surveys initiated in 1998, and smolt radio-tagging efforts initiated in 1999. However, during its evaluation and recommendations for funding of monitoring projects this year, BPA reduced and eliminated funding for projects that were not explicitly related to the recovery of Endangered Species Act listed species under the Columbia River Biological Opinion (BiOp). This resulted in a termination of BPA funding to support ODFW monitoring of John Day spring Chinook. BPA has indicated that ODFW will continue to receive funding for some of the monitoring parameters of listed steelhead in the basin.

Due to the BPA funding shortfall, ODFW is seeking OWEB support to continue spring Chinook spawner monitoring in the John Day River Basin. The total funding need for the program from June 1, 2007, to June 30, 2008, is $170,000. (Attachment A) ODFW currently seeks $65,882 to cover monitoring work through the end of September 2007. ODFW intends to approach the Board at its September meeting to request the remaining $105,000, if funding is available.

In the long term, ODFW will seek funding through the Federal Columbia River Power System BiOp remand process as well as from potential BPA funding through the Comparative Survival Study (CSS) to support ongoing Chinook smolt monitoring that provides estimates of smolt abundance and ocean survival or smolt-to-adult returns.

In addition, the future John Day monitoring program may be reshaped to provide important data and evaluation methods for determining the effectiveness of restoration projects in the Middle Fork John Day basin. Recent work between OWEB and the Middle Fork Working Group is designed to establish an Intensively Monitored Watersheds Study Plan to be implemented with existing National Oceanic and Atmospheric Administration funds held for the State of Oregon at the Pacific States Marine Fisheries Commission.

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

III. Non-pareil Dam/Umpqua coho pedigree

A. Background

The OWEB Board began its investment in the Non-pareil Dam/Umpqua coho pedigree research project in September of 2002 following a solicitation of Conservation Hatchery Improvement Program (CHIP) concepts in 2001. The Independent Multidisciplinary Science Team reveiwed the CHIP proposals and developed findings that indicated Non-pareil Dam and three other proposals had merit for the purposes of aiding in salmon recovery. The project, as originally proposed to the Board, was structured to span a nine-year period from the 2001-2003 to 2011-2013 biennia. The request to the Board today is for funding of the sixth year of the study.

B. Intent of Study

The effective use of hatchery fish to increase the size of an existing wild population has not been demonstrated. The study concept is to take a portion of a small wild population into captivity and disproportionately increase the number of offspring produced by them, release those offspring into the wild, and then allow them to spawn naturally as adults, thereby, significantly increasing the total number of natural salmon spawners. If this larger spawning population reproduces successfully in the stream, it should produce a much larger naturally-produced ("wild") population in a small number of generations (shorter period of time). The detailed study plan and the multi-year proposal first presented to the Board in September of 2001 are found in Attachment B.

C. Proposed Work and Needed Funds

In 2007, OSU is planning to conduct pedigree analysis of the 2006 returning fish samples. That analysis would be conducted to determine:

- The relative success of unfed fry verses smolt releases as returning adult fish to the basin for 2004, 2005, and 2006 cohorts. This includes comparisons to the adult production by naturally spawning wild fish.
- The effective size of wild coho salmon inferred from demographic data.
- The influence of mate choice on fitness of wild coho

The budget to conduct this work in 2007 is $177,000.

In 2008, the study would conduct pedigree analysis of 2007 and 2008 returns to determine:

- The differences in reproductive success that occur by treatment, by age (males), by gender, by adult run time, and by adult body size (length).
- If the size of the naturally-produced population increases due to successful natural reproduction of hatchery fish, and whether contribution to this group varies by treatment.

The findings for both 2007 and 2008 would be prepared for the inclusion in peer reviewed literature. The budget for 2008 work is $181,795. The two year total is $359,112. (Attachment C)

OWEB does not have adequate non-capital funds available at this time to meet the total budget request of $359,112 to continue this work through the upcoming biennium. However, OSU has an immediate need to obtain funding to maintain its efforts into the new biennium, and has no available alternative funding sources. Given this situation, staff identified $177,000 of currently available non-capital funds that can support the continuation of OSU's research for the first year of the biennium. Staff and OSU will return to the Board at a later meeting to seek additional funding for the full biennium, if funding is available.

IV. Recommendation

Staff recommend:

1. The Board allocate $65,882 of non-capital funds to the John Day Chinook Salmon Productivity and Escapement Monitoring project for the period of June 1 to September 30, 2007.

2. The Board award $177,000 of non-capital funds to the Non-pareil Dam/Umpqua Coho Genetic Pedigree study.

Attachments

A. John Day Proposal and Budget
B. 2001 Non-pareil Study Plan
C. Non-pareil 2007 and 2008 Study Plan and Budget

PROJECT PROPOSAL

PROJECT TITLE: Chinook Salmon Productivity and Escapement Monitoring in the John Day River Basin.

PROJECT SPONSOR: Oregon Department of Fish & Wildlife
3406 Cherry Ave. NE
Salem, OR 97303

PROGRAM LEADER: Richard W. Carmichael
Oregon Department of Fish & Wildlife
203 Badgley Hall, EOU, One University Blvd.
La Grande, OR 97850
(541) 962-3777

PROJECT LEADER: James R. Ruzycki
Oregon Department of Fish & Wildlife
203 Badgley Hall, EOU, One University Blvd.
La Grande, OR 97850
(541) 962-3731

WORK PERIOD: JUNE 1, 2007-JUNE 30, 2008

INTRODUCTION

The John Day River subbasin supports one of the last remaining intact wild populations of spring Chinook salmon in the Columbia River Basin. These populations, however, remain depressed relative to historic levels. Between the completion of the life history and natural escapement study in 1984 and the start of the BPA-funded productivity and escapement project in 1998, spring Chinook spawning surveys did not provide adequate information to assess age structure, progeny-to-parent production values, smolt-to-adult survival (SAR), or natural spawning escapement. Numerous habitat protection and rehabilitation projects to improve salmonid freshwater production and survival have also been implemented in the basin and are in need of effectiveness monitoring. While our monitoring efforts outlined here will not specifically measure the effectiveness of any particular project, they will provide much needed background information for developing context for project-specific effectiveness monitoring efforts. To meet the data needs as index stocks, to assess the long-term effectiveness of habitat projects, and to differentiate freshwater and ocean survival, sufficient annual estimates of spawner escapement, age structure, SAR, smolts/redd, recruits/spawner, and freshwater habitat use are essential. We began to meet this need through BPA-funded spawning ground surveys initiated for spring Chinook salmon in 1998 and smolt PIT-tagging efforts initiated in 1999.

Due to recent BPA-funding shortfalls, we seek support to continue our Chinook spawner monitoring in the John Day River basin. BPA has indicated that we will likely continue to receive funding for our steelhead monitoring in the basin. We also are seeking BPA funding through the Comparitive Survival Study (CSS) to support our ongoing Chinook smolt monitoring that provides estimates of smolt abundance and ocean survival or smolt-to-adult returns (SAR). With additional funding for adult Chinook monitoring we will be able to continue to provide adult escapement, smolts/redd, and recruits/spawner estimates to aid in the recovery planning of John Day and Columbia River spring Chinook populations.

Because Columbia Basin managers have identified the John Day subbasin spring Chinook populations as an index population for assessing the effects of alternative future management actions on salmon stocks in the Columbia Basin (Schaller et al. 1999) there is a need to continue our ongoing studies. This project is high priority based on the high level of emphasis the NWPPC Fish and Wildlife Program, Subbasin Summaries, NOAA BiOp, ISRP, and the Oregon Plan for Salmon and Watersheds have placed on monitoring and evaluation to provide the real-time data to guide restoration and adaptive management in the region.

By implementing the proposed program we will be able to address many of the goals for population status monitoring, such as defining areas currently used by spring Chinook for holding and spawning habitats and determining range expansion or contraction of summer rearing and spawning populations of spring Chinook. The BiOp describes these goals as defining population growth rates (adult monitoring), detecting changes in those growth rates or relative abundance in a reasonable time (adult/juvenile monitoring), estimating juvenile abundance and survival rates (juvenile/smolt monitoring), and identifying stage-specific survival (adult-to-smolt, smolt-to-adult).

This project provides critical information for evaluating the Columbia Basin Fish and Wildlife Program including detailed stock status of key indicator naturally spawning populations and life history, distribution, and productivity of wild populations. This project was developed in direct response to the recommendations and needs of regional modeling efforts, the Independent Scientific Review Panel (ISRP), the Fish and Wildlife Program, and the Columbia Basin Fish and Wildlife Authority Multi-Year Implementation Plan.

PROJECT GOALS

1. Provide accurate and precise information on status and trends in adult Chinook throughout the John Day River subbasin.

2. Assess natural escapement, productivity (recruits per spawner), and freshwater productivity (smolts per spawner) of spring Chinook salmon in the John Day River subbasin.

PROJECT OBJECTIVES

1. Estimate number and distribution of Chinook salmon redds and spawners for the John Day River subbasin populations.

2. Estimate age composition and hatchery stray fraction of the John Day River subbasin spring Chinook salmon populations.

3. Estimate productivity metrics including recruits/spawner and smolts/spawner for the John Day River spring Chinook populations.

4. Complete reports of progress and communicate results.

5. Participate in planning activities associated with anadromous fish management and ESA permitting, consultation, and recovery.

ENDANGERED SPECIES ACT PERMIT REQUIREMENTS

John Day River Chinook Salmon are not listed under the Endangered Species Act (ESA). Therefore, no directed take permits or consultations are required to conduct the chinook salmon activities proposed in this statement of work. Steelhead juveniles, which are listed as threatened under the ESA will be captured, handled, and released during their directed take and during the collection of chinook smolts. The National Marine Fisheries Service (NMFS) authorizes take of steelhead under the provisions of the 4(d) ruling. The 4(d) rule includes an exemption from take prohibitions for research activities called "Limit on the take prohibitions for research activities". We submitted a 4(d) research application to NMFS for take of listed steelhead in the John Day

River subbasin. We received 4(d) take authorization from NMFS in early March 2002 and are expected to be renewed in 2003. Take will be reported annually in a comprehensive report provided to NMFS with copies to BPA.

ODFW has an ESA Section 6 agreement with the U.S. Fish and Wildlife Service (USFWS) for bull trout. This agreement authorizes all direct take associated with bull trout management and research activities conducted by ODFW. Because we are providing biological data for bull trout management, take of bull trout during Chinook sampling is covered under this agreement.

STUDY PLAN

OBJECTIVES 1-3: Estimate the number and distribution of spring Chinook salmon redds and spawners, and age and hatchery stray composition of the spawner stocks in the John Day River subbasin.

APPROACH: Spring Chinook salmon spawning ground surveys are conducted each year during the entire month of September and typically cover 137 km of stream habitat (Wilson et al. 2001). Surveys are conducted by walking while visual counts are made of spawning activity. Current survey sections range from 3.2 to 8 km in length, depending on accessibility and difficulty. Surveyors record number of occupied and unoccupied redds, the number of live fish observed (on redds and off redds), and the number, sex, and origin (hatchery or wild) of carcasses in each survey section. Surveys are conducted in known spawning areas (based on previous visual observations) with some additional exploratory surveys conducted each year when redds are reported or suspected outside traditional survey sections.

Surveyors will carry hand-held GPS receivers and topographic maps to reference survey sections and redd locations. Surveyors will record latitude and longitude of all encountered redds, or clusters of redds, depending on redd proximities. GPS reference points will be entered into a GIS database with coverage for the entire John Day River basin. Carcasses found during the survey are measured (fork length and middle of eye to posterior scale, MEPS, mm), confirmed for sex, and percent of eggs spawned are estimated to the nearest 25% for females. Any identifying marks or tags are noted. Scale samples are removed for age determination. If fin marks are observed, the snout of the fish is removed to determine the presence of a coded-wire tag.

To determine range expansion by spawners we will sample outside of traditional areas with sampling methods based on our current protocols and a random, sample-site selection method. Randomly drawn sample sites will be approximately 2 km in length. Downstream limits of the sampling universe will be defined as 20 km downstream of our current survey sections or 20 km downstream of the most downstream redd observed in each HUC (4^{th} level HUC; North Fork, Middle Fork, Upper Mainstem) since 1959 when index surveys began. Upstream limits will be defined as 4 km upstream of our current

survey sections or the most upstream redd observed since 1959. Each year, one site above and two sites below traditional sections will be selected in each HUC.

The EMAP sampling approach will not be used for Chinook spawner surveys in the John Day subbasin because managers require information at the 4th-level HUC, geographic scale. This sampling universe is effectively too small for subsampling using the EMAP approach given the stream length of our survey units and the number of subsamples that can be drawn within each HUC.

Using counts of redds and adults, we will estimate recruits/spawner and smolts/spawner. Recruits per spawner estimates are determined from consecutive year spawner surveys and age composition analysis of spawning adults. Age composition is calculated from ageing of scales taken from spawner carcasses collected on spawning ground surveys. Smolts per spawner is estimated using annual spawner escapement counts and subsequent annual abundance estimates of their smolt progeny captured in rotary screw traps and seines.

Task 1.1: Conduct census surveys throughout the traditional 137 river kms to determine spawner distribution and abundance.

Task 1.2: Survey randomly drawn 2-km reaches outside traditional survey section areas.

Task 1.3: Geographically reference and develop GIS data base for redd distributions.

Task 2.1: Estimate sex ratio and age structure of returning spring Chinook salmon spawners.

Task 2.2: Calculate annual estimates of recruits/spawner and smolts/spawner.

Task 3.1: Estimate proportion of hatchery strays in spawner populations and origin of strays.

OBJECTIVES 4-5: Complete reports of progress and communicate results. Participate in planning activities associated with anadromous fish management and ESA permitting, consultation, and recovery.

APPROACH: Progress reports will be prepared and submitted as required in the contract agreement. Results will be communicated through reports and presentations at ODFW and professional society meetings. Products produced from this objective are specified in the tasks below. Regional coordination and oversight committees have been proposed to guide and coordinate monitoring and evaluation efforts in the Columbia Plateau and John Day subbasin. Program managers, project and assistant project leaders will participate in

these committees. Permits and reports will be prepared to ensure consistency with ESA requirements.

Task 4.1: Write and submit progress and final reports.

Task 5.1: Provide data to Project biologists developing regional models and to StreamNet. Provide information as requested by subbasin planners, Technical Recovery Team (TRT), and basin-wide research activities.

Task 5.2: Comply with ESA permitting requirements including data summarization related to the 4(d) rule.

SCHEDULE

TASK	DATES OF COMPLETION
Task 1.1 (spawner census surveys)	October 20, 2007
Task 1.2 (random spawner surveys)	October 20, 2007
Task 1.3 (GIS redd distributions)	January 31, 2007
Task 2.1 (estimate sex ratio)	January 31, 2007
Task 2.2 (estimate recruits/ and smolts/spawner)	January 31, 2007
Task 3.1 (estimate hatchery stray rate)	January 31, 2007
Task 4.1 (submit l reports)	Draft-January 4, 2008; Final-March 1, 2008
Task 5.1 (provide data)	Complete by November 30, 2007
Task 5.2 (comply with ESA requirements)	As needed

LITERATURE CITED

Schaller, H.A., C.E. Petrosky, and O.P. Langess.1999. Contrasting patterns of productivity and survival rates for stream-type chinook salmon populations of the Snake and Columbia River. Canadian Journal of Fisheries and Aquatic Resources 56:1031-1045.

Wilson, W.A., J.R. Ruzycki, R.W. Carmichael, S. Onjukka, G. Claire, and J. Seals. 2001. John Day Spring Chinook Salmon Escapement and Productivity Monitoring. Annual Progress Report to Bonneville Power Administration. Project No. 98-016-00.

BUDGET

Chinook Productivity & Escapement Monitoring in the John Day River Basin

Personal Services - Salaries

1 Personnel		Person Months	Salary	Cost
Project Leader (SFWB, 0507097, Ruzycki)		2	4,308	8,616
Assist. Project Leader (NRS2, 0507070, Schultz)		12	3,208	38,496
Project Assistant (NRS1, 0507075, Schricker)		4	2,664	10,656
Experimental Biology Aide (2000.039, Walker)		3	1,863	5,589
Experimental Biology Aide (0507098, Willis)		2	1,863	3,726
Experimental Biology Aide (0507088, Lamb)		2	1,787	3,574
Office Coordinator (4400.168, Maley)		1	2,017	2,017
			Subtotal	72,674.00
	Fringe:	OPE 58% on Permanent	59,785	34,675.30
		OPE 68% on Seasonals	12,889	8,764.52
			Subtotal PS	**116,113.82**

Services and Supplies

2 Travel and Transportation	**Subtotal**		**6,540.00**
Ground Transportation			5,490
Per diem (30 days @ $31/day)			1,050.00
3 Supplies & Equipment	**Subtotal**		**1,600.00**
Program related supplies			1,100.00
Computer Supplies			200.00
Office Supplies			300.00
4 Rent/Utilities	**Subtotal**		**2,060.00**
Communication Service			240.00
Utilities			455.00
Other Services			165.00
Facilities Rent ($400/mo for 3 mo.)			1,200.00
5 Professional Meetings & Training			**250.00**
	Subtotal S&S		**10,450.00**
Overhead/Indirect 34.16% of Items 1-5			**42,234.20**
	Net ODFW Contract		**$169,798**

Attachment B

CHIP Project Proposal Narrative

I. Project Title: Nonpariel Dam Adult Trap and Coho Genetic Pedigree

II. Contact: Dave Loomis, Oregon Department of Fish and Wildlife
Dr. Michael Banks, Oregon State University

III. Project Abstract:

This proposal would investigate several areas of uncertainty about the use of hatcheries to increase the abundance of wild populations. There is a considerable interest in using hatcheries to speed the recovery of wild populations. However the value of such programs is untested. Substantial literature exists that indicates hatchery programs may pose high risks to wild populations, rather than aid them (see the following reviews: Hindar et al 1991, Waples 1991, Waples 1999, and Lichatowich 1999 and literature cited therein). If the risks are real, hatcheries may *interfere* with recovery, rather than speed it. Until recently, analytical methods to explore the critical questions and risks associated with hatchery programs were unavailable because we were not able to track lineages in streams once hatchery and wild fish were allowed to spawn together. New molecular genetics methods now allow us to use DNA fingerprints to pedigree entire populations under some circumstances and develop lineages that continue for multiple generations under natural spawning conditions. We can finally produce direct evidence of the success or failure of hatchery supplementation programs and provide direct measurements of some of the risks predicted by genetics theory. We propose to utilize these methods on an experimental supplementation program for coho salmon on the Calapooya River, a tributary of the Umpqua River on the Oregon Coast.

IV. Proposal:

A. Project Need:

1. Intent:

The effective use of hatchery fish to increase the size of an extant wild population has not been demonstrated. The concept is to take part of a small wild population into captivity, disproportionately increase the number of offspring produced by them, release those offspring into the wild, and then allow them to spawn naturally as adults thereby significantly increasing the total number of natural spawners. If this larger spawning population reproduces successfully in the stream it should produce a much larger naturally-produced ("wild") population in a small number of generations. The benefit of this larger population size may out-weigh the impact of genetic risks caused by the action (Figure 1).

However the success of this approach has not been evaluated or demonstrated. We know we are able to substantially increase the number of natural spawning fish by adding hatchery adults to a stream. But to date we have not been able to demonstrate that this action increases the number of naturally-produced ("wild")

adults in the stream. We also expect, based on genetics theory, that substantial genetic risks to the wild population may occur as a result of this action, but we have not been able to directly measure the risks. Our biggest handicap to evaluating these efforts has been our inability to determine the parentage of naturally-produced offspring in a natural stream setting. New developments in molecular genetics now allow us to pedigree entire populations, provided we are able to handle the adults. These methods let us exactly match offspring to parents. The results are straightforward and unambiguous. We are able to follow lineages from parents to offspring to grand-offspring. We finally will have a clear answer as to whether hatchery fish breed as successfully in streams as wild fish do, which will measure the success of the hatchery program. We will also be able to directly measure several genetic risk factors.

Reproductive success by hatchery fish spawning in a stream is expected to be lower than that of wild fish. The lower fitness of hatchery-born adults manifests itself in two ways: First, hatchery-born adults do not compete for mates or build nests as successfully as wild fish (Fleming and Petersson, 2001, Chebanov and Riddell 1998). Second, the survival of their offspring is reduced owing to relaxed natural selection and to domestication selection that occurs during the egg-to-smolt stage in the hatchery (Lynch and O'Hely 2001, Reisenbichler and McIntyre 1977, Reisenbichler and Rubin 1999). Successful reproduction by the hatchery fish spawning in the stream – specifically production of adult offspring -- is required if the benefit of an increased wild population size is to occur. We will be able to directly measure the reproductive success of the hatchery fish relative to wild fish by knowing exactly how many adult offspring are produced by each natural spawning individual.

Hatchery programs, where substantial numbers of hatchery fish spawn naturally in a wild population, theoretically cause five major genetic risks to wild populations. The risks are demonstrated in Figure 1 and include the following:

Risk 1. Population Bottleneck (Ryman and Laikre 1991): This risk occurs when a small number of parents (those taken into the hatchery) contribute more offspring per parent to the supplemented population than the rest of the population (those left in the wild). This difference in family size causes a decrease in the effective population size of the total population.

Risk 2: Increased Inbreeding (Ryman et al 1995): This risk occurs when only a small number of parents (those taken into the hatchery) produce a substantial proportion of the fish in the supplemented population. Since they share so few parents, the hatchery fish in the supplemented population are more likely to be related to each other, thus increasing the incidence of inbreeding.

Risk 3: Increased Genetic Load (Lynch and O'Hely 2001): This risk results from the increased reproductive success and survival that occurs while fish are in the captive environment. Increased reproductive success and survival in captivity occurs because natural selection pressures are intensely relaxed which leads to an increase

in the level of genetic load.

All of these risks are inevitable in any hatchery supplementation program. However, if the hatchery fish breed successfully, and the program succeeds in increasing the size of the wild population, and it stabilizes at the larger size, and the hatchery program stops removing further risk, a net benefit to the wild population may occur. If, on the other hand there is reproductive failure by the supplemented population, further genetic risks will occur:

Risk 4: Genetic Variation is Lost (Nei et al, 1975): When an offspring population is smaller than it's parent population genetic variation is lost. This is due to reproductive failure by some parents and the loss of the genetic material they carry. Additional random loss of genetic variation may occur when populations are very small.

And finally, if the hatchery program continues over multiple generations the impacts of these risks will accumulate in the wild population due to the nature of the genetic mechanisms involved **(Risk 5)**.

Direct measurements of effective population size, inbreeding coefficient, and reproductive success or failure can be made using pedigrees. Occurrence of increased genetic load and loss of genetic variation can be inferred from the measures of individual reproductive success.

Additional questions exist about the best protocols to use in implementing a supplementation program. For example, using single-generation hatchery broodstock (parents taken from the wild each generation) rather than old hatchery stocks should minimize the genetic effects, but there has never been a test of this hypothesis. Similarly, releasing unfed fry should reduce the extent to which selection is relaxed in the hatchery to only that experienced during the egg-to-fry stage, and to selection on any parental behaviors such as maternal nest building ability. Therefore, although survival from egg to adult of fish released as unfed fry is much lower than that of fish released as smolt, the hatchery adults that return from the unfed fry releases may be nearly as successful at natural reproduction as completely wild fish. This hypothesis has also never been tested. It is not possible to test all possible protocols in a single experiment. This study proposes to investigate the following strategies:

a. Is a first-generation wild-type broodstock a better choice than an older, multi-generation broodstock? Theoretically, the first-generation broodstock should have less genetic load and domestication build-up than an older one and should succeed better. The existing Rock Creek Hatchery coho broodstock is an older and also partly mixed-origin broodstock. The success of these will be compared to wild fish collected at Winchester Dam in 2001 and at Nonpareil Dam in 2002-03 to form a first generation broodstock.

b. Is a less invasive hatchery program better than a more invasive one? In a less invasive program, fish are held captive through a lesser portion of their life cycle, which should decrease genetic load build-up. The down-side of holding fish captive for a shorter period is that the survival benefits, and therefore the rapid increase in number of fish, are compromised. In our experiment we compare two options:

i. Captivity during reproduction and rearing through hatching (release of unfed fry); and

ii. Captivity during reproduction and rearing through smoltification (release of smolts).

c. The reproductive success of adults returning from all of the hatchery treatments will be compared to that of wild fish returning at the same time (in years 2004 through 2007, including both jacks and adults, with their offspring returning in 2007 through 2010, including both jacks and adults).

The potential benefits of a supplementation program also depend on the carrying capacity of the basin. The naturally-produced population can increase in size only if the basin is capable of producing more fish than are currently present. It is therefore important to evaluate the apparent carrying capacity of the supplemented basin at the beginning of the program.

2. **Basin, stock(s):** Umpqua River, coho
3. **Strategic goals:**

This project would be used to evaluate hatchery program effectiveness as required by the Oregon Plan for Coastal Salmonids and NMFS ESA Section 4(d) rulings, and by the ODFW Wild Fish Management Policy (OAR 635-07-525 through 529) and the ODFW Hatchery Fish Gene Resource Management Policy (OAR 635-07-540 through 541).

4. **Literature review:** Background material, theory, methodology and concepts are provided elsewhere in this document, based on the following references:

Blouin, M.S., M. Parsons, V. Lacaille, and S. Lotz. 1996. Use of microsatellite loci to classify individuals by relatedness. Molecular Ecology 5:393-401.

Chebanov, N.A. and B.E. Riddell. 1998. The spawning behavior, selection of mates and reproductive success of chinook salmon (*Oncorhynchus tschawytscha*) spawners of natural and hatchery origins under conditions of joint spawning. Journal of Ichthyology. 38: 517-526.

Fleming, I.A. and E. Petersson. 2001. The ability of released hatchery salmonids to breed and contribute to the natural productivity of wild populations. Nordic Journal of Freshwater Research.

Hindar, K., N. Ryman, and F. Utter. 1991. Genetic effects of cultured fish on natural fish populations. Can. J. Fish. Aquat. Sci. 48: 945-957.

Jackson, LS. and D. Loomis. 2001. Survival of unfed coho fry, Preliminary Report. Oregon Department of Fish and Wildlife, Roseburg, Oregon.

Lichatowich, J.A. 1999. Salmon without rivers. Island Press. Covelo, California

Lynch, M and K. Ritland. 1999 Estimation of pairwise relatedness with molecular markers. Genetics. 152: 1753-1766.

Lynch, M and M. O'Hely. 2001 Supplementation and the genetic fitness of natural populations. Journal of Conservation Genetics.

Marshall, T.C., J. Slate, L.E.B. Kruuk and J.M. Pemberton. 1998. Statistical confidence for likelihood-based paternity inference in natural populations. Molecular Ecology 7:639-655.

Nei, M., T. Maruyama, and R. Chakraborty. 1975. The bottleneck effect and genetic variability in populations. Evolution. 29: 1-10.

Reisenbichler, R.R. and J.D. McIntyre. 1977. Genetic differences in growth and survival of juvenile hatchery and wild steelhead trout, *Salmo gairdneri.* J. Fish. Res. Board Can. 34: 123-128.

Reisenbichler, R.R. and S.P. Rubin. 1999. Genetic changes from artificial propagation of Pacific salmon affect the productivity and viability of supplemented populations. ICES Journal of Marine Science. 56: 459-466.

Ryman, N. and L. Laikre. 1991. Effects of supportive breeding on the genetically effective population size. Conservation Biology. 5: 325-329.

Ryman, N., P.E. Jorde, and L. Laikre. 1995. Supportive breeding and variance effective population size. Conservation Biology. 9: 1619-1628.

SanCristobal, M. and C. Chevalet. 1997. Error tolerant parent identification from a finite set of individuals. Genetical Research 70:53-62.

Waples, R.S. 1991. Genetic interactions between hatchery and wild salmonids: lessons from the Pacific Northwest. Can. J. Fish. Aquat. Sci. 48: 124-133

Waples, R.S. 1999 Dispelling Some Myths about Hatcheries. Fisheries 24: 12-21

A. Objectives:

The objective of this study is to conduct an experimental supplementation project for coho salmon in the Calapooya, tributary of the Umpqua River, using the following hatchery scenarios:

- **a.** Rock Creek hatchery stock released as smolts (a "conventional hatchery program");
- **b.** Rock Creek hatchery stock released as unfed fry (a low- intervention hatchery program);
- **c.** First-generation wild-type hatchery stock released as smolts; and
- **d.** First-generation wild-type hatchery stock released as unfed fry.

We will evaluate the success and genetic implications of these alternative hatchery scenarios using DNA pedigree reconstruction. We will establish the pedigree of fish from the hatchery and subsequently above Nonpareil Dam that is illustrated in Figure 2. Three generation-lines will be developed to provide a replication of the study. The total sampling and release design is presented in Table 1. One limitation for this project is that the trap in Nonpareil Dam is not yet installed (as of October 2001). Installation of the trap is expected to occur in the summer of 2002. Although we will begin the pedigrees for the hatchery fish in 2001 we will not be able to begin sampling wild fish in the Calapooya until 2002. Also the first year of wild-type broodstock collection will occur (in 2001) at Winchester Dam, rather than at Nonpareil Dam. The subsequent two wild-type broods will be collected from the Calapooya. This limitation provides us with a unique opportunity to compare two generations of a true "local" wild-type brood to one that came from an adjacent basin. Theory predicts that the true local wild-type brood should be the superior one.

This project will specifically address the following tasks:

Task 1. What is the relative success of using a first generation, wild-type broodstock in a supplementation program compared to a broodstock that has been captive for multiple generations?

Task 2. What is the relative success of unfed fry releases compared to smolt releases in producing returning adults?

Task 3. What is the reproductive success in the wild of adult fish from the following treatments:

- ***a.*** First-generation hatchery fish from unfed fry releases;
- ***b.*** First-generation hatchery fish from smolt releases;
- ***c.*** Multi-generation hatchery fish from unfed fry releases;
- ***d.*** Multi-generation hatchery fish from smolt relases; and
- ***e.*** Wild fish.

Task 4: How does the supplementation program modify the effective population size of the population in the Calapooya (termed the "Ryman-Laikre Effect" (Ryman and Laikre 1991, Ryman et al 1995)

Task 5: What is the level of inbreeding that results from the supplementation

program?
Task 6: What is the incidence of natural crossing between adults from the different treatment groups while on the natural spawning grounds and the consequences of mate choice to the relative production of offspring by individuals;
Task 7: What differences in reproductive success occur by treatment by age (males), by gender, by adult run time, and by adult body size (length)?
Task 8: Does the size of the naturally-produced population increase due to successful natural reproduction by hatchery fish? Does the contribution to this increase vary by treatment group?

This study will use highly variable DNA markers to pedigree coho salmon in the Calapooya, tributary of the Umpqua. The study design will require the installation of a trap in Nonpareil Dam on the Calapooya so that the sampling and data collection can occur. The laboratory analysis will be done under contract to Dr. Michael Banks, OSU, Marine Fisheries Genetics Laboratory.

The results of the evaluation of unfed fry in this project will also be compared to results from other work currently underway in the Umpqua. This other work uses otolith marks to mark unfed fry. Marked fish are recaptured as adults, providing a measure of unfed fry to adult survival rates (Jackson and Loomis 2001). It was not possible to measure the reproductive success of the adults resulting from these releases of marked unfed fry. Final results from the otolith work will be reported in the 2002 annual report for this project.

The district will be initiating an evaluation of the productivity and carrying capacity of the upper Calapooya subbasin in 2002. This evaluation will address natural juvenile production in the subbasin. Existing information on habitat capacity will be compiled in 2002 and provided in the 2002 annual report for this project.

B. Methodology:

Spawning of coho adults will occur at Rock Creek Hatchery and rearing of smolts will occur at Rock Creek Hatchery or Butte Falls Hatchery. Unfed fry will be released under the jurisdiction of the ODFW STEP program with assistance from ODFW volunteers. The Nonpareil trap will be staffed by ODFW district staff out of the Roseburg Fish District office.

In summer of 2002 an adult trap will be installed in the existing fishway in the Nonpareil Dam. The trap would be operated during the adult coho migration period. Fin clips and scales would be taken from each returning adult. Fish will be wanded for coded wire tag collection. Identity of hatchery and wild fish will be based on marks, with a back-up of scale pattern identification. The following information will also be collected at both Nonpareil Dam and at Winchester Dam during the initial broodstock collection:

a. Run time at the respective dam;
b. Gender;

c. Adult size (body length);
d. Age (applies to males only in coho: "Jacks" (age 2) and "Adults" (age 3));
e. Total number of adult fish arriving at and passing Nonpareil Dam each year.
f. Origin of all adult fish arriving at and passing Nonpareil Dam each year.
g. Fecundity of individual females in the hatchery broodstocks (possibility of measuring this will be explored in 2001; if successful it will continue)

Microsatellite DNA markers that are sufficient to identify individuals in the population, and to match offspring to parents, will be used to trace genetic pedigrees. Microsatellite DNA markers are already available for coho salmon (M. Ford NMFS, personal communication; M. Blouin OSU, personal communication, Smith 2001) and the laboratory techniques are routinely used in Dr. Banks's lab. The statistical methods of parentage analysis that are to be used are well established (Blouin et al 1996, SanCristobal and Chevalet 1997, Marshall et al 1998, and Lynch and Ritland 1999). Laboratory staff will initially determine the heterozygosity and number of alleles per locus at each marker locus in the Umpqua population, and will choose the most informative subset of the available markers for use with this population. This screening and optimization of markers will occur in the first year of the contract (2002). The total sampling design for this project, including estimated fish sampled and run through the lab each year, is provided in Table 1. Laboratory work on the sampled fish in a year will begin following final collection of the samples.

Progress reports will be provided annually and major project reports will be developed as results become available. Since this study ultimately addresses the reproductive success of hatchery fish in the wild it is necessary to trace the lineages over three generations (parents, supplemented population, naturally-produced offspring) before the most interesting results become available. The first major project report will be completed in 2006 addressing the relative success of unfed fry releases, and smolt releases at returning adults to the dam. A second major report addressing the return of all hatchery adults and comparisons with returns from wild parents will be completed in 2008. A third major report will occur in 2009 to address the first results comparing reproductive success of hatchery and wild fish in the wild, with a final series of reports in 2011 that will include all results. A schedule of these papers is provided in Table 2. The laboratory will be expected to publish the results in peer-reviewed journals.

C. Research/Management Implications:

This project will evaluate major areas of uncertainty about the use of hatchery programs to increase the abundance of wild populations. The project will be able to uniquely address important questions, listed in the objectives above, that currently limit the usefulness of hatchery supplementation in conservation and recovery. Although this project is specific to one hatchery program for coho in the Umpqua, the results will be of immense value in the design and application of supplementation programs throughout Oregon.

D. Evaluation

1. Define success:

Success in this project is clear information about the relative reproductive success of our various hatchery fish treatments and wild fish. This project can be uniquely implemented in the Calapooya/Umpqua for the following reasons:

1. The study can only be conducted on populations (including hatchery and wild parents) of a particular size. Populations that are too small introduce random errors, while populations that are too large (in the thousands) exceed the abilities of the methods. Populations between 100 and 1,000 adults are appropriate.
2. The study requires that the *entire* population can be sampled without error. We must be able to capture 100% of the fish passing into the population, handle them, sample and measure them and release them unharmed. All individuals must receive the same treatment. The trap must be effective over multiple years for the duration of the project.
3. Coho are particularly attractive as a study species because of their 3-year life history.
4. We must be able to collect other kinds of information on the fish, including abundance, origin, gender, and life history data. This information can also be collected using an effective adult trap.

2. Describe monitoring programs:

The following samples and information must be collected:

i) Monitoring of the hatchery broodstock:

(1) The experimental broodstocks will consist of exactly 200 wild fish and exactly 200 hatchery fish, Rock Creek stock. Each experimental fish should be marked upon capture and assigned a number so that subsequent individual information can be tracked. All data must be kept in a spread sheet or data base.

(2) Age, size (fork length), date of capture (aka run time at Winchester Dam), and date of spawning of each parent in the hatchery.

(3) Tissue clip from each parent, stored in ethanol. Scale sample from each parent.

(4) Gender of each hatchery parent; the sex ratio must be exactly 50% females and 50% males.

(5) Each parent will be paired with only one mate.

(6) Crosses will consist of W x W and H x H only.

(7) Identification of mates for each parent fish (which male is paired with which female).

(8) Individual family survivals (or small groups of families) must be tracked as long as possible. Generally this is through hatch or early fry stage.

(9) Any catastrophic loss or other incident that affects any family or groups of families.

ii) Monitoring of the wild fish and supplemented population at Nonpareil Dam:

(1) Exact number of hatchery and wild fish passed above the dam each year of the study. Each adult should be given a number so that subsequent individual information can be tracked. All data must be kept in a spread sheet or data base.

(2) A fin clip from each fish passed above the dam, stored in ethanol. A scale sample from each fish.

(3) Age, size (fork length), date of passage, origin (marked or unmarked), and gender of each fish passed above the dam.

(4) Wild population size (number of naturally produced fish) returning to Nonpareil Dam should be monitored indefinitely into the future, but at least for 10 years after the supplementation program and this study are concluded.

(5) Average production of offspring per adult and wild fish survival should be monitored indefinitely into the future, but at least for 10 years after the supplementation program and this study are concluded. This information can be obtained from the adult data at the dam using number of fish passed, sex ratio, average fecundity, and number of naturally-produced fish returning to the dam in the next generation. It would also be useful to use smolt traps to estimate smolt production from the basin.

Overall Context

1. Relationship to other projects

This evaluation program can be implemented without interfering with natural production or any element of the hatchery program under evaluation or any other program. It will provide very important information that will be useful in our consideration of all supplementation programs implemented in Oregon. This study is being repeated in other locations and for other species in Oregon and elsewhere in the Northwest, however it will not be possible to do it in every location where hatchery programs occur. Therefore, it will be necessary to extrapolate the results of this project, and of several other similar projects that are underway elsewhere, to other supplementation programs. In the Calapooya, this hatchery project will be coordinated with a study of the habitat and productivity of the upper Calapooya subbasin.

2. Adaptive management components

This program will provide information useful for evaluating the Calapooya unfed fry program and comparing it to smolt programs. But equally important, this study will address critical questions that are hindering the effective use of supplementation in recovery throughout Oregon and elsewhere in the Northwest. The results of this study should confirm those elements of supplementation projects that are effective, provide factual data about risks, and pin-point some effective and ineffective actions and strategies.

V. Annual and Total Project Budget

Capital Construction

Adult Trap (2002 only)	$ 10,000
Annual costs (2002):	**$ 10,000**
Total costs (2002):	$ 10,000

Hatchery Operations (*2002-04)*

Rearing 20,000 smolts @10/lb or 2,000 pounds	$ 6,920
Adult holding facilities (2002 only):	$ 1,000
Incubation tray partitions (2002 only):	$ 2,500
2002 Annual cost:	**$ 10,420**
Future annual costs (2002-3):	$ 6,920
Total costs (2002-04):	$ 24,260

District Costs for field work *(2002-2010)*

Salaries and benefits		
EBA Seasonal	0.33 FTE	$ 24,130
EBA Seasonal	0.33 FTE	$ 24,130
NRS 4 Permanent	0.25 FTE	$ 38,830
EBA (0.5 month) scale reading		$ 2,500
Field Supplies and equipment		
Glassware, Nets, AnestheticTanks, waders, CWT wand, etc.		$ 10,000
Travel & per diem		
100 miles/day; 4 months/year; $.325/mile		$ 5,200
Total annual costs:		**$ 151,590**
Total costs (2002-10)(estimated*)		$1,364,310

Contract Services for DNA analysis

(Contracted to Dr. Michael Banks, OSU)	$130,000
Annual costs:	**$130,000**
Total costs (2002-11)(estimated*):	$1,300,000

Total cost for 2002:	**$302,010**
Estimated annual costs through 2004:	**$288,510**
Estimated annual costs 2005 through 2010	**$281,590**
Estimated cost in 2011	**$130,000**

* Actual laboratory costs may vary depending on inflation levels, cost-of-living increases, and actual numbers of coho returning to the Nonpareil Dam. District costs will vary based on cost of living and inflation increases.

Sampling and release design for the total study at Nonpareil Dam.

Year	Broodstock captured at Winchester		Broodstock captured at Nonpareil (All wild)	Unfed fry releases (unmarked)	Smolt releases (2 mark groups)	Adults sampled and passed at Nonpariel Dam*		
	Hatchery (Rock Cr stock)	Wild				Unmarked		Hatchery fish
						wild	hatchery	
2001	200	200						
2002	200		200	400,000		400		
2003	200		200	400,000	20,000	400		
2004				400,000	20,000	400	5	30
2005					20,000	400	75	350
2006						400	75	350
2007						450	70	320
2008						500		
2009						500		
2010						500		

Parent Generation

Supplemented Generation

Offspring Generation

*Estimated numbers (6375). We do not have historic counts at Nonpariel Dam. The estimated number of adult hatchery fish is based on anticipated average survivals.

Table 2. Schedule of delivery of major products.

Year	Product
2002	Annual progress report. Report on the final results of the otolith marking. Report on the compilation of existing information on the habitat condition in the Calapooya subbasin.
2003	Annual progress report
2004	Annual progress report
2005	Annual progress report
2006	First report on the relative success of unfed fry verses smolt releases at returning adult fish to the basin;
2007	Annual progress report
2008	Final report on the relative success of unfed fry verses smolt releases at returning adult fish to the basin, including comparisons to the adult production by wild fish naturally spawning. Measurements of effective population sizes as influenced by the hatchery program (*RISK 1*, Bottleneck Risk); measurements of the degree of relatedness in the supplemented population (initial part of *RISK 3*, Inbreeding Risk).
2009	First report on the relative reproductive success in the natural environment of hatchery adults from the various treatment groups, as compared to wild fish.
2010	Second report on the same.
2011	Final reports on the following topics: Relative reproductive success of hatchery fish from the various treatment groups and wild fish on the natural spawning grounds (*RISK 2*, potential for *BENEFITS*); Inbreeding coefficient (*RISK 3*); Level (if any) of reproductive failure (*RISK 4*); Relative reproductive success by the following phenotypes (jack vers adult males, run time, body size) and variations in these (if any) in hatchery verses wild fish; Mate selection on natural spawning grounds (potential of mixing of hatchery and wild fish) and implications for reproductive success. Abundance of naturally-produced fish in three offspring years, and contribution of hatchery fish to any increases in abundance (*BENEFIT*). Abundance would need to continue to be monitored for at least ten years after the conclusion of this study to determine whether any abundance increases are maintained. We anticipate additional analyses and products from this data.

Figure 1. Genetic risks and benefits caused by supplementation programs.

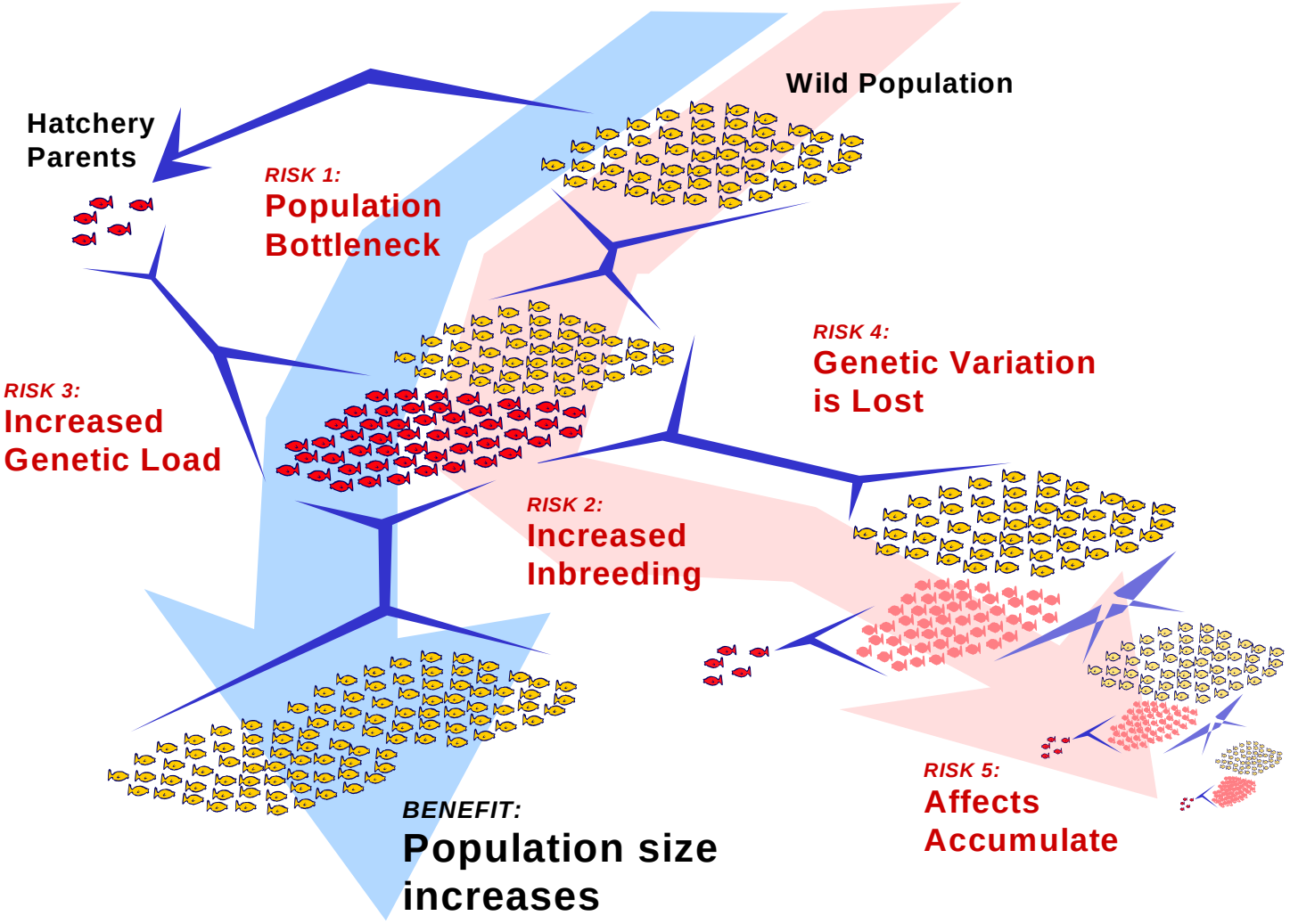
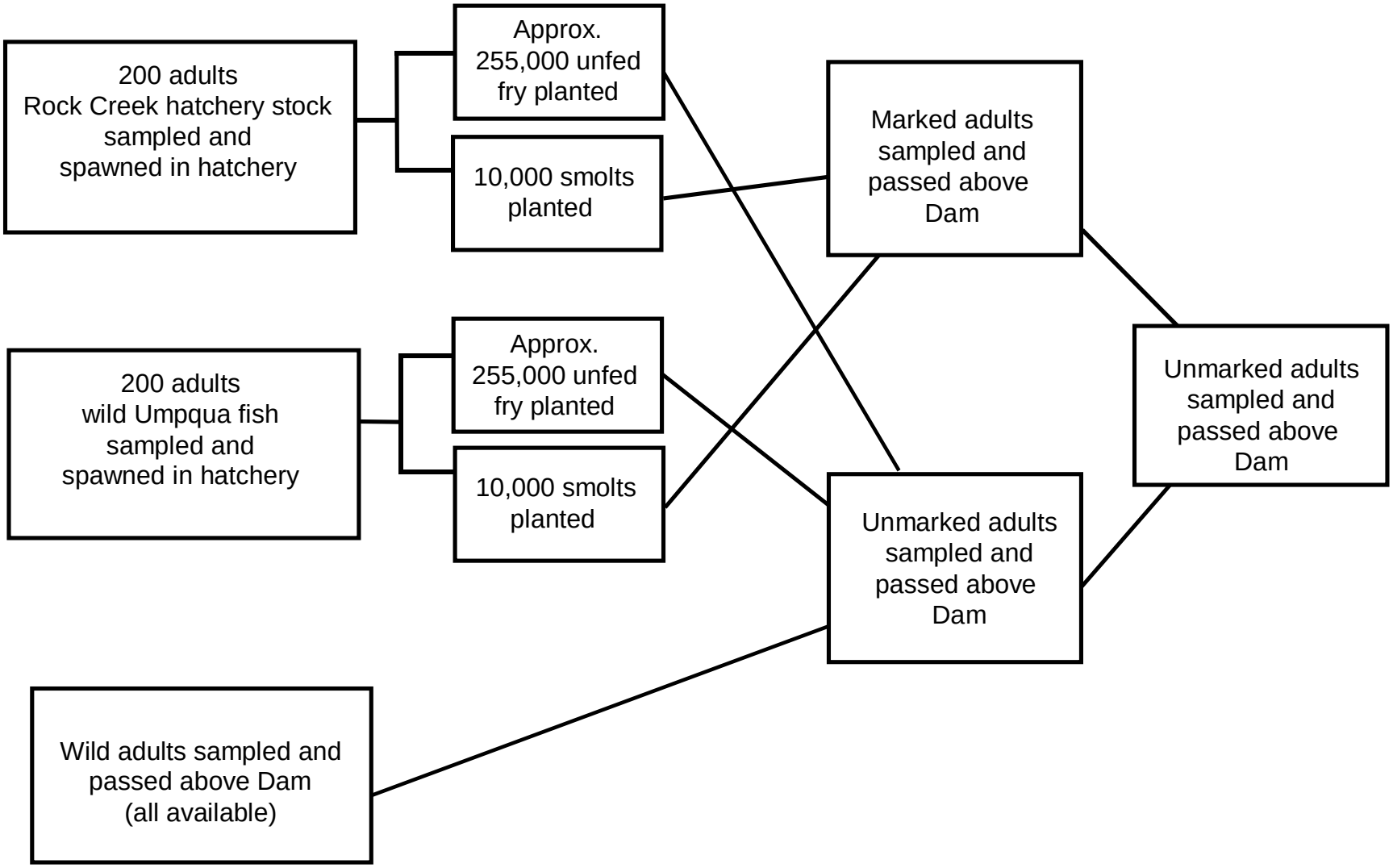


Figure 1. Pedigree reconstruction of coho salmon in the Calapooya subbasin of the Umpqua.River, including hatchery fish used in supplementation.

Attachment B



Attachment C

Interim report to: Oregon Watershed Enhancement Board
775 Summer Street NE, Ste 366
Salem OR 97301-1290

Submitting by: Michael A. Banks,
Assistant Professor, Marine Fisheries Genetics
Coastal Oregon Marine Experiment Station
Hatfield Marine Science Center
2030 Marine Science Drive
Newport, OREGON 97365

:

OSU Component for Nonpareil Dam Adult Trap and Genetic Pedigree

Progress Report and Scope of Work for 2007-2009

Total amount requested:	Proposed duration:	Starting date:
$359,112	Two years	July 1, 2007

Principal Investigator:

Dr. Michael A. Banks Fax: (541) 867 0345
Office: (541) 867 0420
Michael.Banks@hmsc.orst.edu

OSU Component for Nonpareil Dam Adult Trap and Genetic Pedigree
2007 – 2009 Scope of Work

The CHIP Project Proposal Narrative (see below) detailed the following 8 primary tasks:

Task 1. What is the relative success of using a first generation, wild-type broodstock in a supplementation program compared to a broodstock that has been captive for multiple generations?
Task 2. What is the relative success of unfed fry releases compared to smolt releases in producing returning adults?
Task 3. What is the reproductive success in the wild of adult fish from the following treatments:

- ***a.*** First-generation hatchery fish from unfed fry releases;
- ***b.*** First-generation hatchery fish from smolt releases;
- ***c.*** Multi-generation hatchery fish from unfed fry releases;
- ***d.*** Multi-generation hatchery fish from smolt relases; and
- ***e.*** Wild fish.

Task 4: How does the supplementation program modify the effective population size of the population in the Calapooya (termed the "Ryman-Laikre Effect" (Ryman and Laikre 1991, Ryman et al 1995)
Task 5: What is the level of inbreeding that results from the supplementation program?
Task 6: What is the incidence of natural crossing between adults from the different treatment groups while on the natural spawning grounds and the consequences of mate choice to the relative production of offspring by individuals;
Task 7: What differences in reproductive success occur by treatment by age (males), by gender, by adult run time, and by adult body size (length)?
Task 8: Does the size of the naturally-produced population increase due to successful natural reproduction by hatchery fish? Does the contribution to this increase vary by treatment group?

Initial data from 2004/5 and 2005/6 returns have enabled us to make a primary assessment of tasks 1 through 5. See attached manuscript currently in second review for publication in the *Canadian Journal of Fisheries and Aquatic Sciences* which focuses primarily on task 1,4 and 5. Publication of findings for task 2 and 3 has been deferred until we have data for at least one more cohorts.

Ongoing funding is hereby requested for the following scope of work to provide additional data for tasks 2, 3 and 6 through 8.

Scope of Work

2007/2008

Pedigree analysis of 2006 returns.

Perform analysis to determine:

1. The relative success of unfed fry verses smolt releases at returning adult fish to the basin for 2004,2005 and 2006 cohorts, including comparisons to the adult production by wild fish naturally spawning **(tasks 2&3)**

2. Effective size for wild coho salmon inferred form demographic data: an evaluation of Ne estimators **(task 4 continued)**

3. The influence of mate choice on fitness of wild coho **(task 6)**

Prepare peer review scientific papers on these findings.

2008/2009

Pedigree analysis of 2007 and 2008 returns.

Perform analysis to determine:

4. What differences in reproductive success occur by treatment by age (males), by gender, by adult run time, and by adult body size (length)? **(task 7)**

5. Does the size of the naturally-produced population increase due to successful natural reproduction of hatchery fish? Does contribution to this group vary by treatment? **(task 8)**

Prepare peer review scientific papers on these findings.

Nonpariel Dam coho pedigree	Genetics 2007-2008					
'SALARIES & WAGES **Name, Position, Title**		**Monthly** **Salary**	**OPE** **%**	**FTE**	**MM**	**Totals**
Assistant Prof (Greg Moyer – Veronique Theriault)		3,900	52%	1	12	$ 46,800
Graduate Research Assistant (Marc Johnson)		$1,800	0.03	0.49	9	$ 16,200
Res. Asst:(Summer salaries for Marc)		$3,600	0.05	1	3	$ 10,800
A. TOTAL SALARIES & WAGES						$ 73,800
B. FRINGE BENEFITS						$ 25,362
student medical benefit		$ 523			3	$ 1,569
C. EXPENDABLE SUPPLIES & EQUIPMENT - under $5,000 per unit						$ 48,000
D. TRAVEL			Instate:	2,000		
Domestic			Outstate:	2,000		$ 4,000
E. PUBLICATION COSTS						
OTHER COSTS (subcontracts, consultants, computer time, etc.)						
1. Communications						$ 180
2. Publications						$ 600
F. TOTAL OTHER COSTS						$ 780
G. GRADUATE STUDENT TUITION (1 students for 3 terms)			$3,085	3		$ 9,255
H. PERMANENT EQUIPMENT						
I. TOTAL PERMANENT EQUIPMENT - $5000 or more per unit						
J. GRAND TOTAL REQUESTED (sum items G to J)						$ 161,197
K. INDIRECT COSTS		Indirect Cost Rate				
ON-campus Cost at	0.1	% (multiply G x rate)				$ 16,120
L. **2007-8 TOTAL**						$ 177,317

Nonpariel Dam coho pedigree	Genetics 2008-2009					
'SALARIES & WAGES Name, Position, Title		Monthly Salary	OPE %	FTE	MM	Totals
Assistant Prof (Greg Moyer-Veronique Theriault)		4,056	52%	1	12	$ 48,672
Graduate Research Assistant (Marc Johnson)		$1,872	0.03	0.49	9	$ 16,848
Res. Asst:(Summer salaries for Marc)		$3,744	0.05	1	3	$ 11,232
A. TOTAL SALARIES & WAGES						$ 76,752
B. FRINGE BENEFITS						$ 26,376
student medical benefit		$ 550			3	$ 1,650
C. EXPENDABLE SUPPLIES & EQUIPMENT - under $5,000 per unit						$ 48,000
D. TRAVEL			Instate:	2,000		
Domestic			Outstate:	2,000		$ 4,000
E. PUBLICATION COSTS						
OTHER COSTS (subcontracts, consultants, computer time, etc.)						
1. Communications						$ 180
2. Publications						$ 600
F. TOTAL OTHER COSTS						$ 780
G. GRADUATE STUDENT TUITION (1 students for 3 terms)			$3,120	3		$ 9,360
H. PERMANENT EQUIPMENT						
I. TOTAL PERMANENT EQUIPMENT - $5000 or more per unit						
J. GRAND TOTAL REQUESTED (sum items G to J)						$ 165,268
K. INDIRECT COSTS	Indirect Cost Rate					
ON-campus Cost at	0.1	% (multiply G x rate)				$ 16,527
L. 2008-9 TOTAL						$ 181,795

GRAND TOTAL (2007-9)	Total	$359,112

April 24, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item M: OWEB Policy Regarding Interaction with Tribes**
May 15-16, 2007 OWEB Board Meeting

I. Introduction

This staff report proposes a Board policy regarding interaction of agency actions with Oregon Tribes. The policy is developed to comply with ORS 182.162 to 182.168. (Attachment A)

II. Background

Oregon is the first state to adopt a formal legal government-to-government relationship with Oregon Tribes though both executive action and legislation. In 1996, Governor Kitzhaber issued an Executive Order (EO 96-30) that directed state agencies to develop formal policies relating to the nine federally recognized tribal governments in Oregon. At the request of the Commission on Indian Services, SB 770 was drafted to direct state agencies in government-to-government relations with Oregon's Tribes. SB 770 was enacted as ORS 182.162 to 182.168 in 2001. Since OWEB was created after the Executive Order, it did not develop the formal policies for government-to-government relationships with tribes as other agencies have.

III. Proposed Policy

The attached proposed policy (Attachment B) was developed to reflect the ongoing working relationship with the Oregon Tribes. The policy addresses the requirements of the statute and identifies OWEB's specific efforts to work cooperatively with tribal interests.

IV. Recommendation

Staff recommend the Board adopt the proposed policy and direct staff to follow the OWEB commitments referenced in the policy.

Attachments

A. ORS 182.162 to 182.168
B. Draft OWEB Statement of Policy

RELATIONSHIP OF STATE AGENCIES WITH INDIAN TRIBES

182.162 Definitions for ORS 182.162 to 182.168. As used in ORS 182.162 to 182.168:
(1) "State agency" has the meaning given that term in ORS 358.635.
(2) "Tribe" means a federally recognized Indian tribe in Oregon. [2001 c.177 §1]

Note: 182.162 to 182.168 were enacted into law by the Legislative Assembly but were not added to or made a part of ORS chapter 182 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

182.164 State agencies to develop and implement policy on relationship with tribes; cooperation with tribes. (1) A state agency shall develop and implement a policy that:
(a) Identifies individuals in the state agency who are responsible for developing and implementing programs of the state agency that affect tribes.
(b) Establishes a process to identify the programs of the state agency that affect tribes.
(c) Promotes communication between the state agency and tribes.
(d) Promotes positive government-to-government relations between the state and tribes.
(e) Establishes a method for notifying employees of the state agency of the provisions of ORS 182.162 to 182.168 and the policy the state agency adopts under this section.
(2) In the process of identifying and developing the programs of the state agency that affect tribes, a state agency shall include representatives designated by the tribes.
(3) A state agency shall make a reasonable effort to cooperate with tribes in the development and implementation of programs of the state agency that affect tribes, including the use of agreements authorized by ORS 190.110. [2001 c.177 §2]

Note: See note under 182.162.

182.166 Training of state agency managers and employees who communicate with tribes; annual meetings of representatives of agencies and tribes; annual reports by state agencies. (1) At least once a year, the Oregon Department of Administrative Services, in consultation with the Commission on Indian Services, shall provide training to state agency managers and employees who have regular communication with tribes on the legal status of tribes, the legal rights of members of tribes and issues of concern to tribes.
(2) Once a year, the Governor shall convene a meeting at which representatives of state agencies and tribes may work together to achieve mutual goals.
(3) No later than December 15 of every year, a state agency shall submit a report to the Governor and to the Commission on Indian Services on the activities of the state agency under ORS 182.162 to 182.168. The report shall include:
(a) The policy the state agency adopted under ORS 182.164.
(b) The names of the individuals in the state agency who are responsible for developing and implementing programs of the state agency that affect tribes.
(c) The process the state agency established to identify the programs of the state agency that affect tribes.
(d) The efforts of the state agency to promote communication between the state agency and tribes and government-to-government relations between the state and tribes.

(e) A description of the training required by subsection (1) of this section.

(f) The method the state agency established for notifying employees of the state agency of the provisions of ORS 182.162 to 182.168 and the policy the state agency adopts under ORS 182.164. [2001 c.177 §3]

Note: See note under 182.162.

182.168 No right of action created by ORS 182.162 to 182.168. Nothing in ORS 182.162 to 182.168 creates a right of action against a state agency or a right of review of an action of a state agency. [2001 c.177 §4]

OREGON WATERSHED ENHANCEMENT BOARD

STATEMENT OF POLICY
STATE/TRIBAL GOVERNMENT-TO-GOVERNMENT RELATIONS

PURPOSE

The Oregon Legislature adopted Senate Bill 770 in the 2001 Legislative Session. This bill directs state agencies to promote government-to-government relations with Oregon's Indian Tribes. State agencies are to develop and implement policies to include tribes in the development and implementation of state programs that affect tribes. The Oregon Watershed Enhancement Board (OWEB) policy is to involve and include tribal members and governments in the development of policies and programs administered by the agency. OWEB recognizes and respects the sovereign status of the Oregon federally recognized Tribes and their respective authorities on tribal lands.

STATUTORY AUTHORITIES

OWEB is a state agency with statutory authority to administer constitutionally dedicated funds for the purpose of protecting and enhancing Oregon's fish and wildlife habitats. The responsibilities of the agency include:

- Managing a grant program for watershed protection and enhancement.
- Assisting in the development and implementation of watershed scale restoration efforts.
- Coordinating the efforts of watershed councils throughout the state.

The Oregon Watershed Enhancement Board is a state agency led by a 17-member policy oversight and decision-making board. Board members represent the public at large, federally recognized tribes, state natural resource agency boards and commissions, Oregon State University Extension Service, and six federal land management and natural resource agencies. The agency provides grants and services to citizen groups, organizations and agencies working to restore healthy watersheds in Oregon. OWEB actions support the Oregon Plan for Salmon and Watersheds, created in 1997. Funding comes from the Oregon Lottery as a result of a citizens' initiative in 1998, sales of salmon license plates since 1997, federal salmon funds, and other sources.

MISSION

The MISSION of OWEB is ***"To help create and maintain healthy watersheds and natural habitats that support thriving communities and strong economies."***

APPROACH AND PRIORITIES

Created in 1999, OWEB has embraced a community based problem-solving approach to carry out statutory responsibilities. This has occurred in response to the need to maximize the use of available resources and identify ways to achieve environmental gains in the most efficient manner. The agency has four operational groups; Grant Management, Grant Fiscal, Policy and Oregon Plan Coordination, and Monitoring and Reporting. Each group is headed by a manager responsible for on-going staff-to-staff OWEB Tribal working relationships.

TRIBAL GOVERNMENT PARTICIPATION IN OWEB POLICY

It is important to OWEB that Tribal concerns and interests are known and considered at the front end of policy and planning developments. OWEB will provide Tribal key contacts notice of policy and planning efforts, and consult with tribes as necessary in considering and addressing identified issues of concern. Issues of specific involvement will be; potential participation in Small Grant Teams, solicitation of information concerning proposed land or water acquisitions, participation in regional review groups, and changes or adoption of administrative rules.

TRIBAL RELATIONS PROTOCOL

The following OWEB commitments describe the approach to be taken to create and maintain strong tribal relations:

- OWEB will maintain a Tribal Liaison on Tribal Relations.
- The OWEB Director, Tribal Liaison and Board Tribal Representative will meet at least annually to discuss any known upcoming issues.
- The OWEB Tribal Liaison will actively participate as a member of the State Agency-Tribal Natural Resources Work Group.
- OWEB will maintain organization information and contact sources and will provide updates annually to the Tribal Key Contacts.
- OWEB will support the exchange of data collected by its staff or by tribal government.
- OWEB will ensure that regional staff are aware of the sovereign authority and self-government of Native American Tribes and of the organization structure of the tribal governments.
- OWEB will support and participate in cooperative efforts between the tribal government, federal, state, and local governments on environmental concerns that cross jurisdictional boundaries.
- OWEB will invite tribes to participate on advisory committees.
- OWEB will utilize advice and guidance when appropriate from the Legislative Commission on Indian Affairs and staff on tribal government matters.

Oregon Watershed Enhancement Board Approval of this Statement of Policy:

_____ _____

Daniel Heagerty, OWEB Board Co-Chair Date

_____ _____

Jane O'Keeffe, OWEB Board Co-Chair Date

_____ _____

Thomas M. Byler, Executive Director Date

April 25, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item O: 2007-2009 Board Meeting Dates and Grant Application Deadlines May 15-16, 2007 OWEB Board Meeting**

I. Introduction

This report presents for Board consideration proposed Board meeting dates and grant application deadlines for the 2007-2009 biennium.

II. Background

OWEB offers four grant cycles per biennium. The Board sets the schedule and identifies the types of grant applications solicited for each deadline based on OWEB's legislatively adopted budget. The Board established deadlines for the 2005-2007 biennium at the May 2005 meeting.

The OWEB Board typically meets four times a year in January, March, May and September. Board meeting dates are based on grant cycle timing and Board member availability, especially to avoid conflicts with other state natural resource agency boards and commissions.

III. Proposed Board Meeting Dates and Application Deadlines

Grant application offerings are based on a 21-week review cycle. Grant cycle deadlines are coordinated with Board meeting dates to allow for time between a Board funding decision and the next grant application deadline. This timing allows time for grant applicants who are not funded to revise and resubmit their application.

Attachment A contains staff recommendations for grant cycle deadlines and Board meeting dates for the 2007-2009 biennium. With respect to grant application types, Restoration/Acquisition and Watershed Council Support offerings are proposed to occur consistent with traditional time frames. A Technical Assistance grant offering was made available for the April 23, 2007, cycle, as approved by the Board at the March 2007 meeting. However, at this time no other non-capital grant application type is proposed for the schedule pending final legislative approval of the OWEB 2007-2009 budget. The Board will consider options for non-capital grant types at the September meeting.

V. Recommendation

Staff recommend the Board approve the grant application deadlines proposed in Attachment A. Staff will follow up with Board members to confirm final meeting dates.

Attachment

A. 2007-2009 Proposed Grant Application Deadlines and Board Meeting Dates

2007-2009 Biennium

Proposed Dates for Grant Application Deadlines and Board Meetings

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

April 23, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Special Projects

SUBJECT: **Agenda Item P: Restoration Priorities**
May 15-16, 2007 OWEB Board Meeting

I. Introduction

This staff report asks the Board to adopt the limiting-factors format and approach to identifying watershed restoration priorities for the Grande Ronde, Imnaha, John Day, Powder, and Umatilla basins, and the update of the previously adopted Hood-Fifteenmile Basin document. The limiting factors documents are intended to be used as guidance by OWEB in the review of grant applications and to help ensure a clear and strategic approach to prioritizing the funding of projects. Formal administrative rules will be proposed later in 2007 or early in 2008 to define exactly how the documents will be used by OWEB.

II. Background

The Board has identified the development of funding priorities as a significant need for project review and evaluation in OWEB's grant program. The authorization and mandate for development of regional restoration priorities comes from statutory direction. ORS 541.371(c) states that OWEB: *"Shall establish statewide and regional goals and priorities that shall become the basis for funding decisions by the board. In adopting such goals and priorities, the board shall adopt priorities for grant funding based on the Oregon Plan and on measurable goals. In carrying out this function, the board shall consider local economic and social impacts among the criteria.*" OWEB has also identified adoption of these basin priorities as an agency performance measure.

In September 2002, the Board authorized staff to contract for the facilitation of efforts to develop restoration priorities in two pilot basins, the Lower Columbia and the Hood-Fifteenmile basins.

The ultimate goal is to establish investment priorities for each of the 15 Oregon Plan reporting basins in the state using information from Columbia subbasin planning, species recovery planning by federal and state agencies, action plans developed by local stewardship groups, and prioritization principles developed for the Board. As discussed in previous meetings, these priorities will help focus the review of grant applications for restoration projects and assist in informing funding recommendations.

The Board allocated funding in May 2004 to coordinate OWEB regional priorities with subbasin plans in the Columbia Basin and to complete regional priorities in the remainder of the state.

Since that time, OWEB has contracted for the development of priorities in the Rogue, South Coast, Willamette, Hood-Fifteenmile, Deschutes, Malheur, John Day, Umatilla, Grande Ronde, Imnaha, and Powder basins.

III. Status and Approach

The present group of restoration priorities was contracted to Watershed Professionals Network (WPN), which has reviewed the subbasin plans for each of the drainages in the basins and has developed a crosswalk between the Ecosystem Diagnosis and Treatment (EDT) analysis and the proposed restoration priorities. The EDT is a stream-based approach to modeling limiting factors for target salmon species. The crosswalk helps to broaden the range of priorities and specifically include upland habitat priorities.

Adoption of these documents completes the work in the Columbia Basin except for two areas: the Oregon portions of the Walla Walla and Owyhee basins. Specific mention of the Walla Walla area was accidentally omitted from OWEB's contract with the WPN and thus the area is not covered by the scope of work for that now-expired contract. OWEB has spoken with local Walla Walla Basin partners and is now considering the best way to cover that area. The Owyhee Basin was included in the original contract with WPN and the contractor did initiate work there. However, there presently is not enough local consensus on limiting factors and priorities to produce a product for presentation to the OWEB Board. The contract was thus adjusted to substitute the update of the Hood-Fifteenmile document for the Owyhee document.

The Limiting Factors materials for the respective basins are attachments to this report and will be available on the OWEB web site at www.oregon.gov/OWEB/restoration_priorities.shtml.

IV. Next Steps: The Coast and Umpqua

The documents presented today for adoption complete the contract with WPN for the Columbia Basin drainages. As noted above, OWEB will continue to pursue completion of documents for the Walla Walla and Owyhee basins. The remaining basins are the North Coast, Mid Coast, Umpqua, Klamath, and Lakes basins. Staff are presently considering options for proceeding with the coastal and Umpqua areas. One or more contracts for this work will be signed within a few weeks and the products will be brought to the Board at its September 2007 meeting. Contracts and work in the Klamath and Lakes basins will follow with presentation to the Board anticipated for either September of 2007 or January of 2008.

V. Recommendation

Staff request the Board approve the approach and content of the Grande Ronde, Imnaha, Hood-Fifteenmile, John Day, Powder, and Umatilla basins regional restoration priorities, as shown in Attachments A-F.

Attachments

A. Grande Ronde
B. Imnaha
C. Hood-Fifteenmile (update)
D. John Day
E. Powder
F. Umatilla

April 25, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Karen Leiendecker, Eastern Oregon Regional Program Representative

SUBJECT: **Agenda Item Q: Other Business**
Willow Creek Restoration Phase I (207-138)
May 15-16, 2007, OWEB Board Meeting

I. Introduction

This report provides an update on the status of the Willow Creek Restoration Phase I project and seeks Board authorization to allocate reserved funding to the project.

II. Background

The Board awarded a grant to the Lower Willow Creek Working Group for Willow Creek Restoration Phase I project (207-138) at the September 2006 meeting. The grant application was ranked number 1 of 22 restoration projects from Eastern Oregon in the April 2006 grant cycle. The application requested $1,950,568 to address water quality issues on nearly 30,000 acres of the Willow Creek watershed in Malheur County. The Board awarded $1,050,568 at the September 2006 meeting with the expectation that the Working Group would come to the September 2007 Board meeting to report on progress and be awarded the remaining funds.

The project is proceeding on schedule; however the Working Group is facing significant cost issues associated with rising petroleum costs. The cost of pipe has fluctuated significantly associated with petroleum costs. The Working Group estimates that they can save an estimated $250,000 if funds were available to purchase pipe earlier than September. (Attachment A)

III. Discussion

The Lower Willow Creek Working Group is requesting Board approval of the remaining $900,000 from the 2007-2009 biennium capital funds when the budget for OWEB is approved by the Legislature rather than waiting until September.

The Board approval of the application in September of 2006 was done with the full expectation that the remaining $900,000 would be approved at the September 2007 Board meeting. The Working Group has made significant progress on implementing the project. (Attachments A and B) The source of funds is the same as discussed in September of 2006, and there is a possibility of overall cost savings if the funds are made available in July rather than September.

IV. Recommendation

Staff request the Board authorize staff to amend grant agreement 207-138 and add $900,000 of capital funds upon legislative approval of the OWEB budget.

Attachments

A. Letter from Malheur Watershed Council
B. Project photographs

ATTACHMENT A

MALHEUR WATERSHED COUNCIL

Chairman: Roger Findley

Coordinator: Kelly Weideman

710 SW 5th Ave.
Ontario, OR 97914
Ph: (541) 881-1417
Fax: (541) 889-8840
Email: malheurwatershed@fmtc.com

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Leading the effort to conserve, protect, and enhance all watershed resources for optimum economic and environmental benefits within the Malheur watershed.

April 20, 2007

OWEB
775 Summer Street NE, Suite 360
Salem, OR 97301-1290

Re: Willow Creek Restoration – Phase I
207-138-5240

The Lower Willow Creek Working Group is requesting the early withdrawal of the additional $900,000 that was to be dispersed in the 2007-2009 biennium. We are requesting that it be available July 1, 2007.

Pipe prices have fluctuated greatly over the last few years and it is difficult to predict what future prices will be. We have seen a significant drop in prices early this year followed by a gradual rise. Historically pipe prices have risen in proportion to gas prices. Since pipe has not yet risen in comparison to fuel, we have an opportunity to take advantage of these reduced pipe prices before they significantly increase. Given the enormous quantity of pipe Vale Oregon Irrigation District needs to purchase for this project, even a few cents per foot can make a substantial difference in OWEB's cost.

After comparing the prices from January 2007 and now, we determined OWEB could have saved an estimated $300,000 in total costs had we been able to purchase the pipe at that time. If price trends continue as they are right now, we could still expect a significant savings for OWEB if we are able to purchase in July (perhaps as much as $250,000+).
~~~~~~

Included here is the status of individual practices within the Willow Creek Restoration – Phase I. Those who have not yet started are either waiting on the permitting process through Oregon Water Resources Board, or waiting until Vale Oregon Irrigation District finishes piping Lateral #280 (for which we are requesting these funds).

Project	% Complete	Estimated Completion Date
Willow Creek #1	25%	10-1-07
Silver Creek #1	15%	10-1-07
Willow Creek #2	Cancelled	
Silver Creek #2		10-1-07
Pozzi's Wetland 1,2,3		11-1-07
Pat's Wetland		7-1-07
Harmon Wetland		11-1-07
Ryan's Wetland		10-1-07
Fulwyler Wetland	90%	7-1-07
Dean Mainline	85%	11-1-07
Harmon Pivot	80%	5-1-07
Andrew's Pumpback		11-15-07
DeVos Pivot	100%	3-1-07
Fulwyler Mainline	100%	3-1-07
Cook Pivot #1	20%	11-15-07
Cook Pivot #2	20%	11-15-07
Hiatt Pumpback		11-15-07
Sheep Pasture		11-15-07
Campbel Pivot	Cancelled	
Ryan Bradford Mainline	100%	4-20-07
Rod Bradford Mainline	95%	4-25-07
Robertson Mainline		11-1-07
Dan's Pumpback		7-1-07
Lateral Piping – VOID		3-1-08
Fulwyler Feedlot	75%	5-1-07
Jensen Feedlot		11-15-07
Warren's Drain		11-1-07
Pat's Drain		7-1-07
Bradford Seeding & Cross-fence	30%	10-15-07

The total amount of pipe and wiring installed to date is 23,953 feet.
The total amount of excavation for pipe and wiring to date is 21,953 feet.

If you have any questions, please call Kelly Weideman or Jerry Erstrom at 541-881-1417.

FULWYLER'S FEEDLOT

Before: water from drain runs through feedlot and collects animal waste.

After: water will now be captured in this pipeline being installed and bypass the feedlot.

FULWYLER'S MAINLINE

Before: 80 acres flood irrigated

After: 2,800 feet of buried mainline for sprinklers.

DEVOS PIVOT

Before: 70 acres flood irrigated

After: 2,000 ft of buried mainline & pivot.

RYAN BRADFORD MAINLINE

Before: 60 acres of flood irrigation

After: 2,700 feet of buried mainline and sprinklers.

Approved by the Board September 18, 2007
Oregon Watershed Enhancement Board
May 15, 2007
OWEB Board Meeting
Salem, Oregon

Minutes

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

Members Not Present
Meta Loftsgaarden
Jim Nakano
Ken Williamson

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

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

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

A. Board Member Comments

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

B. Minutes

Minutes of the following Board meeting were unanimously approved:

March 14-15, 2007 Board meeting in Eugene

C. Executive Director Update

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

1. Legislature and Budget

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

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

2. Research Grants Update

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

D. Public Comment – Pending Watershed Council Support Applications

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

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

Wayne Hoffman, Mid-Coast Watersheds Council
He also expressed concern that umbrella councils are not given enough recognition financially.
Cheryl McGinnis, Clackamas River Basin Council
Michelle Bussard, Johnson Creek Watershed Council
Jane VanDyke, Columbia Slough Watershed Coucnil
Tim Weaver, Little Butte Creek Watershed Council
Charles Redon, Rickreall WSC and Glenn-Gibson WSC
Lori Lilly, North Coast Watershed Association
Janelle St. Pierre, Scappoose Bay WSC
Shirley Kalkoven, Lower Nehalem WSC
She also expressed concern that umbrella groups are being penalized financially.
Lee Russell, Elk Creek WSC

Denise Lofman, Tillamook Bay WSC
Todd Miller, Siuslaw WSC

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

E. Board Consideration of Pending Watershed Council Support Grant Applications

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

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

Application

The size of a completed application was reduced from 30-90 pages to 20 pages or less. Questions in the 2007-2009 application were designed to address eight criteria:

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

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

Scoring

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

Limitations of the Process

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

Final Merit Scores and Evaluations

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

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

Funding Categories

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

Umbrella Councils

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

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

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

1. *Adopt the creation of five base award categories: "Excellent," "Very Good," "Good," "Satisfactory," and "Needs Improvement."*

2. *Award umbrella watershed councils an additional amount of 18, 9, and 22 percent of the base award for "a," "b," and "a/b" type umbrella watershed councils, respectively.*

3. *Direct staff to provide provisional funds to watershed councils in the "Needs Improvement" merit category.*

4. *Adopt $5,014,030 as base funding for Council Support.*

5. *The Board meet via conference call at the end of the legislative session to further consider additional funding and re-evaluate the umbrella council funding level.*

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

Public Comment:

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

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

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

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

G. Effectiveness Monitoring

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

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

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

H. Special Investment Partnerships

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

Approved by the Board September 18, 2007
Oregon Watershed Enhancement Board
May 16, 2007
OWEB Board Meeting
Salem, Oregon

Minutes

OWEB Members Present
Miles Brown
Bobby Brunoe
Dan Carver
Alan Christensen
Dan Heagerty
Skip Klarquist
Meta Loftsgaarden
Jane O'Keeffe
Dave Powers
Patricia Smith
Diane Snyder
Michael Tehan
Dan Thorndike
Helen Westbrook
Ken Williamson

Members Not Present
Jim Nakano
Scott Reed

OWEB Staff Present
Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Mark Grenbemer
Wendy Hudson
Miriam Hulst
Melissa Leoni
Tom Shafer
Greg Sieglitz
Cindy Silbernagel
Roger Wood

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

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

I. Small Grant Program

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

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

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

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

J. Sandy River Acquisition

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

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

K. Public Comment -- General

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

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

L. Oregon Plan Monitoring

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

<u>John Day Monitoring</u>

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

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

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

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

Non-pareil Dam/Umpqua Coho Pedigree Research Project
Charlie Corrarino, ODFW, and Dr. Michael Banks, OSU, briefed Board members on the study and funding request.

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

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

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

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

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

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

N. Pacific Northwest Whole Watershed Restoration Venture Partnership
This item was postponed until a future Board meeting.

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

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

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

P. Restoration Priorities

Roger Wood, Special Projects, presented information seeking adoption of restoration priorities for the Grande Ronde, Imnaha, John Day, Powder, Umatilla, and an update of the Hood-Fifteenmile basins. The development of funding priorities will guide OWEB in the evaluation of grant applications, and will help ensure a clear and strategic approach to prioritizing funding of projects.

Adoption of these priorities continues OWEB's development of priorities for the 15 Oregon Plan reporting basins in the state. Staff will continue to pursue completion of documents for the Walla Walla and Owyhee basins. Since the contract for development of priorities has expired, OWEB staff are considering options for developing the priorities for the North Coast, Mid Coast, Umpqua, Klamath, and Lakes basins.

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

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

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

Q. Other Business

Willow Creek Restoration Phase I (207-138)

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

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

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

John Day Intensively Monitored Watershed Funding

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

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

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

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

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

Having no further business, the meeting was adjourned.

Oregon Watershed Enhancement Board

Planning Session Notice

The Oregon Watershed Enhancement Board (OWEB) will hold a planning session for Board members on July 17-19, 2007.

At its planning session, OWEB Board members will discuss operational and policy issues related to Board and agency organization and functions. There are no action items on the agenda for the meeting. Opportunity for comments from members of the public will be reserved until the Board's next business meeting scheduled for September 18-19, 2007.

For information on the planning session, please contact Bonnie Ashford at 503-986-0181. If special physical, language or other accommodations are needed for this meeting, please advise Bonnie Ashford as soon as possible but at least 48 hours in advance of the meeting.

July 3, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

SUBJECT: **Agenda Item A: Delegation of Distribution Authority and Grant Award for Legislative Allocations of Measure 66 Lottery Funds and Pacific Coastal Salmon Recovery Funds**
July 9, 2007 Special Board Meeting via Teleconference

I. Introduction

This report requests the Board delegate authority to the Executive Director to distribute Measure 66 Lottery Funds that the Legislature has specifically allocated to a particular entity or use. This report also requests Board action to allocate $3,250,000 of Pacific Coastal Salmon Recovery Funds (PCSRF) for soil and water conservation districts (SWCDs).

II. Background

Since 1999, the Oregon Legislative Assembly has allocated portions of Measure 66 funds and PCSRF funds to other entities. These allocations have typically gone to other state natural resources agencies and groups focused on watershed health issues, such as the Lower Columbia River Estuary Partnership and the Independent Multidisciplinary Science Team. It is important for the recipient entities to obtain these funds as early in the new biennium as possible to meet their budget needs.

In the case of Measure 66, the funds are essentially passed through the OWEB budget to these other entities. No formal Board action is required to transfer these funds. However, in a May 18, 2005, letter of advice, the Attorney General's office identified management actions to clarify the authority and responsibility of OWEB in overseeing the distribution and use of Measure 66 funds in cases where the Legislature allocated funds to other entities. This included the option for the Board to delegate distribution authority to the OWEB Executive Director. This approach was adopted by the Board in August 2005 for the 2005-2007 biennium. The action strengthened OWEB's oversight capabilities for the legislatively allocated funds and includes requiring interagency agreements to track expenditures and uses of Measure 66 funds.

In the case of PCSRF funds, Board action is necessary to award a grant to carry out the legislative allocation. OWEB enters into interagency agreements with PCSRF recipients to track the uses of these funds. The Legislature allocated separate line items of $5 million to support the capacity of SWCDs and watershed councils. The $5 million each for SWCDs and watershed councils includes $1.75 million in Measure 66 non-capital funds and $3.25 million of PCSRF funds. The Board awarded the $3.25 million of PCSRF to watershed councils as part of the $5 million council support grant award at its May meeting. Similarly, staff propose the Board award $3.25 million in PCSRF funds to help carry out the legislative allocation for SWCD support.

OWEB was recently notified of its PCSRF award for Federal Fiscal Year 2007 and is working with the National Marine Fisheries Service to finalize the award in order to begin utilizing these funds for council and district support.

For the first time, the Legislature transferred the budget line item for the funds to support SWCDs from the Oregon Department of Agriculture (ODA) budget to OWEB's budget. For purposes of awarding and distributing these funds, and to be consistent with legislative intent, OWEB staff recommend entering into an interagency agreement to have ODA administer the funding to individual SWCDs. This action will promote a seamless transition and allow continuity in SWCD oversight. Additional background information on this issue is in contained in Attachment A.

III. 2007-2009 Legislative Appropriations

The 2007-2009 legislative appropriations to other entities are:

Table 1. Measure 66 Legislative Appropriations

Entity/Recipient	Amount	Source of Funds
Oregon Dept. of Fish and Wildlife	$5,000,000	Measure 66 capital
Oregon Dept. of Fish and Wildlife	$6,335,629	Measure 66 non-capital
Oregon State Police	$996,405	Measure 66 capital
Oregon State Police	$6,137,202	Measure 66 non-capital
Dept. of Environmental Quality	$250,000	Measure 66 capital (R&D)
Dept. of Environmental Quality	$4,937,728	Measure 66 non-capital
Dept. of Agriculture	$5,274,890	Measure 66 capital
Dept. of Agriculture	$5,140,403	Measure 66 non-capital
Dept. of Geology and Mineral Industries	$1,500,000	Measure 66 capital (R&D)
Independent Multidisciplinary Science Team	$633,653	Measure 66 non-capital
Lower Columbia River Estuary Partnership	$314, 249	Measure 66 non-capital
Soil and Water Conservation Districts	$1,750,000	Measure 66 non-capital

Table 2. PCSRF Legislative Appropriations

Entity/Recipient	Amount	Source of Funds
Soil and Water Conservation Districts	$3,250,000	PCSRF

IV. Recommendation

Staff recommend the Board:

A. Delegate distribution authority to the Executive Director for the Measure 66 Lottery Funds that the Legislature allocated for the 2007-2009 biennium in accordance with Table 1 of Section III of this report; and

B. Allocate $3,250,000 of PCSRF funds for SWCDs and delegate authority to the Executive Director to enter into the agreements necessary to distribute funding to the SWCDs in accordance with Table 2 of Section III of this report.

Attachment
A. SWCD Background Information

Soil and Water Conservation Districts Background Information

For the 2007-2009 biennium, the Legislature transferred the line item for the special payments used to support SWCDs from the Department of Agriculture (ODA) budget to OWEB's budget. The total payments to SWCDs total $5 million, the same as for watersheds councils, and payments will be divided among the SWCDs using the same methodology as they had in the past. ODA will maintain staff positions tasked to review and approve work plans and provide general oversight for SWCDs as they have in the past. The Legislature concluded that moving the payments to OWEB will allow the amounts and types of funding support to be better coordinated with funding of councils.

The Joint Legislative Committee on Ways and Means also approved the following budget note in ODA's budget relating to the transfer:

> *Funding for special payments used to support Soil and Water Conservation District (SWCD) operations are transferred from the Department of Agriculture (ODA) to the Oregon Watershed Enhancement Board (OWEB). Total special payments being added to the OWEB budget to support base operations of SWCDs will be increased by almost $1.7 million over the Governor's budget, to $5 million for the 2007-09 biennium. Payments to support Watershed Councils' base operations will likewise be increased to $5 million total in the OWEB budget. Special payments to SWCDs are to be divided among Districts using the same methodology as they had in the past. All SWCD support positions will remain in ODA. ODA will enter into an Intergovernmental Agreement with OWEB so that the Department of Agriculture continues to review and approve District's work plans, gauge progress on the work plans, notify OWEB if payments should be approved based on work progress, and oversee payment accountability, along with all other oversight functions ODA has performed in the past. Moving the special payments funding into the OWEB budget will allow the amounts and types of funding for Districts support to be coordinated with funding for Councils to ensure funding parity. This change should address problems faced by SWCDs in recent biennia of having unequal payments compared to Watershed Councils and the transfer is anticipated to result in better coordination between Watershed Councils and Soil and Water Conservation Districts.*

July 3, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

SUBJECT: **Agenda Item B: Oregon Conservation Reserve Enhancement Program**
July 9, 2007 Special Board Meeting via Teleconference

I. Introduction

This report discusses the status of the Oregon Conservation Reserve Enhancement Program (CREP) and requests an additional $500,000 of Measure 66 capital Lottery Funds to serve as bridge funding until the September 2007 Board meeting.

II. Background

In 1997, Oregon initiated discussions with the U.S. Department of Agriculture (USDA) about the possibility of developing a state-federal cost share program that focused on improving riparian conditions in agricultural areas of the state. The Conservation Reserve Enhancement Program was approved in September 1998 with a signing ceremony by then Governor Kitzhaber, and was signed by the Secretary of Agriculture in October 1998.

As an offspring of the Conservation Reserve Program (CRP), CREP is a voluntary program for agricultural landowners. This unique state and federal partnership allows landowners to receive incentive payments from the Farm Services Agency for installing specific conservation practices. Through the CREP, farmers can receive annual rental payments and cost-share assistance to establish long-term, riparian buffers on eligible land. The Oregon CREP was initially developed to address listed salmon streams; the program was later modified to assist in addressing stream water quality issues (primarily temperature). The program uses state funding for partial payment (25 percent) of all conservation activities (fencing, off-stream watering, site preparation, plant materials, planting, etc.).

As early as 2001, some groups expressed concern that the program was not sufficiently popular to address all the riparian restoration needs in Oregon. As a result of the concerns, and in response to critical review, OWEB funded an evaluation of the program through the Oregon Department of Agriculture (ODA) and Oregon Association of Conservation Districts (OACD). The OWEB Board responded by providing funding for technical assistance (the primary factor limiting participation). OWEB also funded ODA to provide state coordination of the program. ODA led the negotiations with USDA to revise the Memorandum of Understanding to address a number of the other limitations to participation. In 2004, a revised agreement with USDA was signed.

Public interest in the program has increased significantly over the past two years and the number of participants and the number of stream miles treated has grown dramatically. Since 1999, nearly 2,000 miles of riparian buffers have been installed covering nearly 24,000 acres.

III. Current Status

Because CREP is a state-federal cost share program and each contract is not subject to Board approval, it has been difficult to project the needed funding for the state cost share. In past biennia, OWEB staff have estimated the magnitude of cost share by simple projections. The 2005-2007 biennium experienced unexpected growth, with the Board allocating a total of $3.325 million in three separate actions[1] for CREP cost share payments compared with one allocation of $800,000 in the 2003-2005 biennium. The 2005-2007 biennium has proven that staff need more effective tools for estimating CREP cost share funds.

Since January 1, 2007, OWEB has provided $987,954.76 for direct conservation payments to match federal funds. The January 2007 Board allocation was spent by June 7, 2007. As of July 2, 2007, pending payment requests total $113,266.29. Staff estimate that $500,000 will be required for payments on existing contracts to meet state match obligations through the September 2007 Board meeting. This need can be met by utilizing unused Measure 66 capital funds from previous grants that have been recaptured as those grants are completed. By using recaptured funds, the Board can support CREP needs over the summer without allocating 2007-2009 capital funds. Staff seek to preserve the new biennium's funding for a priority setting discussion and decisions at the September 2007 Board meeting.

Staff will report to the Board with policy and funding proposals to address funding for CREP in the 2007-2009 biennium at the September Board meeting.

IV. Recommendation

Staff recommend the Board allocate $500,000 of recaptured Measure 66 capital funds for CREP cost share payments through September 2007.

[1] $1,000,000 in May of 2005, $1,500,000 in May of 2006, and $1,000,000 in January of 2007, with an allocation of $175,000 for CREP effectiveness monitoring in May of 2007.

July 3, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

SUBJECT: **Agenda Item C: Implementation Assistance for Watershed Council Support Provisional Funding**
July 9, 2007 Special Board Meeting via Teleconference

I. Introduction

This report requests the Board award up to $10,500 in non-capital funds to assist in the implementation of provisional funding requirements for watershed councils in the "Needs Improvement" merit category as identified in the May Board action for watershed council support awards.

II. Background

Each biennium, OWEB evaluates grant applications from watershed councils through a merit-based approach to determine council support funding levels. For the 2007-2009 biennium, the OWEB evaluation process resulted in five merit ranking categories based on review scores: Excellent, Very Good, Good, Satisfactory, and Needs Improvement.

The 2007-2009 biennium evaluation process resulted in three councils receiving a "Needs Improvement" merit ranking. Part of the recommendation adopted by the Board in May of 2007 was a direction for staff to provide provisional funds to watershed councils receiving this ranking. Specifically, staff proposed that the three councils be awarded half of their support funding based upon an assessment of needs and development of a plan to meet specific benchmarks during the first year. Upon meeting those benchmarks, the councils will receive the remainder of the funding for the second year of the biennium.

III. Provisional Funding Strategy

Since the May 2007 Board meeting, staff have developed a strategy for addressing provisional funding for the watershed councils that rated in the "Needs Improvement" category. The strategy includes the following steps:

A. Identify areas that need improvement based on the eight review criteria for Council Support.
    1. Review existing information such as past council support application evaluations and past self-evaluations.
    2. Council conducts a Strengths, Weaknesses, Opportunities, and Challenges (SWOC) or other analysis with facilitation.

B. Watershed council creates measurable benchmarks to address the areas for improvement by September 1, 2007.
    1. This should be done with some outside facilitation.
    2. This should also involve input from OWEB staff.
    3. Benchmarks should be measurable, realistic, easily translated to grant agreement conditions and attainable by July 1, 2008.
C. Develop a plan for improvement by November 1, 2007 to meet the benchmarks.
D. Implement the plan for improvement.
E. Watershed council provides a progress report to OWEB to evaluate the request for release of funds by September, 2008.

Staff examined the potential for outside facilitation resources. Because of its mission to support watersheds councils, goal to build watershed council capacity, and existing relationships with watershed councils, OWEB staff contacted the Network of Oregon Watershed Councils. The Network has developed a proposal for working with the three councils to design and facilitate the first two steps in the process of the provisional funding strategy: identify areas that need improvement and create measurable benchmarks to address the areas for improvement. The Network proposal has draft timelines, activities, and deliverables. The work plan proposal will require $10,500 for implementation. Additional assistance with plan development and implementation may be necessary, but has not been discussed at this time.

Staff recommend utilizing unused non-capital funds that have been recaptured from previous grants as they are completed. By using recaptured funds, the Board can immediately support this work without allocating 2007-2009 non-capital funds. To the extent possible, staff wish to preserve the new biennium's non-capital funding for a priority setting discussion and decisions at the September 2007 Board meeting.

IV. Recommendation

Staff recommend the Board award up to $10,500 in recaptured non-capital funds for a grant to the Network of Oregon Watershed Councils to work with the three councils to identify areas that need improvement and create measurable benchmarks to address the areas for improvement by October 1, 2007.

Approved by the Board September 18, 2007
Oregon Watershed Enhancement Board
July 9, 2007
Special Meeting
State Lands Building
Salem, Oregon

Minutes

OWEB Members Present	**OWEB Staff Present**	**Others Present**
Miles Brown	Bonnie Ashford	None
Bobby Brunoe	Ken Bierly	
Dan Heagerty	Tom Byler	
Skip Klarquist	Melissa Leoni	
Jim Nakano	Greg Sieglitz	
Jane O'Keeffe	Cindy Silbernagel	
Patricia Smith	Lori Warner-Dickason	
Diane Snyder	Kelly Warren	
Michael Tehan		
Dan Thorndike		
Helen Westbrook		
Ken Williamson		

Members Not Present
Dan Carver
Alan Christensen
Jim Johnson
Meta Loftsgaarden
Dave Powers

A special meeting via telephone conference call was held on Monday, July 9, 2007, at 10:00 a.m. The purpose of the meeting was for Board members to consider three actions items to expedite the initial distribution of funds needed at the beginning of the 2007-2009 biennium.

The telephone conference call meeting included a quorum of the Board.

Board Co-Chair Jane O'Keeffe presided over the meeting.

There was no public in attendance.

Executive Director Tom Byler distributed the following motions needing action to the Board Co-Chairs prior to the telephone conference call. Board Co-Chair Dan Heagerty read each motion, which were seconded, and voted on individually.

Item A: Delegation of Distribution Authority and Grant Award for Legislative Allocations of Measure 66 Lottery Funds and Pacific Coastal Salmon Recovery Funds

Motion: (1) Delegate to the Executive Director distribution authority for the Measure 66 Lottery Funds that the Legislature allocated for the 2007-2009 biennium in accordance with Section III, Table 1 of the staff report; and (2) Allocate $3,250,000 of PCSRF funds for soil and water conservation districts in accordance with Section III, Table 2 of the staff report, and delegate authority to the Executive Director to enter into the agreements necessary to distribute funding to soil and water conservation districts for the 2007-2009 biennium. *Vote was unanimous.*

Item B: Oregon Conservation Reserve Enhancement Program (CREP)

Motion: Allocate $500,000 of recaptured capital funds for CREP cost share payments through September 2007. *Vote was unanimous.*

Item C: Implementation Assistance for Watershed Council Support Provisional Funding

Motion: Reallocate up to $10,500 in recaptured non-capital funds to the Network of Oregon Watershed Councils to work with the three councils with provisional funding to identify areas that need improvement and create measurable benchmarks for improvement by October 1, 2007. *Vote was unanimous.*

The meeting was adjourned.

Oregon
Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, Oregon 97301-1290
(503) 986-0178
FAX (503) 986-0199

August 30, 2007

MEMORANDUM

TO: Dan Heagerty and Jane O'Keeffe, Co-Chairs
Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

SUBJECT: **Overview of Mid-Coast Watersheds Council Investigation Report**

I. Introduction and Background

At the May 15-16, 2007, OWEB Board meeting, Cindy Ashy, a citizen from Newport, testified during the two public comment periods about the Mid-Coast Watersheds Council (MCWC). In her testimony Ms. Ashy made a number of allegations about the MCWC and its watershed council support grant application. The Co-Chairs committed OWEB to look into the issues raised in her testimony. The Co-Chairs tasked the Executive Director with conducting an investigation.

This memo describes the general methods used for the investigation, identifies the fundamental issues determined to be relevant to the agency, and sets out the key recommendations related to those issues. Attachment A provides a summary list of the allegations investigated and the related findings. Attachment B contains the full, detailed report of the allegations, staff findings and recommendations, and the analysis associated with each issue.

II. Methodology

At the outset, there are two important points to emphasize that guided the direction of the investigation. First, Oregon statutes do not explicitly authorize governmental control over watershed councils. Clearly, OWEB has a statutorily identified role in funding and supporting the work of watershed councils. Our interest is to ensure our grant investments and grant-related processes are sound and lawful. Beyond grant agreement requirements, OWEB does not have authority to control what watershed councils can or cannot do.

Second, staff focused the investigation only on the allegations we determined to be pertinent to OWEB's programs and policies. Over the course of the investigation there were numerous issues raised relating to a pending legal matter between Ms. Ashy and the MCWC. After consulting with the co-chairs on this matter, we determined it was not appropriate for the investigation to examine those issues. The ongoing legal issues between the MCWC and Ms. Ashy are a matter of local dispute between the council and an individual. Those issues, while they may be important to Ms. Ashy and to the MCWC, are not a subject of OWEB's investigation and are therefore not addressed in this report.

OWEB's investigation examined issues of concern about the MCWC raised by local citizens and watershed council stakeholders. Staff interviewed local community leaders, citizens, and others familiar with the MCWC. Staff also interviewed Sam Adams, MCWC Chair, and Wayne Hoffman, MCWC coordinator. The temporal scope of the investigation was not limited to recent events. The issues raised by those interviewed were examined further if the issues were relevant to OWEB's policies and programs. Staff looked into the allegations by examining statutes and administrative rules, OWEB processes and procedures, grant files, and related written documents.

III. Fundamental Issues

On the basis of the interviews and information provided to OWEB by interested persons, staff identified 15 core allegations. These allegations and our related findings are briefly set out in Attachment A and discussed in detail in Attachment B. For purposes of this report overview, staff organized the allegations into three fundamental issue areas: (1) grant evaluation and management; (2) legal; and (3) watershed council process issues. This section briefly describes those issue areas and associated staff recommendations.

A. Grant Evaluation and Management Issues

The allegations involving OWEB grant evaluation and management issues relate to grant program policies and priorities, grant review processes, watershed council support rules and criteria, and grant oversight. Allegations 1-7 relate to this issue area.

1. Findings

OWEB staff are generally satisficd with its grant evaluation and management rules and processes. OWEB staff found no conclusive evidence to support the allegations pertaining to the MCWC or OWEB in this issue area. There are, however, OWEB policy issues that may warrant further consideration and discussion by staff and Board members.

2. Recommendations

OWEB staff should review the umbrella watershed council policies and rules, and evaluate council support application requirements to ensure that OWEB is receiving the necessary documentation. Staff review and recommendations on this matter will be presented to the board at a future board meeting.

B. Legal Issues

Some allegations raised questions about MCWC fiscal management, watershed council bid and contract requirements, and the statutory requirements of watershed councils. Allegations 8-12 relate to this issue area. The investigation has touched on nearly all of the statutory and operational issues of watershed councils, from how they are formed to how they implement projects with funding from OWEB.

1. Findings

OWEB staff found no conclusive evidence to support the claims of improper actions by the Mid-Coast Watersheds Council in this issue area. However, due to the potential for damaging public perceptions associated with some of those allegations, staff urges the MCWC to take action to demonstrate its good faith and proper business practices by initiating a full, independent external audit.

2. **Recommendations**
   a. OWEB recommends the MCWC conduct a full external audit that, at a minimum, focuses on its policies and procedures related to the selection and use of contractors.
   b. OWEB should explore opportunities to provide watershed councils training on contracting and public meetings law.
   c. OWEB should strengthen its communications and relationships with local government regarding watershed council formation, functions, and responsibilities.

C. Watershed Council Process Issues

The allegations involving watershed council processes in general, and those of the MCWC specifically, include how the MCWC involves and interacts with interested citizens, makes decisions, provides information, and works with agencies and programs. Allegations 13-15 relate to this issue area.

1. Findings

There are mixed opinions in the watershed community regarding the MCWC with respect to its processes and interactions with people at its meetings. Many people view the MCWC in a positive light; some view the council negatively. The opinions vary to the point that staff wonder whether it is possible to clearly determine the "reality" of the situation. What we do know, is that this situation is unique, and not typical of watershed councils in other parts of the state. Whatever the reality in the Midcoast area, the fact that there are such divergent and passionate opinions about the MCWC is of concern to OWEB.

Public participation and citizen involvement is critical for the long-term success of watershed councils. Ideally, watershed councils should serve as an open forum for citizen dialogue about local watershed issues. Watershed councils should also strive to act as a constructive catalyst to create and maintain diverse community partnerships.

At the same time, OWEB recognizes that it is in a watershed council's interest to be able to make decisions and take actions without being unreasonably delayed or undermined by one or more persons in their area who may have different opinions or agendas. Serving as a forum for diverse community opinion and producing on-the-ground results can be a difficult balancing act for any watershed council. The MCWC is currently struggling with a very challenging situation. The following recommendations are made with the intent of helping the MCWC and other councils to be strong and effective organizations within their communities:

2. Recommendations

   a. OWEB should better identify its expectations for watershed councils, especially its expectations for citizen and landowner involvement.
   b. OWEB strongly encourages the MCWC to identify and implement ways to improve relationships and communications between watershed councils in the Midcoast area.

c. OWEB strongly encourages the MCWC to identify and implement ways of involving citizens who may have different viewpoints, without sacrificing the council's core mission.
d. OWEB should consider offering funding to provide mediation or other forms of assistance to help the MCWC strengthen its community relationships.

IV. Summary of Recommendations

On the basis of the issues investigated, OWEB staff found no conclusive evidence to support the allegations made against the Mid-Coast Watersheds Councils.

The investigation has identified a number of areas that may merit further consideration by OWEB. These include:

1. OWEB should review policies and rules applicable to umbrella watershed councils, and evaluate council support application requirements to ensure that OWEB is receiving the necessary documentation.
2. OWEB should explore opportunities to provide training to watershed councils on contracting and public meetings law.
3. OWEB should strengthen its communications and relationships with local government regarding watershed council formation, functions, and responsibilities.
4. OWEB should better identify its expectations for watershed councils, especially its expectations for citizen and landowner involvement.
5. OWEB should consider offering funding to provide mediation or other forms of assistance to help the MCWC strengthen its community relationships.

The investigation also identified opportunities for the MCWC to take steps to improve its situation. These include:

1. OWEB strongly encourages the MCWC conduct a full external audit that, at minimum, focuses on its policies and procedures related to the selection and use of contractors.
2. OWEB strongly encourages the MCWC to identify and implement ways to improve relationships and communications between watershed councils in the Midcoast area.
3. OWEB strongly encourages the MCWC to identify and implement ways to more successfully engage and involve citizens who may have different viewpoints, without sacrificing the council's core mission.

Attachments

A. Summary of Allegations and Findings
B. Allegations and Findings Detail Report

ATTACHMENT A

Summary of the Allegations and Findings
Mid-Coast Watersheds Council Investigation
August 30, 2007

GRANT EVALUATION AND MANAGEMENT ISSUES

Allegation #1: The Mid-Coast Watersheds Council (MCWC) claims umbrella status in its 2007-2009 Council Support application, which is not accurate because its relationship with the Salmon-Drift and Beaver Creek councils are not finalized and the Yaquina watershed group isn't functioning well.

Findings: The Mid-Coast Watersheds Council qualifies as an umbrella watershed council for the 2007-2009 biennium.

Allegation #2: MCWC may not have qualified for umbrella status for the entire 2005-2007 biennium, due to the Alsea group split off and because the Yaquina group has been disbanded until recently.

Findings: OWEB has no formal policy to address the situation where an umbrella council experiences this type of change. Under the circumstances, we find no wrongdoing on the part of the MCWC.

Allegation #3: The merit category ranking of "Excellent" for the MCWC was because of an "incestuous review process" where the two Region 1 reviewers had "significant conflicts of interest" because of membership in the MCWC or one of its sub-basin planning groups.

Findings: The record does not support claims that the presence of a reviewer with ties to the MCWC increased the consensus score and merit ranking for the MCWC's council support grant. The OWEB review process for the Mid-Coast council support application was fair and impartial. The consensus scoring process did not allow one reviewer's opinions either for or against an applicant to distort the final score.

Allegation #4: The watershed council support process merit category ranking of "Excellent" for the MCWC is unsupported because the MCWC does not meet the criteria in several categories.

Findings: Two consensus scores were increased by OWEB staff in the council support recommendation process. One adjustment was for accomplishments. OWEB staff support this adjustment as justified by the strong track record of restoration accomplishments of the MCWC. This adjustment, along with the other merit category scores, are supported in substance and process and are therefore sufficient for the MCWC to receive an "Excellent" ranking.

Allegation #5: Watershed councils receive large sums of public money with little oversight from OWEB.

Findings: Oregon statutes do not expressly authorize OWEB to exert regulatory control over watershed councils. OWEB does have a funding relationship with councils through the agency grant program. OWEB has strong accountability provisions (fiscal accounting and reporting requirements) for its grant recipients, regardless of whether they are a watershed council or other eligible entity that receives OWEB grant funds.

Allegation #6: The MCWC may have made misrepresentations in grant applications and used OWEB funds for purposes not listed in the original grant application.

Findings: There is no indication that the MCWC has intentionally misrepresented proposed activities, budgets or timelines in its grant applications, nor is there any evidence that funds have been used for purposes not originally specified in its grant proposals. Staff review of a sample of grants show that the MCWC has a strong track record for meeting objectives of grant applications and for carrying out projects at or under budget.

Allegation #7: OWEB actions, including the umbrella watershed council status for the MCWC and OWEB's insistence that the MCWC be the grantee on a U.S. Fish and Wildlife Service (USFWS) grant, have given all the funding and power to the MCWC, which has contributed to its current problems.

Findings: The MCWC is currently the only watershed council in the Midcoast area eligible for council support funding based on statutory (ORS 541.351 and 541.388) and administrative rule (OAR 695-040-0030) requirements.

LEGAL ISSUES

Allegation #8: Watershed councils receive public funding and should be required to follow the Public Meetings Law. The MCWC has claimed to be a private corporation that can limit participation.

Findings: A private body is not subject to the Public Meetings Law merely because it receives public funds, contracts with governmental bodies, or performs public services. The legal question is not free from doubt, but the Attorney General's office has advised that a court would likely find that watershed councils are subject to the Public Meetings Law. Public participation in watershed councils may or may not increase as a result of following the meetings law, which requires that meetings be open to the public but does not mandate public participation *per se*.

Allegation #9: Watershed councils are not required to put contracts out for bid, but should be if the project is funded by OWEB. The MCWC doesn't put contracts out for bid and has developed improper relationships with its contractors that may have resulted in mismanagement of grant funds.

Findings: Oregon statutes do not require watershed councils to follow public contracting law, but do specify requirements for transactions between board members of a non-profit corporation and the non-profit. Watershed councils organized as non-profit corporations may enter into contracts to implement projects without engaging in the competitive bidding process. The MCWC has contracting processes and procedures for this purpose. The MCWC does conduct transactions with members of its board in grants funded by OWEB. However, we found no evidence that the MCWC has mismanaged grant funds.

Allegation #10: The Drift Creek project grant (#205-159) was improperly transferred from Lincoln Soil and Water Conservation District (SWCD) to MCWC to guarantee project management for Steve Trask of Bio-Surveys.

Findings: The Drift Creek project grant (#205-159) was not improperly transferred from the Lincoln SWCD to the MCWC. OWEB statutes and administrative rules do not address the transfer of a Grantee's responsibility before the signing of a grant agreement.

Allegation #11: Watershed councils who incorporate after local recognition should be reviewed by local government and re-recognized, or they should be required to have a regular local review, for example every two years.

Findings: Watershed councils are "formed" and "designated" by local government. Oregon statutes offer no guidance to local governments on whether re-recognition is required after a watershed council changes its organizational status.

Allegation #12: OWEB is liable for the actions of MCWC coordinator and MCWC Board.

Findings: Oregon statutes do not explicitly authorize governmental control over watershed councils. Despite OWEB's role in funding and supporting the work of watershed councils, OWEB does not literally control what they do. Therefore, OWEB is not liable for the actions of watershed councils, including the MCWC.

WATERSHED COUNCIL PROCESS ISSUES

Allegation #13: The MCWC discourages public participation, MCWC board members yell or threaten citizens in meetings, and citizens feel that they are not treated with respect if they have a different viewpoint.

Findings: There is no local consensus in the watershed community about whether the MCWC discourages public participation. There are widely-divergent opinions, some strongly-held. The mixed opinions suggest the MCWC may benefit by working to improve in this area.

Allegation #14: All councils who receive public money from OWEB should be required to admit all interested persons to all of their meetings and otherwise allow full participation

Findings: Oregon statutes do not require watershed councils to involve all citizens. A watershed council is required to involve representatives of the watershed's interests. Oregon statutes specify that OWEB evaluates council requests on whether the organization reflects the interests of the watershed and has the potential to protect and enhance the quality of the watershed in question.

Allegation #15: The MCWC hasn't fulfilled its grant requirement to offer the county commission the opportunity for an annual briefing at a public meeting on the council's ongoing activities, projects, community involvement efforts and work plan priorities for the coming year.

Findings: It appears that the MCWC has fulfilled its grant requirement for the 2005-2007 watershed council support grant that it offer the county commission the opportunity for an annual briefing.

ATTACHMENT B

Allegations and Findings Detail Report
Mid-Coast Watersheds Council Investigation
August 30, 2007

GRANT EVALUATION AND MANAGEMENT ISSUES

Allegation #1: **The Mid-Coast Watersheds Council (MCWC) claims umbrella status in its 2007-2009 Council Support application, which is not accurate because its relationship with the Salmon-Drift and Beaver Creek councils are not finalized and the Yaquina watershed group isn't functioning well.**

A. Findings

The Mid-Coast Watersheds Council qualifies as an umbrella watershed council for the 2007-2009 biennium.

B. Investigation and Analysis

Watershed councils that qualify as umbrella councils have received additional funds through the watershed councils support grant process. OWEB administrative rules set out the criteria for a watershed council to achieve umbrella status (OAR 695-040-0020). To determine the umbrella status of the MCWC, staff looked for information that the MCWC supports now or plans to support the sub-basin planning groups, that the sub-basin groups are or will be represented on the coordinating council (i.e. the MCWC), and that the sub-basin groups and MCWC will participate in a shared staff arrangement during the 2007-2009 biennium. The most recent council support application form did not ask for this information. To look into this first allegation, staff requested correspondence from each of the MCWC sub-basin planning groups listed in the MCWC council support application confirming the umbrella watershed council relationship.

Staff received a letter from the Siletz Watershed Council (SWC) on July 3, 2007. Jan Christensen, on behalf of the Siletz, confirmed that the SWC and the MCWC have a shared staffing arrangement, the MCWC provides support to the SWC (since 1999), and the SWC has a seat on the MCWC. Paul Katen, Board President for the Salmon Drift Watershed Council (SDWC), submitted an email to OWEB on July 12, 2007, stating that they are preparing an MOU between the two councils governing the relationship between them, the SDWC will have a seat on the MCWC board, and that the SDWC agreed to be part of the MCWC's 2007-2009 application.

The MCWC asked the Yaquina watershed group to send similar information, but staff turnover in June and August has delayed a response. Instead the MCWC executive committee has affirmed, in an August 30, 2007 email, that the MCWC will provide support to the Yaquina group, the Yaquina group will have a representative on the MCWC Board, and the MCWC and the Yaquina group have a shared staff arrangement.

No documentation was submitted by the Beaver Creek group, which was listed in the MCWC's application. In an August 1, 2007 interview with Wayne Hoffman, MCWC coordinator, he indicated that while there had been some initial discussion with the group, he wasn't sure where they were going or if a relationship would work out.

Allegation #2: **MCWC may not have qualified for umbrella status for the entire 2005-2007 biennium, due to the Alsea group split off and because the Yaquina group has been disbanded until recently.**

A. Findings

OWEB has no formal policy to address the situation where an umbrella council experiences this type of change. Under the circumstances, we find no wrongdoing on the part of the MCWC.

B. Investigation and Analysis

In the 2005-2007 biennium, the MCWC, through its umbrella watershed council support grant, provided support for three watershed groups (Yaquina, Siletz, and Alsea). During the biennium, the Alsea Watershed Council separated from the umbrella of the MCWC, but still received support funding from the MCWC. To examine this allegation, staff examined the MCWC's 2005-2007 Council Support file, including the grant application, grant agreement, payment invoices, and correspondence. Specifically staff were looking for correspondence and invoice information related to payments the MCWC sub-basin planning groups.

An examination of the file revealed a December 2005 letter from the Alsea Watershed Council notifying OWEB that it had separated from the umbrella of the MCWC with the intent of it becoming an independent council to "better represent the local people and communities." The letter also states that it understands that the MCWC will continue to pay its coordinator $375/month for the remainder of the biennium, in part due to a precedent established when the Salmon-Drift WC split from the MCWC in a previous biennium. The file also contains invoices for the Siletz and Yaquina basins' planning support for the biennium.

OWEB has no formal policy guidance to address the situation where a council falls apart during the grant period, a council under an umbrella disbands or becomes inactive for a period of time, or part of the umbrella organization stops functioning. In this case, OWEB regional and Salem staff were aware of the situation and worked with the MCWC to honor the original intent of the grant and continue funding commitments to the sub-basin planning groups identified in the application. Staff believe this arrangement was appropriate for the situation. However, this is a policy issue that may warrant further discussion and possible additional guidance in administrative rule.

Allegation #3: **The merit category ranking of "Excellent" for the MCWC was because of an "incestuous review process" where the two Region 1 reviewers had "significant conflicts of interest" because of membership in the MCWC or one of its sub-basin planning groups.**

A. Findings

The record does not support claims that the presence of a reviewer with ties to the MCWC increased the consensus score and merit ranking for the MCWC's council support grant. The OWEB review process for the Mid-Coast council support application was fair and impartial. The consensus scoring process did not allow one reviewer's opinions either for or against an applicant to distort the final score.

B. Investigation and Analysis

To conduct an effective merit evaluation of councils support applications, OWEB seeks reviewers familiar with the operations of watershed councils and the factors that make councils successful. It is not unusual to find that those who are most familiar with watershed councils are current or former council members or technical advisors to a local watershed council. To address the appearance of potential conflicts of interest in forming review teams, staff asked each potential reviewer about the nature of his or her relationship with councils to determine whether he or she would be objective, fair and impartial.

For the review of 2007-2009 Watershed Council Support grant applications, there were two teams formed from the Council Support Advisory Committee (CSAC). The role of the CSAC was to assist OWEB staff in reviewing applications and developing "consensus scores" for each application. After pre-scoring the applications, the CSAC met for facilitated "consensus scoring sessions." At the sessions, each CSAC team discussed the applications it reviewed and sought clarification from OWEB staff. The results were consensus scores for each application. Team members did not need to abstain, because they did not vote on applications or scores. OWEB's lead staff person on the council support review process stated that team members frequently identified their relationships with applicants during the discussion.

Each CSAC team was comprised of one person from each of OWEB's regions and four "statewide" representatives. The MCWC application was reviewed by Team 1 of the CSAC. Only one reviewer from Region 1 was on that team (see the table below). That person, Debbie Pickering from The Nature Conservancy was also selected because of her experience as a member of the Region 1 Regional Review Team, which reviews restoration, acquisition, and other non-capital grant applications submitted in the North Coast. Ms. Pickering is a member of the Salmon-Drift Creek Group, which is sub-basin planning group for the MCWC. The other Region 1 reviewer was part of the second CSAC team, which did not review the MCWC application.

Team 1

Debbie Pickering	OWEB Region 1	The Nature Conservancy
Brian Barr	OWEB Region 2	National Center for Conservation, Science & Policy
Ed Emrich	OWEB Region 3	City of Salem/Public Works
John Merwin	OWEB Region 4	Upper Chewaucan WSC
Tom Straughan	OWEB Region 5	Oregon Department of Agriculture
Mike Powers	Statewide	Oregon Department of Agriculture
Dave Ross	Statewide	US Fish/Wildlife Service
Jason Dedrick	Statewide	City of Eugene/Planning
Mitch Wolgamott	Statewide	DEQ/Pendleton

Staff examined the MCWC pre-scoring sheets filled out by Team 1 and found that for the majority of the criteria questions, Ms. Pickering's pre-score was the same or lower than the majority of the Team. She had a higher pre-score than the majority on only two criteria questions. One question was aggregated for the consensus score and her total did not exceed the consensus, and her pre-score on the second criteria was lower than the consensus score. Staff do not recall whether Ms. Pickering identified her relationship to the MCWC during the CSAC meeting.

It is important to note that OWEB's review team members do not approve funding for grants. They do provide advice to staff on the relative merit of grant applications. In any event, it does not appear factually that Ms. Pickering unduly influenced the ranking in question.

Allegation #4: The watershed council support process merit category ranking of "Excellent" for the MCWC is unsupported because the MCWC does not meet the criteria in several categories.

A. Findings

Two consensus scores were increased by OWEB staff in the council support recommendation process. One adjustment was for accomplishments. OWEB staff support this adjustment as justified by the strong track record of restoration accomplishments of the MCWC. This adjustment, along with the other merit category scores, are supported in substance and process and are therefore sufficient for the MCWC to receive an "Excellent" ranking.

B. Investigation and Analysis

The Council Support Advisory Committee's (CSAC) role was to assist OWEB in reviewing applications and developing "consensus scores" for each application. The CSAC made recommendations to staff, which then evaluated the outcomes and ground-truthed the results in developing a final recommendation to the Board. Staff reviewed the pre-scores and consensus scores and notes from the evaluation process to determine whether the ranking was supported.

The CSAC scores for the MCWC were adjusted in the staff recommendation process. The MCWC scores for Criteria #1, *Organizational Make-up and Citizen Involvement*, and Criteria #8, *Accomplishments*, were both adjusted up based on staff knowledge and experience. Staff adjustments in the council support process were not uncommon. Over half of the 60 council support grant applications received staff adjustments for scoring consistency or staff ground-truthing.

The justification for adjusting the score for Criteria #1 upward from a "5" to a "6" was the perceived strong meeting attendance for the MCWC and its landowner involvement through the sub-basin planning groups (the CSAC had unresolved questions about the level of landowner participation). This investigation has identified concerns about the level of landowner and citizen participation and involvement in the MCWC that suggest that the original consensus score may have been most appropriate. The justification for adjusting the score for Criteria #8 upward from a "4" to a "5" was the strong record of restoration project implementation by the MCWC that has been both strategic and focused on limiting factors.

There is no indication that the accomplishment record of the MCWC is without merit. Staff support that score adjustment.

Regardless of whether the score for Criteria #1 is adjusted down to the level recommended by the CSAC team, staff conclude the other merit category scores, including the adjusted Criteria #8, are supported in substance and process and are therefore sufficient to maintain an "Excellent" ranking for the MCWC.

Allegation #5: Watershed councils receive large sums of public money with little oversight from OWEB.

A. Findings

Oregon statutes do not expressly authorize OWEB to exert regulatory control over watershed councils. OWEB does have a funding relationship with councils through the agency grant program. OWEB has strong accountability provisions (fiscal accounting and reporting requirements) for its grant recipients, regardless of whether they are a watershed council or other eligible entity that receives OWEB grant funds.

B. Investigation and Analysis

This issue involves the relationship between watershed councils and OWEB. Staff examined the statutory relationship between OWEB and watershed councils, and OWEB's grant policies and procedures to address the question of whether watershed councils are subject to sufficient oversight by OWEB.

In general, OWEB may provide grants and other assistance to watershed councils, but it does not form councils and its prioritization policies should not discourage the formation of councils. The table below outlines the statutory references to the relationship between OWEB and watershed councils.

ORS	Statutory language related to OWEB and Watershed Councils
541.370(1)(e)	OWEB may "grant funds for the support of watershed councils in assessing watershed conditions, developing action plans, implementing projects and monitoring results and for the implementation of…projects"
541.371(1)(a)	OWEB "shall establish a framework for locally based integrated watershed planning and management process designed to assist watershed councils"
541.371(2)(a)	OWEB "may allocate funds to be used for staff for…watershed councils."
541.375	Watershed councils are eligible entities for OWEB grants
541.384(2)	Designation of high priority watersheds by OWEB is not intended to "discourage or prohibit the formation and function of voluntary watershed councils"
541.388(1)	OWEB "may work cooperatively with any local watershed council that may be formed." Requests for "state assistance shall be evaluated on the basis of whether the requesting organization reflects the interests of the affected watershed and the potential to protect and enhance the quality of the watershed."
541.388(4)	DAS liability insurance for watershed councils as part of the insurance provided to OWEB. OWEB establishes "guidelines for liability coverage and limits of coverage" and pays the premium.

OWEB has no statutory or rule-based regulatory authority to control the actions of watershed councils. As a grant funding agency, OWEB is responsible for ensuring its grant funds are

used appropriately. OWEB provides oversight of watershed councils only to the extent that they are the recipient of many types of grants, including watershed council support grants. The analysis of OWEB's grant and fiscal management oversight procedures is described in the sections below.

1. Watershed Council Support Grant Oversight

In 2001, OWEB was given a budget note from the 2001 Legislature requiring that funding be based on performance and accomplishments and include "mechanisms ensuring accountability for public funds received." As a result, OWEB revised its administrative rules, watershed council support grant process, and watershed council support grant agreements to provide funding based on performance and accomplishments and to strengthen watershed council accountability processes. More information on the merit-based evaluation process was presented in the May 2007 Board meeting staff report (www.oregon.gov/OWEB/docs/board/2007-05/ItemE_CouncilSupport.pdf).

For the 2007-2009 council support grants, some supporting materials like council member lists, bylaws, and local letters were not requested, in an effort to streamline the grant application. The questions raised regarding the MCWC have shown how those materials are important to the evaluation process. There is no evidence, however, to suggest that the evaluation criteria and process currently used is flawed.

Grant agreement conditions for watershed council support (2005-2007 and 2007-2009 biennia) require that the council:

a. Complete a self-evaluation at least once a biennium for each watershed council receiving support;

b. Offer each county commission in its area the opportunity for an annual briefing at a public meeting on the council's ongoing activities, projects, community involvement efforts, and work plan priorities for the coming year;

c. Inform the Board's Project Manager of any address changes;

d. Submit verifiable receipts and other accounting records to document expenditure of grant fund installments, and to account for all other funding, in-kind contributions and donations in the project completion report;

e. Obtain insurance or bonding providing coverage for financial decisions and actions as identified by OWEB if the Grantee is its own fiscal agent, or if the Grantee's fiscal agent does not have such insurance or bonding; and,

f. Develop and maintain a work plan.

In addition, by August 30 after the close of the grant, councils must submit a final grant report including documentation of actual project costs and non-OWEB match and council activities supported by the grant.

2. General Oversight

OWEB is organized around geographic regions for many reasons. A key reason is to have staff work with local watershed stakeholders and grant recipients, including watershed councils and soil and water conservation districts, to manage OWEB's grant

program in that region. OWEB regional staff attend council meetings, project tours, and other functions, and as a result they learn of local watershed efforts first hand, not just through grant applications. OWEB regional staff assist local stakeholders with organizational issues, potential projects, and other issues such as training.

Outside of the Willamette Basin, OWEB has had the same regional representatives since its inception in 1999. Staff have been able to both develop relationships with OWEB's key restoration partners in each region – to the benefit of both OWEB and those local organizations – and track the history of watershed restoration efforts in their respective regions.

3. Grant Award Oversight

OWEB grant applications are reviewed by appropriate technical teams, which evaluate the assertions in each application. More specifically, they evaluate whether the proposed project will address a root cause rather than a symptom of watershed function, and whether the budget is appropriate to implement the stated goals and objectives of the project, including the cost of items such as personnel and supplies.

Applicants are required to sign a grant agreement for any OWEB approved grant. The grant agreement is the contract between the grant recipient and OWEB. It specifies funding conditions, contract terms, project budget expense categories, project completion requirements, and project implementation requirements. For restoration grants, the grantee must notify the Board when final project designs are developed, construction is scheduled, and if any change or modification of the project is proposed. No funding is released until the grantee submits written evidence that all applicable permits and licenses have either been obtained or are not needed.

On all grants, the grant agreement contains a provision that the final 10 percent of the grant is paid only upon receipt and approval of a project completion report. The project completion report includes a narrative description of the project, documentation that the project complies with the Oregon Aquatic Habitat Restoration and Enhancement Guide, photos of the project before and after project completion, a final accounting of all project expenditures, and submission of the Oregon Plan Watershed Restoration Reporting Form for restoration projects. The grant agreement template is reviewed periodically by OWEB's counsel at the Oregon Department of Justice.

4. Fiscal Oversight

On all grants, OWEB has defined payment procedures to ensure that all payments are supported by receipts and consistent with the conditions of each award. First, OWEB fiscal staff review all receipts submitted in support of a payment request. OWEB will advance a grantee up to 90 percent of its award, but all advances over $100,000 or over 80 percent of the award must include written justification. OWEB rules require all funding advances to be accounted for within 120 days (OAR 695-005-0060(7)). Under the rule, a grantee has 120 days to submit invoices on the advance, seek and receive approval for an extension of time, or return unexpended advance funds to OWEB. Additional funds are not released by OWEB until receipts for previous fund releases are submitted. Grantees who have not responded to OWEB's 120 day outstanding advances letter, and who fail to respond to OWEB's subsequent outstanding advance and cut-off

letter notices within the time frames provided will be placed on reimbursement-only status for 12 months.

Council support grants are disbursed slightly differently than other grant types, because awards are made for the two-year biennium and funds are available to OWEB on a quarterly basis. Councils may request quarterly advances, but future advances are not made until receipts have been submitted. OWEB also requires a Payroll/Benefits Tracking Form and Expense Tracking Spreadsheet to track coordinator salary and benefits expenses from OWEB grants and other sources, and other expenditures. Like all grants, the final 10 percent is held until the final report is submitted (as described above).

OWEB takes its role as the steward of grants awarded with Measure 66 funds and federal funds very seriously. The requirements, processes and protocols associated with OWEB grants are designed to protect OWEB investments. OWEB will continue to monitor watershed council progress through its regional staff, grant reporting requirements, and biennial council support evaluation process.

Allegation #6: The MCWC may have made misrepresentations in grant applications and used OWEB funds for purposes not listed in the original grant application.

A. Findings

There is no indication that the MCWC has intentionally misrepresented proposed activities, budgets or timelines in its grant applications, nor is there any evidence that funds have been used for purposes not originally specified in its grant proposals. Staff review of a sample of grants show that the MCWC has a strong track record for meeting objectives of grant applications and for carrying out projects at or under budget.

B. Investigation and Analysis

This claim is difficult to evaluate, because there are several reasons that explain why what is proposed in a grant application may not be exactly what is implemented with OWEB funding. First, grant applications are submitted to OWEB at least 21 weeks before a Board decision. During that time details of the project may reasonably change (e.g., landowners may change, anticipated commitments may fall through, partners may develop conflicts, or other funding sources may become available). Second, OWEB staff and regional review teams conduct site visits during the evaluation period in which they may make suggestions to the applicant that lead to changes on what is funded or implemented. Third, OWEB's regional review teams may recommend budget reductions or other specific changes to projects as grant award conditions, which then require that applicants implement something different than what they proposed in their original application.

For the reasons stated above, changes to an application before the grant award is not unusual or inappropriate. More at issue for OWEB is whether the terms of a grant agreement are complied with. The analysis below focuses on both situations.

The MCWC has received approximately 130 grants from OWEB and GWEB. To investigate this issue, staff examined both a randomly selected 10 percent sample of the MCWC's grants

and any specific grant with alleged problems. The table below lists the files examined by staff.

Project #	Project Type	Project Name
03-02-013	Restoration	Crook Creek (Small Grant)
098-069	Assessment	Rock Creek Watershed Assessment
098-099	Restoration	N. Fork Yachats Habitat Restoration Project
098-361	Restoration	Finster's Culvert Replacement
099-433	Assessment	Mid-Coast Rapid Bioassessment Project
200-026	Monitoring	Juvenile Salmonid Winter Dist
201-010	Council Support	Mid-Coast Watersheds Council Support
201-431	Restoration	Beaver Creek Farm Corporation Marsh Restoration
201-563	Education	Mid-Coast WS Council Education Program
201-578	Restoration	Alsea Culvert Replacement Project
203-121	Restoration	Riparian Restoration Project-Yachats & Beaver Cr
204-525	Education	Board Match to Dirks-Edmunds Bequest
206-1013	Assessment	Workforce Beaver Pond Inventory (Fishing Emergency Grant)
98-096*	Restoration	Private Options for Conservation Easements in the Mid-Coast.
205-159*	Restoration	Drift Creek Restoration: Unger Ranch

**Not part of the random sample. These grants were part of specific Public Records Requests and were examined for similar issues.*

Each OWEB grant application includes a Legal Requirements Form. On the form, applicants certify that (1) if this proposal is funded, they will sign a Grant Agreement containing the terms and conditions upon which funds will be released and submit a report at the completion of the project, and (2) they are "familiar with the information contained in this application, and to the best of my knowledge and belief, this information is true, complete, and accurate." Every funded application must include a signed Legal Requirements Form. All of the above listed MCWC grant files examined by staff have a signed form (or in the case of the Small Grant project, the application form signature line includes certifying that the application is true).

Most of the 13 randomly sampled grant files examined were implemented as proposed with only minor changes, such as extending the grant agreement expiration dates (six grants) or spending less money than the grant award (six grants). An evaluation of the receipts and invoice tracking forms (all previously reviewed and approved by OWEB regional and fiscal staff) did not identify any requests to use funds for purposes not originally specified in the grant proposal.

Only one grant, #98-096, Private Options for Conservation Easements, had significant delays and changes to what was originally proposed. The project was intended to develop and record conservation easements on private land with up to 10 landowners. The reasons for delay were that the MCWC and its partner, the Central Coast Land Conservancy, were inexperienced with conservation easements and implementing easements required more time than anticipated to negotiate and process. These are valid reasons--conservation easements are not an easy-to-use watershed restoration tool, largely because they involve land transactions that are permanent in nature. In addition, this project was awarded by the GWEB, at a time when there was less experience and policy guidance for such grants. OWEB now has explicit statutes and administrative rules governing the evaluation and

implementation of these types of projects. However, even with the delay and implementation difficulties, the project resulted in three recorded conservation easements on nearly 60 acres obtained at a cost of only $48,000.

Staff also reviewed the MCWC council support application for the 2007-2009 biennium to follow up on allegations that it contained misrepresentations. Staff review identified no evidence of factual misrepresentation.

Allegation #7: OWEB actions, including the umbrella watershed council status for the MCWC and OWEB's insistence that the MCWC be the grantee on a U.S. Fish and Wildlife Service (USFWS) grant, have given all the funding and power to the MCWC, which has contributed to its current problems.

A. Findings

The MCWC is currently the only watershed council in the Mid-Coast area eligible for council support funding based on statutory (ORS 541.351 and 541.388) and administrative rule (OAR 695-040-0030) requirements.

B. Investigation and Analysis

This allegation involves three issues: (1) OWEB's rules and policies related to "umbrella" status; (2) OWEB's relationship with the MCWC and other watershed groups in applying for four federal USFWS grants in 2007; and (3) the relationship between the MCWC and other watershed councils or groups in its area.

1. Umbrella Watershed Councils

For the first issue, staff looked at OWEB's administrative rules, the origin of the umbrella policy, and history of implementation. Watershed councils are not formed or recognized by OWEB, yet OWEB may provide funding to those that have formed and that represent the watershed's interests, under ORS 541.388. In OAR 695-040-0020(4) "Umbrella Watershed Council" is a watershed organization that provides support to and coordination for at least three watershed groups or councils, and has a coordinating council, shared staff and a single Watershed Council Support grant (or provides service to a watershed area containing three or more 4th field hydrologic units). In OAR 695-040-0060(4)(b), individual council support grant funding levels are based in part on whether the applicant is an umbrella watershed council.

This language was included for the first time in administrative rules developed and adopted by the OWEB Board in 2004. The concept was not new: OWEB had been aware that a few watershed councils had organized around and were operating as umbrella organizations long before the concept was written into administrative rule. For example, the MCWC's 2001-2003 council support application, submitted in December of 2000, states that the basin planning teams are "local groups in the major basins of the Mid-Coast region operating under the umbrella of the Mid-Coast Watersheds Council." Representatives from the MCWC were members of the 2002 and 2003 rules development processes and may have introduced the concept into discussions about how to develop a merit-based council support criteria and evaluation process that also recognized the organizational structure and funding differences in local watershed councils.

OWEB's intent in its administrative rule language was to be able to award funding to a variety of watershed councils that vary in mission and organization. Staff set the stage for this in its April 2003 Board meeting staff report on watershed council support by recognizing that "council situations and requests are different; applicants serving multiple councils or larger areas may request, and may deserve, more funding than a single watershed council serving a smaller geographic area." (Page 6, Section III.A.) The January 2004 staff report on council support rules suggested that umbrella watershed councils were designed to recognize and honor diverse local council arrangements and to be able to provide effective fund resources in a limited funding environment.

2. USFWS Grant Applications

Staff looked at the record for recent development of four grant applications to the U.S. Fish and Wildlife Service (USFWS). Only state agencies may apply to the USFWS National Coastal Wetlands Conservation Grant Program. Applicants compete on a national scale. In February of 2007, the USFWS notified states of the opportunity to request proposals this year. In consultation with local partners, OWEB submitted four applications in June of 2007. Final decisions on the applications are expected at the end of the calendar year.

One application was for projects in the Salmon River watershed. One of these activities in this application was applied for previously and is part of an ongoing, long-term planning effort with the U.S. Forest Service (USFS). The Governor's Office asked state agencies for assistance with the plan and OWEB offered to apply for the USFWS grant. The MCWC has been identified as the potential sub-grantee for this grant, because of its capacity and experience in administering OWEB funds and implementing projects.

A second application was submitted for restoration work in Lint Slough in the Alsea watershed. The MCWC previously applied for and received OWEB funding for the first phase of work (grant 206-169). The Oregon Department of Fish and Wildlife is a key partner in the project. It has been suggested that the Alsea Watershed Council should be the sub-grantee for this application, since Lint Slough is within the Alsea watershed. OWEB staff recommended the MCWC as the likely sub-grantee for this application due to its strong capacity to implement projects generally, and specific experience with the first phase of this project.

The other two applications were submitted for land acquisition projects in the Yaquina and Alsea watersheds. The Wetlands Conservancy, which OWEB has previously partnered with to implement land acquisition projects in the Yaquina estuary, is likely to be the sub-grantee for these grants.

3. MCWC's relationship with other councils in area

As stated above, the MCWC has operated as an umbrella council since 2001; it had also been developing basin planning teams as part of its "2-tiered approach" since 1999. In recent years, as discussed in Allegations #1 and #2, there have been changes in the sub-groups associated with the MCWC. While there are likely many reasons for the changes, some interviewees claim that the turnover of sub-groups is in part due to what has been described as intense and intimidating behavior by the MCWC.

It is important to note that the only council to which OWEB can provide watershed council support grants in the Mid-Coast area is the MCWC. This is because it is has the requisite designation and recognition by a local government entity for this area. OWEB's rules prohibit the agency from providing council support funding to more than one council serving the same area.

Successful watershed councils can bring significant grant funding into their areas. Ideally, this situation creates "win-win" ecological, economic and social benefits for the communities within the watershed. OWEB has long emphasized the need for watershed councils to implement restoration projects. The MCWC has excelled in that regard. Through successful grant applications, the MCWC brings significant restoration funds into the community. Because of its umbrella status and strong record of successfully applying for and implementing grants, the MCWC has considerable local influence regarding cooperative conservation efforts.

In interviews with local citizens and representatives of the MCWC, it is clear that there are differences in philosophy and goals between members of the MCWC and members of some of the other watershed councils or basin planning teams in this area. Those differences have created conflicts between individuals involved in the organizations and have led to divisions between the MCWC and the Salmon-Drift Watershed Council and the Alsea Watershed Council. It is worth noting that it appears that the MCWC and the Salmon-Drift WC are progressing on mending their relationship and building a better working relationship.

The role of the MCWC in the Mid-Coast area is problematic for councils in the area that don't want to be under the MCWC umbrella, because they will not otherwise qualify for any OWEB council support capacity funding. Under the current law, the umbrella arrangement is the only way OWEB may provide council support funding to these other groups.

At the same time, it is also in OWEB's long term interest to have umbrella watershed councils have strong partnership records. OWEB does not have authority to control the actions of umbrella watershed councils in this regard. However, we do strongly encourage the MCWC to endeavor to improve its relations with its current and former sub-group councils.

LEGAL ISSUES

Allegation #8: Watershed councils receive public funding and should be required to follow the Public Meetings Law. The MCWC has claimed to be a private corporation that can limit participation.

A. Findings

A private body is not subject to the Public Meetings Law merely because it receives public funds, contracts with governmental bodies, or performs public services. The legal question is not free from doubt, but the Attorney General's office has advised that a court would likely find that watershed councils are subject to the Public Meetings Law. Public participation in watershed councils may or may not increase as a result of following the meetings law, which requires that meetings be open to the public but does not mandate public participation *per se*.

B. Investigation and Analysis

1. Public Meetings Law

One issue is whether watershed councils that receive public funding are public bodies subject to the Public Meetings Law. This question first arose after adoption of enabling legislation authorizing watershed councils in the late 1990s. GWEB requested Attorney General (AG) advice on the issue. In a letter dated April 6, 1998, the AG concluded, after reviewing the statutes then in place, that it was unlikely that a watershed council would be legally required to comply with the Oregon Public Meetings Law. Watershed councils could voluntarily choose to follow the open meetings requirements. The analysis took into account by analogy six factors the Oregon Supreme Court had developed for determining whether a private body is covered by the Public Records Act. Those analogous factors include the entity's origin, the nature of the functions assigned and performed by the entity (are they traditionally preformed by government or private entities), the scope of the authority granted to and exercised by the entity (does it have authority to make binding decisions for the government), the nature of financial and non-financial support, the scope of government control over the entity, and the status of the entity's officers and employees (are they public employees). GWEB and OWEB have shared this advice with watershed councils.

The statutes related to watershed councils changed in 1999, and state funding of watershed councils has evolved significantly since 1998. Thus, OWEB has asked the AG for updated advice on the question of whether watershed councils would likely be considered to be subject to the Public Meetings Law. The AG has noted that watershed councils exist officially only after being "designated" by local government, they receive mostly public funding, and, perhaps most important, they currently have a statutorily-defined planning function in watershed management under the Oregon Plan. The AG has concluded that while the legal question is not entirely free from doubt, a court would more likely than not rule that watershed councils, are subject to the Public Meetings Law, even though OWEB does not directly control watershed councils, and even though watershed councils are not statutorily authorized to make even advisory recommendations to local government or to OWEB.

It should be noted that the Public Meetings Law is a public attendance law, not a public participation law. The right of public attendance guaranteed by the Public Meetings Law does not include the right to participate by public testimony or comment (Attorney General's Public Records and Meetings Manual, page 125) (AG Manual). The AG Manual also states that in the absence of other statutes, rules or bylaws, a governing body may conduct a meeting without any public participation.

2. Organizational Structure and Public Participation

A second issue is how watershed councils are organized and the impact of that organizational form on public participation. Oregon statutes do not give any guidance regarding the organizational structure of a watershed council.

The statute authorizing watershed councils is clear that watershed councils consist of a majority of local residents, represent a balance of interested and affected persons within

the watershed, and assure a high level of citizen involvement in the development and implementation of their program (ORS 541.388). The statutes do not require that watershed councils involve all citizens in its watershed, or that OWEB must require councils to involve everyone in their business affairs in order to receive funding.

The options for how councils may structure their organization to receive grants and hire or contract for staff are limited. A watershed council may align itself with a local government, soil and water conservation district, or other legal entity to act as fiscal agent and employer of the council's staff. Or, a council may choose to become a non-profit organization with its own federal tax-exempt status. Since 1998, many watershed councils have become independent non-profit organizations with the ability to directly hire staff, manage funds, and implement projects. The MCWC is one of those watershed councils.

Before the updated AG advice, the MCWC and other councils organized as non-profits operated with the understanding that they were likely not subject to the Public Meeting Law. Despite that understanding, most watershed councils have encouraged public participation and have opened their meetings to the public, because they operate by consensus for the explicit purpose of engaging key stakeholders and developing and implementing common solutions.

Watershed councils are unique public-private partnerships that are able to involve state, federal and local officials in the council's decision-making body or committees. One challenge to consensus decision-making is that any council member may block decisions, progress, or projects. Councils work through those disagreements to find common ground, but as a last resort when it becomes clear that a stakeholder or member's intent is only to block progress, some watershed council bylaws were changed to include provisions to be able dismiss or exclude a specific member. Councils are aware that using the provision to be able to move programs or projects forward carries risks to its community building and citizen involvement goals.

Another ambiguity of watershed council statutes involves the question of who qualifies as a member. By statute (ORS 541.388), a council "shall consist of a majority of local residents" and "may include representatives of local government, representatives of nongovernmental organizations and private citizens." For some watershed councils, members are the formal representatives of the watershed's interests and interested citizens have no official role. For others, including many of the non-profit councils like the MCWC, membership is open to all watershed residents or interested persons, while a separate board of directors meets the statutory requirement. In the latter structure, the public has an official role in the organization and may obtain voting rights or other responsibilities. Greater public attendance through the Public Meetings Law does not necessarily result in more opportunities for the public to directly participate as council members in the programs and projects of the council.

Allegation #9: **Watershed councils are not required to put contracts out for bid, but should be if the project is funded by OWEB. The MCWC doesn't put contracts out for bid and has developed improper relationships with its contractors that may have resulted in mismanagement of grant funds.**

A. Findings

Oregon statutes do not require watershed councils to follow public contracting law, but do specify requirements for transactions between board members of a non-profit corporation and the non-profit. Watershed councils organized as non-profit corporations may enter into contracts to implement projects without engaging in the competitive bidding process. The MCWC has contracting processes and procedures for this purpose. The MCWC does conduct transactions with members of its board in grants funded by OWEB. However, we found no evidence that the MCWC has mismanaged grant funds.

B. Investigation and Analysis

This issue involves three aspects: (1) Statutes relating to OWEB's oversight of its grants; (2) watershed council contracting requirements; and (3) watershed council contracting processes and procedures. To examine this allegation, OWEB staff looked at statutes related to the contract requirements of watershed councils and Oregon non-profit organizations, examined a sample of MCWC grants, and interviewed the MCWC about its contracting policies and procedures. Three specific vendors or contractors were alleged to have improper relationships with the MCWC: Bio-Surveys (Steve Trask), Fran Recht, and Rennie Ferris (the latter two are members of the MCWC's board of directors).

In Allegation #5, OWEB described its oversight and accountability requirements for its grant recipients. In Allegation #6, OWEB found that there was no evidence that the MCWC had used funds for purposes not listed in the original grant application.

1. Oregon Statutes and OWEB Oversight

Oregon statutes related to OWEB and watershed councils do not prescribe how grant recipients enter into contracts to implement projects funded by OWEB. OWEB's administrative rules also do not address this issue other than providing that the "Grantee will account for funds distributed by the Board" (OAR 695-005-0050(10)). Findings related to OWEB's oversight of its grantees are described above in Allegation #5.

OWEB has no statutory or legal requirement to require a grantee to put contracts out for a bid. OWEB does require all grantees to follow all laws associated with the activities undertaken to implement the grant.

2. MCWC Contracting Requirements

Oregon statutes related to non-profit corporations give them the flexibility to enter into contracts and conduct business in a legal manner consistent with the organization's articles of incorporation (ORS 65.077(7)). The MCWC is a non-profit corporation and is therefore not required by statute to put contracts out for bid. Oregon statutes also address the issue of conflict of interest by directors of non-profit corporations. In ORS 65.361, a conflict of interest transaction is defined as a "transaction with the corporation in which a director of the corporation has a direct or indirect interest." ORS 65.361 also states that a

transaction involving a conflict of interest may be approved by a majority vote of the board of directors or its committee if the interest is known to those voting.

3. MCWC Contracting Processes and Procedures

In interviews with Wayne Hoffman, coordinator, and Sam Adams, chair, of the MCWC, OWEB staff asked for more information about the MCWC's contracting procedures and process. The MCWC's contracting process has two variations that depend in part on how its project proposals are written.

In the first, the MCWC advertises for bids for the work and chooses contractors based on price and value (such as past performance, responsiveness, experience, or local preference) – although value does not trump price. The bid process has in the past few years required participation in a field walk-through so that potential bidders can see the project and know all the technical details.

In the other variation, the project proposal names a specific contractor, who is then awarded the work if the proposal is funded. The trigger for this variation is where the contractor has been instrumental in developing a project proposal through the MCWC's limiting factors analysis (Rapid Bioassessment), in which the contractor participated in a competitive bid process. This has been used with one contractor, Bio-Surveys (Steve Trask), where the MCWC has a good, tested procedure for identifying, developing and implementing projects.

The examination of a random sample of MCWC grants included the original grant for the MCWC's Rapid Bioassessment Project in which Bio-Surveys was first contracted to conduct these analyses. In addition to this grant, three others involved Bio-Surveys or Steve Trask as project manager for the Grantee. Three of the four grants are complete. One was under budget and another accomplished more work than was proposed in the application. In the one project where Mr. Trask was paid to manage the project to completion, his fee was only $3,500 of a $52,000 OWEB grant ($103,000 total project cost).

This allegation also involves two MCWC board members. Ferris Landscaping provided plants, trees or willows for three of the grants examined in the random sample for fees of $80, $327, and $633. Ms. Recht was not listed as a project manager in any of the grants sampled, but was involved in #98-096, Private Options for Conservation Easements. The grant did not include project management payments. Payments were made to the Central Coast Land Conservancy (CCLC) for monitoring and maintenance of the properties under conservation easement. Ms. Recht is secretary of the CCLC, which is a volunteer position for an all-volunteer board. She submitted the annual monitoring reports to OWEB for this project.

In the MCWC's bylaws adopted June 7, 2007, approval of contracts is not explicitly identified as a responsibility for the MCWC Board or its committees. The MCWC Chairperson is identified as having the responsibility to "sign contracts and proposals on behalf of the Council." It isn't clear that the transactions involving members of the Board were approved by the Board or its delegated committee. This may be one area in which the MCWC should consider improvements to clarify its procedures.

Allegation #10: **The Drift Creek project grant (#205-159) was improperly transferred from Lincoln Soil and Water Conservation District (SWCD) to MCWC to guarantee project management for Steve Trask of Bio-Surveys.**

A. Findings

The Drift Creek project grant (#205-159) was not improperly transferred from the Lincoln SWCD to the MCWC. OWEB statutes and administrative rules do not address the transfer of a Grantee's responsibility before the signing of a grant agreement.

B. Investigation and Analysis

The Lincoln Soil and Water Conservation District submitted a grant application to OWEB for the Drift Creek Restoration project in October of 2004. The application proposed implementing a project to fence and plant both sides of 5.6 miles of lower Drift Creek in the Alsea River basin. The bulk of the requested OWEB funds were budgeted for fence material and labor. Steve Trask was listed on the application as the Technical Contact. The original application budget included $9,000 for a project manager who would also inspect the work of other contractors. The North Coast Regional Review Team (RRT) recommended the project for funding as its highest priority, with the condition that the application provide additional detail on proposed culvert replacements and investigate the use of tree protection devices for the plantings. The Board awarded $122,690 in funding for the project on March 21, 2005.

On March 9, 2006, OWEB received a letter from the Lincoln SWCD requesting that the grant administration for this project be transferred to the MCWC, which would complete the project as proposed. A grant agreement for the project had not been finalized between Lincoln SWCD and OWEB by that time. The letter is in the file as an attachment to an OWEB rule waiver with an effective date of March 27, 2006. The waiver was required for the grant to continue. Under OAR 695-005-0050(1), funding is terminated if a grant agreement has not been fully executed within one year of Board approval. The delay in executing the grant agreement was due to the ongoing negotiations between the landowner and the USDA regarding the landowner's participation in the Conservation Reserve Enhancement Program (CREP). Until that was final (in March of 2006), the amount and distribution of OWEB funds to implement the grant could not be determined.

Reasons for the transfer are not identified in the letter from the Lincoln SWCD, but are included in the rule waiver. The rule waiver identifies that during the same time period, the Lincoln SWCD encountered "contractual difficulties" that could be resolved if the grant were transferred to the MCWC, and the project manager had identified project cost savings while still accomplishing the proposed outcomes. The MCWC submitted a revised application and budget for $121,930 that included $10,500 for project management.

Because of high ranking of the application by the RRT, the project's relationship with CREP, and contribution to other watershed work, staff determined that a waiver of the rules and change of grantee was justified.

OWEB's statutes do not limit this type of transfer. ORS 541.371(2)(b) states that the Board may award funds for a specific project or program application, and under ORS 541.375, both watershed councils and SWCDs are eligible to apply for OWEB grants. OWEB's

administrative rules also do not address the situation where a Grantee asks for its grant to be transferred to another entity before executing a grant agreement. If a grant agreement had been executed between OWEB and the Lincoln SWCD, provisions in OWEB's contract would have allowed assignment of the contract with OWEB's approval. The one aspect of the project affected by rule was the failure on the part of the parties to execute a grant agreement within one year of the Board approval of the grant. However, neither that failure nor the request to transfer the grant award constituted an improper or illegal action on the part of the MCWC.

While not directly pertinent to OWEB's interest, part of the allegation is that this "improper" transfer was motivated because of contracting law that soil and water conservation districts are required to follow. In 2005, changes to the Public Contracting Code went into effect that required soil and water conservation districts to adopt rules for contracting. The Lincoln SWCD rules adopted on January 12, 2006, related to personal services contracts allow contracts, totaling $10,000 or less to be awarded by direct appointment and approved by the District Contract Officer. Personal services contracts totaling more than $10,000, but less than $150,000, may be awarded after obtaining at least three informal quotes.

Finally, while this grant involves $10,500 in project management that was not subject to a bid process, the bulk of the project budget is for a fencing contract ($41,184) that was subject to a publicly noticed bid process. That is consistent with the contract processes and provisions of the MCWC described in Allegation #9.

Allegation #11: Watershed councils who incorporate after local recognition should be reviewed by local government and re-recognized, or they should be required to have a regular local review, for example every two years.

A. Findings

Watershed councils are "formed" and "designated" by local government. Oregon statutes offer no guidance to local governments on whether re-recognition is required after a watershed council changes its organizational status.

B. Investigation

The first part of this allegation asks whether councils that incorporate as non-profit organizations after they are designated by a local government should seek recognition again given their new organizational status. Oregon statutes state what is required in the formation and recognition of watershed council by local government. A key statute states that a watershed council is a "voluntary local organization, designated by a local government group convened by a county governing body." (ORS 541.351(15)) Statutes offer no direct guidance on whether re-recognition is necessary if a council changes its organizational status. OWEB considers the initial local government formation as the recognition necessary for OWEB to provide assistance to watershed councils under ORS 541.388(1).

OWEB honors a watershed council's discretion in determining how best to organize itself. Assuming a council does not change its essential mission upon incorporation as a non-profit organization, it is unclear why re-recognition from a local government would be necessary. From an OWEB perspective, lack of re-recognition does not disqualify councils from receiving OWEB funding support. That said, there is nothing prohibiting a local government

from choosing to require re-recognition for a council that changes it legal organizational structure. That is a decision for the local government entity.

The second part of the allegation suggests that councils should be required to have regular local review. Oregon statutes do not require periodic review of council activities by local governments. Statutes give local government groups wide discretion on whether they involve themselves in the formation of a watershed council and their ongoing level of involvement with a local council. See ORS 541.384(3) and ORS 541.388.

Local government groups responsible for designating a watershed council in their areas *could* periodically review member representation on the council. This review, again, is not required. Instead, the statutes focus on giving local governments broad latitude to determine the level of their involvement with councils.

In watershed council support grant agreements, OWEB requires councils to *offer* an annual report to local government (see Allegation #15). This requirement was designed in part to encourage councils to pursue periodic communication with local governments while at the same time recognizing that it is up to the local government itself to determine its level of involvement with a council.

Allegation #12: OWEB is liable for the actions of MCWC coordinator and MCWC Board.

A. Findings

Oregon statutes do not explicitly authorize governmental control over watershed councils. Despite OWEB's role in funding and supporting the work of watershed councils, OWEB does not literally control what they do. Therefore, OWEB is not liable for the actions of watershed councils, including the MCWC.

B. Investigation

This issue involves the legal relationship between OWEB and watershed councils. OWEB, through its actions as a granting agency, is not liable for the MCWC actions. Watershed councils are not a subdivision of OWEB. OWEB is authorized by ORS 541.388(1) to "work cooperatively with any local watershed council that may be formed," but that statute does not mean that OWEB has regulatory control over the operations of a watershed council.

In ORS 541.371(1)(f), OWEB is prohibited from having regulatory or enforcement authority except for its grant fiscal responsibilities. OWEB's grant agreement includes standard indemnity language: "The Grantee will save and hold harmless the State of Oregon and the Board, its officers, agents, employees and members, from all claims, suits, or actions of whatsoever nature resulting from, or arising out of, the activities of the Grantee, its agents or employees under this agreement." The grant agreement language illustrates the nature of the relationship between OWEB and watershed councils: watershed councils, as OWEB grantees, are responsible for their own actions. OWEB's fiscal interest is to ensure that its grant funds are used appropriately.

Pursuant to ORS 541.388(4) the State of Oregon may provide liability insurance for watershed councils as part of the insurance provided to OWEB. This insurance pays "those

sums that the covered person becomes legally obligated to pay as damages under the laws of any jurisdiction including the State of Oregon because of personal injury, bodily injury, or property damage." (Watershed Council Self Insurance Certificate - www.oregon.gov/OWEB/WSHEDS/wshed_council_forms.shtml) This insurance is provided directly to watershed councils by the Department of Administrative Services (DAS) Risk Management. OWEB must pay the premiums, but that also does not mean that OWEB is liable for the actions of watershed councils.

WATERSHED COUNCIL PROCESS ISSUES

Allegation #13: **The MCWC discourages public participation, MCWC board members yell or threaten citizens in meetings, and citizens feel that they are not treated with respect if they have a different viewpoint.**

A. Findings

There is no local consensus in the watershed community about whether the MCWC discourages public participation. There are widely-divergent opinions, some strongly held. The mixed opinions suggest the MCWC may benefit by working to improve in this area.

B. Investigation and Analysis

To investigate this allegation, the OWEB Executive Director talked to numerous local leaders, stakeholders, and citizens familiar with the MCWC. These persons include:

Sam Adams, Chair, MCWC
Cindy Ashy, citizen
Gary Blanchard, Chief Forester, Starker Forests
Jeff Feldner, OSU Extension Sea Grant
Wayne Geisey, citizen
Bill Hall, Lincoln County Commissioner
Wayne Hoffman, MCWC Coordinator
Eddie Huckins, citizen, former Lincoln SWCD
Linda Johnston, citizen, former Alsea WC staff
Andy Kittel, citizen
Parker Ogburn, OSU Extension – Lincoln County, Siletz Sub-basin staff person
Dr. Frank Pisciotta, citizen
Maggie Rivers, Port of Waldport
Terry Thompson, Lincoln County Commissioner

On the basis of local interviews, there are a wide range of views concerning the MCWC's interactions with the public. Some people indicated that good partnerships and projects are resulting from the MCWC, the council is well regarded, and it has established good relationships and partnerships in the watershed. Some interviewees had only good things to say about the council. Others criticized the way MCWC meetings are conducted, calling them intense, uncomfortable, intimidating, stressful, and attended only by agency people. Others had mixed comments about the MCWC, commending them for their work, but expressing concern that they could do better at involving citizens and communicating with other groups.

The MCWC Board has a focused agenda and is working diligently to accomplish its goals. Keeping focused on an organization's mission may sometimes make it challenging to address differing viewpoints, perspectives, and ideas. Philosophical differences and interpersonal conflicts between the MCWC and other watershed groups and citizens have occurred, and it is not clear that the MCWC has handled these situations as well as it could.

OWEB expects all watershed councils to conduct their meetings in a professional and respectful manner. Ideally, council meetings should be conducted in a manner that fosters and builds partnerships and broadens community awareness of and interest in watershed health. Councils also need to be able to run their meetings productively. Finding the appropriate balance between respectfully listening and responding to citizen and community opinions and ideas, while continuing to implement a focused and strategic work plan to carry out the council's mission, is critically important. It may be more difficult at times to find that balance than it may first appear. OWEB expects watershed councils to continue to strive to maintain that balance.

Allegation #14: All councils who receive public money from OWEB should be required to admit all interested persons to all of their meetings and otherwise allow full participation

A. Findings

Oregon statutes do not require watershed councils to involve all citizens. A watershed council is required to involve representatives of the watershed's interests. Oregon statutes specify that OWEB evaluates council requests on whether the organization reflects the interests of the watershed and has the potential to protect and enhance the quality of the watershed in question.

B. Investigation and Analysis

This issue involves Oregon statutes related to watershed councils and their receipt of public money, and whether the MCWC is satisfying those statutes. Related requests have asked OWEB to require the MCWC to open its affairs, including participation in all meetings and receipt of all emails, to the general public and to Ms. Ashy specifically. Other claims have suggested that the MCWC is not meeting the statutory intent that a watershed council "assures a high level of citizen involvement."

ORS 541.388(1) states: "The Oregon Watershed Enhancement Board may work cooperatively with any local watershed council that may be formed. Requests from local watershed councils for state assistance shall be evaluated on the basis of whether the requesting organization reflects the interests of the affected watershed and the potential to protect and enhance the quality of the watershed in question." ORS 541.388(2) states that "a watershed council may be a new or existing organization *as long as the council* represents a balance of interested and affected persons within the watershed and *assures a high level of citizen involvement in the development and implementation of a watershed action program*." (Emphasis added).

Oregon's statutes do not require watershed councils to represent all citizens, but rather they must represent a balance of the interests in the watershed. Similarly, Oregon statutes do not require 100 percent citizen participation for OWEB to provide funding for watershed council

operations, although ORS 541.388(2) provides that watershed councils must assure a "high level of citizen involvement" in developing and implementing a watershed action program.

OWEB does evaluate whether a council involves the key interests in the watershed. As described in Allegation #4 above, one of OWEB's evaluation criteria for the 2007-2009 council support grants was "Organizational Make-up and Citizen Involvement," which looked at assessed how well the council membership reflected the land use, ownership and issues of the watershed, whether the council had effective processes in place to maintain and enhance citizen involvement, and if there was a significant level of citizen involvement in council activities.

The MCWC has members beyond the statutorily required stakeholder, or watershed interest, body. Under Oregon statute, a non-profit corporation is not even required to have members (ORS 65.137). The MCWC bylaws state that membership is open to all interested persons who support the purpose and goals of the council. Members are eligible to vote for at-large board members at its annual meeting, or may vote in committees unless it is an issue reserved for the board. The bylaws identify that members "shall be" notified of meetings in advance.

The MCWC bylaws also identify provisions for the termination of membership. By statute, membership in a nonprofit corporation may be terminated only through a fair and reasonable process. ORS 65.167 The MCWC has such a process. Whether the MCWC follows its bylaws, or makes changes to its bylaw provisions, is primarily a matter for the council and its members.

Allegation #15: The MCWC hasn't fulfilled its grant requirement to offer the county commission the opportunity for an annual briefing at a public meeting on the council's ongoing activities, projects, community involvement efforts and work plan priorities for the coming year.

A. Findings

It appears that the MCWC has fulfilled its grant requirement for the 2005-2007 watershed council support grant that it offer the county commission the opportunity for an annual briefing.

B. Investigation and Analysis

ORS 541.388(3) requires that where there is more than one watershed council in a county, each watershed council must periodically report the activities of the council to the county governing body. It is also a condition of OWEB's council support grant for the MCWC that the watershed council offer the county commission an annual briefing.

OWEB relies on watershed councils to report on fulfillment of this condition of their council support award in the final report of the watershed council. For the 2005-2007 biennium, the council support final report is due August, 30, 2007, so staff cannot rely upon that document to know if this requirement has been fulfilled in the case of MCWC.

In the past few weeks, however, OWEB staff have received numerous emails that verify that the MCWC briefed the Lincoln County Commissioners on July 18, 2007. The MCWC has also reported to staff that attorney Diane Henkels gave a presentation in March of 2006 to the

county commission on behalf of the council. On the basis of that information, it appears that the MCWC has fulfilled its grant condition in that respect.

Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board
September 18-19, 2007

Blue Mountain Conference Center
404 Twelfth Street
La Grande
**Map is available at www.blmtcc.org*

Tuesday, September 18, 2007

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items E and I), anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. ***The Board encourages persons to limit comments to no more than five minutes.***

A. Board Member Comments
Board representatives from state and federal agencies will provide an update on issues related to the natural resource agency they represent. This is also an opportunity for public and tribal Board members to report on their recent activities and share information and comments on a variety of watershed enhancement and Oregon Plan-related topics. *Information item.*

B. Review and Approval of Minutes
The minutes of the May 15-16, 2007, meeting, and the July 9, 2007, teleconference will be presented for Board approval. *Action item.*

C. Executive Director Update
Tom Byler, Executive Director, will update the Board on agency business and late-breaking issues. *Information item.*

D. 2007-2009 Biennium Spending Plan
Tom Byler, Executive Director, will lead a discussion with the Board on a proposed spending plan for the use of capital and non-capital funds for the 2007-2009 biennium. *Action item.*

E. Public Comment – Pending Grant Applications [approximately 10:45 a.m.]
This time is reserved for public comment on pending grant applications to be considered for funding by the Board. Only comments pertaining to the specific grant applications will be accepted during the meeting. The Board will not accept any written materials at this time. Any written comments pertaining to pending grant proposals must be received by agency staff by the September 7, 2007, deadline.

F. Board Consideration of Pending Grant Applications

The Board will consider grant applications submitted by the April 23, 2007, application deadline. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

Tour – 2:00 p.m.

OWEB is working with the Grande Ronde Model Watershed and Union Soil and Water Conservation District to prepare a tour of projects in the Ladd Marsh area. A detailed tour itinerary will be available at the meeting and on our web site (www.oregon.gov/OWEB) prior to the meeting.

Tour participants should meet in front of the Blue Mountain Conference Center no later than 2:00 p.m. The public is invited to attend the tour; however space on OWEB-sponsored transportation may be limited to Board members, agency staff, and individuals making presentations. If you wish to join the tour, please be prepared to provide your own transportation in the event that space is unavailable on State vehicles. At the conclusion of the tour, Board members and staff will remain at Ladd Marsh where they will attend a barbeque and informal reception hosted by the Grande Ronde Model Watershed.

Wednesday, September 19, 2007

Business Meeting – 8:00 a.m.

During the public comment periods (Agenda Items E and I), anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. ***The Board encourages persons to limit comments to no more than five minutes.***

G. Board Co-Chair Election

Current Oregon Watershed Enhancement Board Co-Chairs Dan Heagerty and Jane O'Keeffe were elected by Board vote in September 2005. Co-Chair O'Keeffe will lead a discussion and vote by Board members to elect Board Co-Chairs for the coming year. *Action item.*

H. Local Capacity Funding

Tom Byler, Executive Director, will present recommendations for allocating non-capital funding to support local capacity, including funding for Watershed Council Support, soil and water conservation districts, the Network of Oregon Watershed Councils, and the Oregon Association of Conservation Districts. *Action item.*

I. Public Comment – General [approximately 9:15 a.m.]

This time is reserved for public comment on any matter before the Board.

J. Special Investment Partnerships

Roger Wood, Special Projects Manager, will discuss agency efforts to initiate special investment partnerships and propose a reservation of funding for partnerships in the 2007-2009 biennium. *Action item.*

K. Research Awards

Greg Sieglitz, Monitoring and Reporting Program Manager, will present funding recommendations for research proposals from the Restoration and Protection Research Fund. *Action item.*

L. Dam Removal Effectiveness Monitoring

Courtney Shaff, Effectiveness Monitoring Specialist, will present a proposal for Oregon State University to complete pre and post project effectiveness monitoring on the removal of the Brownsville and Sodom dams on the Calapooia River. *Action item.*

M. Non-Capital Grant Cycles

Ken Bierly, Deputy Director, will present a schedule for non-capital grant offerings for the 2007-2009 biennium. *Action item.*

N. Conservation Reserve Enhancement Program (CREP)

Melissa Leoni, Senior Policy Coordinator, and Ken Bierly, Deputy Director, will discuss the status of CREP and request an allocation of capital funds for the 2007-2009 biennium. *Action item.*

O. Public Records Administrative Rulemaking

Melissa Leoni, Senior Policy Coordinator, will discuss proposed rulemaking to address recent legislation relating to public records requests. *Action item.*

P. Other Business

Meeting Procedures: Generally, agenda items will be taken in the order shown. However, in certain circumstances, the Board may elect to take an item out of order. To accommodate the scheduling needs of interested parties and the public, the Board may also designate a specific time at which an item will be heard. Any such times are indicated on the agenda.

Please be aware that topics not listed on the agenda may be introduced during the Board Comment period, the Executive Director's Update, the Public Comment period, under Other Business or at other times during the meeting.

Oregon's Public Meetings Law requires disclosure that Board members may meet for meals on Monday, Tuesday, and Wednesday.

****Public Testimony:** The Board encourages public comment on any agenda item. However, public testimony must be limited on items marked with a double asterisk (**). The double asterisk means that the item has already been the subject of a formal public hearing. Further public testimony may not be taken except upon changes made to the item since the original public comment period, or upon the direct request of the Board members in order to obtain additional information or to address changes made to proposed rules following a public hearing.

A public comment period for pending grant applications will be held on Tuesday, September 18, 2007. The Board will not accept any written materials at that time. Any written comments pertaining to pending grant proposals must be received by the September 7, 2007, deadline. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to no more than five minutes.***

A general public comment period will be held on Wednesday, September 19, 2007, for any matter before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to no more than five minutes.***

Tour: The Board may tour local watershed restoration project sites. The public is invited to attend, however transportation may be limited to Board members and OWEB staff. If you wish to join the tour, be prepared to provide your own transportation.

Executive Session: The Board may also convene in a confidential executive session where, by law, only press members and OWEB staff may attend. Others will be asked to leave the room during these discussions, which usually deal with current or potential litigation. Before convening such a session, the presiding Board member will make a public announcement and explain necessary procedures.

Questions? If you have any questions about this agenda or the Board's procedures, please call Bonnie Ashford, OWEB Board Assistant, at 503-986-0181.

If special physical, language or other accommodations are needed for this meeting, please advise Bonnie Ashford (503-986-0181) as soon as possible but at least 48 hours in advance of the meeting.

Oregon Watershed Enhancement Board Membership

Voting Members

Environmental Quality Commission member: ***Ken Williamson***
Fish and Wildlife Commission member: ***Skip Klarquist***
Board of Forestry member: ***Diane Snyder***
Board of Agriculture member: ***Dan Carver***
Water Resources Commission member: ***Dan Thorndike***
Public member: ***Jane O'Keeffe, Board Co-Chair***
Public member: ***Daniel Heagerty, Board Co-Chair***
Public member (tribal): ***Bobby Brunoe***
Public member: ***Patricia Smith***
Public member: ***Jim Nakano***
Public member: ***Helen Westbrook***

Non-voting Members

Representative of Director of Oregon State University Extension Service: ***James Johnson***
Representative of U.S. Forest Service: ***Alan Christensen***
Representative of U.S. BLM: ***Miles Brown***
Representative of U.S. NRCS: ***Meta Loftsgaarden***
Representative of U.S. EPA: ***Dave Powers***
Representative of NMFS: ***Michael Tehan***

Contact Information

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tom.byler@state.or.us

OWEB Assistant to Executive Director and Board - Bonnie Ashford

bonnie.ashford@state.or.us
503-986-0181

2008-2009 Board Meeting Schedule

2008	2009
January 16-17	January 21-22
March 19-20	March 18-19
May 20-21	May 19-20
September 16-17	September 15-16

For online access to staff reports and other OWEB publications check our web site: www.oregon.gov/OWEB

OWEB Tour-September 18, 2007

Stop #	Site	Activity	Drive Time	Site Time	Arrival	Departure
1	Conference Center					2:00 PM
2	Shaw Creek	Completed Projects	20 min	30 min	2:20 PM	2:50 PM
3	Glory Hole	Future Project-2009	7 min	15 min	2:57 PM	3:12 PM
4	Davis Dam(s)	Future Project-2009	10 min	10 min	2:22 PM	3:32 PM
5	Catherine Creek Rearing Ponds, State Diversion Project	Completed Projects 2004 & 2007	14 min	30 min	3:46 PM	4:16 PM
6	Catherine Creek State Park	Rest Stop	10 min	10 min	4:26 PM	4:36 PM
7	OSU Hall Ranch/Milk Creek	Completed Project 2002	5 min	20 min	4:41 PM	5:01 PM
8	ODFW-Ladd Marsh Headquarters	BBQ	19 min	80 min	5:20 PM	7:00 PM

September 18-19, 2007 OWEB Board Meeting
Executive Director Update #C1: 2007 Legislative Session

Background
The Oregon State Legislative Assembly adjourned on Thursday, June 28, 2007. Below is a summary of the natural resource budget implications and OWEB policy impacts.

Budget
Funding for OWEB's capital grants program increased by 41 percent to a record $59.5 million for projects dedicated to watershed protection and salmon recovery. Funding for local watershed councils and soil and water conservation districts was increased to $5 million each to implement local voluntary conservation under the Oregon Plan for Salmon and Watersheds. For the first time OWEB will have an expenditure limitation of $7.7 million for Oregon Plan research grants.

Policy Bills
At the May 2007 Board meeting, staff discussed pending policy bills that intersect with OWEB's responsibilities or grant program authorities. Of those, only three were adopted by the Legislature and signed by the Governor.

HB 2114 "Stewardship Agreements"
Creates Stewardship Agreement Grant Fund and appropriates moneys in fund to Board of Forestry for grants to carry out stewardship agreements. Permits Flexible Incentives Account to be used to fund activities related to stewardship agreements.

HB 2992 "Yaquina Acquisition Bill"
Allows division of lot or parcel in forest zone or mixed farm and forest zone into two parcels if one parcel is to be sold to provider of public parks or open space, or not-for-profit land conservation organization. This bill allows OWEB to complete the Yaquina Acquisition project with The Wetlands Conservancy and U.S. Fish and Wildlife Service.

SB 514 "Conservation Easement Special Assessment"
Establishes a property tax special assessment program for property subject to a conservation easement. The bill includes provisions that land in the program must be inspected by the easement holder periodically to ensure that the land is managed in accordance with the terms of the easement, and that at least every three years, the holder must provide written certification to the county assessor that the enrolled land is being managed in accordance with the terms of the easement. OWEB will be affected as the holder of conservation easements, although most of its easements are on properties owned by non-profit or governmental entities that are either exempt from paying property taxes or make in-lieu payments to counties.

Another new piece of policy legislation, SB 544 related to public records requests, will also impact OWEB. SB 554 is addressed in Agenda Item O.

February 2008 Session
Senate Concurrent Resolution 1 outlines the legislative schedule to include a special session beginning on February 4, 2008, and adjourning no later than February 29, 2008. Staff anticipate

that the special session will be limited to consideration of pressing fiscal and policy issues only. Staff will keep Board members apprised of whether any policy or budget bills that pertain to OWEB will be considered in the February session.

Staff Contact
If you have questions or need additional information, please contact Melissa Leoni, Senior Policy Coordinator, at melissa.leoni@state.or.us or 503-986-0179.

September 18-19, 2007 OWEB Board Meeting
Executive Director Update #C2: Agency Report

Background
This report updates the Board on recent and upcoming staff changes for the agency.

Staff Assignment Changes
You may recall that last fall I temporarily reassigned management responsibilities to enable us to focus on the development of the Special Investments Partnership (SIP) idea. During this period, I moved Roger Wood to work on SIP, Ken Bierly was shifted over to oversee the Grant Program, and I managed the Policy and Oregon Plan Coordination section. To move forward this biennium, OWEB will do the following:

1. Roger Wood will continue to work on the SIP effort.
2. We are recruiting for a new Grant Program Manager, with the goal of bringing a new person on board in October/November.
3. Ken Bierly will return to his previous duties managing the Policy and Oregon Plan Coordination section. Ken will resume these responsibilities upon the hiring of the new Grant Program Manager.

This change will allow OWEB to have its full complement of managers while at the same time continuing to staff the SIP initiative at a critical stage of development.

Lori Warner-Dickason is leaving OWEB for a position at the Department of State Lands. Lori did outstanding work with the acquisitions and council support programs. Her last day at OWEB is September 7, 2007. We wish her well in her new job.

Douglass Fitting will take over Lori's responsibilities for council support and acquisitions. We are thrilled to have someone with Douglass's experience and expertise take charge of these program areas.

New Staff Positions
The following four new positions were authorized and funded by the Legislature as part of the 2007-2009 OWEB budget:

Regional Program Representative (permanent position)
Increases OWEB field presence and customer service. The position will allow more frequent contacts with landowners and local watershed groups, and more project site visits. We expect to recruit for this position after the new Grant Program Manager is hired.

Technical Assistance Coordinator (limited duration position)
Provides technical assistance coordination and tools for local partners. Increases OWEB field presence. Oversees Technical Assistance grant cycles. We expect to recruit for this position after the new Grant Program Manager is hired.

Oregon Plan Communications Coordinator (limited duration position)
Promotes awareness of and participation in the Oregon Plan. Oversees Education grant cycles. The recruitment for this position will be announced early this fall.

Data Analyst (limited duration position)
Responsible for compiling, analyzing, and coordinating interagency, Oregon Plan-related data with local, state and federal partners. OWEB has entered into a Job Rotation agreement, with OSU's Institute for Natural Resources, for Renee Davis-Born to work in the capacity of the Data Analyst for the remainder of the biennium beginning September 17, 2007. Renee was recently the Oregon Explorer project manager for INR and brings with her excellent project management experience, familiarity with OWEB projects and data management systems, and several years of working on data management systems with Oregon's natural resource agencies and local groups.

Staff Contact
If you have questions or need additional information, please contact Tom Byler, at tom.byler@state.or.us or 503-986-0180.

September 18-19, 2007 OWEB Board Meeting
Executive Director Update #C-3: Annual Performance Measure Report

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

Presently, OWEB has 13 KPMs adopted by the 2005 Legislature that it is responsible for reporting on by September 30, 2007. While five of the KPMS are designed to evaluate the agency and its program performance, the balance is intended to represent the accomplishments achieved under the Oregon Plan for Salmon and Watersheds (Oregon Plan). Several of the Oregon Plan related KPMs are informed primarily through the actions and reporting by other Oregon natural resource agencies to OWEB. OWEB's ability to report on these measures is largely a result of the capabilities of the other agencies.

Measures in Flux
Last biennium, a budget note to OWEB's 2005-2007 Legislatively Adopted Budget directed the agency to work with the Joint Legislative Audit Committee (JLAC) to bring OWEB's Legislatively Approved Performance Measures in alignment with the federal performance measures required by the National Marine Fisheries Service (NMFS) for the use of funds from the Pacific Coastal Salmon Recovery Fund. In response to the budget note, OWEB conducted an extensive review of its 13 existing performance measures and submitted modifications to the Legislative Fiscal Office (LFO) and JLAC. The proposed changes were adopted by the LFO and JLAC in 2006.

During the 2007 Ways and Means Joint Subcommittee on Natural Resources hearings and work session on OWEB's budget, a number of comments by legislators focused on the lack of relationship between the agency's program responsibilities, particularly in light of the significant growth of Measure 66 Lottery funds, and its current set of KPMs. Specific reference was made to the potential reauthorization of Measure 66 in 2014 and the importance of having agency performance measures that would reflect for the public the type and extent of progress made toward Measure 66 goals. The result of the discussions was the deletion of four KPMs for the 2007-2009 biennium. Additionally, the Subcommittee recommended that OWEB return to the JLAC or Joint Interim Ways and Means Committee with recommendations on new KPMs by February 1, 2008.

Staff Contact
Staff are in the process of developing the Fiscal Year 2007 report, which will document the progress made toward achieving the 13 KPMs described above. If you have questions or need additional information about the Annual Performance Measures, please contact Greg Sieglitz, at greg.sieglitz@state.or.us or 503-986-0194.

September 18-19, 2007 OWEB Board Meeting
Executive Director Update #C4: Board Meeting Locations

Background
The Board adopted meeting dates and grant application deadlines for the 2007-2009 biennium at the May 2007 meeting. Board meetings, except during legislative sessions, are held around the state to enable Board members to meet local watershed partners and view their projects.

2007-2009 Board Meeting Locations
Staff have developed the following proposed locations for Board meetings:

2008 Meeting Dates	Meeting Location
January 16-17	Seaside/Astoria (R1)
March 19-20	Medford (R2)
May 20-21	Ontario/Burns (R5)
September 16-17	The Dalles (R4)

2009 Meeting Dates	Meeting Location
January 21-22	Salem (R3)
March 18-19	Portland/Salem (R3)
May 19-20	Salem (R3)
September 15-16	Klamath Falls (R4)

Staff Contact
If you have questions, please contact Bonnie Ashford, at bonnie.ashford@state.or.us or 503-986-0181.

September 18-19, 2007 OWEB Board Meeting
Executive Director Update #C5: Board Planning Session Report

Background
The Board met on July 17-19, 2007, in Maupin at the Imperial River Company. Tom Byler and the Board Co-Chairs started the planning session off with a brief overview of OWEB's goals, objectives, and mandates. A key focus area for the Board was to discuss, at the midpoint of the 15-year term of Ballot Measure 66, whether OWEB was focusing its grant investments in the most effective and strategic manner possible. The Board then had a visioning exercise about what success for OWEB might look like in 2014 and what outcomes OWEB is working toward. Tom Byler concluded the first day with an update on OWEB's legislatively adopted budget.

The Board toured projects in the Bakeoven and Buck Hollow watersheds on Wednesday morning, including a visit to the Imperial Stock Ranch, and then spent the afternoon discussing OWEB's different grant programs and types of investments and how those might be improved or made more strategic. The session concluded on Thursday morning with discussions about strategic investments, expectations for watershed councils and soil and water conservation districts, and an evaluation of Board processes.

This staff report updates the Board on the follow-up assignments not included in other staff reports on the September agenda. These items may be part of future Board meeting presentations or discussions.

Strategic Grants and Investments
The staff report on grant cycles recommends "regular" grant offerings for October 2007. Over the next couple of meetings, staff anticipate further discussion with the Board about potential strategic approaches to different grant program areas and/or direct investments if additional federal funding is available. Staff intend to develop ideas for strategic grant offerings for research, monitoring, and education and outreach.

Parks Partnership
Board members directed staff to continue exploring Measure 66 funding partnerships with staff from the Oregon Parks and Recreation Department. Staff will report to the Board on our progress in these discussions at upcoming meetings.

Small Grant Program
At the planning session, Board members discussed potentially increasing the per project limit for small grants and making additional funding available for small grants teams who have spent their allocation and still have a list of pending applications. The $10,000 limit for small grants is established in administrative rule and would require rulemaking to make the change. Staff are also currently evaluating how the small grant program assists in implementation of Agricultural Water Quality Management Area Plans ("SB1010 plans"). Staff plan to return at a future Board meeting with a full discussion of the program and alternatives for funding.

Local Innovation Fund
The Board discussed conducting and assessment of how the program worked, and reporting progress and accomplishments for previously funded projects. Projects funded through the Local

Innovation Fund (LIF) are still in progress, and staff anticipate a future report to the Board on the program.

The LIF grants were one element of OWEB's 2004 Sustainability Plan. The Sustainability Board was reauthorized by the 2007 Legislature. OWEB anticipates that it will continue to work with the Sustainability Board as it moves forward and will report back to the Board on future developments.

Board Processes
Board members recommended that staff provide hard copies of PowerPoint presentations and requested that staff work more with presenters (and on room logistics) to improve presentations given to the Board. Board members also asked staff to assist them by providing more context on controversial issues or when they are asked to fund projects that aren't recommended for funding. Board members expressed an interest in scheduling tours as part of Board meetings and having staff create opportunities for the Board to better interact with the public. There was general support for continuing to have co-chairs.

Board Subcommittees
The Board discussed establishing subcommittees for the Local Innovation Fund, Monitoring and Research, and Education and Outreach, in addition to existing subcommittees for the Strategic Investment Partnerships, Land Acquisition, and Council Support.

For Education and Outreach, formation of the subcommittee(s) will wait until the Communications Coordinator position is hired. Diane Snyder and Jim Johnson were identified as potential members of this subcommittee.

Staff Request
This staff report is provided as a summary of the discussion and follow-up items identified at the Board Planning Session. If you have questions or need additional information about the Planning Session, please contact Tom Byler, at tom.byler@state.or.us or 503-986-0180.

September 18-19, 2007 OWEB Board Meeting
Executive Director Update #C6: Land Acquisition Grant Update

Background
Land acquisition grant applications often require more time to fully evaluate and prepare a funding recommendation than is available in the regular 21-week grant cycle. At the time of writing this staff report, none of the three land acquisition projects deferred at previous Board meetings are ready for consideration at the September 2007 Board meeting and therefore are not addressed in Agenda Item F.

Status of Acquisition Projects Previously Deferred by the Board (as of August 15, 2007)
The following table shows the status of the three pending land acquisition grants:

Application	Status
Newton Creek Wetlands (207-301)	The Subcommittee has been deferring the due diligence decision pending progress in capacity development and fundraising.
Lostine River (207-324)	Pending due diligence receipt.
Pilcher Creek (206-339)	Pending due diligence receipt.

Staff Contact
If you have questions or need additional information about the deferred land acquisition grant applications, please contact Douglass Fitting, at douglass.fitting@state.or.us or 503-986-0046.

August 31, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

SUBJECT: **Agenda Item D: 2007-2009 Biennium Spending Plan**
September 18-19, 2007 OWEB Board Meeting

I. Introduction

In this report, staff propose a spending plan for $59.5 million in capital funds, $6.4 million in non-capital funds, and $7.7 million in non-capital and capital Restoration and Protection Research Funds appropriated to the Oregon Watershed Enhancement Board by the Legislature for the 2007-2009 biennium. This report and its attachments offer a strategy to guide the distribution of capital and non-capital funds by describing the potential uses of the funds, recommending fund allocations for specific identified needs, and suggesting reservations of funds for certain purposes.

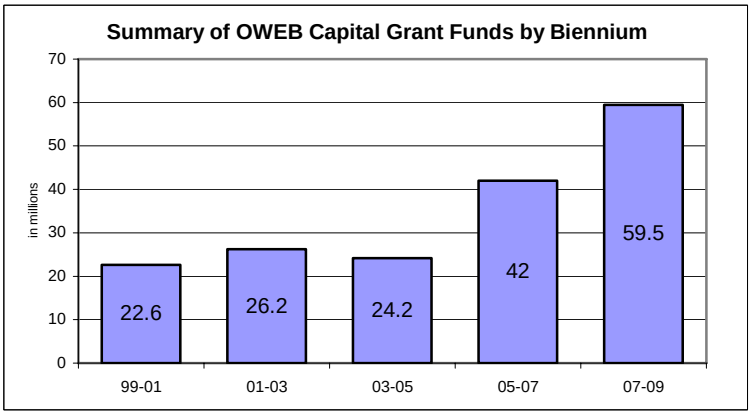
II. Background

Measure 66 funds may be used for a wide variety of purposes that further the goals of improving water quality, recovering fish and wildlife, and enhancing watershed health. The criteria for use of Pacific Coastal Salmon Recovery Funds (PCSRF) are for recovery planning or for recovery and restoration of salmon or steelhead. Measure 66 and PCSRF funds may be distributed through the competitive grant process or by direct allocation by the Board.

A. Capital Funds

The 2007-2009 Legislatively Adopted Budget for OWEB includes $59.5 million of Measure 66 Lottery Funds available to be allocated by the Board for capital grant purposes. Capital funds are used to fund on-the-ground restoration and protection projects. Table 1 shows the considerable growth of capital funds since 1999.

Table 1



B. Non-Capital Funds

The 2007-2009 Legislatively Adopted Budget for OWEB includes $5.4 million of non-capital Measure 66 Lottery Funds. An additional $1 million of federal Pacific Coastal Salmon Recovery Funds (PCSRF) is available to be allocated by the Board for non-capital grant purposes. Non-capital funds are used to fund an assortment of needs that capital funds cannot support. These include: technical assistance, education and outreach, monitoring and assessment, watershed council support, and agency efforts related to the Oregon Plan for Salmon and Watersheds.

The $6.4 million in available non-capital funds does not include potential additional funds from PCSRF for Federal Fiscal Year 2008. In previous biennia, even-year PCSRF funds became available to support the non-capital grant program during the second half of the biennium. Table 2 compares this biennium's non-capital funds with previous biennia.

Table 2. Non-Capital Funds

Biennia	Initial Funds	Mid-Biennium Funds
1999-2001	$3.7 million	$9.0 million
2001-2003	$8.9 million	$11.1 million
2003-2005	$0	$8.3 million
2005-2007	$4.35 million	$4.1 million
2007-2009*	$6.4 million	Unknown

*** Does not include FFY 2008 PCSRF Funds**

C. Research Funds

For the first time, the 2007-2009 Legislatively Adopted Budget for OWEB includes $4.93 million of capital and $2.75 million of non-capital research funds available to be allocated by the Board at its discretion. The funds from the Restoration and Protection Research Fund are based on the interest earned on the Measure 66 Lottery Funds and can be used for the "purpose of funding research and other activities related to the restoration and protection of native salmonid populations, fish and wildlife habitats and water quality, including but not limited to research, monitoring, evaluation and assessment related to the Oregon Plan." (ORS 541.378(1))

III. Proposed Capital Fund Spending Plan

The $59.5 million in Measure 66 capital funds is an increase of $17.5 million over the previous biennium. This increase provides the opportunity for OWEB to explore new investments, like the Special Investment Partnerships, while continuing to fund traditional capital investment program areas at a high level.

A. Previous Commitments

During the 2005-2007 biennium, OWEB awarded grants for four projects that were only partially funded, with the understanding and commitment to fully fund the projects with funds from the 2007-2009 biennium. The cumulative effect of the deferred funding recommendations from last biennium is $2,750,750. A more detailed discussion on these funding commitments is included in Agenda Item F.

B. Small Grant Program

In May, the Board awarded $2.8 million to support the Small Grant Program for this biennium. As per the Board direction at the July Planning Session, staff will review the

program and provide recommendations at an upcoming Board meeting on whether adjustments to the program are needed.

C. Conservation Reserve Enhancement Program
Staff propose the Board allocate $4 million in capital funds to support the Conservation Reserve Enhancement Program for the 2007-2009 biennium. Agenda Item N contains a detailed discussion on this program area.

D. Special Investment Partnerships
Staff recommend the Board reserve $12 million in Measure 66 capital funds to support Special Investment Partnerships. This proposal represents a new investment opportunity for the Board made possible in large part due to the increase in funding. Discussion regarding the requested action on this reserve is included in Agenda Item J.

E. Oregon 150 Grants
In 2009, Oregon will celebrate its 150th anniversary of statehood. Governor Kulongoski has organized a sesquicentennial planning group, referred to as Oregon 150, to organize a celebration to mark the event. As part of the planning, state agencies with grant programs have been encouraged to focus their grants in a manner that underscores and celebrates Oregon.

Toward that end, OWEB staff propose to allocate $1 million in capital funds to support a collaboration with the Oregon Department of Fish and Wildlife (ODFW) that would fund a series of projects dedicated to the protection and enhancement of several of Oregon's state species, the Western Meadowlark, Chinook Salmon, American Beaver, and Swallowtail Butterfly. Under this joint effort, ODFW would solicit, review, and select projects for these species consistent with the Oregon Conservation Strategy. ODFW will consult with OWEB on the proposed projects. OWEB will administer the grant funds. The goal is to have projects solicited, reviewed, funded, and to the degree possible, implemented by the time of the 2009 celebration.

This endeavor has the potential to get significant public attention due to its association with the sesquicentennial celebration. This effort also represents the strong partnership opportunities associated with implementing the Oregon Plan for Salmon and Watersheds and the Oregon Conservation Strategy.

F. Regular Restoration and Acquisition Grants
Staff recommend the Board reserve a total of approximately $37 million for restoration and acquisition grants this biennium. This reserve allows nearly $9.25 million in capital funds to be available for each of the four restoration and acquisition grant cycles over the biennium. The $9.25 million represents a $1.75 million increase over the reserve from last biennium and offers a continued strong investment in this important program area.

A summary of the proposed capital fund spending plan in contained in Attachment A.

IV. Proposed Non-Capital Fund Spending Plan

The $6.4 million of non-capital grant funds for this biennium is a welcome increase over previous biennia. Staff recommend adding $1.5 million in non-capital research funds to this

total. Research non-capital funds can be used to support monitoring and technical assistance needs. The combination of regular non-capital funds and research non-capital funds provides a total of $7.9 million in non-capital funds to start the biennium.

While this funding will not meet all non-capital program needs, it does offer opportunities for increased investment in priority programs. As with last biennium, investment in the capacity of local groups, watershed councils, and soil and water conservation districts, continues to be a high priority. The Legislature's increase in council and district base support funding will help these groups considerably. The proposed spending plan below is designed to augment the legislative appropriation by focusing on local capacity and other key non-capital program areas. The proposal is also devised with the expectation that additional federal funds will become available to support continued non-capital grant investments in the second half of the biennium.

A. Local Capacity Funding

Staff propose an immediate allocation of funds to augment the watershed council support grant funding decision made at the May 2007 Board meeting, and an additional allocation to support local soil and water conservation district capacity. This funding proposal will provide a total of $6 million each for the support of councils and districts for the biennium. This item also includes support for the Network of Oregon Watershed Councils and the Oregon Association of Conservation Districts to help OWEB's local partners improve local capacity and effectiveness. More detail on this proposal and requested action are described in Agenda Item H.

B. Technical Assistance

Technical assistance plays a key role in developing restoration grant proposals for capital funded projects. Non-capital funds to support technical assistance increase the capacity of OWEB's local partners to engage in project development, planning, design, coordination and permitting. Staff recommend the Board award approximately $1 million for technical assistance grants as part of Agenda Item F. Staff also recommend the Board reserve $500,000 in non-capital funds for a technical assistance grant offering for the October 2007-March 2008 grant cycle. Funding for technical assistance beyond the upcoming grant cycle will depend on the availability of additional federal funds.

C. Recovery Planning

Completing plans for salmon recovery for species listed under the federal Endangered Species Act is a high priority for the Governor's Office, Legislature, and the National Marine Fisheries Service. Last biennium, OWEB funded $1.55 million to assist in the development of recovery plans and the Legislature allocated $750,000 of Measure 66 funds to the Oregon Department of Fish and Wildlife for recovery planning purposes.

This biennium, staff propose the Board allocate $1.5 million for recovery planning work. These funds will provide the resources to complete ongoing planning work by the end of 2008. The funding will support technical staff work, facilitation, contracting, research peer review, and local outreach and community involvement. The funds will also contribute to an OWEB recovery plan implementation strategy for coastal coho by supporting intensive local community outreach to encourage landowners located in high priority recovery areas to participate in restoration work.

D. Monitoring
Staff recommend the Board reserve $1.5 million to support a monitoring grant cycle offering for the October 2007-March 2008 period. Future monitoring grant offerings or potential non-grant awards for this biennium will depend on the availability of additional federal funds.

E. Education/Outreach
The investment in Education and Outreach is guided by the Board Education and Outreach Strategy adopted in May of 2005 that focuses on awareness, knowledge, and skill development. The spending plan proposes to reserve $500,000 for an education and outreach offering for the October 2007-March 2008 grant cycle. At an upcoming meeting, staff will present recommendations on options for effective implementation of the strategy. This may influence future grant offerings. OWEB's ability to make Education and Outreach offerings later in the biennium will depend on the availability of additional federal funds.

F. Assessment
Watershed assessments have been completed in most parts of the state. There are still a few remaining areas where assessments are needed, and other areas where updates may be desirable. Staff do not propose an assessment grant offering in October of 2007. Staff also do not recommend reserving funding for assessments with the existing funds. Future assessment grant offerings or potential non-grant awards for this biennium will depend on the availability of additional federal funds.

G. Oregon Plan Products
Through its funding resources, OWEB supports projects and products from state agencies and other partners that help implement the Oregon Plan for Salmon and Watersheds. These actions often do not fit well within OWEB's grant cycle process. Examples of potential projects that may be presented to the Board this biennium include funding for: stream gauges and measuring devices; digitization of wetland maps; continued development of the Oregon Explorer; and probabilistic water quality monitoring.

At this time, it is not clear what project proposals may be brought forward to the Board or when that would occur. It is also possible that some projects could be supported with capital and/or non-capital research funds. Given this situation, staff do not propose reserving funds in this program area at this time. Potential items may be brought before the Board at future meetings if sufficient funding is available.

H. Regional Restoration Priorities
The continuation and completion of the effort to develop regional restoration priorities (at the reporting basin scale) will help to guide future restoration funding decisions and be useful in the review of projects. The ultimate goal is to establish investment priorities for each of the 15 Oregon Plan reporting basins in the state using information from Columbia subbasin planning, species recovery planning by federal and state agencies, action plans developed by local watershed groups, and prioritization principles developed for the Board.

Significant progress was made on this effort last biennium. Staff recommend the Board allocate $100,000 to complete regional priorities in the Klamath and Lakes basins.

I. Miscellaneous

Staff propose the Board provide funding from the 2007-2009 OWEB budget for the following purposes:

1. Biennial Conference--$50,000. This funding allocation will support efforts needed to carry out the next OWEB biennial conference in the fall of 2008. Examples of costs include personnel, contracted services, printing and mailing.
2. Staff support and contracting for development and implementation of Special Investment Partnerships--$200,000. Only $50,000 of that total will come out of the 2007-2009 budget, the remainder will utilize recaptured non-capital funds. Staff will ask the Board to allocate funding for this purpose as part of Agenda Item J.
3. Agency Outreach--$50,000. This funding allocation will support OWEB's non-grant efforts to promote participation in the Oregon Plan for Salmon and Watersheds and other outreach related activities.
4. Training Opportunities--$25,000. Last biennium, the Board allocated funds to support local council and district training and for scholarships to attend training sessions and workshops. Staff propose the Board allocate funds to continue offering these opportunities to our local partners.

Attachment B provides a summary of the non-capital spending plan proposal.

V. Proposed Restoration and Protection Research Fund Spending Plan

The Research Fund is projected to achieve approximately $7.7 million in revenue by the end of the 2007-2009 biennium. The composition of those funds is anticipated to be $4.93 million in capital and $2.75 million of non-capital. These investments will depend on the availability of research funds, which are based on interest accrued from the regular Measure 66 funds over the course of the biennium.

A. Research Grants

As set out in Agenda Item K, staff recommend the Board allocate $2,964,616 in research capital funds and $129,154 in research non-capital funds to support research awards that were solicited during the past year. Additional research investments are anticipated during the biennium.

B. Non-Capital Investments

As referenced in section IV of this report, staff propose reserving $1.5 million of non-capital research funds to support monitoring and technical assistance grant awards in the October 2007-March 2008 grant cycle offering. Staff recommend the Board allocate $308,410 of capital research funds to Oregon State University for effectiveness monitoring of the Brownsville and Sodom dam removals. More detail on this proposal is described in Agenda Item L.

A summary of the proposed Restoration and Protection Research Fund spending plan is contained in Attachment C.

VI. Recommendation

Staff recommend:

A. The Board approve the proposed spending plans in Attachments A, B, and C as a guide to reserve OWEB funds for the first year of the biennium with specific direction to staff to report on the actions taken under the spending plan at each subsequent Board meeting; and

B. The Board approve the following specific funding proposals:
    a. Allocate $1 million of capital funds to the Oregon 150 Grant effort identified, and delegate to the Executive Director the authority to distribute the funds through appropriate grant agreements consistent with the purposes outlined in section III.E. of this report.

    b. Allocate $1.5 million of non-capital funds to support the development and and implementation of recovery plans, and delegate to the Executive Director the authority to distribute the funds through appropriate grant agreements, contracts and interagency agreements consistent with the purposes identified in section IV.C. of this report.

    c. Allocate $100,000 of non-capital funds to support the completion of regional restoration priorities, and delegate to the Executive Director the authority to distribute the funds through appropriate personal service contracts or interagency agreements consistent with the purposes described in section IV.H. of this report.

    d. Allocate $50,000 of non-capital funds to support the 2008 OWEB Biennial Conference, and delegate to the Executive Director the authority to distribute the funds for personnel, contracted services, and other associated costs consistent with section IV.I. of this report.

    e. Allocate $50,000 of non-capital funds to support Agency Outreach, and delegate to the Executive Director the authority to distribute the funds consistent with section IV.I. of this report.

    f. Allocate $25,000 of non-capital funds to support Training Opportunities, and delegate to the Executive Director the authority to distribute funds consistent with the purposes outlined in section IV.I. of this report.

Other specific proposals for Board funding allocations are recommended as part of other staff reports as referenced above.

Staff will report to the Board on the implementation of the spending plan at each Board meeting and suggest alterations as needed. As the availability of other funds becomes more certain, staff will discuss with the Board how those additional funds may be used to meet OWEB needs.

Attachments
A. Capital Spending Plan Allocations (table)
B. Non-Capital Spending Plan Allocations (table)
C. Research Fund Allocations (table)

ATTACHMENT A

2007-2009 Biennium Capital Spending Plan

Available Funding = $59.5 million

Program Element	May 2007 Allocation	Sept 2007 Allocation	Sept 2007 Reserve	Total
Small Grants	$2,800,000	$0	$0	$2,800,000
2005-07 Phased Awards	$1,263,500	$1,487,250	$0	$2,750,750
CREP	$0	$4,000,000	$0	$4,000,000
Special Investment Partnerships	$0	$0	$12,000,000	$12,000,000
Oregon 150 Grants	$0	$1,000,000	$0	$1,000,000
Regular Restoration/Acquisition	$0	$8,821,753	$28,127,497	$36,949,250
Totals	**$4,063,500**	**$15,309,003**	**$40,127,497**	**$59,500,000**

ATTACHMENT B

2007-2009 Biennium Non-Capital Spending Plan

Available Funding = $7.9 million

Program Element	Sept 2005 Allocation	Sept 2007 Reserve	FFY 2008 PCSRF	Total
Local Capacity	$2,200,000	$0		$2,200,000
Technical Assistance	$1,000,000	$500,000		$1,500,000
Recovery Planning	$1,500,000	$0		$1,500,000
Monitoring Grants	$0	$1,500,000		$1,500,000
Education/Outreach Grants	$0	$500,000		$500,000
Assessment Grants	$0	$0		$0
Oregon Plan Products	$0	$0		$0
Regional Restoration Priorities	$100,000	$0		$100,000
Biennial Conference	$50,000	$0		$50,000
Special Investment Partnerships	$50,000	$0		$50,000
Agency Outreach	$50,000	$0		$50,000
Training Opportunities	$25,000	$0		$25,000
Totals	**$4,975,000**	**$2,500,000**	**$0**	**$7,475,000**

Remaining Funding = $425,000

ATTACHMENT C

2007-2009 Biennium Capital Research Funds Spending Plan

Anticipated Funding = $4.9 million

Program Element	Sept 2007 Allocation	Sept 2007 Reserve	Total
Item K Research Awards	$2,964,616		$2,964,616
Item L Dam Removal Effectiveness Monitoring	$308,410		$308,410
Unallocated Balance			$1,626,974
Totals	**$3,273,026**	**$0**	**$4,900,000**

2007-2009 Biennium Non-Capital Research Funds Spending Plan

Anticipated Funding = $2.7 million

Program Element	Sept 2007 Allocation	Sept 2007 Reserve	Total
Item K Research Awards	$129,154		$129,154
Non-Capital Grant Program		$1,500,000	$1,500,000
Unallocated Balance			$1,070,846
Totals	**$129,154**	**$1,500,000**	**$2,700,000**

August 29, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item F: OWEB Grant Award Recommendations**
Overview and Statewide Projects
September 18-19, 2007 OWEB Board Meeting

I. Introduction

This staff report describes the process for evaluation of the capital and non-capital grant applications submitted by the April 23, 2007, grant deadline. The report also includes budget considerations and a summary of combined funding recommendations. Finally, this report includes the statewide Technical Assistance grant evaluations and staff recommendations.

II. Background and Summary

One hundred and ninety one grant applications seeking a total of $21,026,905 were received by the April 23, 2007, grant deadline. The breakdown by region, project type, and dollar amount is shown on the attached table. (Attachment A)

Restoration and Acquisition applications that are eligible for capital funds were solicited in this funding cycle, as were Technical Assistance applications that primarily use non-capital funds. After being screened for eligibility and completeness, the applications were sent to the five Regional Review Teams (RRTs), which reviewed the applications for merit and made prioritized funding recommendations to OWEB staff. OWEB staff considered funding availability and the amount of funds budgeted, and integrated the separate RRT recommendations into a staff funding recommendation to the Board.

Following this overview are regional staff reports containing the OWEB staff funding recommendations for each region.

III. Review Process

Grant applications were screened for completeness, categorized by application type and copied for review. The RRTs were sent packets of eligible grant proposals to read and consider. OWEB staff in each region then scheduled visits to as many sites as possible, emphasizing new applications, acquisitions, and the more complicated projects. All RRT members were invited on these visits and some members were able to participate at each site. In their RRT meetings, reviewers were asked to determine the technical merit of each proposal and, with the exception of acquisition applications (for which the RRT only discusses the ecological and conservation value of the proposed acquisition), whether to recommend each application for funding. After

classifying applications as “do fund” or “no fund,” the RRTs were then asked to prioritize the applications recommended for funding. The RRT recommendations are included in each applicable regional staff report in this agenda item. The recommended funding amount and any special conditions are identified in the tables attached to each regional staff report.

OWEB received one Technical Assistance grant application that has a broader focus than one single region. This application was reviewed by a selected group from each RRT.

The RRT recommendations in summary form were distributed to all applicants whose proposals were reviewed by that RRT. Staff continued in this grant cycle the practice of forwarding all comments received from applicants regarding the RRT recommendations to the Board prior to the Board meeting.

IV. Statewide Technical Assistance Application

The reviewers did not recommend the one statewide application that proposed to develop permitting guidance for dam removal projects. They felt that there was sufficient change in the regulatory process that guidance was unlikely to be useful at this time.

V. Acquisition Applications

Two new land acquisition applications and one water acquisition application were reviewed during this grant cycle. By rule, land acquisition applications undergo a multifaceted review. Applications are first reviewed by a Board Acquisition Subcommittee, which recommends whether or not staff should proceed with a due diligence review of the project. Simultaneously, applications are reviewed by the RRTs for ecological and educational values. The Subcommittee may ask for additional information from the applicant or may ask that specific questions be addressed by the RRT.

If the due diligence review is recommended, staff request an appraisal report, title report and exceptions, option, donation disclosure, environmental site assessment, and proposed conservation easement. An independent review appraiser evaluates the appraisal report. OWEB’s legal counsel at the Department of Justice reviews the title report, exceptions, option agreement, and conservation easement. Staff at the Department of Environmental Quality review the environmental site assessment.

After the due diligence review is complete, the Subcommittee synthesizes the proposed project’s ecological and educational benefits, applicant capacity, partnerships, local support, local and regional community effects, RRT evaluation, and due diligence results into a funding recommendation to OWEB staff. Staff then consider all evaluation criteria, the Subcommittee’s recommendation, and available funding resources to develop a funding recommendation to the full Board. The staff funding recommendations are summarized in a separate section in the appropriate regional staff report.

The land acquisition grant application from Region 1 (Shangrila Creek Wetlands, 208-103) submitted in April 2007 was identified as having high ecological value but is not ready for a funding decision at this time because the due diligence materials are not complete. The Zena Property acquisition application (208-101) was withdrawn by the applicant.

In the April 2007 grant cycle, OWEB received one water acquisition grant application. The OWEB Board adopted administrative rules for water lease and transfer (acquisition) applications in January of 2005. The ecological value of a proposed water acquisition project is based on a project's ability to increase instream flow to address the needs of priority habitat and species, and/or to improve water quality in a water quality limited stream reach. This evaluation is conducted in part by reference to the Oregon Plan Streamflow Restoration Priorities (2001) and by evaluation by the appropriate RRT.

In addition to the ecological review of a proposed project, a review of due diligence materials is conducted. Due diligence materials include a fair market appraisal or other valuation assessment, a written assessment of the water right, the water right certificate, an ownership and lien report, an option agreement, and a donation disclosure statement. The appraisal or other valuation assessment is reviewed by OWEB's review appraiser. The assessment of the water right is evaluated by the Oregon Water Resources Department to determine its reliability to provide instream benefit. The remaining items are evaluated by staff for consistency with the administrative rules and by OWEB's legal counsel for legal sufficiency.

The water right acquisition application is for a five-year lease in the Hood River Basin (208-102, East Fork Irrigation District) and is not recommended for funding. (See the Region 4 staff report.)

VI. Budget Considerations

A. Capital Funds

At the time of writing this staff report, the Board had not yet adopted a capital funding spending plan for the 2007-2009 biennium. Staff have developed a funding recommendation based on the likelihood of a $36 million reservation for the regular capital grant program. (See Agenda Item D). This would result in an allocation of $9 million of capital funds for each grant cycle.

B. Non-Capital Funds

Similar to capital funds, the Board has not yet adopted a non-capital spending plan for the 2007-2009 biennium. Staff have developed a funding recommendation based on an allocation of $1 million for Technical Assistance applications and for the education and outreach elements of Restoration applications.

VII. Previous Funding Decisions

At the September 2006 meeting, the Board approved partial funding for two grants with a commitment to fully fund the remainder in the 2007-2009 biennium on the condition that the applicants report progress on their grants in September of 2007. At the March 2007 Board meeting, the Board again approved partial funding for two other applications. The grant awards from the September and March meetings are listed in the table on the following page.

The cumulative effect of the deferred funding recommendations from the 2005-2007 biennium is $2,750,750 from the 2007-2009 biennium capital funds. Two applications received Board approval at the May 2007 Board meeting contingent on OWEB budget approval. These grants have been awarded. The remaining $1,487,250 is recommended for funding in the Region 4 staff report.

2005-2007 Deferred Funding Awards

Grant #	Grantee	Total Award	9/06 Award	3/07 Award	5/07 Award**	9/07 Award
207-107	East Fork Irrigation District*	$1,400,000	$900,000			$500,000
207-138	Willow Creek	$1,950,568	$1,050,568		$900,000	
207-319	Middle Deschutes Streamflow*	$1,487,250		$500,000		$987,250
207-072	Sandy River Acquisition	$727,500		$364,000	$363,500	
		$5,565,318	**$1,950,568**	**$864,000**	**$1,263,500**	**$1,487,250**

* Included in the Region 4 staff report.

** Awards made at the May 2007 meeting were effective in July of 2007 once OWEB received an approved budget for the 2007-2009 biennium.

VIII. Summary of Funding Recommendation

The statewide funding totals recommended by staff are shown below. Details, including the staff recommendations for Board action, are contained within each of the following regional staff reports. "Do Fund" applications are indicated on the tables by shading.

A. Capital Funding Recommendations

Restoration Grant Awards, *Capital* Portion	$ 8,771,753
2005-2007 Deferred Funding	$ 1,487,250
Technical Assistance Grant Awards, *Capital*	$ 50,000
TOTAL *Capital* Staff Recommendation:	**$10,309,003**

B. Non-Capital Funding Recommendations

Technical Assistance Grant Awards, *Non-Capital*	$ 1,001,938
Restoration Grant Awards, *Non-Capital* Portion	$ 27,076
TOTAL *Non-Capital* Staff Recommendation	**$ 1,029,014**

IX. Statewide Technical Assistance Application

Staff do not recommend funding for the statewide technical assistance application, therefore no Board action is required.

Attachments

A. Types of Applications Received and Amounts Requested by Application Type
B. Statewide Technical Assistance Project Not Recommended for Funding

Oregon Watershed Enhancement Board

Types of Applications Received April 23, 2007

	Technical Assistance	Acquisition	Restoration	Totals
Region 1	10	1	8	**19**
Region 2	16	0	20	**36**
Region 3	15	1	20	**36**
Region 4	3	1	31	**35**
Region 5	14	0	50	**64**
Statewide	1	0	0	**1**
Totals	**59**	**3**	**129**	**191**

Dollar Amounts Requested by Application Type

	Technical Assistance	Acquisition	Restoration	Totals
Region 1	313,998	180,000	1,824,245	**2,318,243**
Region 2	536,564	0	3,758,838	**4,295,402**
Region 3	587,626	550,000	2,268,687	**3,406,313**
Region 4	98,702	7,375	4,596,159	**4,702,236**
Region 5	371,421	0	5,927,312	**6,298,733**
Statewide	5,978	0	0	**5,978**
Totals	**$1,914,289**	**$737,375**	**$18,375,241**	**$21,026,905**

ATTACHMENT B

Statewide

Technical Assistance Projects Not Recommended for Funding by RRTs and OWEB Staff

April 23, 2007 Grant Cycle

Project #	Project Name	Total Amount
208-7000	Navigating the Dam Removal Permitting Process: A Guidance Document	$ 5,978

August 29, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Tom Shafer, North Coast Regional Program Representative

SUBJECT: **Agenda Item F: OWEB Grant Award Recommendations**
Region 1, North Coast
September 18-19, 2007 OWEB Board Meeting

I. Introduction

This staff report describes the North Coast Regional Review Team recommendations, regional issues, the land acquisition application, and staff recommendations for funding.

II. Background

The North Coast Region received ten Technical Assistance applications requesting $313,998, eight Restoration applications requesting $1,824,245, and one Land Acquisition application requesting $180,000. The North Coast Regional Review Team (RRT) met at Rockaway Beach City Hall on June 25, 2007, to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a "do fund" or "no fund" recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

III. Regional Review Team Recommendations

The RRT recommended seven Technical Assistance applications for $215,854, six Restoration applications for $432,819 and found that the proposed Acquisition had excellent ecological value and met at least five of the conservation principles for funding.

IV. Regional Issues

The RRT participated fully in field visits of the proposed projects. Their participation and contributions at the site visits resulted in an opportunity to adjust projects to better meet review considerations. As a result, the application to alter the Devils Lake Road to allow wetland flow and stream restoration (208-1005) was discussed with the county to encourage an application that would be more competitive in the future. It was also determined that the LIDAR survey proposed for the Salmon River Estuary (208-1001) could be expanded to include the lower reaches of Rock Creek/Devil's Lake and provide an important tool for use in the development of a comprehensive restoration application that would include the county road issues.

V. Land Acquisition Application

Shangrila Creek Wetlands (208-103)
The North Coast Land Conservancy (NCLC) is requesting $180,000 ($240,000 total project cost) to purchase 60 acres along Shangrila Creek in Seaside. This acquisition would add to previous purchases of the Neawanna Wetland Reserve, a planned effort begun by the community in 1992 aimed at protecting the Necanicum Estuary. To date, over 100 acres in the estuary system and tributary streams have been acquired and protected, some with the participation of the Governor's Watershed Enhancement Board.

1. Ecological Benefits

Nearly all of the 60 acres are priority ecological systems including inter-tidal salt marsh (10 acres), freshwater marsh and aquatic bed (10 acres), Sitka spruce forest (20 acres) and tidally-influenced freshwater wetlands (16 acres). The property contains approximately one mile of Shangrila Creek, a tributary to the Necanicum River estuary. Priority species documented in the sub-basin include Coho salmon, red-legged frogs, Rufous hummingbirds and willow flycatchers.

The RRT evaluated the project for ecological merit. The reviewers confirmed that most of the acreage on the site was represented by one or more of the priority ecological systems. They thought that the wetland complex provided habitat for a variety of species. Shangrila Creek is noted as one of the highest Coho producers in the Necanicum drainage. In addition to providing habitat for a variety of species, the site has high water quality benefits. Due to its position in the landscape, the site provides a natural retention and filtration function for the area.

The reviewers agreed that the project met five of the conservation principles in OWEB's administrative rules: 1) protecting a large, intact area; 2) securing a transition area, protecting it from development; 3) protecting a site with exceptional biodiversity; 4) improving connectivity of habitat; and 5) completing an existing network of protected sites in the basin.

A number of the review team members toured the site and recognized that there were some invasive plant species issues as well as human issues associated with illegal camping adjacent to the property. They also understood that an adjacent property was tentatively planned for a low-income housing project and they discussed the potential for stormwater runoff issues from such a development. They also discussed the potential need to fence the western edge of the property to keep from encouraging elk, deer and other wildlife from using the property to access and cross Highway 101. They recommend that the management plan address the issues of invasive species, public access, wildlife egress, and storm water runoff from future development of surrounding properties.

2. Capacity to Sustain the Ecological Benefits

NCLC would hold title to the property and OWEB would hold a conservation easement to protect the investment in the project. The NCLC has been a land trust in Clatsop and Tillamook Counties for 20 years and currently holds 26 resource properties managed for

ecological and cultural values. They have recently established a full time land steward position.

The NCLC has a policy to establish an endowment for its new acquisitions. The source of the endowment for this project is a combination of a proposed donation from the seller ($20,000) and future fundraising. The site is in excellent ecological condition relative to the urban wetlands in Seaside. The NCLC does not anticipate a need for significant additional money to conduct extensive restoration activities.

3. Educational Benefits

Direct public access is not anticipated for this property. However, the property will be incorporated into the community natural history education program. The reviewers were familiar with the program and felt the parcel would be a valuable addition to the effort. The Parks Master Plan for the City of Seaside includes the Neawanna Natural History Park, which is adjacent to and north of the site. The Natural History Park includes a trail that is located near the northern boundary of the proposed acquisition parcel. The proximity of this site to the city's natural history park provides a positive education opportunity, although the reviewers thought public access to the site should be limited in order to protect the ecological benefits. The reviewers thought the project had educational merit.

4. Partners, Project Support and Community Effects

Partners in the Neawanna Wetland Reserve include OWEB, U.S. Fish and Wildlife Service, the City of Seaside, the Necanicum Watershed Council, and Columbia River Estuary Study Taskforce (CREST). The Necanicum Watershed Council will provide support for habitat protection, restoration, and fundraising. CREST will provide technical support.

Letters of support were received from Celeta Research Associates, North Coast Watershed Association, City of Seaside, and the Necanicum Watershed Council.

The property is zoned Lake and Wetland. Land uses in the surrounding area include forestry, light industrial, commercial and natural areas. The application suggests that taxes for comparable wetland areas are about $365 per year. The NCLC anticipates applying for tax exempt status.

5. Legal and Financial Terms

A conservation easement held by OWEB will prohibit development, commercial activities and construction on the property. The applicant proposes to use OWEB's easement template. Other due diligence materials, such as the title report and option agreement have not yet been received or reviewed.

6. Conclusion

The North Coast RRT concluded that the project has high ecological and educational benefit and meets five of the adopted conservation principles. The Board Subcommittee and staff concur with this assessment. The Board Subcommittee requested due diligence review of this project in May of 2007. Due diligence materials have not been received.

Staff and the Board Subcommittee recommend the Board defer consideration of this request pending review of due diligence materials.

VI. Summary

Staff recommend funding for six of the Technical Assistance applications totaling $200,514. One of the remaining applications (208-1001) has been completed with funding from the U.S. Forest Service and another application not recommended for funding at this time (208-1013, Fivemile/Bell Creek) offers an exciting potential for a future application.

All six Restoration applications recommended by the RRT are recommended by staff for funding. All applications either address riparian or instream habitat conditions. Two of the Restoration applications recommended for funding (208-1002 and 208-1003) had important project components that were not recommended due to technical concerns. The elimination of those components lowered the overall application budgets significantly.

Attachment A shows the proposals, funding amounts, and priority rankings recommended as "do fund" to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff "do fund" recommendations to the Board. For some "do fund" projects, the amount shown in the table may be the staff funding recommendation rather than the RRT recommendation.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

VII. Staff Recommendation

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

A. Projects Recommended for Funding and Deferral
B. Projects Not Recommended for Funding

ATTACHMENT A

Region 1 – North Coast
Technical Assistance Projects Recommended for Funding by the RRT
April 23, 2007 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
208-1008	Miami Wetlands Enhancement Project - Phase II	49,192	1
208-1004	Five Rivers Passage Project	50,000	2
208-1006	Tillamook River Limiting Factors Analysis	31,295	3
208-1015	Hydrological Evaluation of Circle Creek Habitat	38,218	4
208-1011	Upper Nehalem - Riparian Restoration - Landowner Recruit	11,404	5
208-1001	Salmon River Estuary LIDAR Survey	15,340	6
208-1007	Netarts Bay Watershed Limiting Factors Analysis	20,405	7
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		**$ 215,854**	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		**$ 200,514**	

Region 1 – North Coast
Restoration Projects Recommended for Funding by the RRT
April 23, 2007 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
208-1009	2007-2009 North Coast Log Salvage Fund		40,000	40,000	1
208-1010	Backyard Planting Program - Year 5		38,000	38,000	2
208-1002	Big Creek Restoration & Enhancement *****		188,909	188,909	3
208-1003	Big Elk and Feagles Creek Riparian Restoration *****		100,000	100,000	4
208-1012	Jewell Meadows Riparian Restoration Phase II		29,046	29,046	5
208-1014	Necanicum Riparian Restoration & Tree Release	3,000	33,864	36,864	6
Total Restoration Projects Recommended for Funding to Staff by the RRT		**$ 3,000**	**$ 429,819**	**$ 432,819**	
Total Restoration Projects Recommended for Funding by Staff to the Board		**$ 3,000**	**$ 429,819**	**$ 432,819**	

*Listed Amount Reflects Recommended Reduction

Region 1 – North Coast
Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Deferral by OWEB Staff

Project #	Project Name	Amount
208-103	Shangrila Creek Wetlands	$180,000

Region 1 – North Coast
Technical Assistance Projects Not Recommended for Funding by the RRT and OWEB Staff
April 23, 2007 Grant Cycle

Project #	Project Name	Amount Requested
208-1000	Highway 101 Recharge Restoration Phase I	15,144
208-1013	Fivemile/Bell Whole Basin Restoration Plan	50,000
208-1016	Clatskanie River Cooperative Resource Management Plan	33,000

Region 1 – North Coast
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
April 23, 2007 Grant Cycle

Project #	Project Name	Amount Requested
208-1005	Devils Lake Road Embankment Restoration	1,200,000
208-1017	Loomis Wetland Restoration	64,118

August 29, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Mark Grenbemer, Southwest Oregon Regional Program Representative

SUBJECT: **Agenda Item F: OWEB Grant Award Recommendations**
Region 2, Southwest Oregon
September 18-19, 2007 OWEB Board Meeting

I. Introduction

This staff report describes the Southwest Oregon Regional Review Team recommendations, regional issues, and staff recommendations for funding.

II. Background

The Southwest Oregon Region received 16 Technical Assistance applications requesting $536,564 and 20 Restoration applications, requesting $3,758,838. No acquisition applications were submitted in this region. The Southwest Oregon Regional Review Team (RRT) met at the ODFW Regional offices in Roseburg on July 18, 2007, to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a "do fund" or "no fund" recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

III. Regional Review Team Recommendations

The RRT recommended eight Technical Assistance applications totaling $304,176 and 17 Restoration applications totaling $3,143,948 for funding.

IV. Regional Issues

At the March 14-15, 2007, meeting the Board approved a grant to the Coos Watershed Association (207-293) that involved road sediment abatement and measuring the effectiveness of the work. Staff split the application into two grant agreements for the purposes of administration. As a result of the structure of the grant application budget page, the applicant does not have sufficient funds for fiscal administration of the split application. Staff have worked with the applicant and are recommending the Board add up to $681 to the grant for purposes of fiscal administration.

V. Summary

Staff recommend funding all eight of the Technical Assistance applications. Application 208-2028 is recommended to be funded with capital funds since the application for the restoration project to implement the technical assistance is also recommended for funding in this cycle.

Staff recommend funding for 12 of the 17 RRT-recommended Restoration applications for a total of $2,794,282.

Attachment A shows the applications, funding amounts, and priority rankings recommended for funding to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff "do fund" recommendations to the Board. For some projects, the amount shown in the table may be the staff funding recommendation rather than the amount applied for.

Attachment B shows those applications not recommended for funding at this time by the RRT or OWEB staff.

VI. Staff Recommendation

Staff recommend the Board approve:

A. The staff funding recommendation as contained in Attachment A to this report, and
B. The addition of up to $681 to the Coos Watershed Association (207-293) for fiscal administration.

Attachments

A. Projects Recommended for Funding
B. Projects Not Recommended for Funding

Region 2 – Southwest Oregon
Technical Assistance Projects Recommended for Funding by the RRT
April 23, 2007 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
208-2014	Ni-les'tun Unit Engineering/Design	50,000		50,000	1
208-2028	Rock Creek Hatchery Fish Pass Project Design Phase 3 & 4		50,000	50,000	2
208-2007	Coos Bay Tidal Wetlands Program	37,764		37,764	3
208-2009	Isthmus Slough Road Sediment Reduction Project	41,168		41,168	4
208-2031	Morton Creek Channel Design	49,938		49,938	5
208-2015	Louse Creek "Rendata Reach" Technical Design	19,971		19,971	6
208-2030	Cox Creek Habitat Improvement Design	12,135		12,135	7
208-2029	Three Creeks Fish Habitat Design	43,200		43,200	8
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		**$ 254,176**	**$ 50,000**	**$ 304,176**	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		**$ 254,176**	**$ 50,000**	**$ 304,176**	

Region 2 – Southwest Oregon
Restoration Projects Recommended for Funding by the RRT
April 23, 2007 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
208-2034	Rock Creek Hatchery Fishway Construction		683,482	683,482	1
208-2006	Coos Bay Lowlands Wetland & Riparian Restoration □		164,769	164,769	2
208-2002	Tenmile Lakes Fish Passage and Sediment Abatement Phase II *		296,927	296,927	3
208-2000	Adams Creek Salmonid Habitat Improvement Project □		125,350	125,350	4
208-2023	Camas Valley Riparian *		265,260	265,260	5
208-2035	South Sisters Structure Placement Phase III		110,710	110,710	6
208-2011	Elliott State Forest Fish Passage Improvements 2008 *		83,642	83,642	7
208-2032	PUR Restoration April 2007 *		618,489	618,489	8
208-2004	Illinois Valley Riparian Tree Planting Project (two year project) *		93,764	93,764	9
208-2025	McLauglin Riparian Restoration Project *		63,905	63,905	10
208-2010	Bottom Creek Fish Passage Culvert Upgrades *		122,546	122,546	11
208-2001	Tenmile Lakes Fencing and Riparian Enhancement Phase II □		165,438	165,438	12
208-2012	Bear Creek Riparian Restoration		69,983	69,983	13
208-2024	Coquille Riparian 2007 *		141,658	141,658	14
208-2013	Anderson Creek Restoration		49,622	49,622	15
208-2026	Elkhead Oak Woodland & Riparian Restoration *		39,276	39,276	15
208-2027	Lofrano Riparian Restoration Project *		49,127	49,127	17
Total Restoration Projects Recommended for Funding to Staff by the RRT			**$ 3,143,948**	**$ 3,143,948**	
Total Restoration Projects Recommended for Funding by Staff to the Board			**$ 2,794,282**	**$ 2,794,282**	

*Listed Amount Reflects Recommended Reduction □ Listed Amount Reflects Recommended Increase

Region 2 – Southwest Oregon
Technical Assistance Projects Not Recommended for Funding by the RRT and OWEB Staff
April 23, 2007 Grant Cycle

Project #	Project Name	Total Amount
208-2008	Tilbury Family Ranch Habitat Assessment & Ecosystem Restoration Plan	38,553
208-2016	Jumpoff Joe "Ellison Watson Reach" Technical Design	4,917
208-2017	Reese Creek Watershed Water Quality	26,620
208-2018	Trail Creek Water Quality	49,679
208-2019	RCC Urban Run-Off Water Quality Project 1) Assessment	6,089
208-2020	Rogue Basin Fish Passage Action Planning	25,793
208-2021	Applegate Landowner Recruitment Project	32,483
208-2033	Partnership for the Umpqua River Design & Engineering Support 07-09	48,254

Region 2 – Southwest Oregon
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
April 23, 2007 Grant Cycle

Project #	Project Name	Total Amount
208-2003	Applegate Riparian Restoration	54,050
208-2005	Coquille Watershed Innovation Irrigation Efficiency Project	150,924
208-2022	Beaver Slough Tidegates	119,090

August 29, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Wendy Hudson, Willamette Basin Regional Program Representative

SUBJECT: **Agenda Item F: OWEB Grant Award Recommendations**
Region 3, Willamette Basin
September 18-19, 2007 OWEB Board Meeting

I. Introduction

This staff report describes the Willamette Basin Regional Review Team recommendations, regional issues, land acquisition grant applications, and staff recommendations for funding.

II. Background

The Willamette Basin received 15 Technical Assistance applications requesting $587,626, 20 Restoration applications requesting $2,268,162, and a Land Acquisition application requesting $550,000. The Willamette Basin Regional Review Team (RRT) met at the Roth's Hospitality Center in Salem on July 19, 2007, to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a "do fund" or "no fund" recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

III. Regional Review Team Recommendations

The RRT recommended eight Technical Assistance applications totaling $292,921. The RRT also recommended 13 Restoration applications for funding totaling $792,832.

IV. Regional Issues

The top four ranked Restoration applications involve highly motivated private landowners, some of whom appear to be influential members of their communities. The top two-ranked Technical Assistance applications are strategically linked to restoration activities in their respective areas.

The Scappoose Creek Restoration Plan (208-3031) will help the Scappoose Bay Watershed Council understand and address the changing dynamics of the creek, and identify restoration opportunities and design options for stream corridor rehabilitation and floodplain reconnection. The project will involve local citizens and other partners in creating a restoration plan for four miles of the creek that have been heavily armored by well-meaning landowners.

The Calapooia Watershed Council is planning ahead for the removal of the Brownsville and Sodom dams over the next five years (funded by OWEB in September of 2006) with its Middle Calapooia River Project (208-3031). These dam removals are expected to restore runs of spring Chinook, winter steelhead, cutthroat trout, and Pacific and western brook lamprey. The Council seeks technical assistance funding to develop a comprehensive assessment of the middle reach (eight miles) and an implementation plan for restoring these runs.

V. Acquisitions

One land acquisition grant application, the Zena Property application (208-101), was received in this region. The Trust for Public Land withdrew this application.

VI. Summary

Staff recommend funding for all eight RRT-recommended Technical Assistance applications. Staff also recommend funding for all 13 Restoration applications.

Attachment A shows the applications, funding amounts, and priority rankings recommended for funding to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff recommendations to the Board. For some projects, the amount shown in the table is the staff funding recommendation rather than the amount applied for.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

VII. Staff Recommendations

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

A. Projects Recommended for Funding
B. Projects Not Recommended for Funding

ATTACHMENT A

Region 3 – Willamette Basin
Technical Assistance Projects Recommended for Funding by the RRT
April 23, 2007 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
208-3028	South Scappoose Creek Restoration Plan	50,000	1
208-3031	Middle Calapooia River Project Implementation Plan	34,100	2
208-3030	Calapooia-Santiam Landowner Recruitment for Restoration	30,000	3
208-3013	Rock Creek Restoration Project Design	29,306	4
208-3015	Wolf Creek Culvert Design & Permitting	17,100	5
208-3005	Middle Fork Willamette Watershed False-brome Control Project	43,349	6
208-3025	Marys and Luckiamute Watersheds Fish Passage Survey & Action Plan *	39,491	7
208-3000	Klein Point Fish Habitat Improvement Design	49,575	8
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		**$ 292,921**	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		**$ 292,921**	

* Listed Amount Reflects Recommended Reduction

Region 3 – Willamette Basin
Restoration Projects Recommended for Funding by the RRT
April 23, 2007 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
208-3016	Murphy Wet Prairie & Stream Restoration	1,874	66,592	68,466	1
208-3019	Budeau Restoration Project	120	34,813	34,933	2
208-3026	Maxfield Creek Aquatic Restoration Phase 2		4,708	4,708	3
208-3034	Snake Deford Floodplain Restoration Project		63,316	63,316	3
208-3032	Canemah Bluffs Oak Enhancement Project		52,550	52,550	5
208-3003	Brey Riparian Restoration		43,760	43,760	6
208-3017	Winter Green Farm Pond Enhancement & Invasive Species Control	825	18,633	19,458	6
208-3001	Greener Road Fish Passage Barrier Removal		100,000	100,000	8
208-3024	Holcomb Creek Fish Passage Improvement *		82,961	82,961	9
208-3007	Lost Creek Watershed Enhancement Project *	200	75,150	75,350	10
208-3011	Blair Creek Fish Passage Restoration Project	2,250	107,580	109,830	11
208-3033	Respect the River Riparian Restoration & Protection		49,500	49,500	12
208-3029	Round Lake Wetland Restoration		88,000	88,000	13
Total Restoration Projects Recommended for Funding to Staff by the RRT		**$ 5,269**	**$ 787,563**	**$ 792,832**	
Total Restoration Projects Recommended for Funding by Staff to the Board		**$ 5,269**	**$ 787,563**	**$ 792,832**	

* Listed Amount Reflects Recommended Reduction

Region 3 – Willamette Basin
Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT And Withdrawn by Applicant

Project #	Project Name	Amount
208-101	Zena Property Acquisition	550,000

Region 3 – Willamette Basin
Technical Assistance Projects Not Recommended for Funding by the RRT and OWEB Staff
April 23, 2007 Grant Cycle

Project #	Project Name	Total Amount
208-3004	HBRA-Mt. Pisgah Habitat Management Planning	44,000
208-3008	Deep Creek Landowner Recruitment	30,631
208-3010	Norwood Island Restoration Planning	42,648
208-3014	Ritner Creek Barrier Removal Design	29,225
208-3021	The Middle Molalla River Rehabilitation Phase I	50,000
208-3022	The Lower Molalla River Rehabilitation Phase I	50,000
208-3027	Sauvie Island Drainage & Irrigation Canal Water Quality, Functions, Plant & Wildlife Improvement	37,790

Region 3 – Willamette Basin
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
April 23, 2007 Grant Cycle

Project #	Project Name	Total Amount
208-3002	Clark Creek Demonstration Project	194,403
208-3006	South Meadow Floodplain Enhancement Project Phase 3 (2008)	158,846
208-3009	Columbia Sedge Meadows Expansion	81,066
208-3012	Riparian Restoraion - Cardwell Hills	177,960
208-3018	Salmon River Side Channel Fish Passage Improvement	94,260
208-3020	Oaks Bottom Wildlife Refuge Fish Passage & Habitat Restoration Project Phase I	721,645
208-3023	Beaver Creek Riparian Restoration	24,435

August 30, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Rick Craiger, Central Oregon Regional Program Representative

SUBJECT: **Agenda Item F: OWEB Grant Award Recommendations**
Region 4, Central Oregon
September 18-19, 2007 OWEB Board Meeting

I. Introduction

This staff report describes the Central Oregon Regional Review Team recommendations, regional issues, a water acquisition application, and staff recommendations for funding.

II. Background

The Central Oregon Region received three Technical Assistance applications requesting $98,702, 31 Restoration applications requesting $4,596,159, and one Water Acquisition requesting $7,375. The Central Oregon Regional Review Team (RRT) met at the Central Oregon Community College office in Redmond on July 20, 2007, to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a "do fund" or "no fund" recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

III. Regional Review Team Recommendations

The RRT recommended funding for two of the three Technical Assistance applications totaling $69,662. The RRT recommended funding 17 Restoration applications totaling $3,293,189. The RRT did not recommend the Acquisition application as having demonstrated ecological benefits.

IV. Regional Issues

The Middle Deschutes Streamflow Project, Phase II (207-319) was approved in September of 2006 and awarded $500,000 from the 2005-2007 budget with the expectation that the remainder ($987,250) would be funded from the 2007-2009 biennium capital funds after receipt of a progress report.

In the same manner, the Board awarded the East Fork Irrigation District a grant (207-107) for $900,000 in March of 2007 to increase late season flows in the East Fork of Hood River by 50 percent, improve access to nearly five miles of salmonid habitat, and restore water quality in 7.5 miles of Neal Creek. The grant application was for $1,400,000. The Board recommended the applicant return to the September 2007 meeting for award of the remaining $500,000 from 2007-2009 capital funds.

The requested progress reports on the two grants partially funded from last biennium are attached to this report. (Attachment C) This staff report includes funding recommendations for these two grants along with the grant applications recommended by staff from the April 2007 grant cycle.

OWEB staff have been discussing the possibility of entering into a Special Investment Partnership (SIP) agreement with a number of the restoration partners in the Deschutes Basin. (See Agenda Item J.) Various ecological outcomes for the SIP have been discussed, including increased stream flow in the middle Deschutes and improved anadromous fish habitat above the Pelton-Round Butte complex of dams. Three projects recommended for funding by the RRT in this staff report address these same outcomes: (1) 208-4028, Tumalo Feed Canal Conservation Project – Phase I; (2) 208-4032, Metolius River Fish Habitat Enhancement; and (3) 208-4033, Lake Creek Culvert Removal Project. The total funding recommended for these projects is $1,910,725. The projects are ranked 2, 11, and 14 respectively from the region. If a Deschutes SIP is developed, the combination of these grants with a previous allocation of approximately $1.5 million for the Middle Deschutes Streamflow Project, Phase II will amount to nearly $3.5 million from the 2007-2009 budget. The RRT recommendations show that the projects are competitive, however there is concern among the RRT members that there is a disproportionate amount of funding going to instream projects as opposed to upland projects.

V. Water Acquisition Application

Farmers Irrigation District Water Acquisition (208-102)
The Oregon Water Trust (OWT) requests $7,375 (total project costs of $14,750) for a five-year lease of 50 acres of a 1906 water right to be initiated in the 2008 irrigation season. The project is proposed in partnership with the Farmer's Irrigation District (FID). The goal of this project is to establish a district leasing program to improve stream flow in the Hood River.

1. Ecological Benefits

The ecological value of a proposed instream water lease or transfer project is evaluated based on a project's ability to increase instream flow to address the conservation needs of priority habitat and species, and/or to improve water quality in a water quality limited stream reach. Projects to address the conservation needs of priority habitat and species are evaluated in part by reference to the Oregon Plan Streamflow Restoration Priorities (2001) and by evaluation by the appropriate Regional Review Team (RRT).

According to the application, the project would improve flow in the lower 11.25 miles of the Hood River by transfer of 0.62 cubic feet per second (cfs) to instream use. This reach of the river provides passage for a variety of priority fish species. The Hood River watershed is not identified as a priority as an Oregon Plan Streamflow Restoration Priority. The application does claim, however, that additional water in this reach of the river, along with a decrease in irrigated acreage may have a significant water quality benefit.

The RRT was asked to review the application to determine if the project has the ability to increase instream flow to address the conservation needs of priority habitat and species and improve water quality. Generally, the RRT did not think the water quantity of 0.62 cfs was sufficient relative to the existing flow (typically 400 cfs) to have a significant effect on the habitat for priority fish species. They questioned the efficacy of a five-year lease and

wondered why it was not a permanent proposal. They commented that the area is not within a streamflow priority area and the water right is met every year.

The Oregon Water Resources Department (OWRD) reviewed the assessment of the reliability of the transfer to provide instream benefits. According to OWRD, the water right proposed for instream lease is generally available throughout the irrigation season (April 15 to October 1). Even in low water years or drought years, the full amount allowed by this right is likely available. In the last 10 years, these water rights have likely been met in full. OWRD submitted a letter saying that a transfer is likely to be approved pending application submittal and review by OWRD.

The water rights would be held in trust for the people of Oregon by the OWRD. Regulation has not typically occurred on Hood River. If regulation were to occur, water rights with 1906 priority dates would not likely be included in any regulation.

FID would measure their water withdrawals and will reduce their diversion by an appropriate proportion to account for those portions of their water right proposed for protection. OWT will work with FID to ensure that these numbers are tracked and recorded over the five-year period of the proposed lease.

2. Financial Partners and Project Support

OWEB funds are requested for 50% of the cost of the instream lease. FID is donating half of the value of the water right.

A letter of support was received from the Hood River Watershed Group. The application states that the project is also supported by the Oregon Department of Fish and Wildlife.

3. Effect on Local and Regional Community

These water rights are appurtent to lands no longer used for irrigated agriculture and are now primarily rural residential. Adjacent properties are used for production of a variety of high value crops, including blueberries and apples. The water rights transfer should not have any effect on the local tax base.

The project is not expected to have a negative impact on the local and regional economy. FID currently does not collect an assessment on these acres, causing loss of revenue for infrastructure maintenance. Providing funds to FID will improve the District's ability to continue to operate, and provide irrigation water and jobs within the community.

4. Legal and Financial Terms

According to the option agreement, OWT and FID will work together to submit an instream lease application to OWRD, once the funding is secured. The final order from OWRD, approving the transfer, is expected to be in effect for use during the 2008 through 2012 irrigation seasons.

Because the cost of an appraisal is $5,000 to $10,000 and would depend largely on comparables provided by OWT, the applicant has proposed an alternative method of valuation. Valuation was based on the average cost of water in the Hood River Basin. The cost per acre is $59. This approach was found to be sufficient by OWEB's review appraiser.

The legal aspects of the project were reviewed by the Department of Justice (DOJ). In summary, DOJ confirmed the water right is not currently subject to forfeiture, would be properly subject to a short term instream lease, and that it would not cause injury to other users.

5. Conclusion

The RRT concluded that the project would not appreciably increase stream flow to address the conservation needs of priority habitat and species or improve water quality in a water quality limited stream reach. Because of this, staff recommend that the Board not fund OWT's request for $7,375 toward the five-year lease.

VI. Summary

Staff recommend funding for both of the Technical Assistance applications and for 11 of the 17 Restoration applications recommended by the RRT.

Attachment A shows the proposals, funding amounts, and priority rankings recommended as "do fund" to OWEB staff by the RRT. The table also indicates, by means of shaded entries, the OWEB staff "do fund" recommendations to the Board. For some "do fund" projects, the amount shown in the table is the staff funding recommendation rather than the RRT's recommendation.

Attachment B shows those applications not recommended for funding at this time by the RRT or by OWEB staff.

VII. Staff Recommendation

Staff recommend the Board approve:

A. The staff funding recommendation as contained in Attachment A to this report;
B. An additional $500,000 in capital funds for the East Fork Irrigation District Project (207-107); and
C. An additional $987,250 in capital funds for the Middle Deschutes Streamflow Project – Phase II (207-319).

Attachments

A. Projects Recommended for Funding
B. Projects Not Recommended for Funding
C. Progress Reports on Grants 207-319 and 207-107

Region 4 – Central Oregon
Technical Assistance Projects Recommended for Funding by the RRT
April 23, 2007 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
208-4013	Lower Grass Valley Canyon Creek Restoration Action Plan	19,662	1
208-4031	TSID Fish Screening & Passage - Phase I	50,000	2
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		**$ 69,662**	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		**$ 69,662**	

Region 4 – Central Oregon
Restoration Projects Recommended for Funding by the RRT
April 23, 2007 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
208-4012	Drews Creek Fish Passage Project		100,000	100,000	1
208-4028	Tumalo Feed Canal Conservation Project - Phase I *		1,579,125	1,579,125	2
208-4022	Reconnecting the Sprague River to the Floodplain & Riparian Wetlands *****		27,948	27,948	3
208-4007	Dry Creek Instream Restoration		81,156	81,156	4
208-4021	Lower Mill Creek Stream Enhancement	500	29,650	30,150	5
208-4016	Sediment Control in the North Sherman & Grass Valley Canyon WSCs		74,972	74,972	6
208-4019	Riparian Management on the South Fork Sprague River		97,158	97,158	7
208-4017	Barnhart Riparian Project		92,457	92,457	8
208-4008	Sprague River Spring Reconnection ******		25,058	25,058	9
208-4014	Ant Creek Watershed Juniper Removal		111,621	111,621	10
208-4032	Metolius River Fish Habitat Enhancement	7,210	252,190	259,400	11
208-4034	Prineville Reservoir Southern Watersheds Restoration Project *****	1,000	383,285	384,285	12
208-4000	Company Hollow Junction Instream Restoration		19,825	19,825	13
208-4029	Juniper Thinning/Removal Project (over 3 years)		62,470	62,470	14
208-4033	Lake Creek Culvert Removal Project	1,000	62,800	63,800	14
208-4027	McFarland Ranch & Refuge/Drew's Creek Restoration		78,931	78,931	16
208-4018	Modoc Irrigation Efficiency Project *****		204,833	204,833	17
Total Restoration Projects Recommended for Funding to Staff by the RRT		**$ 9,710**	**$ 3,283,479**	**$ 3,293,189**	
Total Restoration Projects Recommended for Funding by Staff to the Board		**$ 7,710**	**$ 2,471,335**	**$ 2,479,045**	

*Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 4 – Central Oregon
Technical Assistance Not Recommended for Funding by the RRT and OWEB Staff
April 23, 2007 Grant Cycle

Project #	Project Name	Total Amount
208-4026	Shady Pine Wetland Enhancement	29,040

Region 4 – Central Oregon
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
April 23, 2007 Grant Cycle

Project #	Project Name	Total Amount
208-4001	Herbicide Use Reduction Program for Dryland Crop	113,316
208-4002	Lower Fifteenmile Instream Restoration	17,510
208-4003	Roofwater Harvest to Save Groundwater	34,592
208-4004	Middle McKay Bank Stabilization	65,703
208-4005	Phase II LCR Fish Passage	171,275
208-4006	Cove Palisades Constructed Wetlands	279,510
208-4009	Corbett Jack Creek Water Conservation	30,700
208-4010	Marshall Irrigation Conservation	63,813
208-4011	Indian Creek Juniper and Grazing Management	89,307
208-4015	Improve Grass Stands for Watershed Health	46,909
208-4020	Shitike Creek Restoration Project	150,000
208-4023	Flymon Stewardship Project (**INELIGIBLE**)	80,000
208-4024	Sprague River Off-Channel Habitat	71,823
208-4025	Juniper Hills Preserve Old Field Restoration	57,849
208-4030	Esau Canyon Erosion/Sediment Control Project	18,576

Region 4 – Central Oregon
Acquisition Projects Not Receiving a Positive Rating for Ecological Merit by the RRT and OWEB Staff
April 23, 2007 Grant Cycle

Project #	Project Name	Total Amount
208-102	Farmers Irrigation District Instream Leasing Program	7,375

Hood River Watershed Action Plan

~ Project Summary Sheet ~

Action Plan (2002-2006) Priority Level: HIGH

Name: Central Lateral Pipeline Project (HR Action Plan Project FP-3).

Proponent: East Fork Irrigation District (EFID) of Odell, OR.

Main Financial & In-Kind Partners: Oregon Watershed Enhancement Board, Confederated Tribes of the Warm Springs, Hood River County, USFS Title II, ODEQ, USF&WS, Hood River Watershed Group and USDI Bureau of Reclamation.

Watershed Goals and Expected Outcomes:

~*Increase late summer East Fork Hood River flows up to* ***3.44 cfs*** *(about 50% increase) to benefit ESA-listed steelhead and other aquatic life;*

~*Remove diversion dam that impedes access to* ***4.8 mi.*** *of upstream steelhead habitat, and remove old fish screen that is downstream passage problem;*

~*Eliminate the annual introduction of* ***3,700 tons*** *of glacial sediment to Neal Creek, and restore water quality in the creek's lower* ***7.5 miles****.*

Project Description: When entirely completed in 2009, the new 4.3 mile Central Lateral Pipeline and inverted siphon underneath Neal Creek will replace a 100 year old system which utilized 1.3 miles of open ditches and 2.1 miles of Neal Creek to convey 42 cfs of irrigation water from the district's East Fork Hood River water source to the Lower Eastside Lateral.

At an anticipated cost of $4.5 million, Lower Phase A and B will result in the installation of 8,950 feet of buried 30" steel pipeline and an inverted siphon to carry water under Neal Creek and into the Lower Eastside Lateral. The district will complete construction of "Lower Phase – A" in November 2007 by installing 4,150 feet of 30" pipeline at a cost of $1.6 million. Installation of the final 4,800 feet of pipe (including a 170 foot inverted siphon below Neal Creek, and a discharge/pressure reduction structure leading to Eastside Lateral) will occur during summer / fall 2008 at an estimated cost of $2.9 million under Lower Phase B. Use of the new irrigation pipeline for supply of water to the Lower Eastside Lateral will commence in March 2009. Finally, the Central Lateral Pipeline project will be completed between July 15 and September 15 of 2009 under Lower Phase C. Project culmination will entail the removal of the old fish ladder, fish screen and diversion structures on Neal Creek, and restoration of those sites.

East Fork Irrigation District Grant 207-107

At this point, all intended project water savings, water quality and habitat improvement objectives will be met, and expected outcomes will result.

Project Photos:

Figure 1. Highly turbid "conveyance reach" of Neal Cr (*old system*).

Figure 2. EFID CLPP "Upper Phase" work in 2003 (*new system*).

Figure 3. EFID CLPP "Lower Phase" work during 2007 (*new system*).

Figure 4. Eastside Lateral Diversion and old fish ladder (to be removed in 2009 to complete project.

In conclusion, EFID would like to thank all the many cooperators who have made this important watershed enhancement project possible. Without your faithful assistance, we would not be seeing a light at the end of the tunnel at this moment. Thank you again!

August 30, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director
Karen Leiendecker, Eastern Oregon Regional Program Representative

SUBJECT: **Agenda Item F: OWEB Grant Award Recommendations**
Region 5, Eastern Oregon
September 18-19, 2007 OWEB Board Meeting

I. Introduction

This staff report describes the Eastern Oregon Regional Review Team recommendations, any special issues, land acquisition grant applications, and staff recommendations for funding.

II. Background

The Eastern Oregon Region received 14 Technical Assistance applications requesting $371,421 and 50 Restoration applications requesting $5,927,312. There were no Acquisition applications from this region. The Eastern Oregon Regional Review Team (RRT) met in Ontario on July 11-12, 2007, to review the applications received in this grant cycle. All applications were reviewed for technical merit and given a "do fund" or "no fund" recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

This round of applications includes project 207-357, Youngfield Subdivision/Jordan Creek Protection project. This application was submitted between grant cycles (after the October 2006 deadline) to address an emergency bank erosion issue. Staff have worked with the applicant, who has taken emergency action to stabilize the situation, to develop the proposed long-term solution to address all resource concerns.

III. Regional Review Team Recommendations

The RRT recommended for funding eight Technical Assistance applications totaling $184,665. The RRT also recommended for funding 32 (including 207-357 mentioned above) Restoration applications totaling $2,549,328.

IV. Regional Issues

This group of applications includes two major public-private cooperative efforts to address watershed conditions on Steens Mountain. Applications 208-5029 and 208-5053 both fund actions that cross ownership boundaries and address landscape scale conditions. This effort is also remarkable in that it has a strong monitoring program to document the effects of treatment and provide that information to the cooperative partners.

An application from a group of landowners in the Pine Creek drainage of the Powder Basin shows the start of a cooperative group effort. While the application (208-5036) is not recommended for funding at this time, the RRT recommended that the application be improved for a later submittal. The project is similar to the work completed on the main stem of the Powder River.

Three other projects deserve note among the many recommended from the region. An application from the Grande Ronde Basin (208-5010) is a continuation of re-meandering the Wallowa River after the channel was straightened for flood control purposes. Following the successful and ongoing efforts in implementing similar projects on the McDaniels property approximately five miles upstream, this project will re-meander more than half a mile of the Wallowa River. This project will be visible from Highway 82.

An application for enhancement of the Zumwalt Prairie Preserve (208-5055) is also recommended for funding. The application will treat the altered stream system of Pine and Camp creeks. The application will remove the ponds that result in high water temperature in Camp Creek and provide a meandered channel that reflects historic conditions. Both Camp and Pine creeks' riparian areas will be revegetated to native species.

An application for continuing work on the John Day River system (208-5000) to remove fish passage barriers and provide irrigation return water cooling is recommended for funding. This project continues the significant work of the Grant Soil and Water Conservation District in fish habitat recovery. Their efforts have been significant in providing access to steelhead to upstream spawning areas, which is a critical component of the draft Mid-Columbia Steelhead recovery plan.

VI. Summary

Staff recommend funding all but four of the RRT-recommended Restoration applications. Application 208-5004 is recommended for funding instead of those above it because of the time sensitivity of match funding. Bureau of Reclamation funding will not be available beyond federal fiscal year 2008. Staff also recommend funding for all eight RRT-recommended Technical Assistance applications.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended for funding to OWEB staff by the RRT. The tables also indicate, by means of shaded entries, the OWEB staff "do fund" recommendations to the Board. For some projects, the amount shown in the table is the staff funding recommendation rather than the applicant amount.

Attachment B shows those applications not recommended for funding at this time by the RRT and OWEB staff.

VII. Staff Recommendation

Staff recommend the Board approve the staff funding recommendation as contained in Attachment A to this report.

Attachments

A. Projects Recommended for Funding
B. Projects Not Recommended for Funding

Region 5 – Eastern Oregon
Technical Assistance Projects Recommended for Funding by the RRT
April 23, 2007 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
208-5014	Fletcher Gulch Pipeline Project *	19,645	1
208-5015	Mitchell Butte Pipeline Project *	18,389	2
208-5013	VOID Water Quality Engineering Design	14,341	3
208-5031	Lampson Levee Setback & River Channel Design	18,210	4
208-5037	Estes Ditch Water Quality Improvement	30,850	5
208-5008	Direct Seed Promotion in Wildhorse Basin □	20,152	6
208-5009	Lower Valley Road Sediment Reduction	25,145	7
208-5030	Powder River Restoration: Kirkway Ranch	37,933	8
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		**$ 184,665**	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		**$ 184,665**	

*Listed Amount Reflects Recommended Reduction □ Listed Amount Reflects Recommended Increase

Region 5 – Eastern Oregon
Restoration Projects Recommended for Funding by the RRT
April 23, 2007 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
208-5000	Upper John Day River Restoration Program	4,032	175,781	179,813	1
208-5011	Alkali Creek Water Quality Enhancement *		286,134	286,134	2
208-5012	Sandhollow Feedlot Rehabilitation *		52,210	52,210	3
208-5024	Rudio Creek Restoration		29,918	29,918	4
208-5007	Vansycle Animal Feeding Relocation		62,142	62,142	5
208-5029	Five Creeks Rangeland Cooperative Restoration Project		120,387	120,387	6
208-5028	Burlingame Corral Relocation		11,450	11,450	7
208-5053	Five Creeks - Steens Mountains Ranch Restoration Project □	240	75,746	75,986	8
208-5047	Corral Creek Riparian Exclosure Fence		15,100	15,100	9
208-5032	Five Point Ditch Diversion Improvement Project *		56,000	56,000	10
208-5055	Zumwalt Prairie Preserve Riparian Restoration Project *		260,433	260,433	11
208-5048	Little Indian Creek Riparian Exclosure Fence		18,590	18,590	12
207-357	Youngfield Subdivision/Jordan Creek Protection Project		43,011	43,011	13
208-5034	Zell Ditch Push Up Dam Replacement		53,000	53,000	14
208-5001	Butter Creek Riparian & Range Enhancement Project 2007 *		71,759	71,759	15
208-5044	Grande Ronde Ponds *		29,789	29,789	16
208-5059	Malheur River Bank Stabilization & Riparian Restoration		123,675	123,675	17
208-5027	Emigrant Creek Forest Health Project	1,500	94,954	96,454	18
208-5023	Capon Ranch Spring Development		17,028	17,028	19
208-5060	Cant Ranch Upland & Riparian Improvement □		59,624	59,624	20
208-5002	Forth Ranches LLC		16,775	16,775	21
208-5010	Wallowa River/6-Ranch Habitat Restoration		273,900	273,900	22
208-5003	Reducing Soil Erosion through Direct Seed in the Wildhorse Basin	1,150	77,533	78,683	23
208-5017	Scown Stream Restoration Project		82,133	82,133	24
208-5006	Applying Variable Rate Technology in Umatilla Basin	4,175	55,835	60,010	25
208-5035	Myrtle Canyon Eagle Roost-**WITHDRAWN** after fund recommendation		73,900	73,900	26
208-5016	Malheur River Stream Restoration Project		19,815	19,815	27
208-5058	Elder Ditch Conversion Project		45,186	45,186	28
208-5036	Clear Creek Fish Passage & Riparian Enhancement *		68,500	68,500	29
208-5021	Monument's Attack on Medusahead	150	76,402	76,552	30
208-5004	Hermiston Irrigation District L-Line Conversion Project *		60,165	60,165	31
208-5051	Triple O Ranch: Restoration & Education *		31,206	31,206	32
Total Restoration Projects Recommended for Funding to Staff by the RRT		**$ 11,247**	**$2,538,081**	**$2,549,328**	
Total Restoration Projects Recommended for Funding by Staff to the Board		**$ 11,097**	**$2,288,073**	**$2,299,170**	

* Listed Amount Reflects Recommended Reduction □ Listed Amount Reflects Recommended Increase

Region 5 – Eastern Oregon
Technical Assistance Not Recommended for Funding by the RRT and OWEB Staff
April 23, 2007 Grant Cycle

Project #	Project Name	Total Amount
208-5039	Wolf Creek Enhancement	50,000
208-5045	Irrigation Canal Co. Water Conservation	33,000
208-5049	Chesnimus Creek Crossing Design	24,000
208-5054	Cougar Springs Wetlands	19,000
208-5056	Willow Creek Fish Passage Assessment	49,830
208-5062	Oregon Aspen Project	19,516

Region 5 – Eastern Oregon
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
April 23, 2007 Grant Cycle

Project #	Project Name	Total Amount
208-5005	Juniper Canyon Weed Project	44,385
208-5018	Succor Creek Push-up Dams Removal	460,542
208-5019	Berrett Water Control Improvement	180,287
208-5020	Bishop Wetland Restoration	131,976
208-5022	Freeman Spring Developments	23,238
208-5025	Milk Ranch Restoration	23,409
208-5026	K Bar M Wildlife Habitat	35,555
208-5033	Opal Butte	412,500
208-5038	Eagle Creek Restoration Project	599,887
208-5040	Meadow Brook Riparian Improvements	46,090
208-5041	Irrigon Relocation Lateral Two Pipeline & Pump Station Project	78,000
208-5042	Spring Creek Water Quality Protection Project	80,946
208-5043	Sullivan Resource Management	29,535
208-5046	Wiedenmann Exclusion	32,100
208-5050	Drewsey Reclamation Ditch Fish-Friendly Diversion Structure	185,000
208-5052	Snowmoody Soil Erosion Control	25,750
208-5057	Willow Creek Fish Passage Improvement	76,218
208-5061	Fox Creek Juniper Treatment	99,220
208-5063	Remove Pushup Dams on North Fork John Day	58,059

August 31, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

SUBJECT: **Agenda Item H: Local Capacity Funding**
September 18-19, 2007 OWEB Board Meeting

I. Introduction

This report seeks Board approval of additional non-capital funding to support local capacity, including funding for watershed councils, soil and water conservation districts, the Network of Oregon Watershed Councils (Network), and the Oregon Association of Conservation Districts (OACD).

II. Background

On December 15, 2006, OWEB received 60 applications for Watershed Council Support grants requesting a total of $7.9 million. Applications were sent to the Council Support Advisory Committee (CSAC) to review the applications. After pre-scoring them, the CSAC met developed consensus scores for each application. Staff then conducted an extensive review of the comments and scores generated by the CSAC and made minor adjustments. Staff then prepared written summaries of the evaluations that were sent to the Board and applicants.

OWEB staff recommended funding for watersheds councils based on base awards established by five categories: "Excellent, Very Good, Good, Satisfactory, and Needs Improvement." Staff recommended that the type "a, b, and a and b" umbrella councils receive an additional 18, 9, and 22 percent, respectively, of their base award. This amount is commensurate with the umbrella awards for 2005-2007. Staff developed four funding alternatives based on the total amount of funding available. At the May 2007 Board meeting, staff recommended and the Board approved watershed council support awards totaling $5 million. The Board also signaled its intent to consider awarding additional funding if funding were available in OWEB's 2007-2009 Legislatively Adopted Budget.

OWEB's budget was approved by the Joint Ways and Means Committee on June 1, 2007. The committee approved budget included $5 million for watershed council support grants and $5 million for soil and water conservation district support. OWEB's budget was approved by the Legislature in June and signed by the Governor on June 28, 2007.

The amount of funding available for non-capital purposes and the staff proposed spending plan are described in Agenda Item D.

III. Local Capacity Grants

Board members have long recognized the important role of watershed councils and soil and water conservation districts in carrying out cooperative conservation actions. These groups are key players in developing and implementing local restoration projects with landowners, and improving community awareness of and interest in watershed health. Councils and districts account for approximately two-thirds of OWEB grant awards.

In recent years, the Board has indicated that additional funding to increase the organizational capacity and effectiveness of our local partners is a high priority. The 2007 Legislature has provided funding for councils and districts at $5 million each, the first increase since 1999. However, from our evaluation of watershed council support, we know that their capacity needs exceed what we have been able to provide in the past, and in this biennium. We understand districts would benefit from additional funding for similar reasons.

With significantly increasing capital funds and a seven-year window for Measure 66 grant investments ahead of us, staff believe this is the appropriate time to distribute additional resources to councils and districts. As described in Agenda Item D, staff propose the Board allocate an additional $1 million each for councils and districts. It is important to note that councils and districts should not consider the additional funding as part of their base budgets for the 2009-2011 biennium. The Legislature's appropriation of $5 million each for councils and districts will serve as the base budget level as we prepare the OWEB budget next year for the 2009-2011 biennium.

A. Watershed Council Support

OWEB evaluated watershed council needs through the competitive, merit-based council support evaluation process conducted this past spring. Staff developed a $6 million funding alternative as part of its May 2007 staff report. Staff propose approximately $1 million be allocated to councils in accordance with that alternative. Attachment A is a table showing the current funding award, the proposed addition, and the total biennial award for each council support recipient.

Given the additional funding proposed in this report and the increased funding allocated to councils by the Legislature, OWEB urges councils to work to improve their operations in the following areas:

- Enhancing community outreach/awareness.
- Strengthening communications with county and other local governments.
- Renewing and expanding council membership and local volunteer participation.

B. Soil and Water Conservation District Capacity

Soil and water conservation district (district) needs and the uses for the additional $1 million have been determined by the Oregon Department of Agriculture (ODA) and the Soil and Water Conservation Commission. Based on recommendations from the Soil and Water Conservation Commission, the first priority for the additional funding will be targeted to provide technical assistance and outreach for establishing riparian buffers and other practices that support implementation of the Agricultural Water Quality Area Management Plans. This means:

- Funding existing Conservation Reserve Enhancement Program (CREP) positions as the first budget priority, and

- Allocating additional funds to other areas where there is landowner interest and demand in riparian buffers or other water quality work.

Approximately 10 percent of the funding will be used to support training and capacity building for districts, and to cover a portion of ODA's cost of administering the additional funding (e.g., develop agreements, coordinate training of riparian specialists and other technical staff, coordinate efforts with the U.S. Department of Agriculture, report on results of activities produced with additional funding, etc.). ODA staff are working with districts to identify a budget for continuing existing CREP positions. Staff will provide additional detail about the district allocation at the September meeting. The additional recommended funding will be distributed to ODA who will enter into agreements with the districts.

IV. Capacity Enhancements

OWEB's support last biennium for the Network of Oregon Watersheds Councils (Network) and the Oregon Association of Conservation Districts (OACD) provided benefits for OWEB, councils, and districts. The coordination and cooperation between OACD and the Network was a big part of why councils and districts received additional funding from the Legislature last session.

The Network and OACD wish to continue their efforts this biennium and are currently preparing proposals, including work plans, to submit to staff and the Board by the September meeting. The Network and OACD will also submit a final report for the 2006-2007 Partnership Effort that describes the results of the previous Board investment. Staff will also provide the Board with a copy of this report.

Staff propose the Board allocate funds to support the OACD and the Network proposals. The work of these organizations will directly complement the additional funding for councils and districts. The increased funding for councils and districts will raise expectations regarding their achievements over the coming two years. The Network and OACD will help their respective groups perform at a high level and communicate their successes.

V. Recommendation

Staff recommend the Board:

A. Approve an additional $986,066 for Watershed Council Support grants as reflected in Attachment A.

B. Allocate $1,000,000 for Soil and Water Conservation District capacity as described in Section III of this report.

C. Allocate $100,000 to the Network of Oregon Watersheds Councils and $100,000 to the Oregon Association of Conservation Districts as described in Section IV of this report.

Attachments

A. 2007-2009 Watershed Council Support Awards

2007-2009 Watershed Council Support Awards

Attachment A

	App #	Applicant	May 2007 Award	Sept 2007 Award	Total Award*
Excellent	208-010	Coos Watershed Association	$ 96,000	$ 18,000	$ 114,000
	208-041	Crooked River WSC (b)	$ 104,640	$ 19,620	$ 124,260
	208-049	Grande Ronde Model WS (b)	$ 104,640	$ 19,620	$ 124,260
	208-043	Hood River WS Group	$ 94,100	$ -	**$ 94,100**
	208-026	Johnson Creek WSC	$ 96,000	$ 18,000	$ 114,000
	208-027	Long Tom WSC	$ 96,000	$ 18,000	$ 114,000
	208-028	Marys River WSC	$ 96,000	$ 18,000	$ 114,000
	208-038	McKenzie WSC	$ 96,000	$ 18,000	$ 114,000
	208-003	Midcoast (a)	$ 113,280	$ 21,240	$ 134,520
	208-004	Nehalem WSC (a)	$ 113,280	$ 21,240	$ 134,520
	208-016	Southcoast (a)	$ 113,280	$ 21,240	$ 134,520
	208-017	Tenmile Lakes Basin Partnership	$ 96,000	$ 1,980	**$ 97,980**
	208-047	Upper Deschutes WSC	$ 96,000	$ 18,000	$ 114,000
	208-054	Walla Walla Basin WSC	$ 96,000	$ 18,000	$ 114,000
	208-039	Yamhill Basin WSC	$ 96,000	$ 18,000	$ 114,000
Very Good	208-008	Applegate River WSC	$ 86,000	$ 18,000	$ 104,000
	208-022	Calapooia WSC	$ 86,000	$ 18,000	$ 104,000
	208-023	Clackamas River Basin Council	$ 86,000	$ 18,000	$ 104,000
	208-024	Coast Fork Willamette WSC	$ 86,000	$ 7,462	**$ 93,462**
	208-025	Columbia Slough WSC	$ 86,000	$ 18,000	$ 104,000
	208-011	Coquille Watershed Association	$ 86,000	$ 18,000	$ 104,000
	208-012	Illinois Valley WSC	$ 86,000	$ 13,211	**$ 99,211**
	208-045	Lake County WSC (a)	$ 101,480	$ 21,240	$ 122,720
	208-014	Lower Rogue WSC	$ 86,000	$ 8,331	**$ 94,331**
	208-058	Luckiamute WSC	$ 86,000	$ 18,000	$ 104,000
	208-029	Middle Fork Willamette WSC	$ 86,000	$ 18,000	$ 104,000
	208-015	Middle Rogue WSC	$ 86,000	$ 18,000	$ 104,000
	208-001	North Coast WSC (a)	$ 101,480	$ 21,240	$ 122,720
	208-056	Owyhee WSC (b)	$ 93,740	$ 19,620	$ 113,360
	208-018	Partnership for the Umpqua (b)	$ 93,740	$ 19,620	$ 113,360
	208-034	Sandy River Basin WSC	$ 86,000	$ 18,000	$ 104,000
	208-035	Scappoose Bay WSC	$ 86,000	$ 18,000	$ 104,000
	208-06	Siuslaw WSC	$ 86,000	$ 18,000	$ 104,000
	208-007	Tillamook Bay WSC	$ 86,000	$ 18,000	$ 104,000
	208-037	Tualatin River WSC	$ 86,000	$ 18,000	$ 104,000
Good	208-009	Bear Creek WSC	$ 76,000	$ 15,880	**$ 91,880**
	208-021	Elk Creek WSC	$ 76,000	$ 18,000	$ 94,000
	208-050	Harney County WSC (b)	$ 82,840	$ 1,442	**$ 84,282**
	208-040	Klamath WSC (a/b)	$ 92,720	$ 21,960	$ 114,680
	208-002	Lower Columbia River WSC	$ 76,000	$ 1,820	**$ 77,820**
	208-051	Malheur WSC (a/b)	$ 92,720	$ 21,960	$ 114,680
	208-052	North Fork John Day WSC	$ 76,000	$ 18,000	$ 94,000
	208-030	North Santiam WSC	$ 76,000	$ 18,000	$ 94,000
	208-057	Powder Basin WSC (b)	$ 82,840	$ 19,620	$ 102,460
	208-032	Rickreall & Glenn-Gibson Cr WSCs	$ 76,000	$ 18,000	$ 94,000
	208-020	Seven Basins WSC	$ 76,000	$ 18,000	$ 94,000
	208-036	South Santiam WSC	$ 76,000	$ 18,000	$ 94,000
	208-053	Umatilla Basin WSC	$ 76,000	$ 18,000	$ 94,000
	208-048	Wasco Area WSCs	$ 76,000	$ 18,000	$ 94,000
Satisfactory	208-013	Little Butte Creek WSC	$ 63,000	$ 17,000	$ 80,000
	208-044	Middle Deschutes WS Councils	$ 63,000	$ 17,000	$ 80,000
	208-005	Nestucca-Neskowin WSC	$ 63,000	$ 17,000	$ 80,000
	208-031	Pudding River WSC	$ 63,000	$ 17,000	$ 80,000
	208-046	Sherman County WS Councils	$ 63,000	$ 17,000	$ 80,000
	208-019	Upper Rogue WS Assn	$ 63,000	$ 17,000	$ 80,000
	208-055	Wheeler County WS Groups	$ 63,000	$ 17,000	$ 80,000
Needs Improvement	208-042	Gilliam-East John Day WSC	$ 50,250	$ 13,220	**$ 63,470**
	208-059	Greater Oregon City WSC	$ 37,500	$ -	$ 37,500
	208-033	Salem Keizer WSCs	$ 50,250	$ 16,750	$ 67,000
	208-060	Smith River WSC	$ 50,250	$ 16,750	$ 67,000
	Total		$ 5,014,030	$ 986,066	$ 6,000,096

***Amounts in bold are the amount requested by the applicant and are lower than the base award for the merit category.**

August 29, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Special Projects

SUBJECT: **Agenda Item J: Special Investment Partnerships**
September 18-19, 2007 OWEB Board Meeting

I. Introduction

This report describes the characteristics and process associated with Special Investment Partnerships (SIP), describes current SIP opportunities, and seeks Board approval of a capital funding reservation for SIP in the 2007-2009 biennium. This report also seeks Board approval of conditional SIP funding reservations for future biennia.

In this staff report, the term "Partnership" is used to mean a real or potential initiative that meets the goals and characteristics of a SIP.

II. Background

At its January 2007 meeting, the Board appointed a SIP Subcommittee and authorized staff to further develop the SIP concept. Since then staff have done significant exploration of likely Partnerships, and the Subcommittee has met six times to discuss goals, program characteristics, process, and specific Partnership opportunities. The full Board has received informational updates from staff at its March and May, 2007 meetings, as well as at the Board Planning Session in July.

III. SIP Characteristics

The goal of the Special Investment Partnerships is the same as that of OWEB overall – to help create and maintain healthy watersheds and natural habitats that support thriving communities and strong economies.

SIP is a tool that OWEB may elect to use in situations where an important and extremely beneficial project (or group of related projects) requires an interaction or funding mechanism different than those provided by OWEB's grant programs. SIP allows OWEB to be proactive in developing and forming a special partnership with one or more other major funding sources and implementing entities to focus funds and other resources on important outcomes that might be more difficult to achieve by other means.

A. Partnerships through SIP are defined by these characteristics:

1. **Ecological Significance.** The ecological impact, significance of the issues addressed, and the anticipated outcome(s) are large. Ideally, a Partnership contributes to a historic change or surge of progress in, for example, the recovery of a species, the restoration to self-sustainability of an ecosystem, the restoration to health of a river system or watershed, or the launching of an initiative that addresses widespread issues.

2. **Importance of OWEB's Contribution.** OWEB's contribution will be critical, not only to funding the effort, but also to attracting the other support and catalyzing the action necessary for achievement of the objectives. In particular, a SIP investment will tend to launch important efforts that otherwise have been stalled or delayed. SIP is not inherently a capital fund tool; the approach necessary to break the bottleneck, solve the problem, and save the watershed may not be the types of activities that only qualify for capital funding. Given the current scarcity of OWEB non-capital funds, other partners must be relied upon at this time to provide funding for these other critical project needs. It would be better if OWEB had its non-capital funds available to be able to address all aspects of a problem.

3. **Robust Partnerships.** SIP investments will be made where other partners, with significant funding or other contributions to offer, are available, interested, and likely to join the effort within a reasonable period of time. OWEB may be the first to commit major funding to a project, and may need to maintain that commitment for months or even years while the project develops, but the ultimate outcome will be the leverage by SIP of very significant matching contributions from others sources.

4. **Triple Bottom Line.** Projects implemented by Partnerships will produce ecological, community, and economic outcomes – the "triple bottom line" – through a deliberate effort to produce benefits that sustain themselves over time because they've become a part of local custom and culture. The scale, importance, and sustainability of SIP-funded activities will result from – and will attract – strong support and involvement by the affected local communities.

5. **Captures the Imagination/High Visibility.** The scale, importance, and sustainability of a Partnership will attract public attention not only to the work of that one project but also to the importance of watersheds and of watershed enhancement generally. Partnerships will capture and communicate the "big picture" of watershed stewardship and will illustrate the enormous positive benefits of watershed restoration.

6. **Ripeness.** To receive a funding allocation from the Board, a Partnership: (a) needs to be ready to form and begin functioning to finalize objectives and a work plan; (b) must have a likely time frame for implementation and completion that is reasonable and fits OWEB's needs; and (c) must be at the point developmentally where it both needs and can take advantage of the OWEB funding commitment to further the project. OWEB may elect to continue working on Partnerships that have not yet developed to this point, because it is in the nature of a Partnership to tackle big, important work that has so far been too complicated or expensive to develop beyond a certain point.

B. It also is useful to describe SIP in terms of what it is not.

1. SIP is not a new grant program, and thus does not come with the same trappings. There is no imperative to use the SIP tool, nor to route any particular amount of funding through it. There is no requirement for any solicitation of proposals. There is no particular time frame within which actions must be taken or decisions must be made.
2. SIP is not an alternative to the regular grant program for dealing with big-ticket grant proposals. The Board may elect to establish a special review pathway for very large, complicated, or costly project proposals, but SIP is not that pathway.
3. SIP is not a one-time-only (September 2007) agenda item in earmarking blocks of funding. The tool will remain available to the Board indefinitely, and funding commitments will be made and adjusted in the future whenever the Board wishes.

IV. SIP Process

The SIP process involves identifying and evaluating potential SIP investments, developing Partnerships, committing funding through Board decisions, formalizing agreements, and administering agreements.

A. Identifying and Evaluating Potential Partnerships

Partnership identification will be primarily a staff, Subcommittee, and Board effort involving outreach and the discussion of needs, opportunities, outcomes, and partnership potentials. As discussions evolve, staff will present the Subcommittee with summaries of each concept following this standard format:

1. Measurable Ecological Outcomes. A list of outcomes or products with units or standards of measurement. Described partly in terms of critical needs or priorities for species, habitats, or ecosystems; also in terms of consistency with Measure 66, prominent basin plans, recovery plans, and other leading action plans.
2. Impact of SIP Investment. Any special leverage or pump-priming issues. Any critical needs, gaps, or bottlenecks that SIP will address.
3. Likely Partners. For each, a description of roles and contribution: e.g. funding (secured, committed), design, in-kind contribution, landowners, project management, project construction/implementation, permitting entity, long term maintenance, etc.
4. Sustainability**.** In terms of economic benefits, community capacity benefits, potential for education and outreach, and sustainability after OWEB's expenditure.
5. Implementation Activities**.** Methods and measures; what will be done and in what location (e.g. watershed, basin, affected waters, affected ecoregion).
6. Ripeness and Timing**.** What's already in the works? When will it or should it start? How long will it take for final design, final permitting, final fund raising, contracting, implementation, and evaluation? Where will the project be at the beginning of 2014?
7. Costs**.** Total for whole project; amount of OWEB funding requested; and when it will be needed.

For the first four, OWEB's criteria for evaluating the merit and potential is suggested by the SIP characteristics described in Section III above. "Implementation activities" will be evaluated primarily on whether the proposed methods, measures, and locations are appropriate to the need, opportunity, and project objectives. Any on-the-ground restoration

activities must be technically sound. "Ripeness and timing" will be evaluated primarily on whether the partnership is ready to form and begin functioning, and whether the likely time frame for implementation and completion is reasonable and fits OWEB's needs. "Costs" will be evaluated primarily on the appropriateness of the total cost, the amount of contribution leveraged by OWEB's contribution, the appropriateness of the OWEB contribution in terms of the outcomes purchased, and whether the need for OWEB funds matches OWEB's ability to provide them. The technical evaluation of "Implementation Activities" will also scrutinize the appropriateness of unit-costs and line-item budget amounts (particularly those associated with the use of OWEB's funds).

B. Developing Potential Partnerships

Experience has shown that shaping Partnerships requires significant discussion and communication. Application of the criteria described above raises questions that must be answered; the answers lead to refinements in both the Partnership concept and the nature and function of the Partnership. OWEB's expression of serious interest in a potential Partnership has the effect of galvanizing other partners' energy and efforts to address unresolved details.

With most candidate Partnerships, this will result in an iterative process in which OWEB's SIP criteria will be applied and re-applied several times as the Partnership evolves. For the candidates that make the grade, each re-examination will reveal fewer outstanding issues and a more satisfactory Partnership. For other candidates, progress will be slower; for others, application of the criteria will reveal that it is not suitable for SIP. The Subcommittee and staff will determine which candidates should be pursued as being more promising.

C. Board Funding Decisions

The SIP Subcommittee will decide when the evaluation criteria have been sufficiently met to warrant sending a recommendation to the full Board. That recommendation will endorse the merit of the Partnership and the value of likely outcomes, and will specify:

1. The objectives of the Partnership.
2. An amount of funds to be allocated.
3. The timetable for further development of details and of fund allocation.
4. Any special conditions on the funding award.
5. Any special processes or other considerations for implementation and oversight.

Typical conditions on a SIP allocation or earmark might include that:

1. Suitable partners must sign a Partnership Agreement by a certain date.
2. Other partners must commit to making sufficient contributions.
3. Sufficient funding for full implementation must be committed by a certain date.
4. Any actions of the implementation work plan that OWEB funds will be used for will be subject to detailed scrutiny and approval by a technical review process designated by OWEB.
5. Implementation must proceed in a timely manner.

The funds committed to a particular Partnership may need to be reserved by OWEB for a significant period of time before the Partnership fully "ripens" and on-the-ground implementation can begin. The Board may also be asked by staff to act on recommendations

to earmark funds from future biennia for certain Partnerships. Such earmarks cannot be binding upon OWEB because we lack the legislatively granted authorization to receive and expend funds from future biennia. However, the effectiveness of SIP and the ability for OWEB to promote and negotiate Partnerships depends on our ability and willingness to at least express the intent to reserve future funds.

D. Partnership Agreements

Partnerships approved by the Board will be formalized through signed Partnership Agreements (Agreements) that will specify:

1. Goals, objectives, and quantifiable outcomes.
2. Roles and responsibilities of the partners.
3. Approximate timeframes for further project development, funding, implementation, and production of outcomes.
4. Funding amounts, sources, and schedules.
5. Appropriate uses of OWEB funds.
6. Conditions placed by OWEB on its funding.
7. Processes for partner interaction, adaptive management, and progress reporting.
8. Processes for fiscal accounting and reporting.
9. Provisions for monitoring implementation and effectiveness and for reporting results.
10. Processes for involving interested and affected publics.
11. A work plan containing details about implementation sites, activities, budgets, managing entities, time frames, and outcomes.

E. Administering Agreements

An Agreement may or may not be the only instrument by which OWEB funds are disbursed. Additional contracts may be necessary to implement the work plan. OWEB staff will oversee and manage the Agreements, any subsequent contracts, and any processes necessary to review site-specific technical details as they develop. Staff from all OWEB sections will be involved to some extent, but SIP oversight will require the dedication of at least one staff person. To the extent possible, OWEB will utilize watershed councils, soil and water conservation districts, and other locally based groups to serve as project managers and conduits for implementation of the Agreement.

Funding distributions within a Partnership may shift during the life of the Agreement by mutual agreement. Also, the total dollar amount of OWEB's funding commitment to a Partnership may be changed by the Board over time.

F. The Effect of a Partnership on Other Project Proposals

A SIP allocation does not inherently preclude or disadvantage other proposals that might be submitted to OWEB's grant programs from the same geographic area or relating to the same watershed objectives or issues. However, OWEB should not ordinarily accept for review in its other grant programs a request to fund work that is already included in a SIP work plan. If a Partnership involves work at a number of different sites, the Agreement will identify the sites and work that are part of the Partnership and the funding associated with those sites and work. The Board may decide that OWEB's investment in a particular Partnership is all the

funding OWEB will contribute to that particular set of objectives, at least for a period of time.

The Board may elect to invite proposals designed to complement, enhance, expand, or otherwise build on a Partnership investment. In such an event the Board may identify any special review or evaluation criteria or weighting to be applied. Otherwise, every project proposal must stand on its own merits as evaluated through the regular review process. A Partnership will always be open to suggested expansions of the Agreement to incorporate additional sites or work. Each such suggestion will be evaluated on the basis of:

1. The value added in terms of enhanced outcomes.
2. The funding and other resources offered by the applicant(s).
3. The ability of the SIP to absorb more work or complexity.
4. The technical quality of the proposal.

V. Current SIP Partnership Opportunities

The following list briefly describes the current SIP opportunities being developed by staff and the Board Subcommittee. All are in different stages of maturity or "ripeness."

A. Willamette River: Hydrologic Reconnection for Habitat and Water Quality.

The Willamette River SIP has evolved into a focus on restoring hydrologic complexity and connection in the bottom lands, the so-called historic "meander corridor" of the main stem and its tributaries. Many interests overlap there, many watershed functions in need of restoration and protection are best addressed there, significant work has been done there to identify opportunities and constraints for site-specific action, and many partners are ready to join or assist a Partnership.

B. Deschutes River: Restoration of Fish Passage, Habitat, and Flow.

OWEB's Deschutes SIP would provide funding for passage, habitat, and flow enhancement projects to re-establish anadromous fish runs and to enhance resident populations in tributary streams on both the eastside and the westside of the Deschutes, including the Crooked River Subbasin.

C. Rogue River: Restoration of Fish Passage, Habitat, and Flow.

The Water for Irrigation, Streams and Economy (WISE) project in the Bear Creek and Little Butte Creek watersheds aims to improve conditions for anadromous and resident fish by improving in-stream flow, removing passage barriers, improving water quality, and restoring aquatic habitat, all done in a way that also improves irrigation system reliability and that contributes generally to local economic stability.

D. Biomass Utilization: Improving Range and Forest Health.

One promising set of solutions to the dangerous and unhealthy over-stocking of forest and rangeland fuel would enhance markets for excess biomass of various kinds in order to create an economic engine to help fund removal of the fuel and restoration of the harvest sites. The commercial activities involved offer the double benefit of enhancing the economic stability of rural local communities.

E. Coastal Lands: Estuary and Tideland Restoration and Protection.
Estuaries in Oregon have suffered from diking, draining, filling, and pollution. Notwithstanding various protections offered through land use and other programs, there is much yet to be done to restore the estuarine systems. The SIP process has begun to explore a Partnership to better organize acquisition and restoration efforts. This might include addressing the lack of skilled staff necessary to document landscape factors, develop effective working relationships with landowners and local leaders, and design restoration proposals that address the complexity of local situations.

F. Klamath Basin: Restoration of Fish Passage, Habitat, and Flow.
Quiet negotiations are now underway regarding the re-licensing of the Klamath River PacifiCorp's dams that block anadromous fish. If an agreement to remove the dams or create fish passage is reached, significant investments above the dam sites will be needed to make sure that the newly accessible parts of the Klamath Basin have the habitat, passage, water quality, and in-stream flows to support re-establishment of healthy runs.

VI. Next Steps

Of the six potential Partnerships above, the Willamette, Deschutes, and Rogue have ripened most quickly over the past half year. The other three Partnerships have also evolved; all six continue to develop. Staff will continue to work with our partners to refine these ideas and will return to the Board in January of 2008, with more information on the Partnerships and their projects, and more specific recommendations for funding reservations or allocations.

The stand-out among the six is the Willamette Partnership. In this case OWEB has assumed a leadership role in convening and guiding several key partners. While important details are yet to be worked out, staff believe it is time for OWEB to make a funding reservation that can illustrate our commitment in a way that will also help maintain our leadership of the Partnership. We expect that others in the Partnership will follow suit with funding allocations of their own once they see OWEB's commitment.

VII. Recommendation

Staff recommend the Board:

A. Reserve $12 million of capital funds for SIP for the 2007-2009 biennium;

B. Reserve $6 million of the $12 million for implementation of a Willamette River Partnership;

C. Allocate $200,000 of non-capital funds (75 percent from recaptured non-capital funds) for SIP administration and the costs associated with fully developing Partnership Agreements and work plans; and

D. Express support for tentative future reserves of at least $12 million per biennium from capital funds in the 2009-2011, 2011-2013, and 2013-2015 biennia.

August 30, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Manager

SUBJECT: **Agenda Item K: Research Awards**
September 18-19, 2007 OWEB Board Meeting

I. Introduction

This report seeks Board approval of up to $3.1 million from the Restoration and Protection Research Fund for funding nine of the 10 research proposals received and reviewed during the spring and early summer of this year.

II. Background

In 1999, the Legislature enacted ORS 541.378 establishing a "Restoration and Protection Research Fund" from all interest earned from Ballot Measure 66 Lottery Funds. The research funds are subject to the 35 percent non-capital and 65 percent capital distribution as are all Measure 66 dedicated lottery funds.

In January 2001, the Board adopted a Research Investment Strategy to guide OWEB funding of research supporting implementation of the Oregon Plan for Salmon and Watersheds. The strategy identified four principles: (1) Identify critical information needs; (2) Fund research projects that address priority needs first; (3) Communicate research results to users; and (4) Evaluate what is learned and determine new priority needs.

In March 2001, the Independent Multidisciplinary Science Team (IMST) reviewed the strategy and identified 12 priority Oregon Plan research needs and ranked them in relative order of importance. After review by stakeholders, the research priorities were adjusted and adopted by the Board in March 2002. Until this biennium, the Legislature directly appropriated research funds for several projects, but had not given OWEB the expenditure authority to allocate these funds at the Board's discretion as with other grant programs.

For the first time, the 2007 Legislature gave OWEB the expenditure authority for the Board to allocate funds from the Restoration and Protection Research Fund. The Research Fund is projected to achieve approximately $7.7 million in revenue by the end of the 2007-2009 biennium. The composition of those funds is anticipated to be $4.93 million in capital and $2.75 million of non-capital.

III. Research Proposal Solicitation

At the May 2006 meeting, the Board approved the first open solicitation for research proposals in anticipation of the 2007-2009 biennium. The research priorities, adopted by the Board in 2002, were revised to incorporate the draft research priorities developed for the Coastal Coho Conservation Plan last year. This collection of research priorities accompanied the research solicitation materials provided to applicants. OWEB used the Sea Grant Program at Oregon State University (OSU) and the Oregon Plan Monitoring Team (OPMT) to assist in the administration of the research proposal solicitation and review process. Thirty-three research pre-proposals were submitted to Sea Grant in September of 2006. Following review by the OPMT and OWEB staff, 14 applicants were asked to submit full proposals for an extensive independent scientific evaluation. Four of the proponents were asked to work together to develop a single proposal, and a fifth declined the opportunity to submit a full proposal.

Attachment B contains a single page describing the highlights of each the 10 full research proposals submitted, including where the research will be conducted, what it entails, the desired outcome, who is involved, and the requested and recommended funding amounts.

A. Scientific Review

Sea Grant completed the external review of the project proposals requested by OWEB in mid-April 2007. A review of each proposal was conducted by two to five experts in the natural resource sciences from around the nation and several countries. Each reviewer provided a written evaluation and overall qualitative score at the conclusion of the review. Qualitative scores were then converted to a numeric value. Each proposal was considered within the following categories: overall *Rationale* for the proposed work, *Scientific or Professional Merit, Innovativeness, Qualifications and Past Record of Investigators, and User Relationship* (overall utility to end users).

All of the proposals were given scores by each reviewer in the *Good, Very Good*, and *Excellent* brackets except one that was given a *Fair* score. Averaging scores among reviewers reveals that 8 of the 10 proposals fall into the *Very Good* rank with the remaining two considered *Good*.

B. Staff Review

Since the conclusion of the Sea Grant review process in April, staff processed reviewers' comments and scores in preparation of selecting the proposals to recommend for Board consideration. Staff reviewed the proposals and reviewers comments and found nine of the ten proposals to have scientific merit, positive external review comments, and sufficient relationship to OWEB priorities and needs to warrant funding. The tenth proposal received the least favorable remarks from the scientific reviewers and is not recommended for funding at this time. On a related note staff are recommending a similar dam removal evaluation for two dams on the Calapooia River in Agenda Item L.

The requested budgets of all 10 research proposals slightly exceed $4.6 million. As stated above, the Research Fund is anticipated to total $7.7 million by the end of the 2007-2009 biennium, with $4.93 million in capital and $2.75 million of non-capital research funds available. Staff recommend reductions to the funds requested for most of the research proposals in order to spend less than half of the Research Fund revenue available to the Board this biennium. Staff recommend an allocation of Research Funds totaling $2,964,616

of capital and $129,154 of non-capital funds. This approach expends a larger amount of the available capital research funds while retaining 93 percent of the non-capital research funds. Staff recommendations for research funding proposals are included in Attachment C to their report.

Implementation of these recommendations will allow for a significant investment in a variety of important and relevant research projects, while retaining a large proportion of the research funds for a second more targeted research offering later in the biennium; this will also give the Board some flexibility to make more strategic investments as discussed at the July 2007 Planning Session.

IV. Future Research Solicitations

Staff will develop a schedule and plan of research offerings for the remainder of the 2007-2009 biennium based on the July 2007 Board Planning Session discussion. This package will focus on the Board's desire to establish a strategic approach to offering and awarding research funding based on investing in research that: (1) has relevance to OWEB's core programs; (2) is likely to be completed or yield results before 2014, and (3) focuses on the types of questions that have the greatest need to be answered by 2014. Staff will also develop a strategy that considers the use of some research non-capital funds for other types of grant offerings. Presentation of this strategy to the Board is targeted to occur before the spring of 2008.

V. Recommendation

Staff recommend the Board approve the staff funding recommendation for research proposals as contained in Attachment C to this report.

Attachments

A. Research Priorities – March 2002 REVISED June 2006
B. Research Proposal Highlights
C. Research Proposals Funding Recommendations

Oregon Watershed Enhancement Board
Research Priorities – March 2002 revised June 2006

I. Highest Priority Information Needs for the Oregon Plan

1. Assess the status of watershed health as indicated by anadromous salmonid stocks (coho, chinook, and chum salmon, sea-run cutthroat trout, and steelhead), and the risk for their extinction by integrating dynamic ocean conditions, habitat availability and quality, and human activities.

The IMST has identified the importance of adopting a landscape context for the Oregon Plan, and the need for long-term perspectives that incorporate changing conditions in terrestrial, freshwater, and ocean ecosystems. The IMST identified several components needed to support these overall research goals. These include:

- Research that aids understanding of interactions among basin populations, metapopulations, ocean survival rates, life history stage (survival) trends, and population viability.
- Analysis and integration of information from habitat assessments and salmon spawner or juvenile surveys with models that assess salmon population trends and population dynamics and to conduct sensitivity analysis of models and model parameters.
- Research that compares distribution of spawner abundance relative to spawning habitat of differing quality.
- Evaluation of the ability of current monitoring and research programs to provide data required for life-cycle modeling and to measure the following: 1) recolonization of habitats as stocks recover, 2) straying rates, 3) distribution of spawners across their ranges, 4) degree of unoccupied habitats, and 5) variable effects of ocean survival rates within and among Gene Conservation Groups.
- Strengthen life-cycle modeling concepts and apply them to broader ranges of land use and management questions.
- Research that identifies the relationships between landscape dynamics and aquatic resources and their habitats.

II. High Priority Information Needs for the Oregon Plan

A. Related to Watershed Conditions

1. Determine how changes in land use and land cover, including riparian and upland vegetation, can affect salmonid habitat quality.

Remote sensing and ground surveys are needed to establish baseline data and to compare them to historical records in order to conduct trend assessments of watershed and habitat conditions. Currently, remote sensing has not been used to its fullest potential under the Oregon Plan. Determine the accuracy of various remotely sensed data and the proper scales at which they should be used.

2. **Determine relationships between population trends of fish and wildlife and land use/land cover changes.**

Research is needed to estimate: 1) the past abundance and distribution of salmon throughout the landscape, 2) the changes in abundance and distribution through time, and 3) the changes in habitat type and availability that have occurred as estuaries, rivers, and streams have been modified to accommodate a variety of human activities.

B. Specifically Related to Fishery Management

1. **Determine the effects of wild-hatchery fish interactions and the impacts of hatchery management programs on wild stocks. Test the assumptions about survival differences between hatchery and wild fish.**

Few studies have tracked the effects of interactions between hatchery and wild fish on the long-term persistence of wild populations. Future research should include both genetic analysis and ecological analysis of the effects of competition.

2. **Determine the origin and the temporal and spatial distribution of wild ocean-caught fish**.

Research is needed to determine which freshwater populations are altered by ocean harvest, and when, where, and how many fish are encountered. Harvest management decisions and policies will not be effective for protecting critically low populations without this information.

3. **Determine the spawning escapement rate of steelhead.**

There are comparatively few steelhead survival data due to difficulties in monitoring both juvenile migrants and adult returns. Little is known about both freshwater and marine survival of steelhead. There is a need for increased emphasis on monitoring the spawning escapement of steelhead to obtain better estimates of survival and abundance.

4. **Determine the genetic basis of various life history strategies in salmonids.**

Environmental and genetic controls of life-history paths need to be determined so genetic life history stages can be preserved on both the population and metapopulation levels. The diversity in migration times, spawning times, and unique life history paths (e.g. residual fish and precocial males) should be preserved to maintain a population's resiliency.

III. Moderate Priority Information Needs for the Oregon Plan

1. Determine the impacts of declining wild salmonid populations on ecosystem processes.

Examples of research needs include, but are not limited to:

- Determining the response of juvenile salmonids and their food webs to carcass abundance and how many spawners are needed to support the next generation of developing salmonids. Experiments are needed to establish this relationship and to determine the processes involved. This is crucial when available carcass numbers are low.

- Determining the effects of hatchery releases on the same and other species. Ecosystem attributes to consider include stream and ocean carrying capacity, biodiversity, life history diversity, the effects of inter- and intra-specific competition, diseases, and ocean trends and climate conditions.

2. Determine the effects of predation on salmonid recovery and how predation interacts with other environmental factors.

A holistic approach is required to evaluate predation in comparison with other causes of population declines and to effectively undertake management actions. The information required for this purpose is not currently available.

IV. Low Priority Information Needs for the Oregon Plan

1. Determine the impacts of non-indigenous (exotic) aquatic and terrestrial species on salmonid recovery.

The extent of deleterious effects from non-native species on salmonids and their recovery and the overall effect of non-native species on the health of natural ecosystems in the state are not known.

2. Determine the cause and effects of disease, tumors, and other abnormalities of fish on the population dynamics of the fish and the implications for ecosystem and human health.

The extent and consequences of an increase in the incidences of diseases, tumors, and physical abnormalities and their epidemiology is not fully known but may have the potential to prevent some salmonid stocks from fully recovering.

Additional Research Priorities for OWEB Research Solicitation 2006

I. Oregon Coastal Coho Recovery Plan Research Priorities

Prioritization of *potential* Research, Monitoring and Evaluation Needs related to the Conservation Plan.

Top Tier RME

Verify results of Coho Winter High Intrinsic Potential habitat model.

Evaluate effects of marine mammal and avian predation on salmonids in Oregon coastal rivers especially regarding achieving desired status goals.

Evaluate effectiveness of restoration actions.

Evaluate methods to support management of beaver populations

Middle Tier RME

Tools to identify and prioritize restoration projects at local watershed and stream-reach scales;

Evaluate re-establishment of a self-sustaining population of coho in Salmon River.

Lower Tier RME

Marine derived nutrient (salmon carcasses) benefits to coho.

Document actual versus permitted water use

Evaluate land values to support new incentives to fund CREP and other long term conservation contracts.

Methods to remediate the primary factors limiting the production of coho from Tahkenitch, Siltcoos, Tenmile, and Floras Lakes;

Impacts of hatchery programs (species other than coho salmon, including effects of Columbia River Releases).

Research Proposal Highlights

Application #208-8000

Project Name: Evaluating the Role of Dam Removal for Salmon and Sucker Recovery in Oregon.

Where the research will be conducted: Klamath and Rogue River basins: Chiloquin Dam on the Sprague River and Savage Rapids Dam on the Rogue.

What does the research entail: *Objective 1:* Determine the reliability of bio-indicators for detecting biological responses that are relevant to small dam removal. Benthic macro-invertebrates will be evaluated as indicators of ecological change associated with dam removal, complimenting ongoing fish studies being conducted by various agencies (e.g., USGS, ODFW, and USFWS).

Objective 2: Implement protocols to document the rate, magnitude, and spatial extent of dominant geomorphic processes. High resolution channel surveys, surface and subsurface sediment sampling, and habitat assessments will be performed to document, analyze, and interpret geomorphic processes associated with dam removal.

Objective 3: Inform and link the science, practice, and monitoring of dam removal both regionally within Oregon and nationally for the United States.

What is the desired outcome: A fundamental outcome of the proposed research is the documentation of physical and biological responses of the Sprague and Rogue rivers to dam removal.

Who is involved: Oregon State University, Biological and Ecological Engineering; Geosciences; and Civil Engineering, Drs. Desiree Tullos, Gordon Grant, Wayne Huber.

Funds Requested: $426,354; Capital-$385,134 & Non-Capital-$41,220

Match Provided: $136,519

Funding Recommendation: Do Not Fund
Recommended Funding Amount: $0

Research Proposal Highlights

Application #208-8001

Project Name: Effects of Contemporary Forest Harvest on Aquatic Ecosystems in Trask, Hinkle, and Alsea Watersheds.

Where the research will be conducted: The North Coast and Umpqua basins; specifically the Trask and Alsea rivers and Hinkle Creek.

What does the research entail: Three watershed studies (Trask River, Hinkle Creek and Alsea Revisited) described in this proposal are evaluating the question "Are contemporary forest management strategies adequate to sustainably meet Oregon Plan goals for this state's forested watersheds?" Specifically, the responses of aquatic systems to forest harvest in headwaters, and quantifying downstream impacts are being examined. There are multiple hypotheses, with the overall objectives to investigate: 1) the effects of forest harvest on the physical, chemical and biological characteristics of small headwater streams; and 2) the extent to which alterations in stream conditions caused by harvest along headwater channels influences the physical, chemical and biological characteristics of downstream fish-bearing streams. Hinkle and Trask are investigating linkages between small streams and downstream fish bearing streams for multiple parameters. Alsea is a smaller area but has long-term data to compare impacts of contemporary forest practices with those from historic logging. The Alsea also will investigate the effect of instream wood placement on fish habitat and fish populations.

What is the desired outcome: The findings will benefit state and private forest landowners and natural resource managers by expanding the understanding of linkages between forest practices, aquatic habitat, and fish. This improved understanding will enable state and federal agencies to develop and refine forest management strategies that protect and restore aquatic habitat while enabling forest owners to profitably manage their lands.

Who is involved: Oregon State University, Forest Engineering; Dr. Arne Skaugset. U.S. Forest Service, PNW Research Station; Dr. Sherri Johnson. U.S. Geological Survey, Forest and Rangeland Ecosystem Science Center; Dr. Jason Dunham. Weyerhaeuser Company; Dr. Bob Bilby. Oregon State University, Department of Fisheries & Wildlife; Drs. Dave Wooster and Judith Li. National Council for Air and Stream Improvement; Dr. George Ice. Oregon Department of Forestry; Liz Dent.

Funds Requested: $499,384; Capital-$426,106 & Non-Capital-$73,278

Match Provided: $400,000

Funding Recommendation: Fund at Reduced Amount
Recommended Funding Amount: $400,000; Capital-$395,000 & Non-Capital-$5,000

Research Proposal Highlights

Application #208-8002

Project Name: Fiber-optic Observation of Stream Function and Condition: Demonstration and Application.

Where the research will be conducted: The Walla Walla River Basin.

What does the research entail: This project is designed to test the utility of using a Fiber Optic Distributed Temperature Sensing (DTS) system for monitoring of stream and air temperature. The proposed work has three major components: field measurement, numerical modeling, and collaborative data interpretation. The DTS systems will be installed with three of the fibers in water and one fiber used to monitor air temperature and solar exposure above each of the stream sections in sequence. Along these 12 kilometers of fiber optic cable, a network of 10 SensorScope micro-meteorological stations will be installed to continuously report air temperature, relative humidity, solar radiation, soil moisture content, soil matric potential, wind speed and direction, rainfall, and surface temperature (IR). These continuous field measurements will be complemented by monthly site visits to characterize shade conditions, measure stream temperatures, bed temperatures, and measure stream flow. By having tight constraints on environmental variables and stream temperature, we expect to be able to estimate the thermal inertial imposed by the hyporheic flow.

What is the desired outcome: Demonstrate the use of DTS methods to monitor stream temperature. Publicize a validated stream temperature model that allows users to estimate locations and magnitudes of critical stream temperature features. The model will allow forecasting of stream conditions to assist managers in allocating water in a predictable, optimized approach to obtain the greatest benefit to habitat and economic interests. Training of watershed staff and project graduate students to use and interpret DTS data and stream temperature modeling methods.

Who is involved: Oregon State University, Biological and Ecological Engineering: Dr. John Selker.

Funds Requested: $641,756; Capital-$596,756 & Non-Capital-$45,000

Match Provided: $160,919

Funding Recommendation: Fund at Reduced Amount
Recommended Funding Amount: $325,000; Capital-$280,000 & Non-Capital-$45,000

Research Proposal Highlights

Application #208-8003

Project Name: Recovery of Wild Coho Salmon in Salmon River Basin

Where the research will be conducted: The North Coast Basin, specifically the Salmon River.

What does the research entail: The researchers will monitor the Salmon River coho salmon population across habitat types and life history stages to identify population responses on a landscape scale. As a conceptual framework, other analysis will be guided by the "viable salmonid population" criteria identified by McElhany (2000) and modified by Chilcote et al. (2005) and Nicholas (2006), including abundance, productivity, distribution, diversity, and habitat quality. The approach will integrate original research, existing Oregon Plan monitoring, and past research in Salmon River (Mullen 1978, 1979; Cornwell et al. 2001; Bottom et al 2005; Volk et al. unpublished) to test the following general hypotheses: 1) no change in viability metrics (abundance, distribution, productivity, diversity) will occur following cessation of the hatchery coho program; 2) quality or quantity of stream habitat does not limit wild coho salmon production in Salmon River; and 3) non-wadeable streams and estuarine habitats (natural and restored) do not provide rearing habitat that contributes to coho salmon recovery. By synthesizing historic data with new information collected by the research activities, population structure during three distinct periods: pre-hatchery (1974-77), hatchery (1990-2008), and post-hatchery (2009-2013) will be compared.

What is the desired outcome: This study will document the changes in population abundance, distribution, and life history structure of coho salmon following the removal of hatchery coho salmon from the watershed. Research findings will demonstrate the link between productivity and survival at each life stage to the recovery of the adult population and will highlight the potential resiliency of coho salmon, detail the biological benefits/tradeoffs to returning to natural production, and assess whether supplementation should remain an option in Salmon River. This research program will have broad implications for salmon management in other coastal basins.

Who is involved: Oregon Dept Fish & Wildlife, Conservation and Recovery Program; Kim Jones, David Hering, and Trevan Cornwell. National Marine Fisheries Service; Dan Bottom.

Funds Requested: $749,335; Capital-$742,305 & Non-Capital-$7,030

Match Provided: $510,177

Funding Recommendation: Fund at Reduced Amount
Recommended Funding Amount: $400,000; Capital-$396,160 & Non-Capital-$3,840

Research Proposal Highlights

Application #208-8004

Project Name: Effects of Tide Gates on Juvenile Coho Movement and Residence Time in Estuarine Habitats.

Where the research will be conducted: The Coos River Basin on the South Coast, specifically Palouse, Larson, and Winchester creeks.

What does the research entail: The general goal of the proposed project is to assess the effects of tide gates on juvenile salmonid migration patterns and estuarine habitat utilization. The study will focus on coastal coho salmon because their poorly understood estuarine-life-history type is likely to be the most affected by tide gate operation. Although there is a broad spectrum of tide gates with "fish friendly" designs (see Giannico and Souder 2005 for examples), this study will focus on the two most prevalent types in the Pacific Northwest: the original top-hinged version and the relatively newer side-hinged type. The project's specific objectives are: 1) to determine the effects of top-hinged and side-hinged tide gates on seasonal and diel changes in water depth, temperature, salinity, and dissolved oxygen in the adjacent creek and marsh channels; 2) to assess differences between top-hinged and side-hinged tide gates regarding opening time and duration, as well as water flow during critical fish passage periods; 3) to determine differences in the proportions of sub-yearling and yearling (smolt) coho salmon that reach the mouth of creeks and pass through a top-hinged vs.a side-hinged tide gates; 4) to determine the proportions of sub-yearling coho salmon that migrate back upstream during early fall through a top-hinged vs.a side-hinged tide gate; 5) to characterize coho salmon seasonal use of and residence times in habitats immediately above and below tide gates; and 6) to establish if tide gate presence and type affects sub-yearling and yearling coho salmon condition factor, growth and survival rates.

What is the desired outcome: To provide managers with an understanding if and how tide gates affect juvenile salmonid movement, and, if a "fish friendly" tide gate design may improve juvenile fish passage in both directions over what traditional top-hinged gates allow. The project findings will be broadly applicable to estuarine habitat conservation and restoration and coho salmon recovery.

Who is involved: Oregon State University, Fisheries and Wildlife; Dr. Guillermo Giannico. Coos Watershed Association; Dr. Jon Souder.

Funds Requested: $267,121; Capital-$234,180 & Non-Capital-$32,941

Match Provided: $111,446

Funding Recommendation: Fund
Recommended Funding Amount: $267,121; Capital-$238,180 & Non-Capital-$28,941

Research Proposal Highlights

Application #208-8005

Project Name: Reconstructing Water Temperatures in Oregon Streams through Analysis of Growth Increments in Long-lived Pearlshell Mussels.

Where the research will be conducted: The study will include four sites representative of diverse climatic regimes: the Alsea River in the coastal forests of western Oregon, the Middle Fork of the Willamette River, Steamboat Creek at higher elevation in the western Cascades, and the Malheur River in the semi-arid, continental climate of eastern Oregon.

What does the research entail: The objectives of this study are to develop and validate methods for building freshwater mussel chronologies and relating those chronologies to the physical environment. These methods will be based on techniques developed by dendro-chronologists, which have been applied on a diverse assemblage of tree species around the world and are now being used on other long-lived animal species (rockfish and marine bivalves) in the Pacific Northwest (e.g., Black et al. 2005). At each site, the researchers will rigorously apply dendro-chronology (tree-ring) techniques to: 1) ensure all mussel growth increments are assigned the correct calendar year using the dendro-chronology technique of cross dating; 2) build high resolution, multi-decadal chronologies that capture variability on a range (inter-annual to decadal) of timescales; 3) establish climate-growth relationships using available records of stream temperature (Middle Fork Willamette River and Steamboat Creek) and flow, as well as regional measures of air temperature and precipitation (all sites); and 4) use mussel chronologies and climate-growth relationships to reconstruct thermal regimes over periods longer than those provided by instrumental records. Strengths of the chronologies and climate-growth relationships will be compared among these diverse regions to determine which climatic variables are captured by freshwater mussel growth. This will represent the first rigorous evaluation of this approach for applications in North America.

What is the desired outcome: The main outcome of this study will be the development of techniques for building mussel chronologies and climate reconstruction with potentially widespread application in Oregon streams.

Who is involved: Oregon State University, Hatfield Marine Science Center; Dr. Bryan Black. U.S. Geological Survey, Forest and Rangeland Ecosystem Science Center; Dr. Jason Dunham.

Funds Requested: $47,649; Capital-$45,899 & Non-Capital-$1,750

Match Provided: $99,572

Funding Recommendation: Fund
Recommended Funding Amount: $47,649; Capital-$46,649 & Non-Capital-$1,000

Research Proposal Highlights

Application #208-8006

Project Name: Linking Coldwater Refuges into a Framework for River and Floodplain Restoration.

Where the research will be conducted: The mainstem Willamette River between Eugene and Albany.

What does the research entail: The researchers will map thermal refuges in the Willamette River between Albany and Eugene. A database will be used to predict dynamic features that create cold water refuges. The composition of fish assemblages that use these thermally distinct habitats, based on sampling known cold water and warm water habitats during July to September, will be identified. Researchers will sample equal numbers of lateral habitats that are cold water, warm water, and ambient with beach seines and a combination of boat electro-shocking and backpack electro-shocking. Cutthroat trout will be fitted with radiotags, PIT tags, and ibuttons. The trout will be placed in live cages for four weeks in cold water, warm water, and ambient temperature lateral habitats. The potential ecosystem services provided through floodplain and river restoration and protection will be articulated. A spatially explicit map of the current active channel and floodplain and thermal distributions in July through September and create companion maps of historical and existing floodplain characteristics will be generated. Candidate locations for coldwater stepping stones that a) do not exceed effective travel distances, b) offer high biophysical potential for restoring coldwater refuges, and c) present low socio-economic obstacles to restoration will be depicted and described.

What is the desired outcome: This study will result in two to three on-the ground restoration projects to demonstrate the relevance of cold water habitat to native fish and the use of floodplain restoration to address on-going challenges of addressing the state's temperature management challenges. This approach will be directly transferable to all Oregon streams and rivers where thermal environments create challenges for aquatic communities and restoration efforts of the Oregon Plan for Salmon and Watersheds.

Who is involved: Oregon State University, Fisheries and Wildlife; Dr. Stan Gregory. University of Oregon; David Hulse.

Funds Requested: $628,311; Capital-$627,311 & Non-Capital-$1,000

Match Provided: $186,662

Funding Recommendation: Fund at Reduced Amount
Recommended Funding Amount: $450,000; Capital-$449,000 & Non-Capital-$1,000

Research Proposal Highlights

Application #208-8007

Project Name: Mapping Current Conditions and Modeling the Dynamic Responses of Riparian Vegetation and Salmon Habitat in Oregon.

Where the research will be conducted: The North Coast and John Day basins, specifically; the Nehalem River and Middle Fork John Day River basins.

What does the research entail: The proposed research integrates riparian zone mapping with dynamic models to evaluate the response of riparian zones, stream channels, and salmon habitat to natural disturbance and land-use activities. The proposal has two components: 1) remote sensing and riparian mapping; and 2) riparian and aquatic modeling.

What is the desired outcome: The overall objective of this work is to produce a decision support tool for habitat restoration planning that incorporates advanced remote-sensing technology and information about disturbance-recovery processes with existing knowledge of critical habitat needs for salmonids. The objective of the mapping component is to explore different methods for mapping riparian and in-stream conditions using Landsat, LiDAR, and NAIP imagery, and to use these methods to delineate, classify and map the attributes of riparian zones needed for riparian assessment and monitoring and to support the modeling component. The objective of the modeling component is to examine current conditions relative to the historic range of variability, examine the potential of passive restoration to meet recovery goals, and examine the potential of active restoration to accelerate recovery.

Who is involved: USDA Forest Service, PNW Research Stations in Corvallis and Olympia; Drs. Steve Wondzell, Kelly Burnett, Janet Ohmann, Warren Cohen, Miles Hemstrom, Peter Bisson and Jimmy Kagan, Oregon State University, Institute for Natural Resources.

Funds Requested: $745,711; Capital-$727,491 & Non-capital-$18,220

Match Provided: $220,808

Funding Recommendation: Fund at Reduced Amount
Recommended Funding Amount: $640,000; Capital-$624,500 & Non-capital-$15,500

Research Proposal Highlights

Application #208-8008

Project Name: Development of Physiological Health Criteria to Assess Habitat Quality in Degraded and Recovering/Restored Stream Systems.

Where the research will be conducted: The John Day and Deschutes basins; specifically, the South Fork John Day, Bridge Creek, and the Crooked River.

What does the research entail: The goal is to evaluate the utility of physiological metrics to understand how changes in stream habitat quality (specifically temperature) affect individual fish performance. From this the researchers expect to be able to create physiologically-based threshold temperature targets to be used in monitoring restoration efforts as a complement to monitoring population change. Specific objectives include 1) testing the patterns of Heat Shock Protein (HSP) induction and whole body lipid levels; 2) evaluating whether growth rates truly differ for those animals that are under thermal stress (water temperatures > 22 C) and that fail to accumulate lipid during the summer; and 3) determining whether any growth differential can be explained by the impacts of the temperature differential (increased metabolism, decreased appetite) or are there other factors, including differences in prey availability, that can explain the inability of fish in warm stream segments to accumulate energy reserves.

What is the desired outcome: At the end of the project it is expected that evidence will suggest that the HSP-whole body lipid paradigm exists outside of the South Fork John Day, and that growth rates are linked to stream temperature, lipid accumulation rates, and induction of HSPs. From this information explicit, physiologically based thermal habitat quality categories can be defined, and this assessment tool for thermally impacted streams can be used to supplement population monitoring to evaluate the effectiveness of habitat restoration efforts.

Who is involved: Oregon State University, Fisheries and Wildlife; Drs. Scott Heppell, Guillermo Giannico, Hiram Li, and Peter Bayley.

Funds Requested: $244,763; Capital-$233,363 & Non-capital-$11,500

Match Provided: $104,865

Funding Recommendation: Fund at Reduced Amount
Recommended Funding Amount: $240,000; Capital-$235,500 & Non-capital-$4,500

Research Proposal Highlights

Application #208-8009

Project Name: Integrated Dynamic Landscape and Coho Salmon Model.

Where the research will be conducted: Oregon Coast Range.

What does the research entail: The overall goal of the project is to develop a set of tools that can be used to model and evaluate habitat conditions on the Oregon Coast Range at landscape scales and to understand the relationship between these conditions and coho salmon through multiple life stages. Objectives are to: 1) improve understanding of the relationships between upslope, riparian, and in-stream habitat and coho salmon abundance; 2) produce a landscape dynamic model for Oregon Coastal river basins that can be used to help understand the dynamic interactions between geomorphology, land use, and land cover and their effects on stream habitat quality for coho salmon; 3) link a coho salmon life-cycle model with the landscape dynamic model to help understand relationships between landscape processes and coho salmon viability, abundance, distribution, and metapopulation dynamics; 4) provide a set of tools that can be used by scientists and managers to help design effective and efficient restoration strategies and projects; 5) conduct a preliminary analysis of effects of potential land-use policies in the Nehalem River basin on coho salmon viability over the next 100 years; and 6) establish a basis for future work exploring the effects of environmental conditions in both marine and freshwater, harvest, and climate change.

What is the desired outcome: This set of products will give OWEB and other managers a better understanding of the landscape-scale processes operating in the Oregon Coast Range and the relationship between coho salmon and these processes. The tools provided will be useful for designing habitat restoration projects and evaluating coho salmon abundance, distribution and viability on short and long time frames.

Who is involved: National Marine Fisheries Service, Northwest Fisheries Science Center Newport and Seattle; Drs. Peter Lawson and Ashley Steel. USDA Forest Service, PNW Research Station Olympia and Corvallis; Drs. Steve Wondzell and Kelly Burnett. Earth Systems Institute, Seattle; Dr. Daniel Miller.

Funds Requested: $352,914; Capital-$324,541 & Non-capital-$28,373

Match Provided: $197,669

Funding Recommendation: Fund at Reduced Amount

Recommended Funding Amount: $324,000; Capital-$299,627 & Non-capital-$24,373

ATTACHMENT C

Research Proposals Recommended for Funding

App #	Region	Project Name	Category of Research	Capital	Non-Capital
208-8001	1,2	Effects of Comtemporary Forest Harvest on Aquatic Ecosystems in Trask, Hinkle and Alsea Watersheds*****	Effectiveness(IMW)	$395,000	$5,000
208-8002	5	Fiber-optic Observation of Stream Function & Condition: Demonstration & Application*****	Indicator of Conditions	$280,000	$45,000
208-8003	1	Recovery of Wild Coho Salmon in Salmon River Basin*****	Hatchery/Wild Fish Interaction	$396,160	$3,840
208-8004	2	Effect of Tide Gates on Juvenile Coho Monvement & Residence Time in Estuarine Habitats	Effectiveness(Project)	$238,180	$28,941
208-8005	SW	Reconstructing Water Temperatures in Oregon Streams through Analysis of Growth Increments in Long-lived Pearshell Mussels	Indicator of Conditions	$46,649	$1,000
208-8006	3	Linking Coldwater Refuges into a Framework for River & Floodplain Restoration*	Landscape Evaluation(Cutthroat)	$449,000	$1,000
208-8007	1,5	Mapping Current Conditions & Modeling the Dynamic Responses of Riparian Vegetation & Salmon Habitat in Oregon*	Landscape Evaluation(Coho)	$624,500	$15,500
208-8008	5	Development of Physiological Health Criteria to Assess Habitat Quality in Degraded & Recovering/Restored Stream Systems*	Indicator of Conditions	$235,500	$4,500
208-8009	1	Integrated Dynamic Landscape & Coho Salmon Model*	Landscape Evaluation(Coho)	$299,627	$24,373
		Total Funding Recommended		**$2,964,616**	**$129,154**

* Recommended for funding at a reduced amount

Research Proposals Not Recommended for Funding

App #	Region	Project Name	Category of Research	Capital	Non-capital
208-8000	2,4	Evaluating the Role of Dam Removal For Salmon & Sucker Recovery in Oregon	Dam Removal	$385,134	$41,220

August 29, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Courtney Shaff, Effectiveness Monitoring Specialist

SUBJECT: **Agenda Item L: Dam Removal Effectiveness Monitoring**
September 18-19, 2007 OWEB Board Meeting

I. Introduction

This report seeks Board approval of funding for Oregon State University (OSU) to complete pre-project and post-project effectiveness monitoring on the removal of Brownsville and Sodom dams on the Calapooia River.

II. Background

The Calapooia Watershed Council (CWC) submitted an application to fund the removal of Brownsville Dam (207-091) in April of 2006. The CWC, in partnership with the Oregon Parks and Recreation Department (OPRD), also submitted an application to fund the removal of the Sodom Dam (207-087) in April of 2006. Both dams are located on the Calapooia River. (Attachment A) The Willamette Basin Regional Review Team recommended these applications as its top two priorities. OWEB staff recommended full funding for both applications because eliminating the two barriers will open up 45 miles of spawning and rearing habitat in the upper Calapooia watershed for species including spring Chinook salmon and summer steelhead, and because the positive effect from these projects on the community, the river and its watershed will have historic significance.

The OWEB Board awarded $675,711 for the Brownsville Dam and $1,036,083 for the Sodom Dam removal projects at the September 2006 Board meeting. With the September 2006 award, the Board indicated its desire for the project proponents to work with OSU and OWEB staff to develop the effectiveness monitoring plan for both Brownsville and Sodom dams. That plan is contained within this staff report.

The Brownsville Dam award included $24,275 in pre-implementation and dam removal monitoring. This money was used by OSU through a contract with the CWC for pre-implementation surveys, turbidity sampling and equipment, macro-invertebrate sampling, and monitoring time and equipment during the period of dam removal.

Since June of 2007, the CWC has begun working with the National Oceanic and Atmospheric Administration's Open Rivers Initiative (ORI) and has secured money for the first year of post-project monitoring at Brownsville Dam, which will expand on and complement the monitoring planned in this proposal.

III. Proposed Effectiveness Monitoring Study

This staff report requests $308,410 of capital research funds (Attachment B) to monitor Brownsville Dam one and two years after dam removal, and to monitor at Sodom Dam before and during dam removal, and one and two years after removal. The proposed monitoring will assess the recovery of the river following the removal of both dams and it will serve to inform other project proponents and interested parties in the science of small dam removal. (A separate proposal to investigate the results of the Chiloquin Dam and Savage Rapids Dam removal was submitted to OWEB under the research proposal process; this proposal is not recommended for funding at this time. See Agenda Item K.)

A. Purpose

The substantial cost of, the public interest in, and the watershed benefits associated with removing Brownsville and Sodom dams warrants the documentation of outcomes on the Calapooia River. The objectives of the proposed effectiveness monitoring are: 1) what effects and responses are expected to be observed; and 2) in what timeframe are they likely to be observed. Therefore, OSU has designed a monitoring strategy to address specific effects and responses anticipated in the removal of Brownsville and Sodom dams, with the broader goal of documenting the physical, chemical, and biological short-term responses of two reaches of the Calapooia River to the removal of Brownsville and Sodom dams. A timeline for and summary of the proposed monitoring activities is described in Attachment C.

B. Methods

This proposal is an integration of activities to be performed by the investigators (channel surveys, bed material characterizations, turbidity, temperature, benthic macro-invertebrate sampling, analysis of aerial photos, and analysis of current and historical stream flow), outside agencies such as the Oregon Department of Fish and Wildlife (fish surveys), and the CWC and OPRD (photo points and staff gauge observations) to comprehensively record the changes in the river associated with the removal of the two dams.

OSU has proposed a strategy that will include observations of features such as hydrologic, hydraulic and morphologic characteristics, geomorphic processes, interactions among flow and sediment transport, and responses of dependent aquatic and riparian habitats prior to, during, and following dam removal. The monitoring strategy will also assess recovery of the river following the dam removals with objectives to: 1) document dominant geomorphic processes and responses to the dam removals; and 2) evaluate the change in and reliability of bio-indicators for detecting change following the dam removals.

C. Products

Products from the proposed monitoring include:

1. Documentation of physical and biological responses of the Calapooia River to dam removal. The analyses and documentation will articulate and test procedures for reliability in predicting responses to dam removal, and making tools more accessible for future dam removals.
2. The demonstration, testing, and documentation of effectiveness monitoring procedures for small dam removals. This will occur through the release of a public-access website on effectiveness monitoring for dam removal as a guidance document, including: 1) example monitoring plans, study designs, and data analysis approaches

for systematic effectiveness monitoring; 2) detailed cost estimates and features of various methods for future monitoring planning; and 3) development and documentation of monitoring and prediction methods, such as estimating stored sediment volumes behind dams.

3. Annual presentation and documentation of findings to OWEB and local stakeholders, and peer-reviewed publications advancing dam removal science.

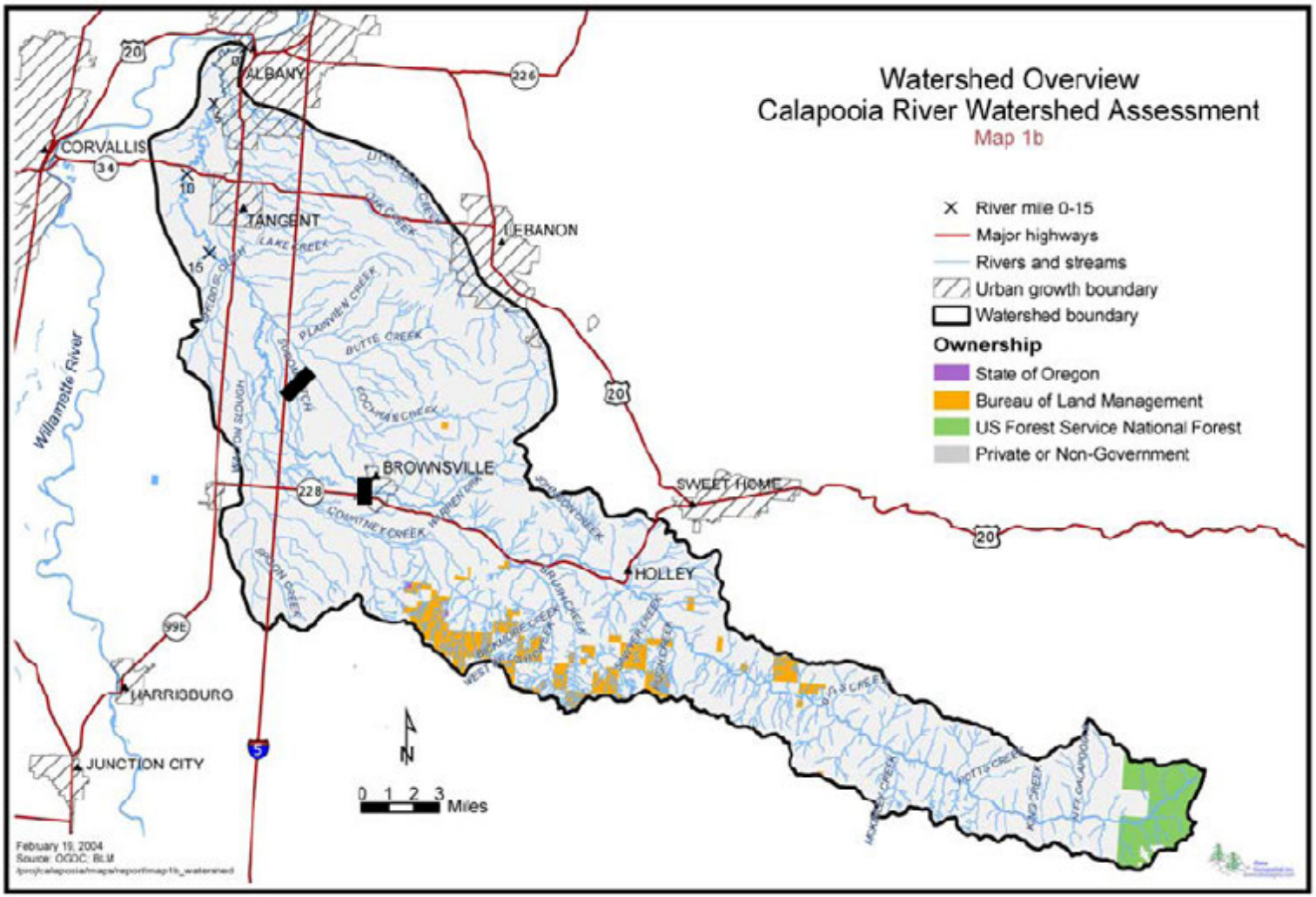
IV. Recommendation

Staff recommend the Board allocate $308,410 of capital research funds to Oregon State University for effectiveness monitoring of the Brownsville and Sodom dam removals.

Attachments

A. Map of Brownsville and Sodom Dams
B. Budget
C. Monitoring Timeline and Summary of Monitoring Activities

Project location map (courtesy of Calapooia Watershed Council) Approximate locations of Brownsville and Sodom Dams are indicated in bold lines, with Brownsville Dam located just south of Brownsville along the main channel of the Calapooia and the Sodom Dam located further downstream within the Sodom Ditch.



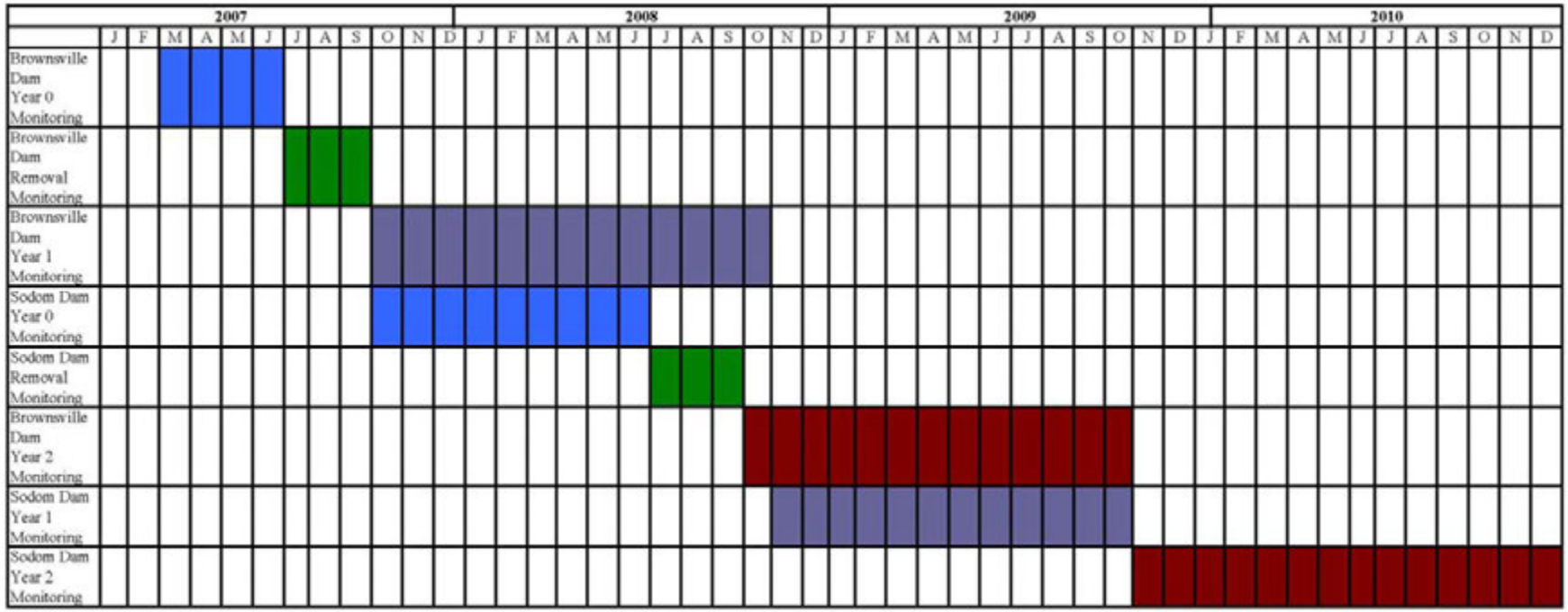
Attachment B

EFFECTIVENESS MONITORING AT BROWNSVILLE AND SODOM DAM REMOVALS
Oregon State University (Tullos)

Item	Annual Rate	Unit	No. of Units	No. of Years	Annual increase	year 1	year 2	year 3	year 4	Calapooia Watershed Council Contract (year 1)	Cumulative (OWEB)
PROJECT MANAGEMENT											
Investigator (Tullos)	$73,000	1	0.08	4	0.04	$2,920	$6,074	$6,317	$3,285		$18,595
IN-HOUSE PERSONNEL											
FRA	$40,000	1	1.00	4	0.04	$20,000	$41,600	$43,264	$22,497		$127,361
FRA (Gerth)	$32,400	1	0.04	4	0.04	$648	$1,348	$1,402	$729	$648	$3,479
GRA	$36,887	1	0.23	1	0.04	$8,595				$8,595	
URA	$20,800	1	0.25	3	0.04	$5,200	$10,816	$11,249	$5,849	$1,248	$31,866
Fringe Benefits											
Investigator (Tullos)	0.47				-	$1,372	$2,855	$2,969	$1,544		$8,740
FRA	0.60				-	$12,000	$24,960	$25,958	$13,498	$388	$76,417
GRA (Phd)	$750	term	1	1		$750					$750
FRA (Gerth)	0.67				-	$434	$903	$939	$488		$2,765
URA	NA				-						
CONTRACTED SERVICES SUPPLIES AND MATERIALS											
Misc. field supplies	$1,000			4							$4,000
TRAVEL											
to-from project sites and Salem	$0.44	mile	2500	4							$4,400
to national conference	$1,000	year		2							$2,000
FISCAL ADMINISTRATION											
Total direct costs										$10,879	**$280,373**
OWEB	10%				OPE=						$28,037
Total indirect costs											
other direct costs											
Total Other direct costs											
TOTAL ESTIMATED COSTS										$10,879	**$308,410**

ATTACHMENT C

Tentative timeline for removal and monitoring activities at Sodom and Brownsville dams (Courtesy of OWEB)



Summary of Monitoring Activities

Pre-removal
In summary, specific activities recommended for preliminary instrumentation and pre-removal monitoring include:

- aggregate relevant, existing data from various agencies, especially long-term data
- create project website for photos and data dissemination, field data sheets
- articulate and document field methods and analysis
- orthorectify all old aerial photos
- establish a GPS control network along the river corridor
- inspect potential erosive and landslide areas above Brownsville and Sodom Dams
- establish photo points
- establish permanent cross sections and survey points, survey in monuments, bank erosion pins, scour chains, and staff gages
- survey of the upstream reservoir and downstream river channel and floodplains
- install gages to measure river stage/discharge, temperature, and turbidity
- characterize the bed-material size distribution upstream and downstream of the dam at cross sections and along geomorphically and ecologically significant facies/features
- estimate the volume of sediment stored behind the dam
- estimate the average annual sediment transport of the river
- benthic macroinvertebrate sampling
- assessment of habitat quality

Drawdown and removal monitoring - Greater intensity monitoring should occur during the drawdown and removal of Brownsville and Sodom Dams. Proposed activities include:

- continued turbidity and temperature observations should occur during drawdown, through removal
- bathymetric resurvey of reservoir (delta front, channel, longitudinal, terraces) following drawdown and prior to removal
- resurvey of reservoir immediately following removal
- benthic macroinvertebrate sampling immediately following removal
- bed size characterizations immediately following removal

All sampling and surveying will occur during the low flow season (summer) and after leaf out for safety and consistency.

Post-removal monitoring - The post removal monitoring strategy will be used to address questions regarding the outcomes of the Brownsville and Sodom dam removals and to contribute to state of the science for future dam removals in Oregon. The post removal strategy will complement data collected in the prior two strategies.

Short-term (<5 years) - Data collected during this period include:

- continuous turbidity, temperature, and discharge observations
- annual channel surveys (targeted cross sections, longitudinal profile, bed material, bank pins, scour chains)
- annual, seasonal biological sampling and habitat assessment
- biennial comparison with current aerial photos
- monthly photo points
-

Long-term (>5 years) - It is expected that the sediment stored behind Brownsville and Sodom
Dams will be eroded downstream and that the river will recover within five years of removal. Therefore, no long-term monitoring strategy is proposed.

August 31, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item M: Non-Capital Grant Cycles**
September 18-19, 2007 OWEB Board Meeting

I. Introduction

This staff report proposes non-capital grant offerings for the 2007-2009 biennium. The report is based on staff recommended budget allocations and reservations described in Agenda Item D.

II. Background

The Board adopted a grant schedule of grant deadlines and Board meeting dates at the May 16, 2007, meeting. Restoration/Acquisition (capital grant types) and Watershed Council Support offerings were included in the schedule. A Technical Assistance grant offering for the April 23, 2007, cycle was approved by the Board at the March 2007 meeting. No other non-capital grant offerings were proposed pending final legislative approval of the OWEB 2007-2009 budget.

The grant deadline and Board meeting schedule is not proposed to be changed. The schedule adopted by the Board continues the 21-week review and processing grant cycle adopted in May of 2003.

As stated in Agenda Item D, the amount of non-capital funding available from Measure 66 Lottery Funds and federal Pacific Coastal Salmon Recovery Funds (PCSRF) for the 2007-2009 biennium is $7.9 million. This does not include any additional funds from PCSRF that may be awarded for Federal Fiscal Year 2008. In previous biennia, even-year PCSRF funds became available to support the non-capital grant program during the second half of the biennium.

III. 2007-2009 Grant Offerings

The full availability of non-capital funding for grants is unknown pending final action by Congress on FFY 2008 PCSRF funding. In Agenda Item D, staff recommend allocation of $4.9 million for local capacity and other critical non-capital needs and a reservation of $2.5 million for non-capital grant offerings in October of 2007.

In general, staff recommend that Technical Assistance applications be solicited for each grant cycle that Restoration applications are solicited. In order to allow for incremental decisions by the Board on funding, staff recommend that Monitoring and Education/Outreach applications be solicited in October of 2007 and 2008 and that Assessment applications be solicited in April of

2008. Table 1 provides a summary of the recommendations for soliciting grant applications for this biennium.

Staff propose the following funding targets for the October 22, 2007, grant cycle:

Table 1.

Grant Type	Amount
Technical Assistance	$500,000
Monitoring	$1,500,000
Education/Outreach	$500,000

Staff propose to come back to the Board at a future meeting for approval of non-capital grant offerings and funding targets for grant deadlines beyond October 22, 2007.

Table 2. 2007-2009 Grant Deadlines and Offerings

Application Deadline	Application Type	Board Funding Decision
October 22, 2007	Monitoring	March 19-20, 2008
	Education/Outreach	
	Technical Assistance	
	Restoration/Acquisition	
April 21, 2008	Assessment	September 16-17, 2008
	Technical Assistance	
	Restoration/Acquisition	
October 20, 2008	Monitoring	March 18-19, 2009
	Education/Outreach	
	Technical Assistance	
	Restoration/Acquisition	
December 12, 2008	Watershed Council Support	May 19-20, 2009
April 20, 2009	Technical Assistance	September 15-16, 2009
	Restoration/Acquisition	

IV. Recommendation

Staff recommend that the Board approve the non-capital grant offerings for the October 22, 2007, grant cycle shown in Table 1.

August 31, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator
Ken Bierly, Deputy Director

SUBJECT: **Agenda Item N: Oregon Conservation Reserve Enhancement Program September 18-19, 2007 OWEB Board Meeting**

I. Introduction

This report discusses the status of the Oregon Conservation Reserve Enhancement Program (CREP) and requests an allocation of $4 million of Measure 66 capital Lottery Funds for CREP in the 2007-2009 biennium.

II. Background

In 1997, Oregon initiated discussions with the U.S. Department of Agriculture (USDA) about the possibility of developing a state-federal cost share program that focused on improving riparian conditions in agricultural areas of the state. The Oregon Conservation Reserve Enhancement Program was approved in September 1998 with a signing ceremony by then Governor Kitzhaber and the Secretary of Agriculture in October 1998.

As an offspring of the Conservation Reserve Program (CRP), CREP is a voluntary program for agricultural landowners. This unique state and federal partnership allows landowners to receive incentive payments and conservation rental payments from the Farm Services Agency (FSA) for installing and maintaining specific conservation practices. Through the CREP, farmers can receive annual rental payments and cost-share assistance to establish long-term, riparian buffers on eligible land and protect them from domestic grazing. The Oregon CREP was initially developed to address listed salmon streams; the program was later modified to assist in addressing stream water quality issues (primarily temperature). The program uses state funding for partial payment (25 percent) of all conservation activities (fencing, off-stream watering, site preparation, plant materials, planting, etc.).

As early as 2001, some groups expressed concern that the program was not being promoted to sufficiently address the significant agricultural riparian restoration needs in Oregon. As a result of the concerns, and in response to critical review, OWEB funded an evaluation of the program through the Oregon Department of Agriculture (ODA) and Oregon Association of Conservation Districts (OACD). The OWEB Board responded by providing funding for technical assistance (the primary factor limiting participation). OWEB also funded ODA to provide state coordination of the program. ODA led the negotiations with USDA to revise the Memorandum of Understanding to address a number of the other limitations to participation. In 2004, a revised agreement with USDA was signed.

Public interest in the program has increased significantly over the past three years; the number of participants and the number of stream miles treated has grown dramatically along with OWEB's investment in CREP. In the 2003-2005 biennium, the Board invested $800,000 in CREP cost share payments; between May of 2005 and the present, the Board has allocated a total of $3.825 million for CREP cost share payments.

III. CREP Sign-Up Status

Landowners visit their local FSA office and fill out paperwork indicating interest in participating in the CREP program. Once planning (conservation, ESA, or cultural reviews) is complete, a contract is executed with the landowner and FSA and a preliminary estimate of cost-share is determined. OWEB also signs a CREP contract with each enrolled landowner. Information on the cost-share estimate is not made available to OWEB at the time the contract with OWEB is signed.

There can be a significant time lag between the time OWEB signs a CREP contract and when an OWEB payment request is submitted. Conservation plan development may take six months to one year. Landowners must complete the fencing and site preparation within one year, with planting the following year (unless an extension is granted by FSA). It takes approximately two years after the contract is signed for OWEB to make a final payment and know with certainty what its contribution is for any CREP contract.

In Federal Fiscal Year (FFY) 2006, 7,000 acres were enrolled; through July in FFY 2007 almost 4,000 acres have been enrolled. OWEB has made payments on some of the 2006 contracts; no payments have been made on the 2007 contracts. Currently, more than 150 landowners are waiting for a CREP contract to be finalized and signed.

IV. 2007 Farm Bill and USDA-Oregon Agreement

The 2002 Farm Bill expires in 2007 and is currently being considered for reauthorization by Congress. The 2004 CREP agreement between Oregon and the USDA expires on December 31, 2007. At the time of writing this staff report, the House of Representatives had passed its version of a 2007 Farm Bill. It now moves to the Senate for consideration. If the Farm Bill is not passed, the federal government is likely to do a program extension and ask the state to extend its current agreement.

Once a new Farm Bill is approved, Oregon and the USDA will need to begin negotiating a new CREP implementation agreement. During this process, OWEB could explore ways to limit or focus its participation in the program.

The goal of Oregon's participation in the CREP program is the re-establishment of riparian habitat on agricultural lands to benefit water quality and fish recovery in Oregon. Staff have identified the following initial principals for negotiating the new CREP agreement.

1. Address the potential conflict between the Farm Bill expiration date in 2013 and that of Measure 66 Lottery Funds in 2014, so that landowner expectations are clear in the event that Measure 66 Lottery Funds are no longer available for Oregon's cost share.
2. Identify ways to limit OWEB's outstanding liability for CREP cost-share payments (flat per acre costs or limiting payments to costs that the USDA doesn't pay).

Staff would like the Board to discuss any additional issues or concerns at the September Board meeting.

V. 2007-2009 Biennium Allocation

Regardless of the status of the CREP agreement, OWEB is obligated to make payments for signed CREP contracts. This obligation combined with the increasing popularity of the CREP program, has compelled staff to consider new ways to administer the program. Keeping the program within a proposed budget will avoid the need to pull funds away from other capital fund program areas. Towards that end, OWEB is working with the USDA Farm Services Agency to estimate the amount of cost-share that OWEB is responsible for based on the estimated schedules for all approved CREP contracts that have not had all cost-share paid.

FSA estimates that, as of August 2007, the OWEB cost-share obligation for implementation of approved CREP contracts over the next two years is $2.4 million. FSA also estimates that, as of August 2007, there will be an additional $600,000 of OWEB cost-share obligation for CREP applications that have yet to be approved and have a signed contract. These figures are only estimates; they do not account for pending contracts that are never approved, higher costs than projected for implementation, increased cost-share rates (likely in the next two years), or future sign-ups that result in implementation during the 2007-2009 biennium.

Given the FSA estimates and OWEB's 2005-2007 biennium experience, staff believe that an allocation of $4 million of capital funding for CREP is an appropriate budget for the 2007-2009 biennium.

VI. Recommendation

Staff recommend the Board allocate $4 million in Measure 66 Lottery capital funding for CREP cost-share payments.

August 29, 2007

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator

SUBJECT: **Agenda Item O: Public Records Administrative Rulemaking**
September 18-19, 2007 OWEB Board Meeting

I. Introduction

This report seeks Board authorization to begin a rulemaking process to address Senate Bill 554, recent legislation passed this session, related to public records requests.

II. Background

The public has a right to inspect and obtain a copy of any public document unless the document is specifically excluded from disclosure (ORS 192.420). At the same time, state agencies may respond to the request in a "reasonable time" and charge a fee reasonably calculated to reimburse it for the costs associated with making the records available (ORS 192.440). "Actual costs" include the time agency staff spend locating the records; searching its records for the requested material (even if it does not locate any requested records); supervising a requestor's inspection of the records to protect the records' integrity; copying, certifying, and mailing the requested records; and separating exempt from non-exempt material. An agency may waive its fees for furnishing records pursuant to a public records request when it determines that it is in the public's interest to do so "because making the record available primarily benefits the general public." ORS 192.440(4)

Although the statute allows a public body the discretion to waive its fees for furnishing public records when it determines that it is in the public's interest to do so, some public bodies cannot waive fees for making records available even if the provisions of ORS 192.440(4) are met. If a public body's sole funding for a particular program is from funds that are constitutionally, statutorily or otherwise legally dedicated, the public body has very limited options to waive fees.

OWEB has three sources of funding. OWEB's primary source of funding is constitutionally dedicated lottery revenues from Measure 66. OWEB also receives funding from the Pacific Coastal Salmon Recovery Fund (PCSRF), which is restricted by agreement with the National Marine Fisheries Service to uses that "further the goal of protecting and restoring anadromous salmon and steelhead species subject to provisions of the federal Endangered Species Act." Finally, OWEB receives funding from the sale of salmon license plates, which is statutorily restricted (ORS 804.256) to be used "for watershed enhancement projects…that are designed to restore salmonid habitats and improve the health of streams that support salmonid populations." Because of the limits placed on OWEB's funding by the Oregon Constitution, Oregon statute, or

intergovernmental agreement with the federal government, the Attorney General (AG) has advised OWEB that it does not have discretion to waive or reduce fees for making records available, unless the cost of charging for the documents would approach or exceed the cost of furnishing the information.

In the absence of its own public records policies, OWEB, through an interagency agreement with the Oregon Water Resources Department (OWRD), had adopted OWRD policy that relate to requests for public records.

III. Senate Bill 554

Enacted by the Legislature in 2007, Senate Bill 554 requires a state agency to respond "as soon as practicable and without undue delay" to a written request for a public document. State agencies may request clarification concerning a public records request. SB 554 requires a response that acknowledges receipt of the request and includes one of the following:

(1) A statement that the public body does not possess, or is not the custodian of the documents requested.

(2) Copies of all public documents requested and not exempted from disclosure.

(3) A statement that the public body is custodian of at least some of the documents and an estimate of the time and cost associated with honoring the request;

(4) A statement that the public body is the custodian of some of the records and that an estimate of time and cost associated with honoring the request will be provided within a reasonable time.

(5) A statement that the public body is uncertain whether the public body possesses the public record and that the public body will search for the record and respond as soon as practicable.

(6) A statement that state or federal law prohibits the public body from acknowledging whether the record exists.

The new law also adds a requirement that government entities must make available to the public a written procedure for public records requests, including the name of the person to whom the request may be sent, the amounts charged for requests, and how these charges are determined. SB 554 is effective on January 1, 2008.

IV. Proposed Rulemaking Process

Given SB 554 and recent advice from the Attorney General's office about OWEB's ability to waive or reduce fees associated with public records requests, staff propose updating the agency's public records request requirements through rulemaking. SB 554 does not specify that the public records procedure must be in rule. OWEB's legal counsel has advised staff that it would be appropriate to state the agency's public records procedures and fees in rule.

Staff plan to develop proposed administrative rules to present to the Board in January of 2008 with anticipated Board adoption in March of 2008. Staff do not believe a rules advisory committee is needed for this type of rulemaking; instead the process of developing rules will largely be based on staff research related to how other agencies have addressed public records request procedures in rule.

Since SB 554 will be effective prior to the Board adoption of rule, OWEB staff will assemble a notice regarding public records request procedures to publish on our web site by January 1, 2008, that identifies the name and address of the person or persons to whom public record requests may be sent, and the amounts of and manner of calculating fees that OWEB charges for responding to requests.

V. Recommendation

Staff recommend the Board authorize staff to begin rulemaking to address public records requests.

Approved by the Board January 16, 2008
Oregon Watershed Enhancement Board
September 18, 2007
OWEB Board Meeting
La Grande, Oregon

Minutes

OWEB Members Present	OWEB Staff Present	Others Present
Miles Brown	Bonnie Ashford	John Ward
Bobby Brunoe	Ken Bierly	Tom Straughan
Dan Carver	Tom Byler	John Buckley
Alan Christensen	Rick Craiger	Jeff Oveson
Dan Heagerty	Mark Grenbemer	Paul Siebert
Jim Nakano	Miriam Hulst	John Moriarty
Jane O'Keeffe	Karen Leiendecker	Walter Powell
Dave Powers	Melissa Leoni	Wayne Hoffman
Diane Snyder	Tom Shafer	Holly Michael
Michael Tehan	Courtney Shaff	Bruce Taylor
Dan Thorndike	Greg Sieglitz	Heather Swartz
	Roger Wood	Phil Shepherd
		Randy Tweten
Members Not Present	**Others Present**	Tod Heisler
Jim Johnson	Jas. Adams	Justin Furren
Skip Klarquist	Rennie Ferris	Julie Twehus
Meta Loftsgaarden	Charlie Corrarino	Chuck Wilcox
Patricia Smith	Chris Heffernan	Max Nielsen-Pincus
Helen Westbrook	Ted Taylor	Phil Chang
Ken Williamson	Curt Mykut	Margaret Taylor
	Ryan Houston	John McDonald

**Due to the absence of a Board quorum for both days of the meeting (September 18-19, 2007), voting members were polled regarding recommended funding decisions. Voting to expend funds was postponed until a telephone conference call was scheduled with Board members to fulfill the quorum requirement. Funding recommendations discussed at the meeting were revisited and voted on during the teleconference on September 24, 2007.*

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

B. Minutes
Minutes of the following Board meetings were unanimously approved:

May 15-16, 2007 Board meeting in Salem
July 9, 2007 Special Board meeting via teleconference

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

1. 2007 Legislative Session

Funding for OWEB's capital grant program increased by 41 percent to $59.5 million, funding for local watershed councils and soil and water conservation districts was increased to $5 million, and for the first time OWEB will have an expenditure limitation of $7.7 million for research funds.

The Legislature approved, and the Governor signed the following bills impacting OWEB: HB 2114-Stewardship Agreements; HB 2992-Allows a division of a parcel in a forest zone for conservation purposes; SB 514-Conservation Easement Special Assessment; and SB544 related to public record requests that is addressed in Agenda Item O.

There will be a special legislative session beginning on February 4, 2008, and adjourning no later than February 29, 2008.

2. Agency Report

The following staff changes will take place this biennium: Roger Wood will continue to work on the SIP effort; we will recruit for a new Grant Program Manager, and upon hiring the Grant Program Manager, Ken Bierly will return to managing the Policy and Oregon Plan Coordination section. In addition to the above changes, the following new positions were authorized and funded by the Legislature as part of OWEB's 2007-2009 budget: Regional Program Representative; Technical Assistance Coordinator; Oregon Plan Communications Coordinator; and Data Analyst.

3. Annual Performance Measure Report

Each year, OWEB reports on progress made on key performance measures (KPMs) adopted by the Legislature. The report due September 30, 2007, will report on KPMs adopted by the 2005 Legislature. During the 2007 session, the Ways and Means Joint Subcommittee on Natural Resources recommended that OWEB delete four of the 13 KPMs, and return to the JLAC or Joint Interim Committee on new KPMs by February 1, 2008.

4. Board Meeting Locations

OWEB staff have developed the following Board meeting dates and locations for 2008-2009:

2008 Meeting Dates	**Meeting Location**
January 16-17	Astoria (R1)
March 19-20	Medford (R2)
May 20-21	Ontario/Burns (R5)
September 16-17	The Dalles (R4)

2009 Meeting Dates	**Meeting Location**
January 21-22	Salem (R3)
March 18-19	Portland/Salem (R3)
May 19-20	Salem (R3)
September 15-16	Klamath Falls (R4)

5. Board Planning Session Report

This report updated Board members on follow-up assignments from the Board planning session held July 17-19 in Maupin at the Imperial River Company.

6. Land Acquisition Grant Update

None of the following three land acquisition projects deferred at previous Board meetings were ready for consideration by the Board at the September 2007 meeting.

Newton Creek Wetlands (207-301)
Lostine River (207-324)
Pilcher Creek (206-339)

Director Byler also reported on the following:

Board member changes:

The Legislature appointed Co-Chair Dan Heagerty to another four-year term (August 1, 2007 to July 31, 2011). This is Co-Chair Jane O'Keeffe's last meeting and Diane Snyder was appointed to fill her public at large position (October 1, 2007 to September 30, 2011). Board Member Alan Christensen is retiring in October from the U.S. Forest Service therefore this is his last OWEB Board meeting in that capacity. A new USFS representative will be named at a later date.

Mid-Coast Watersheds Council Investigation

At the May 15-16, 2007, Board meeting, the Board Cindy Ashy, a citizen from Newport, testified during the two public comment periods about the Mid-Coast Watersheds Council (MCWC). In her testimony Ms. Ashy made a number of allegations about the council during deliberations on watershed council support grant applications. The Co-Chairs committed OWEB to look into the issues raised in her testimony and report on their findings to the Board.

Director Byler provided Board members with a summary of OWEB's investigation and findings.

OWEB staff worked closely with the Board Co-Chairs to prepare a report on their findings that was finalized and sent to Board members and interested parties on August 30 and 31. The final report was presented in three parts: an Overview, Attachment A (summary list of the allegations investigated and the related findings), and Attachment B (detailed report of the allegations, staff findings, and recommendations, and the analysis associated with each issue). Director Byler explained the general methods used for the investigation, and emphasized that staff focused the investigation only on the allegations determined to be pertinent to OWEB's programs and policies, and not issues raised relating to a pending legal matter between Ms. Ashy and the council.

The report identified the following areas that may merit further consideration by OWEB:

1. OWEB should review the umbrella watershed council policies and rules, and evaluate council support application requirements to ensure that OWEB is receiving the necessary documentation.
2. OWEB should explore opportunities to provide watershed councils training on contracting and public meetings law.
3. OWEB should strengthen its communications and relationships with local government regarding watershed council formation, functions, and responsibilities.
4. OWEB should better identify its expectations for watershed councils, especially its expectations for citizen and landowner involvement.

5. OWEB should consider offering funding to provide mediation or other forms of assistance to help the MCWC strengthen its community relationships.

The investigation also identified opportunities for the MCWC to take steps to improve its situation. These include:

1. OWEB strongly encourages the MCWC conduct a full external audit that, at minimum, focuses on its policies and procedures related to the selection and use of contractors.
2. OWEB strongly encourages the MCWC to identify and implement ways to improve relationships and communications between watershed councils in the Midcoast area.
3. OWEB strongly encourages the MCWC to identify and implement ways to more successfully engage and involve citizens who may have different viewpoints without sacrificing the council's core mission.

Although none of the recommendations in the report required Board action at the September meeting, some recommendations may require further consideration by OWEB staff and the Board members. OWEB staff will develop a process to consider the recommendations along with other program adjustments, and report back to the Board at a future meeting.

Co-Chair Heagerty accepted the report on behalf of the Board, and commended staff for their objectivity during an investigation that dealt with sensitive issues at the local level.

Biennial Conference

OWEB's 9th Biennial Conference is tentatively scheduled to take place in Eugene November 5-7, 2008.

Hooley Bill

Congresswoman Darlene Hooley recently introduced H.R.3574 in Congress. The Willamette River United Act will enhance recreation, cultural heritage, river health, and community development along the Willamette River.

Director Byler attended the Congresswoman's kick-off celebration in Eugene on September 4 to unveil the Act, and offered OWEB's support of the bill.

D. 2007-2009 Biennium Spending Plan

Public Comment:

Bruce Taylor, Defenders of Wildlife, supported $1 million for Oregon 150 grant investment with Oregon Department of Fish and Wildlife.

Justin Ferrell, Lakeview, Fort Rock Silver Lake SWCDs, supported additional funds for the small grant program.

Director Byler and Melissa Leoni, Senior Policy Coordinator walked Board members through staff's proposed 2007-2009 Spending Plan.

Board member discussion raised concerns regarding the lack of funding for watershed assessment grants, Oregon Plan products, and outreach.

Oregon's Sesquicentennial "Oregon 150"

Oregon will celebrate its 150th birthday in the year 2009. Planning for this event has already begun. At this meeting, OWEB staff are recommending that the OWEB Board allocate $1 million for a joint effort with the Oregon Department of Fish and Wildlife to fund projects that will benefit Oregon's symbolic species, such as the state animal (beaver), the state fish (Chinook salmon), state bird (Western Meadowlark) and state insect (Oregon Swallowtail Butterfly). The goal is to have the projects selected, and to the degree possible, completed by the time of the 2009 celebration. As part of this discussion for allocating $1 million for Oregon 150 Grants, Director Byler stated that the Oregon Department of Fish and Wildlife Conservation Strategy would guide solicitation and evaluation of grants received. Since some Board members were not familiar with the Strategy, Holly Michaels, ODFW Strategy Leader, briefed Board members on the Strategy. The Strategy focuses on habitat restoration and maintenance to address the needs of game and non-game species — healthy fish and wildlife populations need healthy habitats. It has a habitat focus because a healthy habitat benefits all species. It includes what species and habitat are at risk in Oregon, and the key conservation issues facing species and habitat. OWEB's basin-scale priorities and ODFW's conservation strategy are somewhat similar in that they both focus on priorities for conservation.

Board members supported the following allocations as recommended by staff in Section VI.B. of the staff report, and delegated authority to the Executive Director to distribute the funds through appropriate contracts or agreements consistent with the staff report:

a. Allocate $1 million of capital funds to the Oregon 150 Grant effort.
b. Allocate $1.5 million of non-capital funds to support the development and implementation of recovery plans.
c. Allocate $100,000 of non-capital funds to support the completion of regional restoration priorities.
d. Allocate $50,000 of non-capital funds to support the 2008 OWEB Biennial Conference.
e. Allocation $50,000 of non-capital funds to support agency outreach.
f. Allocate $25,000 of non-capital funds to support training opportunities.

At the January Board meeting, after the Communications Coordinator is hired, OWEB staff will initiate a detailed outreach strategic planning process looking toward 2014 for Board member discussion and involvement.

E. Public Comment on Pending Grant Applications

Tod Heisler, Deschutes River Conservancy, supported 208-4028, which was recommended for funding at a reduced amount.

Wayne Hoffman, Mid-Coast WSC, supported 208-1003 and 208-1004 which were both recommended for funding.

John Ward, Bear Creek WSC, asked Board members to reconsider funding for 208-2012, which fell below the funding line, and was ready to start the first of October.

John Buckley, East Fork Irrigation District, thanked Board members and staff, and provided an update on 207-107, a pipeline project funded last cycle, and supported the staff recommendation for the remaining funding of the project.

Julie Twehues, Monument SWCD, supported 208-5021, which fell below the funding line.

Max Nielsen-Pincus, Crooked River WSC, supported funding for 208-4034, which fell below the funding line.

Phil Chang, Juniper Working Group of Prineville, supported 208-4014, and indicated what was special and unique about this project.

F. Board Consideration of Pending Applications

Ken Bierly, Deputy Director, briefed the Board on the applications received. A total of 191 grant applications seeking a total of $21,026,905 were received by the April 23, 2007, deadline.

Technical Assistance	59	$ 1,914,289
Acquisition	3	$ 737,375
Restoration	129	$18,375,241

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 priorities developed to prepare the funding recommendation for Board consideration taking the budget into account.

Two new land acquisition applications and a water right acquisition application received this cycle were first reviewed by the Board acquisition subcommittee that recommends whether staff should proceed with due diligence review or whether the application be denied and no due diligence review would occur. The acquisition applications are also reviewed by the regional review teams for ecological and educational values. Staff then consider all evaluation criteria, the subcommittee's recommendation, and available funding resources to develop a funding recommendation to the full Board.

One of the land acquisition applications was withdrawn by the applicant (Zena Property, 208-101); another is not ready for a funding because the due diligence materials are not complete (Shangrila Creek Wetlands, 208-103); and the water right acquisition application is not recommended for funding (Farmers Irrigation District, 208-102).

The one statewide technical assistance application (208-7000) that was received was not recommended for funding.

REGION 1, NORTH COAST

Ken Bierly, Deputy Director
Tom Shafer, Regional Program Representative

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

REGION 2, SOUTHWEST OREGON
Ken Bierly, Deputy Director
Mark Grenbemer, Regional Program Representative

Board members unanimously supported staff's funding recommendations as shown in the "shaded area" of the revised Attachment A of the staff report, and allocate up to $681 to the Coos Watershed Association (207-293) for fiscal administration.

REGION 3, WILLAMETTE BASIN
Ken Bierly, Deputy Director

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

REGION 4, CENTRAL OREGON
Ken Bierly, Deputy Director
Rick Craiger, Regional Program Representative

Board Co-Chair Dan Heagerty and Board member Bobby Brunoe recused from voting on 208-4028 citing a conflict of interest.

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

Also, Board members unanimously supported the allocation of an additional $500,000 in capital funds for the East Fork Irrigation District project (207-107), and an additional $987,250 in capital funds for the Middle Deschutes Streamflow project – Phase II (207-319).

REGION 5, EASTERN OREGON
Ken Bierly, Deputy Director
Karen Leiendecker, Regional Program Representative

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

At the conclusion of the grant awards, staff identified additional funds available to address some of the needs identified in public testimony. Board members were asked to consider the following additional projects for funding:

Capital funds
As noted in Agenda Item D: 2007-2009 Spending Plan, $425,000 remained unallocated or unreserved and was available for grant awards this biennium. Staff recommended that Board members use those funds for the following projects.

208-2012	Bear Creek Riparian Restoration	$50,000
208-4034	Prineville Reservoir Southern Watersheds Restoration Project	$330,000
208-5021	Monument's Attack on Medusahead	$50,000
	TOTAL	$430,000

Board members unanimously supported the above capital grants, which were located just below the do fund line as prioritized by the regional review teams and OWEB staff.

At the conclusion of the day's meeting, OWEB Board members, staff, and local partners toured projects in the Ladd Marsh and Catherine Creek areas. The tour was jointly sponsored by the Grande Ronde Model Watershed and the Union Soil and Water Conservation District. OWEB Board members, staff, and invited guests returned to the Ladd Marsh ODFW Headquarters for an informal reception and barbeque sponsored by the Grande Ronde Model Watershed.

Approved by the Board January 16, 2008
Oregon Watershed Enhancement Board
September 19, 2007
OWEB Board Meeting
La Grande, Oregon

Minutes

OWEB Members Present
Miles Brown
Bobby Brunoe
Dan Carver
Alan Christensen
Dan Heagerty
Jim Nakano
Jane O'Keeffe
Dave Powers
Diane Snyder
Michael Tehan
Dan Thorndike

Members Not Present
Jim Johnson
Skip Klarquist
Meta Loftsgaarden
Patricia Smith
Helen Westbrook
Ken Williamson

OWEB Staff Present
Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Miriam Hulst
Karen Leiendecker
Melissa Leoni
Tom Shafer
Courtney Shaff
Greg Sieglitz
Roger Wood

Others Present
Jas. Adams
John Moriarty
Margaret Taylor
John Ward
Marty Suter
Carol Dunten
Glen Hudspeth
Mitch Mund
Frank Burns
David Wouster
Ted Taylor
Jeff Oveson
Wayne Hoffman
Jeff Uebel
Phil Shepherd
Heather Swartz
Bruce Taylor
Lois Loop
Tom Straughan
Mitch Mund
Kim Jones
Erin Melville
Scott Peets
Tod Heisler
Ryan Houston
Charlie Corrarino

**Due to the absence of a Board quorum for both days of the meeting (September 18-19, 2007), voting members were polled regarding recommended funding decisions. Voting to expend funds was postponed until a telephone conference call was scheduled with Board members to fulfill the quorum requirement. Funding recommendations discussed at the meeting were revisited and voted on during the teleconference on September 25, 2007.*

G. Co-Chair Election

Due to the absence of many Board members at this meeting, this item was delayed until the January 2008 Board meeting.

H. Local Capacity Funding

OWEB Director Tom Byler, and Deputy Director, Ken Bierly, updated Board members on additional non-capital funding to support local capacity, which includes funding for watershed councils (councils), soil and water conservation districts (districts), the Network of Oregon Watershed Councils, and the Oregon Association of Conservation Districts.

At the May 2007 Board meeting, Board members approved watershed council support awards totaling just over $5 million, and signaled its intent to consider awarding additional funding if funding was available in OWEB's legislatively adopted budget. OWEB's budget, which included funding at $5 million each for watershed councils and districts, was approved by the Legislature on June 1, 2007, and signed by the Governor on June 28, 2007.

As presented in Agenda Item D: 2007-2009 Spending Plan, the OWEB staff and Board recognize the important role that councils and districts in developing and implementing local restoration projects with landowners, and improving community awareness of and interest in watershed health. Due to increasing capital funds and a seven-year window for Measure 66 grant investments, OWEB staff recommended an additional $1 million each for councils and districts with the understanding that the additional funds will be allocated differently to each group.

John Moriarty, Network of Oregon Watershed Councils, and John McDonald, Oregon Association of Conservation Districts, updated Board members on their joint efforts last biennium, and stated their intent to build on those accomplishments. It will be important to keep communication open and they have committed to face issues head on. Together they met with legislators to deliver a common message of the work that local groups are doing and the importance of funding for local capacity. Although the Legislature seemed to have increased understanding of local capacity issues, as 2014 approaches, outreach will be more important.

Board members unanimously supported the following allocations:

A. $986,066 for watershed council support grants as reflected in Attachment A of the staff report.
B. $1 million for soil and water conservation districts as identified in the staff report.
C. $100,000 to the Network of Oregon Watershed Councils and $100,000 to the Oregon Association of Conservation Districts as described in Section IV of the staff report.

I. Public Comment – General

Rennie Ferris, Lincoln SWCD and Mid-Coast WSC member, and Wayne Hoffman, Coordinator, Mid-Coast WSC, provided comments on the Mid-Coast Watershed Council Investigation Report.

Phil Shephard, The Nature Conservancy, provided an update on Zumwalt and offered comments on each of the SIP identified in agenda Item J, as well as suggesting the list include projects on invasive species, and on climate change, especially in the coastal areas.

Jeff Oveson, Grande Ronde Model Watershed, commented on the Oregon Plan's way of doing business in eastern Oregon, which is based on partnerships, and the necessity of focusing efforts on a solid set of evidence to the public on how Measure 66 funds are being used.

Jeff Uebel, U.S. Forest Service, provided a status report on Whole Watershed Restoration Partnership.

John Ward, Chair-Elect of Bear Creek WSC, supported SIP funding of the Wise Project.

Marty Suter, Carol Dunten, and Frank Burns, Harney SWCD, Colen Hudspeth, Harney County WSC/Landowner, and Mitch Mund, Oregon Department of Forestry, presented Board members with a funding request for emergency fire rehabilitation in eastern Oregon.

Erin Melville, Wallowa Resources, thanked Board members for funding a noxious weed program in Wallowa County, shared that Wallowa Resources was nationally recognized for steelhead passage, and supported funding for Assessments.

Theodore Taylor, Grande Ronde Model Watershed, commented on the importance of monitoring restoration projects.

J. Special Investment Partnerships

The intent of the special investment partnerships (SIP) effort is to focus on complicated proposals or special partnerships for projects with substantial funding or long-term funding needs, that would not normally fit into OWEB's regular grant program, and that would benefit economic and community sustainability. It is not meant to replace OWEB's grant program which will remain whole.

OWEB staff are asking the Board to approve the following:

A. Reserve $12 million of capital funds for SIP for the 2007-2009 biennium;
B. Reserve $6 million of the $12 million for implementation of a Willamette River Partnership;
C. Allocate $200,000 of non-capital funds (75 percent from recaptured non-capital funds) for SIP administration and the costs associated with fully developing Partnership Agreements and work plans; and
D. Express support for tentative future reserves of at least $12 million per biennium from capital funds in the 2009-2011, 2011-2013, and 2013-2015 biennia.

Roger Wood, Special Projects, and the Board SIP subcommittee (Dan Heagerty, Diane Snyder, Dave Powers, and Ken Williamson) have met regularly over the past year to discuss goals, program characteristics, process, and specific partnership opportunities. Board members have been updated on progress at the March and May 2007 meetings as well as the Board planning session in July.

The subcommittee has identified that partnerships through SIP are defined by these characteristics:

1. Ecological significance.
2. Importance of OWEB's contribution.
3. Robust partnerships.
4. Triple bottom line.
5. Captures the imagination/high visibility.
6. Ripeness.

The SIP process involves identifying and evaluating potential SIP investments, developing partnerships, committing funding through Board decisions, formalizing agreements, and administering agreements.

After taking all of the above into consideration, OWEB staff and the Board subcommittee have identified the following SIP opportunities:

A. Willamette River: Hydrologic Reconnection for Habitat and Water Quality.
B. Deschutes River: Restoration of Fish Passage, Habitat, and Flow.
C. Rogue River: Restoration of Fish Passage, Habitat, and Flow.
D. Biomass Utilization: Improving Range and Forest Health.
E. Coastal Lands: Estuary and Tideland Restoration and Protection.
F. Klamath Basin: Restoration of Fish Passage, Habitat, and Flow.

Of these, the Willamette, Deschutes, and Rogue have developed most quickly over the past half year; the other three have also evolved; and all six continue to develop. Staff will continue to work with these partnerships and return to the January 2008 meeting with more information.

Board members unanimously supported the staff recommendation to reserve $12 million of capital funds for SIP for the 2007-2009 biennium.

Additionally, OWEB staff have identified the Willamette partnership as being the most ready for funding consideration at $6 million of the $12 million reserve. This amount would illustrate OWEB's commitment to help maintain leadership of the partnership effort, and OWEB expects that other partners will follow suit once they see OWEB's commitment. *Board members unanimously supported the reservation of $6 million this biennium specifically for the Willamette SIP.*

Although Board members are excited about the SIP effort, they are cautious about reserving any amount of funding each biennium through 2015. They did, however, *express their support to provide SIP funding in future biennia without specifying a dollar amount.*

Board members also had suggestions for the SIP process: developing MOUs, using all our tools to see how the pieces fit together, doing a handful of projects at a time, engaging more Board members in the process such as designating two board members on each project to ensure the outreach component; returning each investment back to the board for approval with benchmarks.

Board members unanimously supported a $200,000 non-capital allocation for SIP administration and the costs associated with fully developing partnership agreements and work plans.

K. Research Awards

Greg Sieglitz, Monitoring and Reporting Program Manager, provided background information on OWEB's solicitation of research proposals.

For the first time, the 2007 Legislature gave OWEB the expenditure authority for the Board to allocate funds from the Restoration and Protection Research Fund. The Research Fund is made up of all interest earned from Ballot Measure 66 Lottery Funds. The Research Fund is projected to grow to approximately $7.7 million in revenue by the end of the 2007-2009 biennium. The

research funds are subject to the 35 percent non-capital and 65 percent capital distribution as are all Measure 66 dedicated lottery funds.

Using a process approved by Board members in May 2006, OWEB worked with the Sea Grant program at Oregon State University to assist in the peer review of the research grant solicitation. Of the 33 pre-proposals received, OWEB staff requested full proposals from 14 of the applicants. Ten proposals were received and reviewed, and OWEB staff are recommending approval for funding nine of the 10 research proposals.

Based on discussions at the Board planning session in July, OWEB staff will develop a schedule and plan for research offerings for the remainder of the 2007-2009 biennium. The offering will focus on the Board's desire to establish a strategic approach to offering and awarding research funding based on investing in research that: 1) has relevance to OWEB's core programs; 2) is likely to be completed or yield results before 2014; and 3) focuses on the types of questions that have the greatest need to be answered by 2014.

Board members asked for clarification on some of the proposals, which were addressed by Greg Sieglitz and additional information was provided by Dr. Dave Wooster, OSU, Dr. Desiree Tullos, OSU, and Kim Jones, ODFW.

Board members unanimously supported funding all nine of the staff-recommended research proposals contained in Attachment C of the staff report at approximately $3.1 million in Restoration and Protection Research funds, and that the Board direct staff to work with the recipient of award 208-8004 to ensure the research products include recommendations and guidance that informs OWEB programs.

L. Dam Removal Effectiveness Monitoring

Courtney Shaff, Effectiveness Monitoring Specialist, reported on staff's request for funding for Oregon State University to complete pre-project and post-project effectiveness monitoring on the removal of Brownsville and Sodom dams on the Calapooia River.

The proposal is to monitor Brownsville Dam one and two years after dam removal, and monitor at Sodom Dam before and during dam removal, and one and two years after removal. The proposed monitoring will assess the recovery of the river following the removal of both dams and it will serve to inform other project proponents and interested parties in the science of small dam removal. Products from the proposed monitoring will include: 1) Documentation of physical and biological response of the Calapooia River to dam removal; 2) Demonstration, testing, and documentation of effectiveness monitoring procedures for small dam removals; and 3) Annual presentation and documentation of finding to OWEB and local stakeholders and peer-reviewed publications advancing dam removal science.

Board members unanimously supported the staff recommendation to allocate $308,410 of capital research funds to Oregon State University for effectiveness monitoring of the Brownsville and Sodom dam removals.

M. Non-Capital Grant Cycles

Ken Bierly, Deputy Director, presented a proposed funding target for the October 22, 2007, grant cycle, which in addition to a solicitation for restoration/acquisition would include a non-capital grant offering for the October 22, 2007, deadline as listed in the following table:

Grant Type	Amount
Technical Assistance	$500,000
Monitoring	$1,500,000
Education/Outreach	$500,000

Staff propose to come back to the Board at a future meeting for approval of grant offerings and funding targets for grant deadlines beyond October 22, 2007

Board members unanimously approved the staff recommendation for grant types and targets as outlined in Table 1 of the staff report.

N. Conservation Reserve Enhancement Program (CREP)

Melissa Leoni, Senior Policy Coordinator, Ken Bierly, Deputy Director, and Lois Loop, Farm Services Agency, discussed the status of the Oregon CREP and a request for $4 million of Measure 66 capital Lottery Funds for CREP in the 2007-2009 biennium.

Public interest in CREP has increased significantly over the past three years, and the number of participants and the number of stream miles treated has grown dramatically along with OWEB's investment in the program. In 2003-2005, OWEB invested $800,000 in CREP cost share payments; and since May 2005, the Board has allocated a total of $3.825 million for CREP cost share payments, and now staff believe that an allocation of $4 million will cover cost share payments in the 2007-2009 biennium.

There is a new federal farm bill pending, and once approved, Oregon and the U.S. Department of Agriculture will need to negotiate a new CREP agreement. During this process, OWEB could explore ways to limit or focus its participation in the program.

Board member Diane Snyder talked about wanting to get to zero by changing landowners. Board member Dan Carver does not want to continue CREP funding. Discussion also concerned OWEB's obligations to pay on signed contracts, and how the program fits into OWEB's priorities.

Board members unanimously supported allocating $4 million in Measure 66 Lottery capital funding for CREP cost-share payments and to form a subcommittee to identify content for negotiating a new CREP agreement.

O. Public Records Administrative Rulemaking

Melissa Leoni, Senior Policy Coordinator, briefed Board members on the requirements of Senate Bill 554 that was passed this session, and becomes effective on January 1, 2008, related to public records requests. One of the requirements of the new law is that government entities must make available to the public a written procedure for public records requests, which includes contact information and fees associated with a public records request. In some instances, if a public body's sole funding for a particular program is from funds that are constitutionally, statutorily, or

otherwise legally dedicated, the public body has very limited options to waive fees. This is the case for OWEB.

OWEB's primary source of funding is constitutionally dedicated lottery revenues from Measure 66. OWEB also receives funding from the PCSRF, which is restricted by agreement with NMFS to uses that "further the goal of protecting and restoring anadromous salmon and steelhead species subject to provisions of the federal Endangered Species Act." And, OWEB receives funding from the sale of salmon license plates, which is statutorily restricted. Because of the limits placed on OWEB's funding, the Attorney General's office has advised OWEB that it does not have discretion to waive or reduce fees for making records available, unless the cost of charging for the documents would approach or exceed the cost of furnishing the information.

In order to comply with the recent legislation and based on legal advice, OWEB staff plan to develop proposed administrative rules to address public records requests to present to the Board in January 2008, with anticipated adoption in March 2008. Since the law is effective on January 1, 2008, OWEB plans to post a notice on its web site to meet the requirement.

Board members unanimously approved the staff recommendation to initiate rulemaking to address public records requests.

P. Other Business

There was none.

Having no further business, the meeting was adjourned.

Oregon
Theodore R. Kulongoski., Governor

Oregon Watershed Enhancement Board
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Special Meeting Notice

Monday, September 24, 2007
9:00 a.m.

State Lands Building
Third Floor, Conference Room 303
775 Summer Street NE
Salem

The Oregon Watershed Enhancement Board will meet via telephone conference call on Monday, September 24, 2007 at 9:00 a.m. to take action on funding decisions discussed at the Board meeting in La Grande on September 18-19, 2007.

Due to the absence of a Board quorum at its meeting, voting to expend funds was postponed until a later date when a Board quorum would be available via telephone conference call. In La Grande, public comment was taken and Board discussions occurred about the agenda items before voting members were polled on the recommended funding decisions.

More information on the agenda items to be voted on by the Board is available online at www.oregon.gov/OWEB/board_meeting_info.shtml.

Board members will participate in this meeting by telephone from multiple locations. The public may attend this meeting at the location listed above.

For further information about the meeting, contact Bonnie Ashford, the Board's Assistant, at 503-986-0181. If special physical, language, or other accommodations are needed for this meeting, please advise Bonnie Ashford at 503-986-0181 as soon as possible.

Approved by the Board January 16, 2008
Oregon Watershed Enhancement Board
September 24, 2007
OWEB Board Meeting
Salem, Oregon

Minutes

OWEB Members Present	OWEB Staff Present	Others Present
Bobby Brunoe	Bonnie Ashford	None
Dan Heagerty	Tom Byler	
Jim Johnson	Melissa Leoni	
Skip Klarquist	Greg Sieglitz	
Jim Nakano	Cindy Silbernagel	
Patricia Smith		
Diane Snyder		
Dan Thorndike		
Helen Westbrook		
Ken Williamson		

Members Not Present
Dan Carver
Alan Christensen
Meta Loftsgaarden
Jane O'Keeffe
Dave Powers
Michael Tehan

Due to the absence of a Board quorum at its meeting on September 18-19, 2007, voting members were polled regarding recommended funding decision. As funding recommendations were presented, Board members indicated support for the staff's recommendations as outlined in the staff reports. However, voting to expend funds was postponed until a later date when a Board quorum would be available via telephone conference call. At that time, funding recommendations discussed at the September 18-19 meeting will be revisited and voted on.

A special meeting via telephone conference call was held on Monday, September 24, 2007, at 9:00 a.m. The meeting was held to have a quorum vote on funding recommendations. A telephone conference call meeting included a quorum of the Board.

Board Co-Chair Dan Heagerty presided over the meeting.

Executive Director Tom Byler prepared and distributed the following motions needing action prior to the telephone conference call. Board members voted on each motion individually.

Agenda Item D. 2007-2009 Biennium Spending Plan
Motion: Approve the staff recommendations as described in Section VI.B.(a) through (f) of the staff report. *Vote was unanimous.*

Agenda Item F. Board Consideration of Pending Grant Applications

Region 1.
Motion: Approve the staff funding recommendations for Region 1 as listed in the shaded area of Attachment A of the staff report. *Vote was unanimous.*

Region 2.
Motion: Approve the staff funding recommendations for Region 2 as listed in the shaded area of Attachment A of the staff report; and allocate $681 to the Coos Watershed Association (207-293) for fiscal administration. *Vote was unanimous.*

Region 3.
Motion: Approve the staff funding recommendations for Region 3 as listed in the shaded area of Attachment A of the staff report. *Vote was unanimous.*

Region 4.
Due to a conflict of interest, Board members Dan Heagerty and Bobby Brunoe recused themselves from voting on Application No. 208-4031.

Motion: Approve the staff funding recommendations for Region 4 as listed in the shaded area of Attachment A of the staff report; and allocate an additional $500,000 in capital funds for the East Fork Irrigation District Project (207-107) and an additional $987,250 in capital funds for the Middle Deschutes Streamflow Project – Phase II (207-319). *Vote was unanimous.*

Region 5.
Motion: Approve the staff funding recommendations for Region 5 as listed in the shaded area of Attachment A of the staff report. *Vote was unanimous.*

Additional Funding Awards
Motion: Approve capital funding for the following restoration applications from Regions 2, 4, and 5: $50,000 for 208-2012, $330,000 for 208-4034, and $50,000 for 208-5021. *Vote was unanimous.*

Agenda Item H. Local Capacity Funding
(1) Motion: Allocate an additional $986,066 for Watershed Council Support grants as reflected in Attachment A of the staff report. *Vote was unanimous.*

(2) Motion: Allocate $1,000,000 for Soil and Water Conservation District capacity as described in Section III of the staff report. *Vote was unanimous.*

(3) Motion: Allocate $100,000 to the Network of Oregon Watersheds Councils and $100,000 to the Oregon Association of Conservation Districts as described in Section IV of the staff report and to implement their submitted proposals. *Vote was unanimous.*

Agenda Item J. Special Investment Partnerships
Motion: Allocate $200,000 of non-capital funds for SIP administration and the costs associated with fully developing Partnership Agreements and work plans. *Vote was unanimous.*

Agenda Item K. Research Awards
Motion: Approve the staff funding recommendations for research proposals as contained in Attachment C of the staff report; and that the Board direct staff to work with the recipient of award 208-8004 to ensure the research products include recommendations and guidance that informs OWEB programs. *Vote was unanimous.*

Agenda Item L. Dam Removal Effectiveness Monitoring
Motion: Allocate $308,410 of capital research funds to Oregon State University for effectiveness monitoring of the Brownsville and Sodom dam removals. *Vote was unanimous.*

Agenda Item N. Conservation Reserve Enhancement Program (CREP)
Motion: Allocate $4 million in Measure 66 Lottery capital funding for CREP cost-share payments and form a subcommittee to identify content for negotiating a new CREP agreement. *Vote was unanimous.*