



2009 OWEB Board Meeting Documents

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Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board
January 21-22, 2009

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.

Wednesday, January 21, 2009

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items H and N), 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. Board Co-Chair Election

Current Oregon Watershed Enhancement Board Co-Chairs Dan Heagerty and Diane Snyder were elected by Board vote in January 2008 to staggered two-year terms. Co-Chair Snyder will lead a discussion and vote by Board members to elect one Board Co-Chair position for a new two-year term. *Action item.*

C. Review and Approval of Minutes

The minutes of the September 16-17, 2008, meeting will be presented for Board approval. *Action item.*

D. Executive Director Update

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

E. Legislative and Budget Overview

Tom Byler, Executive Director, and Melissa Leoni, Senior Policy Coordinator, will update the Board on the 2009 legislative session and provide an overview of the proposed 2009-2011 budget for OWEB as identified in the Governor's Recommended Budget. *Information item.*

Appointments with Legislators

The Board meeting will adjourn between 10:00 a.m. and 1:00 p.m. for Board members to attend appointments with legislators at the Oregon State Capitol.

Business Meeting Continued - 1:00 p.m.

F. Budget and Spending Plan Update

Tom Byler, Executive Director, will update the Board on the status of the OWEB 2007-2009 budget and spending plan. *Information item.*

G. Policy Issue Discussion

Melissa Leoni, Senior Policy Coordinator, will describe efforts to clarify agency policy on the use of Measure 66 capital funds for mitigation or legally required activities, invasive species management, water conservation projects, and working lands conservation easements. *Information item.*

H. Public Comment [approximately 2:30 p.m.]

This time is reserved for public comment on any matter before the Board.

I. Partnership Investments – Special Investment Partnerships

Ken Bierly, Deputy Director, will update the Board on the implementation of the Deschutes and Willamette Special Investment Partnerships (SIP). The Deschutes SIP partners will also give a presentation to the Board detailing their progress. *Information item.*

J. Middle Willamette Local Partner Presentations

Representatives from watershed councils and soil and water conservation districts in the Middle Willamette will provide presentations to the Board on their projects and activities. *Information item.*

Thursday, January 22, 2009

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items H and N) 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. Oregon Parks and Recreation Department Presentation

Tim Wood, Director, Oregon Parks and Recreation Department, will describe the goals and activities of the Parks and Recreation Department as they relate to Ballot Measure 66 funds.

L. Partnership Investments

Ken Bierly, Deputy Director, will update the Board on a number of partnership investment program areas in addition to Special Investment Partnerships, including the status of the CREP workgroup, Oregon 150 grants, and Whole Watershed Restoration Initiative. He will brief the Board on the latest discussions of the Partnership Investments Subcommittee. In addition, the Board will be briefed on the following items:

1. Oregon Plan Products

Greg Sieglitz, Monitoring and Reporting Program Manager, will update the board on potential investments regarding streamflow measurements, fish habitat distribution, and the statewide fish passage barrier inventory. *Information item.*

2. StreamBank

Alan Horton, Oregon Trout, will give an update on pilot efforts of StreamBank, a web-based tool intended to expedite the process for private landowners and local restoration professionals to do restoration projects. *Information item.*

3. Carbon Markets Presentations

Duncan Berry with the Westwind Stewardship Group and Otis Carbon Co-op, Mike Gaudern, Woodland Carbon Company, and Jim Cathcart, Oregon Department of Forestry, will discuss the carbon offset policy arena generally, and specifically address the role of forest management in carbon markets. *Information item.*

M. Monitoring and Research Program

Greg Sieglitz, Monitoring and Reporting Program Manager, will update the Board on research priorities and a future research solicitation process, the results of the coastal storm assessment report, and agency investments in the Effectiveness Monitoring program. *Action item.*

N. Public Comment [approximately 11:15 a.m.]

This time is reserved for public comment on any matter before the Board.

O. Deferred Acquisitions

Miriam Hulst, Acquisitions Specialist, will update the Board on pending and previously deferred land acquisition grant applications. *Information item.*

P. Communications Update

Carolyn Devine, Communications Coordinator, will update the Board on development and implementation of the OWEB Communications Implementation Strategy. *Information item.*

Q. April 2009 Grant Cycle

Lauri Aunan, Grant Program Manager, will propose the Board revise the 2007-2009 grant cycle schedule to allow staff to solicit grant applications for Technical Assistance for the upcoming April 20, 2009, grant deadline. *Action item.*

R. 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 accepts debit/credit cards only). A Park and Ride lot is located at the State Motor Pool with buses running approximately every 15-30 minutes. Please contact Bonnie Ashford at 503-986-0181 for further information.

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 21, at 2:30 p.m. and Thursday, January 22, at 11:15 a.m. 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

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

Non-voting Members

Representative of NMFS: *Kim Kratz*
Representative of Oregon State University Extension Service: *James Johnson*
Representative of U.S. Forest Service: *Jose Linares*
Representative of U.S. BLM: *Miles Brown*
Representative of U.S. NRCS: *Meta Loftsgaarden*
Representative of U.S. EPA: *Dave Powers*

Contact Information

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Salem, Oregon 97301-1290
503-986-0178
Fax: 503-986-0199
www.oregon.gov/OWEB

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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

2009 Board Meeting Schedule

March 18-19, Salem
June 2-3, Willamette Valley
September 15-16, Wallowa County

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

January 21-22, 2009 OWEB Board Meeting Executive Director Update #D1: Biennial Conference Recap

Background

OWEB's 10th Biennial Conference was held November 5-7, 2008, at the Eugene Hilton Hotel and Conference Center. The conference was titled *Working for Healthy Watersheds: Climate Change and Watershed Resilience* and the conference was organized around the theme of climate change.

Highlights

The conference was initiated by a keynote address by Secretary of State Bill Bradbury and a presentation of the Roger Wood Memorial award to him for his efforts on behalf of the environment of Oregon. The plenary and first breakout sessions focused on linkages between climate change and watershed health, watershed management, and restoration. The conference organizers also attempted to challenge the speakers to link community organization and resilience to the ability to adapt to climate change. Conference organizers worked with speakers to develop more integrated talks and to use adult learning techniques.

Beyond the keynote speakers, highlights from the Conference included the Thursday lunch speaker, Julie Daniel of BRING Recycling, and the Banquet speaker Chad Pregracke.

Conference Evaluation

Participants at every session were provided with evaluation forms at the end of each session. Staff attempted to obtain a high percentage feedback from session participants. A summary of the detailed conference evaluation summary is attached. (Attachment A) In general, the conference attendees indicated a relatively strong agreement that the climate change sessions were informative, but there was somewhat less agreement that the information would help them in their restoration work.

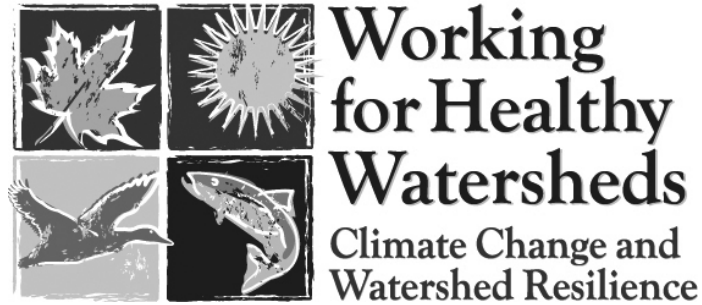
Overall, participants most highly rated the opportunity to network. The reviews of each panel session were strongly positive. Only two speakers were poorly reviewed out of more than 65 presenters. OWEB has posted the power point presentations from the conference on our website to make them available for download.

The only significant comments about future organization of the conference were to allow for more time and more depth for session topics. This would mean fewer session options, but could be considered for the next conference. The use of online materials and conference review seemed to work well. The difficulties at the registration table will be avoided next time.

The presence of Board members at the conference was valuable to both staff and conference attendees. Conference fundraising was successful with the Oregon Lottery providing major support with additional significant sponsorships from the Bureau of Land Management and the Northwest Power and Conservation Council. Attachment B lists the conference sponsors.

Staff Contact

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



CONFERENCE EVALUATION SUMMARY

The following is based on receipt of approximately 150 responses. Surveys were distributed electronically the week after the conference, resulting in more than twice the number received in 2006 when the survey was conducted by paper at the conference..

CONFERENCE OBJECTIVES

Respondents gave the highest score to “I strengthened my network” with strong scores for the first two questions regarding increased awareness and understanding of climate change. Most said they were motivated to implement at least two ideas to increase awareness of and participation in community watershed programs.

Please indicate how well you agree with the following statements:

5 = Strongly Agree, 4 = Agree, 3 = Neutral, 2 = Disagree, 1 = Strongly Disagree

Rating

Average

3.73 My understanding of the effect climate change will have on watershed restoration priorities has been broadened because of the conference.

3.71 I have a greater awareness of the role and opportunities local restoration and conservation projects have in helping watershed functions adapt to climate change because of the conference.?

3.45 I gained useful tools that I will employ in the design and implementation of future projects in response to and in anticipation of changes in the climate because of this conference.

4.31 During the conference, I strengthened my network of professional contacts.

3.42 Because of the conference, I am more skilled in planning and managing on-the-ground projects.

3.68 I gained practical tips for becoming more effective in my day-to-day work.

I am motivated to implement at least __ ideas to increase awareness of and participation in community watershed enhancement programs due to this conference.

0 = 5%, 1 = 24%, 2 = 32%, 3 = 23%, 4 = 7%, 5 = 8%

CONFERENCE MATERIALS, LOGISTICS

People rated conference organization and location/facilities highly. Scores were very similar to responses to the same questions in 2006 with the exception of lower ratings in 2008 for registration procedure and field trips.

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

3.28 Overall quality of the pre-conference promotional materials.

3.62 General conference information received at the conference.

3.23 Handouts received at conference workshops.

3.44 Quality of the exhibits.

3.02 Quality of the posters.

3.93 Overall organization of the conference.

3.98 Conference location and meeting facilities.

3.32 Conference registration procedure.

3.53 Quality of the food and snacks.

2.58 Quality of the field trips.

FEATURED SPEAKERS

All were rated highly with Daniel and Pregracke leading.

How would you rate our featured speakers:

3.85 Secretary of State Bill Bradbury (Wednesday lunch keynote speaker)

3.30 Russ Hoeflich, The Nature Conservancy (Wednesday lunch speaker)

3.27 Dr. Tim Beechie, NOAA Fisheries (Wednesday lunch speaker)

4.32 Julie Daniel, BRING Recycling (Thursday lunch speaker)

4.90 Chad Pregracke, Living Lands and Waters (Thursday banquet speaker) (NOTE: recalculated to discount people not responding who did not attend banquet.)

NEW FEATURES

Many people did not participate in some of the features aimed at particular audiences. Therefore, most scores are not indicative of overall satisfaction. People strongly supported electronic distribution of conference materials.

Please rate the effectiveness of new features of this year's event:

5 = extremely useful, 4 = very useful, 3 = useful, 2 = not useful, 1 = cannot judge

3.57 Efforts to reduce the environmental impact of the conference (recycling, promotion of carpooling, purchase of offset credits).

1.68 Offering longer pre-conference workshops.

3.04 Concentrating on the theme of climate change for all Wednesday sessions.

2.39 Packaging workshops for citizen council members and board members Thursday afternoon.

2.75 Friday morning wrap-up sessions providing summaries of workshops and allowing discussion of issues and concerns.

3.90 Detailed information about the conference and workshop descriptions, objectives and speakers posted on the Web rather than mailed.

Did you use public transportation or share a ride for travel to or from the conference?

49% Yes

51% No

How did you hear about the conference?

79% Through a direct message by e-mail or surface mail from OWEB.

31% Through a message from a group or organization.

2% News media announcement.

__ Other: Please specify: _____

How would you describe what it is you do? (please check all that apply)

38% Administrator/manager

14% Board member

17% Consultant

30% Education/outreach coordinator

38% Restoration project manager

28% Scientist

3% Teacher

16% Volunteer

TRACK COMMENTS AND FEEDBACK

Track: Engaging the Community

- Make the results of research available
- Increase funding for education and outreach
- OWEB should work with Oregon Department of Education on watershed education
- Create a forum for council-swcd staff to work together
- Secure funding for the Network of Oregon Watershed Councils
- Provide regular training on conflict communication

Track: Invasive Species

- Funding for early detection and rapid response
- Support a “Bullfrog fishing day” for Fathers Day to focus on involving youth
- Improve coordination among government agencies
- Develop Legislative tools

Track: Building Effective Organizations

- Need templates for watershed council policy (personnel and contraction esp.)
- Need watershed council strategic planning time and fiscal management training

Track: Making Projects Work

- Improve information sharing about projects and lessons learned
- Develop a “Private Landowner Manual” or tips on working with people
- Develop a common template for describing common project types for grant applications and reporting

Future Conference Suggestions

- Consider “Green Infrastructure” as a theme
- Provide training on how to use LIDAR
- Have sessions on developing new funding sources
- Create an opportunity to talk with grant application review team members
- Have more time for peer-to-peer interaction
- Have fewer concurrent sessions

Attachment B

Organization
BASIN \$5,000+
Oregon Lottery
SUBBASIN \$5,000-9,999
USDI - Bureau of Land Management
Northwest Power and Conservation Council
WATERSHED \$1500-4,999
National Marine Fisheries Service
Oregon Wildlife Heritage Foundation
Oregon Trout
Ducks Unlimited, Inc.
Eugene Water & Electric Board
US Environmental Protection Agency
STREAM \$500-1,499
OSU Extension Service
River Network
Lone Rock Timber
West Consultants
OR Dept. of Forestry
Watershed Professionals Network
US Fish & Wildlife Service
Environmental Professional Program, PSU
Metro - Nature in Neighborhoods
ESA Adolfson
Inter-Fluve, Inc.
REACH <\$500
Amity Vineyards
Bethel Heights Vineyard
Bonneville Environment Foundation
Ponzi Vineyard
Good Company
Oakshire Brewing
Technical Assistance for Community Services (TACS)
Wednesday Reception
The Nature Conservancy
Thursday Reception
Oregon Dept. of Geology

Total Contribution = \$45,250.00

January 21-22, 2009 OWEB Board Meeting

Executive Director Update #D2: 2009-2011 Watershed Council Support

This update provides background on how the Watershed Council Support Grant (Council Support) process has changed over the years, and a status report on the 2009-2011 Council Support process and schedule.

Background

ORS 541.370(1)(e) directs OWEB to “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 watershed enhancement projects....” The Board has adopted rules for Council Support grants (OAR 695-040-0010 – 0070).

From 1997 through 2001, Council Support grant applications were accepted, reviewed, and awarded along with applications for other project types. In the 2001-2003 biennium, OWEB began processing Council Support applications on a two-year grant cycle to coincide with OWEB’s biennial budget.

As a result of Board and legislative direction in 2001, OWEB staff developed, and the Board adopted in 2002, its first set of rules for awarding Council Support grants through a merit-based approach. For the first time, the 2003-2005 Council Support applications were reviewed and ranked by a Council Support Advisory Committee. The rankings resulted in merit category placements, upon which funding recommendations were based.

The Board adopted additional rule revisions in March 2004 to more clearly describe the merit criteria to be used in evaluating applications. OAR 695-040-0050 describes evaluation criteria. OAR 695-040-0060 defines a grant evaluation process including review by a Council Support Advisory Committee (CSAC).

For the current biennium (2007-2009), OWEB received 60 applications for Watershed Council Support grants requesting a total of \$7.9 million. OWEB awarded grants to 60 councils for a total of \$6 million.

Status of 2009-2011 Council Support Process

The Board Council Support Subcommittee consists of Jim Johnson, Jim Nakano, Dave Powers, and Helen Westbrook. The Subcommittee is scheduled to meet on January 8, 2009, to continue a discussion about the funding allocation process and potential for no fund decisions for the 2009-2011 biennium. Staff anticipate that there will be two additional Subcommittee meetings during the Council Support process; one in late February to discuss the application and evaluation process and continue the funding allocation discussion, and a second in early April to discuss the evaluation and merit scoring results, tier rankings, and funding allocation alternatives in preparation for the June 2009 funding decision.

The key Council Support dates and deadlines are provided in the table below.

DATES	ACTIONS
December 3 - 12	Council Support Application Workshop for applicants Workshops are scheduled for Redmond, Pendleton, Salem and Central Point; and a conference call workshop option is provided
January 30	Council Support Application Deadline 5:00 p.m.
February 10-12	Council Support Advisory Committee Trainings (The Dalles, Salem)
March 5	Council Support Advisory Committee “pre-discussion scores” due in Salem.
March 9-12	Council Support Advisory Committee application review meetings
April 15	Staff recommended merit scores/tier rankings announced. Reminder: These are not final until June Board decision
May 8	Applicant comment letters due in Salem 5:00 p.m.
May 18	June Board meeting staff reports posted on OWEB web site
June 2-3	Board Award of Watershed Council Support Grants (Salem)
June 4	Council Support awards posted on OWEB web site
July 5	Grant Agreements signed and mailed to grantees for their signature

Staff Contact

If you have questions or need additional information about the 2009-2011 council support grant cycle, please contact Lauri Aunan at lauri.g.aunan@state.or.us or 503-986-0047.

**January 21-22, 2009 OWEB Board Meeting
Executive Director Update #D3: October 20, 2008 Grant Cycle Update**

Background

A total of 233 grant applications were submitted to OWEB on its October 20, 2008 deadline. This is the second largest number of applications OWEB has received for a grant cycle, 31 less than the high mark from October 2007. Table 1 displays the number of applications and amounts requested from the grant application submissions.

Table 1 - Types of Applications for October 20, 2008

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Region 1	7	7	7	3	10	34
Region 2	7	5	8	2	20	42
Region 3	18	9	9	2	20	58
Region 4	5	8	3	3	27	46
Region 5	7	3	4	1	32	47
Statewide	0	3	3	0	0	6
Totals	44	35	34	11	109	233

The application review process has started with regional review team meetings to evaluate applications in the Eastern Oregon region on December 16-17, 2008. Regional review teams in Central and Western Oregon will meet on January 6, 12, 15, and 20, 2009 to review applications. OWEB's Education and Outreach Review Team met on December 4, 2008 in Bend to review and score all 35 education and outreach applications and provide their review to the regional review teams. The Oregon Plan Monitoring Team met on December 9 in Salem to review all 34 monitoring applications and provide that information to the regional review teams.

The Board reserved \$9.25 million for Restoration and Acquisition projects for this cycle. The Board also reserved \$750,000 for Technical Assistance and \$1.3 million for Monitoring grants this cycle. Finally, the Board reserved \$750,000 to support Education and Outreach needs, with a minimum of \$500,000 for Education and Outreach grants for the October 2008 cycle. Up to \$250,000 of that reserve may be invested to implement a strategic statewide awareness and public information campaign.

As shown in Table 2, the amount of funds requested far exceeds the funding available for this cycle of applications. Based on the regional review team recommendations, and taking into account available funding, staff will develop funding recommendations for the Board's March 2009 meeting.

Table 2 - Dollar Amounts by Application Type

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Region 1	\$241,468	\$172,612	\$388,020	\$2,616,462	\$1,311,016	\$4,729,578
Region 2	\$234,247	\$139,286	\$515,866	\$1,500,000	\$1,632,948	\$4,022,347
Region 3	\$667,765	\$355,635	\$684,900	\$2,900,000	\$2,894,110	\$7,502,410
Region 4	\$184,458	\$286,666	\$337,190	\$1,225,000	\$7,269,002*	\$9,302,316
Region 5	\$291,868	\$106,687	\$209,442	\$500,000	\$3,536,576	\$4,644,573
Statewide	0	\$188,561	\$565,287	0	0	\$753,848
Totals	\$1,619,806	\$1,249,447	\$2,700,705	\$8,741,462	\$16,643,652	\$30,955,072
Reserved Funds	\$750,000	\$500,000	\$1.3 million	\$9.25 million		

*This includes the \$3,922,352 Pilot Butte Piping Project (209-4034), which has been directed to the Water Conservation policy discussion (Agenda Item H) and will not be part of the October 2008 funding recommendations

Staff Contact

If you have questions or need additional information, please contact Lauri Aunan at lauri.g.aunan@state.or.us or 503-986-0047.

January 21-22, 2009 OWEB Board Meeting
Executive Director Update #D4: OWEB Information Security Plan

Background

Information security is the protection of information from a wide range of threats in order to ensure business continuity, ensure privacy of information, and minimize business risk. Information security is achieved by implementing a set of controls, including policies, processes, procedures, structures, and functions.

The statewide Information Security policy (#107-004-052) effective as of July 30, 2007, directs each state agency to establish a plan to initiate and control the implementation of information security within the agency and manage risk associated with information assets. Plans must include processes to identify and classify information assets, applicable state directives and legal regulatory requirements, information security roles and responsibilities, employee security awareness and training elements, and policies that govern agency information security activities. Each agency should develop a plan that supports its mission and business goals while considering the information assets it holds, their value to the organization, and the steps necessary to protect the information.

Oregon Administrative Rule 125-800-0005(20) requires all agencies to complete information security plans and submit them to the Department of Administrative Service (DAS) for approval. Plans are due on or before July 30, 2009.

OWEB Information Security Plan

Staff attended DAS-sponsored training on developing information security plans in October of 2008. We are currently coordinating development of specific plan elements with the Oregon Economic and Community Development and Water Resources departments, because of the file server, email, and web hosting services provided to OWEB by each agency. Staff have also identified a process and schedule for implementing the plan shown in the table below.

Information Plan Steps	Timeline
Coordination with OECDD/WRD	December 2008 – February 2009
Meet with managers about policies	January 2009
Policy review and development	January – February 2009
Organize agency work group	February 2009
Draft Plan	March 2009
Internal review of plan by managers	April – June 2009
DAS review of plan/Plan revisions	July 2009
Submission of plan	July 30, 2009

Staff anticipate updating the Board on development of the OWEB Information Security Plan at upcoming Board meetings.

Staff Contact

If you have questions or need additional information, please contact Melissa Leoni, at melissa.leoni@state.or.us or 503-986-0179.

January 21-22, 2009 OWEB Board Meeting Executive Director Update #D5: Measure 66 Audit Update

Background

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

Preliminary Audit Findings

This summer, we received the preliminary findings of the Audits Division for OWEB and the other state agencies. With respect to OWEB, the preliminary findings conclude that the agency expended Measure 66 funds in compliance with the Constitution, and classified and recorded expenditures appropriately. This is good news for the agency, and a testament to the excellent efforts of OWEB staff in properly managing Measure 66 funded expenditures.

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

OWEB has a significant interest in the appropriate expenditure of Measure 66 funds. OWEB enters into interagency agreements with all state agencies that receive legislatively appropriated Measure 66 funds. These agreements include a statement of work and reporting requirements.

Subsequent to receiving the Audits Division letter, OWEB staff contacted ODA and ODFW at the agency head and staff level to initiate discussions to better understand the issues and explore options for resolving them. We have met twice with each agency and are confident each agency is taking the appropriate steps to resolve the Audits Division findings for future audits.

We have also met with the Audits Division to discuss an identified 0.5 percent imbalance of Measure 66 funds in the overall expenditure of capital (65 percent) and non-capital (35 percent) funds. The expenditure imbalance accounts for funds expended since 1999. By 2014, at least 65 percent of Measure 66 funds must be for capital projects in order to meet constitutional requirements. There is sufficient time over the coming biennium to address the imbalance. OWEB staff will work with the Audits Division, the Governor's Office, and Legislature to ensure this issue is resolved.

Final Audit Report

The final report of the Audits Division was published on December 29, 2008. A summary from the report is attached. Copies of the full report will be provided to Board members at the upcoming meeting.

Staff Contact

Contact Tom Byler at tom.byler@state.or.us or 503-986-0180, or Cindy Silbernagel at cindy.silbernagel@state.or.us or 503-986-0188, with questions about the audit.

January 21-22, 2009 OWEB Board Meeting

Executive Director Update #D6: 2007-2009 Oregon Plan Biennial Report

Background

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

2007-2009 Oregon Plan Biennial Report

The 2007-2009 Biennial Report follows the same general format of the 2001-2003, 2003-2005, and 2005-2007 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. Also incorporated into the basin reports section is a single project story and photo to highlight the types and range of restoration projects and partnerships across the state.

The 2007-2009 report is organized differently than past reports, in that it starts with an executive summary and a more thorough explanation about the Oregon Plan before describing the specific voluntary restoration, agency action, monitoring, and science oversight elements of the Plan. Following the Oregon Plan elements, the report for the first time specifically includes a section describing OWEB and its Oregon Plan and voluntary restoration investment roles. The Board observations and recommendations for improving implementation of the Oregon Plan, developed by staff and the Board co-chairs with Board review, are included at the front of the 2007-2009 report with the executive summary.

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

Staff Contact

If you have questions or need additional information, please contact Melissa Leoni, at melissa.leoni@state.or.us or 503-986-0179.

January 21-22, 2009 OWEB Board Meeting Executive Director Update #D7: Wetlands Investment Update

Background

This item provides an update about two wetland related initiatives undertaken recently by OWEB's Monitoring and Reporting Program. The first part of the report is a progress update on the digitization of National Wetlands Inventory (NWI) maps. The second portion of this report is a status update about the monitoring and assessment effort for wetlands projects that was recently enhanced through a grant from the U.S. Environmental Protection Agency (EPA).

Digitization of National Wetlands Inventory Maps

As reported at the September Board meeting, significant progress has been made in recent years toward building an electronic map of all wetlands located in the state. When completed, this map will be readily available to local restoration groups and interested parties such as state and federal agencies responsible for the management of wetlands. The basis for the map is the NWI maps, which are being digitized under this project.

In October 2008, Oregon Corrections Enterprises (OCE) completed the digitization of 242 NWI maps under the funding agreement between OWEB and the Oregon Department of Administrative Services, which awarded \$48,000 for this work. The U.S. Fish and Wildlife Service's (USFWS) NWI staff are conducting quality assurance and quality control review of these products, and anticipate making them available on the USFWS's NWI website (www.fws.gov/wetlands/data/index.html) by early 2009.

OCE is currently digitizing 481 NWI maps that cover southeastern Oregon with \$96,200 in non-capital funding allocated by the Board at the May 2008 meeting. At the time of this report, over one-third of the maps are digitized. The estimated timeframe for completion of this work has been accelerated to May of 2009. These maps, in conjunction with deliverables from an initiative by The Wetlands Conservancy to revise 97 outdated NWI maps in western Oregon, will result in a comprehensive statewide GIS coverage comprised of wetland location information in an electronic format that is easily accessible to watershed councils, soil and water conservation districts, landowners, agencies, and other entities in Oregon. The anticipated date these wetland maps will be available is September of 2009.

Compliance and Effectiveness Monitoring of Wetlands Projects

OWEB was awarded \$342,281 by EPA to create the framework for an Oregon Wetland Monitoring and Assessment Program in September of 2008. The two-year project is intended to make initial progress toward a comprehensive wetland monitoring strategy by applying the Oregon Rapid Wetland Assessment Protocol (ORWAP), developing detailed effectiveness monitoring to assess wetland quality, testing a preliminary invertebrate-based biological monitoring tool, improving the quality and management of data on wetland mitigation and restoration sites, and increasing information exchange to improve decision-making about wetland enhancement and investments. Project implementation will occur initially in the Willamette Valley which is intended to complement and inform investments that will be made by OWEB under the Willamette Special Investment Partnership.

Since the update provided at the September Board meeting, project partners have made substantial progress in several areas. Staff finalized a grant agreement with EPA Region 10 for this award. OWEB entered into an interagency agreement with the Oregon Department of State Lands and developed a non-competitive grant agreement with The Xerces Society for Invertebrate Conservation for their work on this project.

In late October, representatives from the three partner organizations held a project planning meeting to set work priorities for the remaining quarter of 2008. Following that meeting, work has focused on five areas: 1) Refinement and testing of monitoring protocols for ORWAP and detailed effectiveness monitoring (including invertebrate Index of Biological Integrity); 2) Scoping of potential wetland monitoring sites for rapid assessment and detailed effectiveness monitoring in preparation for 2009 field season; 3) Release of a Request for Proposals (RFP) for a wetland contractor to assist with monitoring; 4) Preparation for a sample design workshop for effectiveness monitoring of wetland projects in conjunction with EPA's Western Ecology Division; and 5) Review of DSL's database for wetland-related information. Staff reviewed and selected a wetland contractor, Adamus Resource Assessment, Inc., and will negotiate the contract terms in January of 2009. Field work will begin in earnest in the spring of 2009 with results from the first year of sampling available in late September of 2009.

Staff Contact

If you have questions or need additional information about NWI mapping, please contact Ashley Seim, GIS Specialist, at ashley.seim@state.or.us or 503-986-0186. If you have questions or need additional information about the EPA wetland grant, contact Renee Davis-Born, Data Analyst and Information Specialist, at renee.davis-born@state.or.us or 503-986-0029.

January 21-22, 2009 OWEB Board Meeting Executive Director Update #D8: CREP Update

Background

Oregon has an agreement with the U.S. Department of Agriculture (USDA) to provide cost share for riparian forested buffers along streams in agricultural lands in Oregon. The Conservation Reserve Enhancement Program (CREP) is statewide and when initiated, it was recognized that program implementation would take greater staff commitment than similar programs in the Midwest. The primary reason for that is that the agricultural producers in the Midwest have a stronger and longer relationship with the Farm Service Agency (FSA). In addition, the Oregon CREP was developed to provide a series of creative incentives that make the program more complex than similar CREP programs in other states. As a result, OWEB has provided funding for technical assistance to support the program over the last four biennia.

During the discussions of the 2007-2009 biennium spending plan at the September of 2007 meeting in LaGrande, the Board raised a concern about the increased commitment of funds for CREP contracts. Additional concerns about funding for CREP Technical Assistance were raised by the Oregon Department of Agriculture (ODA) and Soil and Water Conservation Commission during discussions about additional funding for soil and water conservation districts.

Following these discussions, staff formed a work group to examine issues associated with CREP and develop recommendations for the Board to use when considering the allocation of funds for the coming biennium. Members of the work group are:

Gail Stinnett, FSA, Hillsboro
Kevin Macintyre, FSA, The Dalles
Lois Loop, FSA, Tualatin
Larry Ojua, ODA, Salem
Tom Straughan, ODA, Pendleton
Amie Loop-Frison, Yamhill SWCD
Ron Graves, Wasco SWCD
Meta Loftsgaarden, NRCS

OWEB staff support is provided by Ken Bierly and Melissa Leoni.

Work Group Activity

The work group has met twice and a subgroup has met once. An additional meeting is set for early in 2009. The work group has agreed on a proposed approach for funding technical assistance for the program. The topic that the work group is still discussing is budgeting and development of an accrued liability fund for contracts that go beyond 2014. This issue will be critical in the budgeting of capital funds over the next two biennia.

Originally, staff anticipated that the work group would discuss negotiation of a new Oregon CREP agreement between Oregon and the USDA under the new Farm Bill. The 2004 Oregon agreement was set to expire on December 31, 2007, but was extended when a new Farm Bill was not passed by that date. This extension amended the Oregon agreement to apply to the new Farm Bill, making it unnecessary for either party to negotiate a new agreement. Staff were concerned that opening up the Oregon agreement could jeopardize federal funding of elements of Oregon's

unique approach, including the cumulative impact bonuses given to landowners who enroll a certain number of stream miles in the program. Staff determined that the risks of negotiating a new agreement were too great. Therefore staff are working to address the Board's concerns through other means, including the development of an accrued liability fund and managing landowner contract expectations.

Staff will provide additional reports on CREP at the March and June Board meetings.

Staff Contact

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

January 21-22, 2009 OWEB Board Meeting Executive Director Update #D9: 2008 Coastal Wetlands Grants

Background

This report provides an update on the status of the federal 2008 U.S. Fish and Wildlife Service (USFWS) Coastal Wetlands Grant Awards projects and notification of recent receipt of Federal Fiscal Year (FFY) 2009 awards. The Coastal Wetlands Grants offer a significant partnership investment opportunity to restore and protect wetland and estuary ecological values, promote strong partnerships, and provide a two to one match of OWEB funds.

In June of 2007, OWEB submitted four applications on behalf of our coastal partners for project funding under the Coastal Wetlands Grant Program. On January 9, 2008, the Secretary of the Interior announced the awards that included all four applications submitted by OWEB. Combined, the four federal grants total approximately \$2.2 million and require a total state match of just over \$1 million. Attachment A lists each project and details the status of the project.

In March of 2008 and May of 2008, staff reported to the Board on these awards. At the March Board meeting, the Board awarded \$232,614 to grant application #208-1040, Tamara Quays Dike Removal and Fish-Passage Culvert, and authorized OWEB to enter into grant agreements for the \$754,800 of federal funding for restoration activities in the Lower Salmon River. In May, the Board delegated authority to the Director to enter into the appropriate grant agreements for the federal funds and allocated up to \$265,000 of capital funds for the state match for the Lint Slough Restoration application.

OWEB has received three grant agreements from USFWS and is awaiting the fourth for the 2008 awards. Projects in the Salmon River are progressing while the Yaquina and Alsea land acquisitions are held up by due diligence issues, although both acquisitions appear likely to proceed soon. The Lint Slough project is progressing with state match, but awaits federal grant funds due to cultural resources evaluations.

Staff Contact

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

Status Report 2008 Coastal Wetlands Grant Awards

Project: Lower Salmon River Estuary

USFWS Award: \$754,800

OWEB March: \$232,614

This project involves significant actions in the Salmon River estuary to remove human impacts from residential and recreational development. OWEB granted \$232,614 for the initial stages of the project. The project has been initiated to reconnect Rowdy Creek to the Salmon River estuary.

Project: Lint Slough Restoration Phases II & III

USFWS Award: \$310,000

OWEB March: \$265,000

The Lint Slough project has been awarded the state match funds and is ready to proceed. The federal grant has been delayed but should be awarded by February. The project builds on previous work in recovering estuarine function from legacy alterations.

Project: Alsea Acquisition

USFWS Award: \$997,350

OWEB March: \$301,000

This project was being developed to request Board approval of state match in January; however details of the transaction have not been fully resolved. The project is changing slightly and may include more fee title acquisition and less conservation easement acreage.

Project: Yaquina Acquisition

USFWS Award: \$95,735

OWEB March: \$46,250

OWEB retains approximately \$300,000 of previously awarded federal funds for wetland acquisition in the Yaquina estuary. The Wetlands Conservancy is working to combine the proposed 2008 acquisition, which is relatively small, with the remaining funds to achieve a larger estuarine wetland purchase. The details of this transaction are being worked on and should be resolved in early spring of 2009.



Oregon

Theodore R. Kulongoski, Governor

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December 31, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director
Melissa Leoni, Senior Policy Coordinator

**SUBJECT: Agenda Item E: Legislative and Budget Overview
January 21-22, 2009 OWEB Board Meeting**

Introduction

This report updates the Board on the proposed 2009-2011 Governor's Recommended Budget for the Oregon Watershed Enhancement Board. The report also provides information related to the 2009 legislative session.

Background

The 75th Oregon Legislative Assembly convenes on January 12, 2009, to consider the state budget and substantive legislative matters. Released on December 1, 2008, the Governor's Recommended Budget (GRB) reflects the Governor's spending priorities based on anticipated available revenues. The GRB is the critical starting point for legislative consideration of individual state agency budgets.

The GRB includes some 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 OWEB's 2009-2011 GRB for allocations of Measure 66 Lottery Funds and federal Pacific Coastal Salmon Recovery Funds (PCSRF) is included in Attachment A. The attachment also includes proposed GRB allocations of Measure 66 funds to other state agencies.

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

Discussion

A. Revenue

Lottery Fund revenues are down from levels anticipated earlier in the biennium. The lower revenue forecasts reduce expected Measure 66 revenues for next biennium. The GRB for OWEB was developed using the December 2008 lottery forecast of \$98 million. This revenue, combined with \$2 million from an unallocated/ending balance from 2007-2009 and \$5.4 million transferred in from the Research and Development Fund, results in \$105 million total revenue available.

Of the \$105 million, the GRB proposes allocating \$74 million to OWEB. Of that total to OWEB, \$55 million are capital funds and \$14 million are non-capital funds. These proposed allocations would be a reduction of \$4 million in total funding compared to the current biennium. The GRB also estimates that \$15 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.

The State Office of Economic Analysis anticipates that revenues for the 2009-2011 biennium will continue to decline through the first year. It is likely, therefore, that the Legislature will have less revenue to pass the state budget than was available for constructing the GRB. Upcoming revenue forecasts in March and May will be used to determine final budget levels for all state agencies.

B. Expenditures

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

1. **Program Continuity** – Package 100, 7.0 FTE. This package requests the continuation of seven limited duration positions from the 2007-2009 biennium. The positions are:
 - Office Specialist 2 (permanent)
 - Accountant 1 (permanent)
 - PCSRF reporting specialist (NRS 2 limited duration)
 - Business Application Specialist (ISS 7 limited duration)
 - Data Management and Information Specialist (NRS 3 limited duration)
 - Oregon Plan Communications Coordinator (PAS 2 limited duration)
 - Operations Policy Analyst (OPA 1 limited duration)
2. **PCSRF Grants** – Package 130. In combination with existing base budget levels, this package brings the total proposed funding for PCSRF to \$15 million.
3. **Capital Grants** – Package 200, \$54.8 million for restoration and acquisition grants.
4. **Research and Development Grants** – Package 300, \$5.4 million. Funding for operating grants is \$1.9 million and funding for capital grants is \$3.5 million.
5. **Program Enhancements** – Package 150, 4.0 FTE. This package requests four new positions to advance our mission and additional responsibilities. The positions are:
 - Regional Program Representative (NRS 4 limited duration)
 - Office Specialist 2 (limited duration)
 - Partnership Investment Coordinator (NRS 4 limited duration)
 - Partnership Investment Specialist (NRS 3 limited duration)

These positions will help OWEB address workload demands of our field staff by adding a Regional Program Representative to serve an area on the west side of the Cascades. The two Partnership Investment positions will provide needed program support for OWEB's portfolio of activities under our Partnership Investments program area. These include staffing salmon recovery plan implementation, Special Investment Partnerships, the

Conservation Reserve Enhancement Program, the Whole Watershed Initiative, and other OWEB investment areas that are not carried out through the regular grant program process. The Office Specialist position would support staff in the Monitoring and Reporting and Fiscal sections. Neither section currently has administrative support.

6. **Local Capacity Support** – The GRB proposes to maintain the same level of funding for the capacity of watershed councils and soil and water conservation districts as they received in the 2007-2009 biennium, at \$5 million each. The funding sources include a combination of Measure 66 non-capital and PCSRF funds.

C. Legislative Session

As the legislative session begins, the Democrats control both the Senate and the House of Representatives, increasing their majority in the House to a 36-24 margin. As a result, the 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.

Recommendation

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

Attachments

- A. 2009-2011 Governor's Recommended Budget Overview
- B. 2009 Legislature -- Natural Resources Committee Membership

BM66 LOTTERY, FEDERAL and OTHER FUNDS ALLOCATIONS
Governor's Recommended Budget
(excludes carryforward)

	Lottery Operating	Lottery Capital	Lottery R&D	Lottery Total Transfer	Federal Funds	Other Funds	TOTAL GRB
<i>2009-11 Economic and Revenue Forecast Dec 08</i>	34,412,446	63,908,829		98,321,275			98,321,275
<i>2007-09 Unallocated/Estimated Ending Balance</i>	748,809	1,315,063		2,063,872			2,063,872
TOTAL AVAILABLE FOR 2009-11	35,161,255	65,223,892	5,400,000	105,785,147	16,047,781	1,536,718	123,369,646
Allocated to Other Agencies							
OSP Fish & Wildlife	5,494,658	583,052		6,077,710			6,077,710
ODFW	5,241,745	4,686,103		9,927,848			9,927,848
Agriculture	4,340,230	5,088,642		9,428,872			9,428,872
DEQ	6,056,344			6,056,344			6,056,344
Water Resources		100,000		100,000			100,000
Total Other Agencies Allocations	21,132,977	10,457,797		31,590,774			31,590,774
Allocated to OWEB							
OWEB Operations-EBL	5,740,142			5,740,142			5,740,142
OWEB Operations-Policy Packages	284,891			284,891	994,289		1,279,180
Watershed Council Support	1,799,000			1,799,000	3,341,000		5,140,000
SWCD Support	1,799,000			1,799,000	3,341,000		5,140,000
IMST	651,395			651,395			651,395
LCREP	323,048			323,048			323,048
Grants	3,310,090	54,766,095	5,400,000	63,476,185	8,371,492	1,536,718	73,384,395
Total Allocated to OWEB	13,907,566	54,766,095	5,400,000	74,073,661	16,047,781	1,536,718	91,658,160
TOTAL 2009-11 Allocations	35,040,543	65,223,892	5,400,000	105,664,435	16,047,781	1,536,718	123,248,934

2009 Legislature – Natural Resource Committee Assignments

House Agriculture, Natural Resources and Rural Communities Committee

Member	District	County/City/Basin
Rep. Brian Clem, Chair (D)	21	Willamette (Marion – Salem)
Rep. Suzanne VanOrman, Vice Chair (D)	52	Hood River/Sandy (Clackamas & Multnomah)
Rep. Wayne Krieger, Vice Chair (R)	1	Coos, Curry, & Douglas (Bandon)
Rep. Terry Beyer (D)	12	Willamette (Lane Co.– Springfield)
Rep. Vic Gilliam (R)	18	Willamette (Clackamas & Marion Co.)
Rep. Arnie Roblan (D)	9	Coos, Douglas, Lane (Coos Bay)
Rep. Mike Schaufler (D)	48	Willamette (Happy Valley)

House Environment and Water Committee

Member	District	County/City/Basin
Rep. Ben Cannon, Chair (D)	46	Willamette (Portland)
Rep. Jefferson Smith, Vice Chair (D)	47	Willamette (East Portland)
Rep. Vic Gilliam, Vice Chair (R)	18	Willamette (Clackamas & Marion Co.)
Rep. Jules Bailey (D)	42	Willamette (Portland)
Rep. Phil Barnhart (D)	11	Willamette (Lane & Linn Co.)
Rep. Cliff Bentz (R)	60	Baker, Grant, Harney, Malheur Co.
Rep. Debbie Boone (D)	32	Clatsop, Columbia, Tillamook (N Coast)

Senate Environment and Natural Resources

Member	District	County/City/Basin
Sen. Jackie Dingfelder, Chair (D)	23	Willamette (Portland)
Sen. Jason Atkinson, Vice Chair (R)	2	Josephine & Jackson Co.
Sen. Floyd Prozanski (D)	4	N. Douglas & South Lane Co.
Sen. Mark Hass (D)	14	Willamette (Portland/Beaverton)
Sen. Brian Boquist (R)	12	Willamette (Middle Willamette)

Joint Ways and Means Natural Resources Subcommittee

Member	District	County/City/Basin
Sen. Vicki Walker, Co-Chair (D)	7	Willamette (Lane Co. – Eugene)
Rep. Bob Jenson, Co-Chair (R)	58	Umatilla & Union Co.
Sen. Jackie Dingfelder (D)	23	Willamette (Portland)
Sen. David Nelson (R)	29	Morrow, Umatilla, Union, Wallowa
Rep. Peter Buckley (D)	5	Jackson (Ashland & Medford)
Rep. Ben Cannon (D)	46	Willamette (Portland)
Rep. Brian Clem (D)	21	Willamette (Marion – Salem)
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BM66 LOTTERY, FEDERAL and OTHER FUNDS ALLOCATIONS
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January 5, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

SUBJECT: Agenda Item F: Budget and Spending Plan Update
January 21-22, 2009 OWEB Board Meeting

I. Introduction

This report updates the Board on the status of the OWEB 2007-2009 budget and spending plan.

II. Background

The economic downturn over the past year has affected all sectors of Oregon's economy. The downturn has impacted expected state revenues, especially General Fund revenues. As a result of the budget shortfall identified in the December revenue forecast, the Governor recently directed General Fund state agencies to cut 1.1 percent from their budgets between now and the end of the biennium in June 2009. At this point in time, Lottery Fund revenues have not dipped below projected levels for budgets in the current biennium, so OWEB has not been asked to make reductions.

The State Office of Economic Analysis predicts that revenues will continue to decline over the coming months, causing additional shortfalls for current 2007-2009 state agency budgets, and reductions for upcoming 2009-2011 budgets. The potential budget cuts may include agencies supported by Lottery Funds. The Legislative Fiscal Office anticipates that current biennium budgets may need to be cut above and beyond the levels recently required by the Governor. In anticipation of this outcome and for next biennium, the Legislative Fiscal Office (LFO) directed all state agencies to submit budget reduction scenarios of five percent (for 2007-2009) and 20 percent (for 2009-2011).

III. 2007-2009 Budget and Spending Plan

At the last quarter of the biennium, it is typical for the demand for OWEB grants to exceed available funding. This year is no exception. As contained in Table 1 below, the pending grant cycle offers a stark contrast of overall demand compared with funds reserved for each offering.

Table 1. OWEB October 2008 – March 2009 Grant Cycle

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Total Requests*	\$1,619,806	\$1,249,447	\$2,700,705	\$8,741,462	\$16,643,652	\$30,955,072
Reserved Funds	\$750,000	\$500,000	\$1.3 million	\$9.25 million		

*These numbers represent all grant applications filed in October 2008. Not all applications will be recommended for funding.

The pending grant cycle does not represent the full demand for OWEB funding, as there are a number of additional proposals the Board could consider as partnership investments that would occur outside the regular grant process.

The insufficient funding issue is made more problematic given the uncertain revenue situation. As mentioned above, Lottery Fund revenues could continue to decline in the near term and result in budget cuts between now and the end of the biennium on June 30, 2009. For OWEB, the five percent cut scenario requested by LFO for this biennium would result in a reduction of Measure 66 funds totaling over \$4.1 million, including \$911,776 in non-capital funds (including research non-capital) and \$2,975,000 in capital funds.

It is important to note that in responding to the LFO request, staff proposed the potential cuts be taken out of remaining unexpended discretionary grant funds, rather than reducing funding for existing grants or the operations of watershed councils, soil and water conservation districts, and OWEB. While the prospect of reduced unexpended capital and non-capital grant funds is far from desirable, staff believe that this is a preferable course of action when compared to requiring the return of awarded grant funds or cutting the capacity of the local and state organizational infrastructure that develops projects, awards grants and implements restoration work. In addition, with only three biennia remaining between now and 2014, reductions to organizational capacity would have very significant impacts on the progress and momentum of the overall watershed enhancement program.

IV. Discussion

Staff anticipate that the LFO cut scenario levels are on the high end, and it remains to be seen whether Lottery Fund cutbacks will be required and at what level. Nevertheless, the prospect of reduced revenues and the resulting budget tightening represent the need for the Board and staff to proceed carefully as we move forward under the current spending plan. The following sections provide a briefing on the status of non-capital and capital spending plans in the context of budget revenue uncertainties.

A. Non-Capital Spending Plan Status

The table below outlines the current status of Board reserves of non-capital funds available for the remainder of the 2007-2009 biennium.

Table 2. OWEB Non-Capital Funds Reserve Status

Program Area	Remaining OWEB Non-Capital Reserve
Local Capacity Funding	1,987,000
Technical Assistance	750,000
Recovery Planning	350,000
Monitoring Grants	1,300,000
Other Monitoring	600,000
Education & Outreach Grants	500,000
Education & Outreach Statewide	250,000
Assessment	23,110
Oregon Plan Products	464,507
Partnership Investments	150,000
Research Non-capital	1,146,277
TOTAL	\$7,520,894

Fortunately, the vast majority of the \$7.5 million are federal salmon funds, which are not subject to potential cuts. Approximately \$2 million of the total are a combination of Measure 66 non-capital funds and research non-capital funds. The LFO cut scenario would reduce these combined Measure 66 fund sources by \$911,776. While significant non-capital funds would remain, the loss of Measure 66 funds would present challenges for the staff and Board. This is due to the fact that a number of funding proposals received by the board are not related to salmon recovery. Measure 66 funds are critical to support these requests.

B. Capital Spending Plan Status

The remaining reserved and unexpended capital funds are set out in the following table:

Table 3. OWEB Capital Funds Reserve Status

Program Area or Fund Type	Remaining OWEB Capital Reserve
Capital Grants/Acquisitions	9,250,000
Special Investment Partnerships	2,000,000
Recaptured Capital Grant Funds	1,541,029
Salmon License Plate Funds*	437,407
TOTAL	\$13,228,436

*These funds may also be used for non-capital purposes

The total remaining capital funds is significant, and if not reduced, will go far in meeting the demand of meritorious funding requests. The demand will also be significant. For example, acquisition applications representing roughly \$4 million may be ready for Board consideration in March. This sum amounts to nearly half of the \$9.25 million reserved for all restoration and acquisition requests for the cycle. The situation gets more complicated when one considers the LFO reduction scenario, where \$2,975,000 in Measure 66 capital funds would be cut from the current budget. This would have a considerable impact on available funds, and could lead to reconsidering Board reserve priorities.

V. Next Steps

No action is immediately required of the board to address this situation. The March or more likely May 2009 revenue forecast will ultimately determine whether budget cuts will be necessary. While no decisions need to be made in January, it is important for the Board to be aware of this potential outcome and to begin a dialogue about possible alternatives for moving forward with the spending plan and its potential influence on funding decisions at the March meeting.

VI. Recommendation

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



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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January 5, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator
Ken Bierly, Deputy Director

**SUBJECT: Agenda Item G: Policy Issue Discussion
January 21-22, 2009 OWEB Board Meeting**

I. Introduction

This report provides an update on four policy issues, including: (1) the efforts to clarify agency policy on the use of Measure 66 capital funds for mitigation or legally required activities; (2) invasive species management; (3) water conservation projects; and (4) working lands conservation easements.

II. Background

The four policy issues identified above are eligible for funding under OWEB's adopted administrative rules. However, clarifying intent and priorities and identifying alternative approaches to funding these types of activities is complex and could have a significant affect on OWEB's programs. These issues have been identified through Board Subcommittee discussions, Board meeting discussions, and staff considerations.

The following sections highlight each issue and identify the current status of internal and external discussions. Staff intend to engage the Board in a discussion on the mitigation project eligibility issue at the January meeting. Staff will only introduce the other three issues at this time. Attachment A provides a proposed schedule for future issue development and Board consideration.

III. "Mitigation" Project Eligibility

OWEB has adopted administrative rules guiding eligibility and preferences for restoration grants (OAR 695 Division 10). OAR 695-010-0040 specifically describes the following as ineligible for OWEB funding by the Board:

(3) A watershed improvement project constructed solely to comply with a state or federal agency enforcement order, legal judgment or mitigation requirement.

When the administrative rule was adopted it was done to prevent the use of OWEB funds (public funds) to satisfy a requirement that an individual incurred from an action that adversely impacted the environment. Subsequently, questions have been raised over the potential use of Measure 66

funds to fund a mitigation bank from which “credits” would be sold to allow others to alter wetlands. OWEB staff cooperated with a group of state and federal agencies to develop guidance describing the circumstances where restoration funds may or may not be appropriate in species and wetland mitigation projects.

Staff have also encountered significant and increasing opportunities to leverage OWEB funding with some other types of funding that could be construed as being required for mitigation purposes or to be in compliance with a state or federal legal judgment. If OWEB is to join in these opportunities, it is critical to ensure that OWEB funds are used only for restoration benefits that are above and beyond, or separable, from the actions taken to comply with mitigation or legal judgment requirements. Also, as other devices are created to trade ecosystem services, it will be important for OWEB to be clear when Measure 66 funds can and can not be involved. This is a complex and nuanced issue, and often depends on the specifics of an agreement.

Staff have determined that rule changes are not needed to clarify when and how OWEB funds may be used in these types of scenarios, but that further guidance for grantees, staff, and grant reviewers is needed. Staff have initiated internal discussions and drafted policy guidance on this subject. (Attachment B) Staff are looking for feedback on the draft policy from the Board at the January meeting, with further discussion and policy adoption planned for March.

IV. Other Policy Areas

The other three policy areas are introduced in this section of the report.

A. Water Conservation Projects

OAR 695-010-0040 describes the following as ineligible for OWEB funding by the Board:

(5) A water conservation project, unless there is a measurable instream flow benefit, groundwater benefit or water quality improvement.

The restoration and protection of stream flow is clearly within the range of activities eligible for funding by OWEB. OWEB has funded restoration projects that have resulted in conserved water and direct water right purchase or lease projects. Staff and the Board have noted that the preponderance of the large-scale water conservation related restoration projects come from the Deschutes Basin and have significant costs. The review of proposed short-term leases by the Deschutes River Conservancy in 2008 also raised questions about the benefits provided for the investment requested.

These questions have put staff in the position of reevaluating the current approach of treating water conservation applications along with all other applications. Staff are looking for ways to develop clear guidance for the Board on prioritizing stream flow restoration and acquisition grant applications, evaluate the options for future investments, and develop a context for consideration of the \$4 million Central Oregon Irrigation District restoration application (Pilot Butte Piping Project, 209-4034). Staff are also considering whether there is a more effective way to solicit and fund activities that result in instream flow benefits.

Staff recently formed a Flow Conservation Work Group (FCWG) to work through these issues. The group will consider the current contributions to flow protection and develop suggestions on approaches for focus on ecological benefits. Membership of the FCWG is identified in the table below. The first meeting of this advisory group was held on December 9, 2008. Staff plan to have two additional meetings with the FCWG and report to the Board in March or June. Conversations with the group have not proceeded sufficiently to identify the depth of recommendations that may arise from the group. Staff will also consult with the Board Land Acquisition Subcommittee as the FCWG conversations progress.

Flow Conservation Work Group

Name	Affiliation
Rich Adams	Oregon State University
Debbie Colbert	Oregon Water Resources Department
Clay Landry	Consultant
Janet Newman	Lewis & Clark College
Martha Pagel	Attorney
Andrew Purkey	National Fish and Wildlife Foundation
Adam Sussman	Consultant

B. Invasive Species Management

In terms of grant program preferences, OAR 695-010-0030 includes the following:

- (1) Projects that address altered watershed functions affecting water quality, water flow volume and duration, and the production capacity for fish over projects that address site-specific land use problems where the greatest benefit is to a private resource or land.*
- (3) Projects that change land management practices to address the causes of chronic disturbances to the watershed over projects that address only symptoms of disturbance.*

The need for stable and flexible funding to address long-term monitoring, coordinated management, strategic control, and enforcement efforts related to invasive species was recently identified in the 2008 Oregon Invasive Species Council’s (OISC) *Statewide Summit Report to Governor Kulongoski*. The Executive Summary is included as Attachment C. The efforts of the OISC and the report recommendations have raised questions about the appropriate role for OWEB in funding in invasive species management.

Between July 1999 and May 2008, the total OWEB investment in invasive species management has totaled \$22.7 million, including approximately \$5.4 million for projects involving weed control and \$2.8 million for juniper removal projects. The majority of OWEB grants involving weed control were for stream, riparian, and upland restoration projects where the noxious or invasive weed treatments were one component of a larger watershed project.

Measure 66 funds have also been appropriated to the Oregon Department of Agriculture (ODA) for weed and pest control programs, including:

- Since July 1, 2001, \$9.7 million for the ODA Noxious Weed Control Program. ODA staff work closely with the Oregon State Weed Board to prioritize weed control

projects and award noxious weed control grants that protect and enhance fish and wildlife habitat and watersheds overall.

- Since July 1, 2003, \$4.8 million for the ODA Insect Pest Control and Prevention Program. These funds are used for invertebrate plant pest eradication and control projects that protect and enhance watersheds, fish and wildlife habitat and/or water quality in Oregon from gypsy moth, Japanese beetle, Asian longhorned beetle, and many other harmful and invasive pests.

The magnitude and overwhelming nature of the battle against invasive and exotic species is significant. The questions that the Board may wish to resolve include identifying a level of funding for invasive species control and the criteria for connecting watershed health or function and invasive species control. Staff have invited the OISC to present at the March 2009 Board meeting in preparation for starting to address this issue in the summer of 2009 with discussions by the Board at the September 2009 and January 2010 meetings.

C. Working Lands Conservation Easements

In Division 45, the Board has adopted priorities for Land Acquisition grants, including defining a “Land Acquisition Project” as “a project that proposes to acquire an interest in land from a willing seller for the purpose of addressing the conservation needs of priority habitat and species consistent with conservation principles identified by the Board. Interests in land may include a lease, purchase of a conservation easement, or purchase of fee simple title.”

The Board Land Acquisition Subcommittee has raised the question of how working lands conservation easements are evaluated for funding. OWEB’s current administrative rules focus on habitat, plant community, and species ecological priorities and whether applications meet one or more conservation principles to protect those priorities. A number of working lands easement proponents argue that protection from land division and intensification of use should be sufficient for funding. This issue faces the Board on at least four pending land acquisition grant applications. Staff will be working on this issue over the spring and summer with a Board discussion in September of 2009.

V. Recommendation

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

Attachments

- A. Working Schedule for Policy Issues
- B. Draft Mitigation Policy
- C. Oregon Invasive Special Council Statewide Summit Report to Governor Kulongoski Executive Summary

OWEB Policy Issue Development Schedule														
	2008	2009											2009	2010
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Oregon Watershed Enhancement Board

Policy to clarify eligible uses of OWEB funds
related to mitigation project and funds

Effective Date: _____, 2009

Approved By: _____
Tom Byler, Executive Director

Background

In 2004, the OWEB Board adopted an administrative rule that states:

“The Board will not consider:

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

This rule was adopted to prevent the use of OWEB funds to satisfy a legal obligation of another party. The staff discussion before the Board on this issue in January of 2008, focused on the desire to prevent the use of OWEB funds from subsidizing development that is required to “mitigate” for an environmental alteration. The Board discussion distinguished between direct permit or other legal requirements (e.g. DSL removal-fill permit requirement, EPA enforcement order, or judicial order to restore a site as part of a legal settlement, etc.) and a general legal requirement (e.g. state law prohibits blocking anadromous fish passage) that is not specific to an individual action.

Since the adoption of the rule a number of questions have arisen concerning the intent and application of the rule. In 2005, Roger Wood asked the Department of Justice (DOJ) for advice on the applicability of the rule to local government mitigation requirements and whether the rule could be interpreted to make eligible for OWEB funding projects required by state or federal law where there has not been a specific or cited violation that must now be corrected. DOJ advised OWEB that projects required only by local government are eligible for funding, but if the local government requirement is imposed solely because of a state or federal requirement for mitigation, then the project is ineligible for funding. DOJ also concluded that OWEB’s rules (as currently written) make mitigation projects required by state or federal entities ineligible, regardless of whether there has been an order or judgment reflecting violations of law requiring mitigation.

This policy further defines and clarifies eligibility for projects under OAR 695-010-0040.

OWEB Policy

The intent of the administrative rule is to fund voluntary, pro-active watershed improvement projects that aren't specifically required by state or federal government. For the purposes of this policy, mitigation means activities designed specifically to compensate for the adverse ecological effects of a project or development activities, or to resolve violations of law.

The following are examples of project and funding situations and whether OWEB funding is eligible to participate in such situations.

General Eligibility.

- Projects designed to exclusively to compensate for the adverse ecological impacts of another project or development, or to address violations of law as required by a state or federal enforcement order are not eligible for OWEB funding. However, specific elements of a mitigation project that aren't required, for example the creation of additional habitat benefits or additional acres of wetlands restored or created are eligible for OWEB funding. The funding used to support the required mitigation is not eligible to be counted towards the required match for OWEB grants. For example, if a developer contributes \$100,000 to restore 10 wetland acres as compensatory mitigation and OWEB funds will be used to restore an additional 5 acres, the \$100,000 cannot be used as match for the OWEB grant.
- Projects to make actions compliant with state or federal law, but where no mitigation is required. Projects designed to comply with state or federal law, but where no mitigation requirement, judgment, or enforcement order exists are eligible for OWEB funding. Examples include fish passage projects designed to comply with ORS 509.580 – 509.910 and agricultural water quality projects designed to implement local agricultural water quality management plans (ORS 580.900 – 580.933).
- OWEB may fund a project designed to address a local government order, judgment, or mitigation requirement if the requirement is solely a function of local government and does not originate in state or federal requirements. For example, local government mitigation requirements based on local government codes, and not state or federal requirements for such codes, can be addressed with OWEB funding. However, if a county or city adopts a code to implement a state or federal requirement, then OWEB funds cannot be used to fund that project. In general, the use of OWEB funds for this purpose should be discouraged in order to honor the intent to fund voluntary, pro-active watershed improvement projects.
- **Recovery Plans.** Voluntary actions to meet the objectives of an approved recovery plan are eligible for OWEB funding.
- **Habitat Conservation Plans.** Actions that meet the objectives of a Habitat Conservation Plan, but that are not specifically required in the associated take permit or are not required by state or local government to meet the requirements of the approved HCP or take permit, are eligible for OWEB funding. For example, if a land trust wants to purchase a conservation easement to protect habitat that is also covered by a HCP, but property is not specifically mentioned in the HCP or protection is not required by the take permit, then OWEB funds could be used in the acquisition of the easement. But, if the HCP and/or take permit require specific mitigation actions, including the protection of

habitat, activities designed to meet the HCP or take permit conditions are ineligible for OWEB funds. If the HCP involves a single landowner and authorizes specific activities and offsetting actions, the use of OWEB funds would be used to satisfy a federal mitigation requirement and all activities under the HCP would be ineligible for OWEB funding.

- **Mitigation or Settlement Funds** (BPA funding, Pelton-Round Butte; FERC, and other negotiated settlements). Where a legal judgment includes the creation of a fund for habitat restoration or protection purposes, but does not identify specific restoration or habitat mitigation projects, OWEB funds are eligible as cost share with these funds to implement specific projects. For example, the Pelton Round Butte license required the licensee to establish a fund to accomplish two general outcomes, improved fish habitat and increased protected stream flow. The agreement did not specify individual projects but a process and criteria. However, OWEB funding would be ineligible if the fund identified a specific parcel to be protected or specific restoration project to be accomplished with those funds. In this instance, OWEB could partner on additional protection and restoration projects or activities, but not those needed to meet the purpose of the fund.
- **Mitigation Banking.** By statute, “Mitigation bank” means a wetland site, created, restored or enhanced to compensate for unavoidable adverse impacts. OWEB funds are not eligible to be used to establish a mitigation bank to offset permitted environmental alterations. This is consistent with the January 2008 Oregon Interagency Recommendations developed by OWEB and a number of other state and federal agencies on the use of restoration funds and funding of mitigation banks. The policy prohibits the use of restoration funds for the purpose of establishing or creating credits for a mitigation bank. The policy does allow restoration funds to be used with “payment to provide” mitigation funds for watershed restoration projects. OWEB funds could be used with these funds on a restoration projects in a similar fashion to the Mitigation or Settlement Fund situation described above.
- **Conservation Banking.** Since conservation banks have not been established yet, OWEB policy will be to treat them in the same manner as mitigation banks until conservation banking policy and standards have been fully established.
- **Ecosystem Services Markets.** Ecosystem services mean the environmental benefits arising from the conservation, management, and restoration of ecosystems. The issue of whether landowners can sell ecosystem services from lands where OWEB has contributed funding for the acquisition of fee title or a conservation easement has been raised by the land trust community. Since there are only limited markets for carbon at this time, but great speculation about the development of such markets, the appropriate role and use of OWEB funds is uncertain. At present, OWEB typically funds acquisition projects to protect existing habitat or to facilitate a change in ownership in order to enable the restoration of important habitat. OWEB protects the state’s investment in the condition and protection of that habitat through a conservation easement.

There are two principles that might be useful to guide future policy related to ecosystem services. The first principle is that OWEB funds should not be used to allow environmental degradation at some alternative location. The second principle is that

OWEB funds not be used to pay twice for the same ecological benefit.

In the future, OWEB may consider alternative valuation methods to determine the fair market value of land acquisition projects to account for ecosystem service market values. In the interim, OWEB should consider adding language to its template easement making it clear that protection of existing plant communities includes the carbon sequestration values of those communities.

Executive Summary

A year-long statewide public awareness and engagement campaign was initiated in Oregon in 2008 to address the increasing threat invasive species pose to Oregon's natural resources, economy, and quality of life, and initiate actions to better protect Oregon. The campaign includes numerous federal, state, and local governments, tribal governments, nonprofit organizations, universities, industry representatives, media, corporations, private foundations, and citizen groups.

As part of the campaign and to help coordinate an effective government response to invasive species in Oregon, the Oregon Invasive Species Council coordinated and hosted a statewide invasive species summit on July 22, 2008 in Salem, Oregon. About 175 people attended the summit, which was designed to bring federal and state agency and industry leaders and legislators together to describe the obstacles to successfully dealing with invasive species in Oregon, and strategies to address those barriers.

Summit attendees described five main concerns relative to invasive species in Oregon, and suggested potential solutions to address those concerns:

Coordination/Cooperation—Oregon needs leadership and communication/cooperation across agencies, enhanced political will to balance strategic and local issues, effective memorandums of understanding with federal agencies, and increased non-governmental participation. Solutions include clearly identifying roles of all agencies, a comprehensive inter-agency strategic plan, an effective Early Detection-Rapid Response Program, an effective outreach program, creation of regional invasive lists, coordinated and efficient tracking of data on invasives, and, where possible, lessening unnecessary duplication of effort by targeting groups or suites of species versus species-specific efforts.

Funding—There is a need for stable, flexible funding as well as emergency funding dedicated to long-term monitoring, coordinated management, strategic control, and enforcement efforts. Solutions include collecting user fees, enforcing existing fines, creating vanity plates, using lottery and Measure 66 dollars, and taxing the vectors (containers, tires, etc.).

Policy—Oregon lacks a comprehensive policy dealing with invasive species, including a lack of focus on pathways and vectors, and checkpoints at ports of entry. There are gaps and overlaps in enforcement jurisdiction. Solutions include stronger laws, clarification of noxious weed listing criteria, a statewide assessment, and legislative committees to deal with invasives.

Public Awareness—Oregonians lack knowledge about invasives and their effect on the environment and the economy. They don't understand their personal responsibility, they fear government involvement, they are confused by the plethora of information on invasives, there is no clear statement of the invasive species problem, and social norms need to shift. Solutions include a sustained multi-media campaign, better distribution of existing materials and use of existing programs, and required curriculum in the schools.

Research and Monitoring— There is no statewide baseline assessment and monitoring system, no transparent and logical risk assessment tool for prioritizing, no integrated database/information sharing system, no forum to share information and research needs, and no comprehensive statewide rapid response strategies for invasive species (note: there are response plans for a few species). Solutions include development of an incident command system to respond to new invasions, professional training on invasive species, creation of a joint federal/state program to identify priorities for research, and development of integrated monitoring programs.

The next steps are to share this report with the Governor, incorporate key strategies into the OISC strategic plan, support key legislative concepts in the 2009 legislative session, and develop and share with the Governor OISC recommendations to enhance support of invasive species efforts throughout Oregon.

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The following are examples of project and funding situations and whether OWEB funding is eligible to participate in such situations.

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- Projects to make actions compliant with state or federal law, but where no mitigation is required. Projects designed to comply with state or federal law, but where no mitigation requirement, judgment, or enforcement order exists are eligible for OWEB funding. Examples include fish passage projects designed to comply with ORS 509.580 – 509.910 and agricultural water quality projects designed to implement local agricultural water quality management plans (ORS 580.900 – 580.933).
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- **Recovery Plans.** Voluntary actions to meet the objectives of an approved recovery plan are eligible for OWEB funding.
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habitat, activities designed to meet the HCP or take permit conditions are ineligible for OWEB funds. If the HCP involves a single landowner and authorizes specific activities and offsetting actions, the use of OWEB funds would be used to satisfy a federal mitigation requirement and all activities under the HCP would be ineligible for OWEB funding.

- **Mitigation or Settlement Funds** (BPA funding, Pelton-Round Butte; FERC, and other negotiated settlements). Where a legal judgment includes the creation of a fund for habitat restoration or protection purposes, but does not identify specific restoration or habitat mitigation projects, OWEB funds are eligible as cost share with these funds to implement specific projects. For example, the Pelton Round Butte license required the licensee to establish a fund to accomplish two general outcomes, improved fish habitat and increased protected stream flow. The agreement did not specify individual projects but a process and criteria. However, OWEB funding would be ineligible if the fund identified a specific parcel to be protected or specific restoration project to be accomplished with those funds. In this instance, OWEB could partner on additional protection and restoration projects or activities, but not those needed to meet the purpose of the fund.
- **Mitigation Banking.** By statute, “Mitigation bank” means a wetland site, created, restored or enhanced to compensate for unavoidable adverse impacts. OWEB funds are not eligible to be used to establish a mitigation bank to offset permitted environmental alterations. This is consistent with the January 2008 Oregon Interagency Recommendations developed by OWEB and a number of other state and federal agencies on the use of restoration funds and funding of mitigation banks. The policy prohibits the use of restoration funds for the purpose of establishing or creating credits for a mitigation bank. The policy does allow restoration funds to be used with “payment to provide” mitigation funds for watershed restoration projects. OWEB funds could be used with these funds on a restoration projects in a similar fashion to the Mitigation or Settlement Fund situation described above.
- **Conservation Banking.** Since conservation banks have not been established yet, OWEB policy will be to treat them in the same manner as mitigation banks until conservation banking policy and standards have been fully established.
- **Ecosystem Services Markets.** Ecosystem services mean the environmental benefits arising from the conservation, management, and restoration of ecosystems. The issue of whether landowners can sell ecosystem services from lands where OWEB has contributed funding for the acquisition of fee title or a conservation easement has been raised by the land trust community. Since there are only limited markets for carbon at this time, but great speculation about the development of such markets, the appropriate role and use of OWEB funds is uncertain. At present, OWEB typically funds acquisition projects to protect existing habitat or to facilitate a change in ownership in order to enable the restoration of important habitat. OWEB protects the state’s investment in the condition and protection of that habitat through a conservation easement.

There are two principles that might be useful to guide future policy related to ecosystem services. The first principle is that OWEB funds should not be used to allow environmental degradation at some alternative location. The second principle is that

OWEB funds not be used to pay twice for the same ecological benefit.

In the future, OWEB may consider alternative valuation methods to determine the fair market value of land acquisition projects to account for ecosystem service market values. In the interim, OWEB should consider adding language to its template easement making it clear that protection of existing plant communities includes the carbon sequestration values of those communities.



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January 6, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item I: Partnership Investments – Special Investment Partnerships
January 21-22, 2009 OWEB Board Meeting**

I. Introduction

This report provides an update on the implementation of the Deschutes and Willamette Special Investment Partnerships (SIP). Each partnership is progressing well given the strength of the partnerships and range of activities involved.

The Deschutes and Willamette SIPs are part of the broader suite of OWEB partnership investments, which are also discussed in Agenda Item L.

II. Background

A. Deschutes Special Investment Partnership

The Board approved the Deschutes Partnership in January of 2008 at the regular meeting in Astoria. The Deschutes Partnership was based on a strong working relationship developed locally between the Upper Deschutes Watershed Council, Crooked River Watershed Council, Deschutes River Conservancy, Deschutes Basin Land Trust, Confederated Tribes of the Warm Springs Indian Reservation, Portland General Electric Company, and the irrigation districts and landowners of the upper basin. The purpose of the Deschutes SIP is to improve habitat for the reintroduction of anadromous fish above the Pelton-Round Butte Dam complex.

The partners have made great strides to accomplish the objectives of the partnership during this first biennium. The partners have met to reevaluate priorities and identify future projects. They will present in detail their progress at the January Board meeting. The Deschutes partners have been very successful in their cooperative efforts and showing what is possible in terms of improving flow, habitat, and quality of life in the Upper Deschutes Basin.

B. Willamette Special Investment Partnership

The Board approved the Willamette Partnership in March of 2008 at the regular meeting in Medford. The Willamette Partnership was not as locally driven as the Deschutes Partnership. OWEB staff invested a significant amount of time and effort to engage a wide variety of

entities and interests to look at the issues raised in the Willamette Planning Atlas concerning channel complexity and connection of the river to the floodplain.

To date, three projects have been funded from the Willamette SIP. The three projects are located throughout the reach of the river (one in the Portland Area, one in the Salem area, and one in the Eugene area). The Willamette Mission Project has received good press coverage. (Attachment A) These projects have been used as a pilot for the development of a different relationship with the Willamette SIP review team. OWEB staff are scheduling more direct involvement of the review team in project development and design through construction. The deeper engagement of the review team reflects the unique nature of the projects proposed for the Willamette SIP.

OWEB has contracted with One Planet Consulting (Paula Burgess) to work with partners in developing SIP projects for the Willamette. Paula has a significant depth of experience and strong local contacts that will be a valuable help in moving the effort forward. There will be significant work to develop projects over the winter and spring with the allocation of funds to implement the resulting projects over the next few summers.

While the Willamette SIP has not progressed as rapidly as the Deschutes, there is building momentum around the concepts developed through extensive research on the Willamette funded by the Environmental Protection Agency and the recent Biological Opinion released by the National Marine Fisheries Service and U.S. Fish and Wildlife Service.

III. Recommendation

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

Attachment

- A. December 9, 2008. Statesman Journal article on Willamette Mission

The project is also a redesign of a 1990s proposal by the Army Corps of Engineers. That project was suspended in 2001 for financial reasons but not before engineering design and a biological assessment were completed.

In addition to removing the old dike, Willamette Riverkeeper plans to have the old road that goes across the channel replaced with a bridge. Currently, the road is under water most of the winter, denying access to Beaver Island for at least four months out of the year.

Beaver Island has miles of horse, bike and pedestrian trails. It's where people go to exercise their pets off-leash. The equestrian trailhead parking and overnight horse camp are both on the island, as well as the fishing dock. Beaver Island is also home to the mission trail and viewing area, the site of the former Willamette Mission, established in 1834 by the Rev. Jason Lee. A horseshoe pit and volleyball court also are flooded all winter.

This winter, the public will have a chance to comment on recreation plans, which are still being designed.

"It turns out that the way we manage properties for native fish and animals and plants also assures that the properties will be here for people to enjoy for generations to come," said Dennis Wiely with Oregon Parks and Recreation Department.

The project — funded by the Oregon Watershed Enhancement Board and the Meyer Memorial Trust — also calls for widening and deepening the channel where it joins back up with the Willamette to prevent problems for the Wheatland Ferry.

About 80 acres of weed removal and planting native species is another part of the project.

Scientists will continue to monitor the site even after the heavy work is done. They plan to monitor for native species, such as red-legged frogs and western pond turtles.

The Oregon Watershed Enhancement Board has targeted \$6 million for restoration projects along the Willamette River for 2007 to 2009, said Ken Bierly, OWEB's deputy director.

"The emerging vision is a series of these projects — some of which are in public ownership and some in private ownership," said David Hulse, a professor in the department of landscape architecture at University of Oregon. Hulse also is on the science advisory team which reviewed the project. "We see them as a series of coordinated efforts of strongholds for natural and ecological process that slowly over the next 20 to 40 years will cover more of the river but in ways compatible with farmers continuing to farm and cities continuing to grow."

bcasper@StatesmanJournal.com or (503) 589-6994



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January 6, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item L: Partnership Investments –Partnerships Status
January 21-22, 2009 OWEB Board Meeting**

I. Introduction

This report provides an update on the status of OWEB partnership investments.

II. Background

OWEB has invested in a number of partnership projects over the years. Each project area is progressing well given the strength of the partnerships and range of activities involved. One common link between these partnerships is that they do not go through OWEB's regular grant program process.

Because the partnership projects undergo different review processes, the Board last year formed the Partnership Investment Subcommittee to provide greater focus on these investment areas. The Subcommittee meets periodically to review the status of existing partnership projects and to review potential new ideas and proposals before they are introduced to the full board.

This report updates the Board on two specific partnership project areas— the Whole Watershed Restoration Initiative and Oregon 150 grants. The report also describes the discussions of the Partnership Investment Subcommittee relating to the overall program and the potential of additional partnership concepts.

Updates on several partnership projects are found in other reports for this meeting. The status of efforts related to the Oregon Conservation Reserve Enhancement Program is contained in see Agenda Item D8). A report on Special Investment Partnerships is located in Agenda Item I. A discussion of Oregon Plan Products is included in Agenda Item L-1.

III. Partnership Updates

A. Whole Watersheds Restoration Initiative

OWEB and the U.S. Forest Service (USFS) started this partnership to encourage restoration in geographic priority areas using a step-wise strategic approach. The program was structured around anadromous fish restoration priorities at the basin scale. Within the priority basins, focus watersheds were chosen to develop a Watershed Action Plan from a watershed scale assessment. The program was intended to implement restoration actions

until all the actions identified in a Watershed Action Plan were completed. At that time a new focus watershed would be identified. The program was established to implement projects on both public and private lands in each focus watershed. The partnership has grown from a joint effort of OWEB and USFS by adding NOAA Fisheries as a significant funding partner and Ecotrust as program manager.

OWEB funds (\$545,000) have been fully allocated to projects selected in 2008. The partners solicited for 2009 projects in October of 2008 and had a review session in December of 2008. The 2009 projects will be awarded early in 2009. In staff conversations with the partners, a budget allocation will be requested for the 2009 – 2011 biennium from OWEB capital funds.

B. Oregon 150 Grants

In 2007, OWEB committed \$1 million to support the Oregon Sesquicentennial celebration by funding projects that benefit Oregon Symbol species (American beaver, Western Meadowlark, Oregon Swallowtail, and Chinook salmon). The program was a joint effort with the Oregon Department of Fish and Wildlife (ODFW) to help implement the Oregon Conservation Strategy. ODFW solicited for grant applications and ran a review process in spring of 2008. Five grants were awarded from this solicitation. In late summer of 2008, ODFW again solicited for grant applications. This solicitation resulted in the award of 11 grants. OWEB staff have written grant agreements for all but three of the awards. This partnership will end when the projects have been completed. Projects funded by the grants awarded in the spring are scheduled to be complete by February of 2009, while the projects funded with the recent awards have just been initiated. Staff are exploring media opportunities with ODFW.

IV. Partnership Investment Subcommittee Discussions

The Partnership Investment Subcommittee met on November 24, 2008 to discuss the status of existing partnerships and evaluate the significant level of interest in partnerships around the state. The Subcommittee discussed the progress of current partners, the interest in continuing the current partner relationships, and the effects of a curtailed budget for the coming biennium.

The Subcommittee advised caution about considering further partnership investments and recommended that staff focus on the effectiveness of the existing partnerships before moving forward with any significant expansion. The Subcommittee also discussed the need for the Board to consider the appropriate balance between the regular grant program and partnership efforts in developing a budget spending plan for next biennium.

OWEB staff have been approached by or have had discussions about as many as 13 additional partnership efforts. These range from biomass to carbon markets to geographic specific efforts. While there is a growing recognition of the value of focused efforts, it is important to wisely choose how to invest limited staff time. The Subcommittee did recognize that there were one or two possible additional partnerships that might be developed over the next biennium.

The ongoing efforts that will receive continued attention by staff are described below.

A. Upper Klamath Basin Keystone Initiative of the National Fish and Wildlife Foundation

The National Fish and Wildlife Foundation (NFWF) recently approved funding to address the recovery of Lost River and shortnose suckers, and Klamath Rainbow Trout. The program is well structured, has clear goals and benchmarks, and active partners. The dedication of funding by NFWF and cooperative relations among the partners makes this an inviting partnership to consider. Staff will monitor this effort and work with the Partnership Subcommittee on the potential future role for OWEB.

B. Lower John Day Sustainable Communities Initiative

The county governments, watershed councils, and soil and water conservation districts in the Gilliam, Wheeler, and Sherman County area (Lower John Day Basin), along with the Wild Salmon Center and local landowners, have initiated a series of conversations about ways to achieve salmon recovery (Mid-Columbia Steelhead) and support economically viable local communities. The group has met twice and is working towards an integrated effort to identify community economic and social needs along with ecological needs for salmon recovery. This is a grassroots effort that is organizing in a critical part of the state. The effort needs to mature, but is a major opportunity to focus salmon recovery effort within a larger context. Staff will monitor this effort and work with the Partnership Subcommittee on future roles for OWEB.

V. Recommendations

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



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January 6, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager
Renee Davis-Born, Data Analyst and Information Specialist

**SUBJECT: Agenda Item L-1: Oregon Plan Products
January 21-22, 2009 OWEB Board Meeting**

I. Introduction

This report updates the Board on the further development regarding three specific Oregon Plan Products discussed at the September Board meeting. The report is for informational purposes only.

II. Background

Over the years, OWEB has provided support for the implementation of the Oregon Plan for Salmon and Watersheds by funding interagency efforts that help further State goals and objectives. The Board has retained an Oregon Plan Products non-capital spending plan line item in recent biennia to provide for Oregon Plan needs identified by staff in consultation with the Oregon Plan Monitoring Team and Core Team. Staff include Oregon Plan products as a subcomponent of the Partnership Investments program, because they do not fit well into the regular grant program process.

In 2007, the Board delayed funding additional Oregon Plan Products until there was more clarity about the amount of non-capital funding that would be available from the Pacific Coastal Salmon Recovery Fund (PCSRF). At the May and September 2008 Board meetings, staff briefed the Board about several high priority Oregon Plan Products. These products, which are the subject of this report, will inform such activities as project planning and implementation by watershed councils to reporting on agency Key Performance Measures by OWEB and other agencies.

Last summer OWEB was awarded additional PCSRF funds. In September 2008, the Board reserved \$650,000 of those funds for Oregon Plan Products. Due to current budgetary considerations, staff is not at this time proposing the Board fund the Oregon Plan Products described below. However, we do believe these projects warrant a continued discussion and may be appropriate to fund later this biennium if funding is available.

III. Oregon Plan Products for Future Consideration

A. Data Management System for Fish-Passage Barriers and Habitat

Fish passage barrier removal projects comprise a significant number of the total on-the-ground accomplishments under the Oregon Plan for Salmon and Watersheds. OWEB awarded well over \$28 million in grant funds for 313 fish passage barrier removal projects over the last ten years. Several thousand miles of streams have been re-opened to salmon and other aquatic species in Oregon's waterways as a result of this partnership. To date, however, Oregon does not possess a partial or comprehensive list and map of fish passage barriers to guide priority development for future barrier removal and for evaluation of past barrier removal accomplishments relative to overall needs.

The Oregon Department of Fish and Wildlife (ODFW) is charged in statute with maintaining a fish passage barrier database and prioritization system. ODFW has made significant progress in developing an approach and prioritization framework through a collaborative task force that will result in an Oregon Fish Passage Barrier Inventory Database. In recent months, ODFW secured funding from the Oregon Department of Administrative Services and the U.S. Fish and Wildlife Service to update spatial datasets for fish habitat distribution and fish-passage barriers.

By mid 2009, ODFW anticipates making up-to-date fish habitat distribution data available online for coho salmon, winter and summer steelhead, spring and fall Chinook salmon, and chum salmon. This initial version of the fish passage barrier database is not inclusive of all fish-passage barriers on all state waterways, but it does represent a compilation of the three largest databases in Oregon (ODFW, Oregon Department of Transportation, and the Bureau of Land Management).

Since the September Board meeting, OWEB and ODFW staff met to discuss near-term priorities and future needs related to data management for fish-passage barriers. These priorities include such tasks as incorporating into the ODFW barriers database information from other sources such as OWEB's Oregon Watershed Restoration Inventory (OWRI), Oregon Water Resources Department (OWRD), U.S. Forest Service, and local barrier inventories from watershed councils and soil and water conservation districts. In addition, staff from both agencies have coordinated on a review of five barrier datasets from the Umpqua Basin to assess the consistency of content among the datasets and to evaluate the degree of overlap.

OWEB funding could enable the development of a comprehensive, web-accessible data management system for fish-passage barriers that will greatly benefit OWEB, grantees, tribal government, state agencies, federal entities, and the public. Data in this system would be regularly updated to reflect new inventories of barriers and restoration actions undertaken to address fish-passage problems. This web-based system would allow users to depict fish habitat and barriers on maps, assess the level of severity of different barriers, and to use decision-support tools for prioritizing barrier removal restoration projects at multiple geographic scales throughout the state. OWEB funds would be used for the staff time and costs related to developing, updating, and distributing the data layers that would be generated under this effort.

Staff estimate that \$80,000 in OWEB funding would be needed to support this effort. This item may be presented for consideration of the Board at its March 2009 meeting.

B. Stream Flow Measurement with Oregon Water Resources Department

Another potential Oregon Plan Product involves OWRD stream flow gauges and monitoring equipment. This is integrally linked to the Board's investment in water conservation and irrigation efficiency projects, as well as the subsequent effectiveness monitoring program effort to evaluate those projects. Over the past several years, funding of stream flow monitoring and gauges has occurred in several areas of the state through the regular grant program at OWEB. There has not been a systematic evaluation of where these gauges are funded relative to a state-wide strategy such as that developed by OWRD.

Staff have explored potential partnerships regarding stream measurement with OWRD staff for several years. During the 2007 legislative session, OWRD and OWEB were involved in discussions about the importance of upgrading, installing, and maintaining Oregon's network of stream gauges. These discussions included the idea of a partnership to fund priority stream gauges for flow and water quality monitoring. Staff expect similar discussions to continue this session given that the Governor's Recommended Budget includes \$100,000 in Measure 66 Lottery funding for water measurement purposes.

This issue remains relevant to OWEB programs. When presented with the consideration of this topic at the September meeting, several Board members expressed interest in potential OWEB investment in a partnership with OWRD, particularly as it relates to restoration project evaluation and climate change. In addition, the stream flow measurement issue dovetails well with the recently formed Flow Conservation Work Group formed by OWEB staff. (See Agenda Item G.)

Given that this issue will likely be a topic during the legislative session, staff do not recommend specific proposals for action at this time. Staff will keep the board updated with any new developments on this subject at upcoming board meetings.

C. Watersheds Research Monitoring Equipment

OWEB has invested in several research projects over the years and many include the purchase and operation of monitoring equipment. At times, this equipment is subject to damage, loss, and vandalism. While funding of maintenance is not eligible through the restoration grant rules, no such prohibition exists for research or monitoring grants. Until recently, the Board has not been asked explicitly to fund equipment repair and replacement. In the spring of 2008, staff were contacted by the Oregon Watersheds Research Cooperative (WRC) on the subject of funding equipment replacement and repair for three paired-watershed study areas previously funded by the Board.

The WRC is a public-private consortium comprised of state and federal agencies and private forestry interests. The WRC is implementing watershed scale research projects in three areas (Trask, Hinkle, and Alsea river basins), in part, through OWEB funding. The projects are designed to evaluate contemporary forest harvest and develop an understanding of the effect of those practices on physical and ecological processes on the landscape. OWEB has funded capital expenses through two separate research grants for the WRC in the amount of nearly

\$650,000. The most recent investment of \$400,000 was through a Research Grant awarded in September of 2007.

The WRC approached staff this spring with a request for additional funding to cover research equipment repair and replacement costs, estimated at \$60,000 per year. The WRC requested that OWEB consider partial funding to cover 50 percent of these costs, or \$30,000 per year. Following the Board discussion in September 2008, the WRC provided additional supplemental information, which is contained in Attachment A. The WRC also revised its proposal to request \$13,835 per year from OWEB.

Staff believe the revised request represents a more realistic need for the research project equipment maintenance, repair, and replacement. There is not a prohibition on funding the maintenance of monitoring and research equipment as exists in the administrative rules pertaining to restoration grants, and research grants are often dependent upon functioning equipment in order to provide useful information. For these reasons, staff anticipate returning to the Board in March with a request to fund the maintenance, repair, and replacement of equipment for the project from research capital funds. The current request, however, is for funding through 2017 and staff will continue to work with the WRC to refine this aspect of the request.

IV. Staff Recommendation

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

Attachment

A. Oregon Watersheds Research Cooperative Request

**MAINTENANCE/REPAIR BUDGET
ALSEA WATERSHED STUDY**

The Watersheds Research Cooperative (<http://watershedsresearch.org/>) is evaluating the effectiveness of various forest management strategies in protecting and restoring small headwater streams and downstream fish bearing streams. OWEB has invested close to \$900,000 in the three watershed studies in two separate grant cycles for capital investments. These studies would not have been possible without these OWEB investments. While long-term studies are needed to address these kinds of effectiveness questions, they also result in annual equipment repair and replacement costs. The purpose of this paper is to provide budget and Oregon Plan context for these watersheds studies and discuss the expected nature of our expected equipment maintenance costs over the life of the studies (through 2017).

Total estimated annual maintenance or replacement costs for three watershed studies: **\$13,835/year**. The actual equipment is itemized in Tables 1, 2 and 3. This estimate does not include batteries that will eventually wear out nor does it include catastrophic damage to any station such as treefall on a weir or gauging house or loss of a flume site during debris flow or storm event. Costs to completely re-establishment a gauging station or flume site would range from \$12,000 - \$23,000 depending on the site.

Table 1. Estimated annual equipment maintenance costs for the Alsea.

Alsea Items	Cost
Annual replacement of tubing for pump samplers (3 sets)	\$250
Annual replacement for DO probe sensor caps (6)	\$510
HACH DO Probes (1 per year due to vandalism or weather damage)	\$2,425
Precipitation gauges (average of 2 lost per year due to vandalism)	\$100
1 TTS station to be vandalized every three years	<u>\$2,000</u>
TOTAL ANNUAL	\$5,285

Table 2. Estimated annual equipment maintenance costs for the Trask.

Trask Items	Costs
Annual TTS Maintenance	\$ 2,685
Annual headwater flume maintenance	\$ 2,385
TOTAL ANNUAL	\$ 5,070

Table 3. Estimated annual equipment maintenance costs for Hinkle.

Hinkle Items	
Annual Micro Met Maintenance	\$ 600
Annual TTS Maintenance	\$ 2,880
TOTAL ANNUAL	\$ 3,480

TOTAL ANNUAL COSTS FOR 3 STUDIES	\$13,835
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The three watershed studies- Alsea, Hinkle, and Trask, have been able to leverage OWEB's substantial investment against an even larger operating budget from diverse funding sources. The operating budget for the three studies is approximately \$695,000-\$1,527,000/year for a total anticipated cost of \$10,545,000

when the project is complete. Funding sources include but are not limited to ODF, NCASI, OFRI, BLM, Douglas County, OFIC, Weyco, USGS, OSU, EPA, and other Grant money.

The research and monitoring conducted under the three watershed studies benefits the Oregon Plan. These studies address effectiveness of current forest management (a critical component of the Oregon Plan), across multiple landowner types (State, Private, and Federal), multiple regions, and at a watershed scale. The Alsea, Hinkle, and Trask studies include biological and downstream responses to forest management. No other project currently addresses all of these topics. Furthermore, effectiveness monitoring is currently recognized as a knowledge gap for the Oregon Plan. This research compliments other OWEB research focused on status and trends or restoration. In fact, the Alsea Study will evaluate restoration as well as general forest management.

While long-term studies are needed to address these kinds of effectiveness questions, they also require annual equipment repair and replacement. Thus, we are now faced with repairing and replacing equipment initially purchased with OWEB capital investments. Not maintaining equipment is not an option. It could result in temporally and spatially inconsistent data collection, lower data quality, data gaps, or complete loss of data stations if damaged equipment is not replaced. These types of issues can limit final study conclusions.

We estimate that the WRC can cover some of the maintenance costs. Examples could include batteries or catastrophic damage both of which were not included in the estimate. The WRC funds will come from current funding sources in proportions to their relative investments (i.e. ODF, NCASI, OFRI, BLM, Douglas County, OFIC, Weyco, and USGS). Given our available budget for equipment repair, we estimate the following maintenance grant requests to OWEB through the life of these studies as follows:

- 13k/year from 2009 - 2011 (Hinkle will be done),
- 10K/year from 2012-2016 (Trask will finish),
- 5K in 2017 (Alsea will finish)

Actual maintenance costs may differ from this estimate and may vary from year to year. While large storm events can be particularly devastating to instream equipment, even average storm events cause damage. Some equipment is simply limited in longevity or needs battery upgrades and replacements (e.g. temp probes). Other equipment, by design is subjected to damaging floods (TTS probes and samplers). Therefore it is reasonable to anticipate annual maintenance will be needed. Our estimates are based on knowledge from principle investigators who have experience with other large scale, long term studies (e.g. H.J. Andrews, Hinkle Creek)

We can only estimate what we would purchase based on operation for the last several years. Luminescent DO and temperature probes need to be maintained every year or two. We have had vandalism of cables and theft of instruments over the last couple years. In these damp locations electronic can short out.

We recognize multiple requests for high priority work outweigh available OWEB funds. We appreciate OWEB's past support and investment in this well-designed set of watershed studies. We do not plan to solicit additional funding from OWEB but there could be an unforeseen, compelling development in the future that might warrant a request. Because we have the basic watershed research structure in place these sites become high valuable for "add-on" studies. For example, the question about stormwater runoff and herbicides can be address at these sites in a much tighter experiment and at lower cost than it would elsewhere.

We appreciate your consideration of this request. Any questions should be forward to Chris Jarmer or Liz Dent.

Chris Jarmer
Oregon Forest Industries Council
503.586.1243

Liz Dent
Aquatic Specialist
State Forests Program
Oregon Department of Forestry
Phone Numbers:
Philomath: 541.929.9168
Salem: 503.945.7371

**MAINTENANCE/REPAIR BUDGET
ALSEA WATERSHED STUDY**

The Watersheds Research Cooperative (<http://watershedsresearch.org/>) is evaluating the effectiveness of various forest management strategies in protecting and restoring small headwater streams and downstream fish bearing streams. OWEB has invested close to \$900,000 in the three watershed studies in two separate grant cycles for capital investments. These studies would not have been possible without these OWEB investments. While long-term studies are needed to address these kinds of effectiveness questions, they also result in annual equipment repair and replacement costs. The purpose of this paper is to provide budget and Oregon Plan context for these watersheds studies and discuss the expected nature of our expected equipment maintenance costs over the life of the studies (through 2017).

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when the project is complete. Funding sources include but are not limited to ODF, NCASI, OFRI, BLM, Douglas County, OFIC, Weyco, USGS, OSU, EPA, and other Grant money.

The research and monitoring conducted under the three watershed studies benefits the Oregon Plan. These studies address effectiveness of current forest management (a critical component of the Oregon Plan), across multiple landowner types (State, Private, and Federal), multiple regions, and at a watershed scale. The Alsea, Hinkle, and Trask studies include biological and downstream responses to forest management. No other project currently addresses all of these topics. Furthermore, effectiveness monitoring is currently recognized as a knowledge gap for the Oregon Plan. This research compliments other OWEB research focused on status and trends or restoration. In fact, the Alsea Study will evaluate restoration as well as general forest management.

While long-term studies are needed to address these kinds of effectiveness questions, they also require annual equipment repair and replacement. Thus, we are now faced with repairing and replacing equipment initially purchased with OWEB capital investments. Not maintaining equipment is not an option. It could result in temporally and spatially inconsistent data collection, lower data quality, data gaps, or complete loss of data stations if damaged equipment is not replaced. These types of issues can limit final study conclusions.

We estimate that the WRC can cover some of the maintenance costs. Examples could include batteries or catastrophic damage both of which were not included in the estimate. The WRC funds will come from current funding sources in proportions to their relative investments (i.e. ODF, NCASI, OFRI, BLM, Douglas County, OFIC, Weyco, and USGS). Given our available budget for equipment repair, we estimate the following maintenance grant requests to OWEB through the life of these studies as follows:

- 13k/year from 2009 - 2011 (Hinkle will be done),
- 10K/year from 2012-2016 (Trask will finish),
- 5K in 2017 (Alsea will finish)

Actual maintenance costs may differ from this estimate and may vary from year to year. While large storm events can be particularly devastating to instream equipment, even average storm events cause damage. Some equipment is simply limited in longevity or needs battery upgrades and replacements (e.g. temp probes). Other equipment, by design is subjected to damaging floods (TTS probes and samplers). Therefore it is reasonable to anticipate annual maintenance will be needed. Our estimates are based on knowledge from principle investigators who have experience with other large scale, long term studies (e.g. H.J. Andrews, Hinkle Creek)

We can only estimate what we would purchase based on operation for the last several years. Luminescent DO and temperature probes need to be maintained every year or two. We have had vandalism of cables and theft of instruments over the last couple years. In these damp locations electronic can short out.

We recognize multiple requests for high priority work outweigh available OWEB funds. We appreciate OWEB's past support and investment in this well-designed set of watershed studies. We do not plan to solicit additional funding from OWEB but there could be an unforeseen, compelling development in the future that might warrant a request. Because we have the basic watershed research structure in place these sites become high valuable for "add-on" studies. For example, the question about stormwater runoff and herbicides can be address at these sites in a much tighter experiment and at lower cost than it would elsewhere.

We appreciate your consideration of this request. Any questions should be forward to Chris Jarmer or Liz Dent.

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Oregon Forest Industries Council
503.586.1243

Liz Dent
Aquatic Specialist
State Forests Program
Oregon Department of Forestry
Phone Numbers:
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Oregon

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January 6, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager
Renee Davis-Born, Data Analyst and Information Specialist

**SUBJECT: Agenda Item M: Monitoring and Research Program
January 21-22, 2009 OWEB Board Meeting**

I. Introduction

This report updates the Board on the ongoing activities of the Monitoring and Research Program. The report is for informational purposes only.

II. Background

Monitoring section staff have focused on a number of program areas since the last Board meeting. The Board spending plan includes a \$1.3 million reserve for the regular monitoring grant solicitation. In this pending grant cycle, OWEB received a total of \$2.7 million in monitoring grant requests. Monitoring staff led the review of these applications by the Oregon Plan Monitoring Team (OPMT). The OPMT reviews will inform the Regional Review Team evaluations of applications.

Staff are also in the midst of selecting a contractor to perform the riparian and fish passage evaluations for the South Coast and Grande Ronde basins. The Board approved \$100,000 for this purpose in September 2008. This review will look at the effectiveness of these project types in the two basins that have seen the longest period of restoration investment.

The following section provides details on several monitoring program activities: 1) the Coastal Storm Assessment Report; 2) the Research Priorities and Solicitation Process; and 3) Wetland Effectiveness Monitoring.

III. Discussion

A. Coastal Storm Assessment Report

At the January 2008 Board meeting in Astoria, staff provided Board members with its initial impressions about how OWEB investments fared in the December 2007 storm in the North Coast Basin. At that time, preliminary reports indicated that culvert and bridge replacements appeared to have survived the storm and that no reports had come in about large wood being lost or causing damage downstream. Staff already had received reports of new log and gravel recruitment and newly braided channels. Channel reconstruction projects also

appeared to have fared well. At the same time, some riparian fencing and planting damage had been found on the Upper Nehalem River.

Staff suggested the potential use of effectiveness monitoring funds to do follow-up research on the effect of storm events on restoration projects and how the findings from such a study could inform OWEB's grant making activities and guidelines for implementation of restoration projects. The Board agreed with this approach.

In the summer of 2008, OWEB contracted with the Institute for Natural Resources (INR) at Oregon State University to coordinate and lead the OWEB Coastal Storm Assessment project. The purpose of this project was to evaluate past and current restoration practices and their relative survival during the significant wind-and-rain storm event of December 2007. A second objective was to assess how the guidelines used to inform the implementation of these projects may be affected by potential changes in storm events due to global warming.

Staff expect the final report to be available by the time of the upcoming Board meeting. Staff will provide copies of the full report and summarize its findings at that time.

B. Research Priorities and Research Solicitation Processes

OWEB offered its first open solicitation for research grants in 2007 and awarded funding to nine projects last September. During 2008, the Monitoring and Research Subcommittee met to develop priority focus areas for the anticipated 2009 research grant cycle. A proposed approach to developing specific research priorities was presented to and adopted by the Board at the September 2008 meeting. Staff then began working on revising the research priorities and establishing a process for soliciting research proposals in the spring of 2009.

In light of potential revenue reductions and budget constraints, staff propose a slight shift of course in this program area. Instead of developing a broad list of updated research priorities to inform an open solicitation for research grant proposals, staff recommend convening the Monitoring and Research Subcommittee to discuss a more narrow set of research priorities that could focus on applied research products such as: climate change and local watershed impacts; climate change and salmon returns from the ocean environment; economic evaluations of the role OWEB investments play in local economies and communities; modeling water availability; and terrestrial considerations of invasive species and wildfires.

Staff will reconvene the Monitoring and Research Subcommittee on this issue and report back to the full Board this spring.

C. Agency Investments in the Wetland Effectiveness Monitoring Program

As reported in the Director's update Agenda Item D7, OWEB secured a \$342,281 grant from the Environmental Protection Agency (EPA) to create the framework for an Oregon Wetland Monitoring and Assessment Program in the Willamette Valley. Staff have made significant progress on this since September.

The EPA funded project is intended as an initial step toward a comprehensive wetlands strategy by applying the Oregon Rapid Wetland Assessment Protocol (ORWAP) to develop detailed effectiveness monitoring to assess wetland quality and evaluate restoration and mitigation success. The project also will test a preliminary invertebrate-based biological

monitoring tool, improve the quality and management of data on mitigation and restoration sites, and increase the exchange of information to improve decision-making about wetland enhancement and investments. This project is intended to complement and inform investments that will be made by OWEB under the Willamette Special Investment Partnership. The work under this grant commenced last fall and field work is scheduled to begin in the spring of 2009.

Following the Board's approval of the delegation of authority for the Director to enter into grant agreements and contracts, staff conducted a Request for Proposals and selected a wetland contractor to conduct the field work during the next two field seasons. While the EPA grant provided \$63,000 for the field work, there are additional parameters that could be monitored including sensitive wildlife species featured in the Oregon Comprehensive Wildlife Conservation Strategy that would add significant value and understanding to the overall wetland evaluation project. Staff may come before the Board in March with a request to allocate \$30,000 for this purpose. The funds would come from the existing \$375,000 reserve for effectiveness monitoring. These additional funds would supplement the federal grant dollars and enable an extension of the field work contract that is being finalized this month.

IV. Recommendation

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

OWEB Coastal Storm Assessment Project

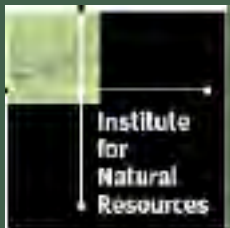
Prepared by

**The Institute for Natural Resources
Oregon State University**

**Marine Resource Management Program and
Oregon Sea Grant
Oregon State University**

for the

Oregon Watershed Enhancement Board



Goal of Coastal Storms Project

Provide a science-based approach to assist OWEB in determining if its restoration project guidelines are robust enough to take into account potential increases in storm magnitude, frequency and/or intensity associated with climate change.

Approach

Assessment of the 2007 storm characteristics and intensity

Random selection of OWEB funded restoration activities

On-site storm damage assessment:

- Wind throw
- Debris & torrent flow

On-site condition and effectiveness

- Pre-storm from OWEB monitoring reports
- Post-storm using rapid field assessment methodology

Independent expert judgment used to:

- Create assessment protocols
- Validate field assessments for each site

Taylor Scale of Storm Intensity

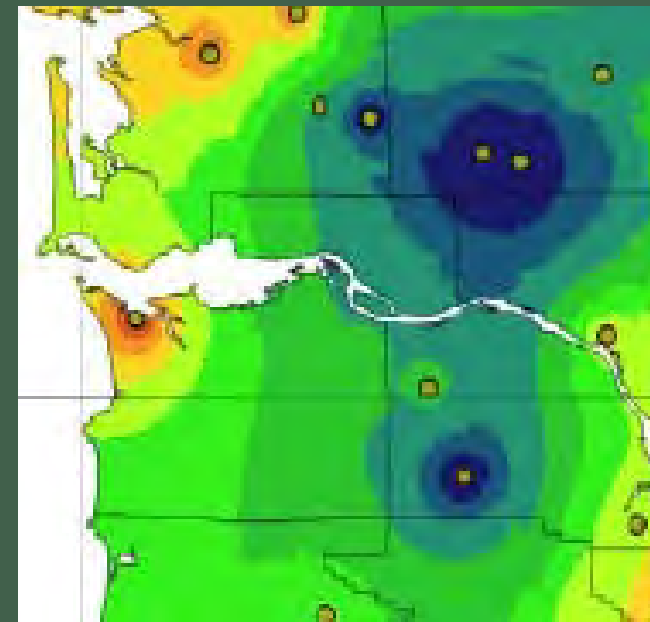
Table 1. Storm Intensity scale using five categories

Parameter	Units	Likert Scale*				
		1	2	3	4	5
Precipitable Water, Salem	mm	20	22	24	26	28
Precipitation, Percent of 100 year, maximum observed	percent	100	110	120	130	140
Maximum wind gust, Oregon-Washington Coast, sea level	mph	80+	90+	100+	110+	120+

* A value of 1 represents the smallest or weakest significant storm, 5 the highest. The parameters are mutually exclusive.



Wind



Precipitation

Selection of Sample Sites

33 OWEB Grant Numbers in study area

Random selection of 19 grant numbers/86 individual projects/sites:

- 60 riparian planting
- 13 large wood placement
- 13 fish passage

Rapid Field Assessment

Develop a rapid assessment framework with individual protocols developed for each of the restoration activities:

- Be able to be completed quickly and accurately in the field without the use of specialized equipment or time consuming detailed measurement
- Establish baseline measures of the condition and effectiveness of the restoration projects
- Identify potential recent wind, torrent and debris damage to the projects.

Can be used for day to day OWEB monitoring needs

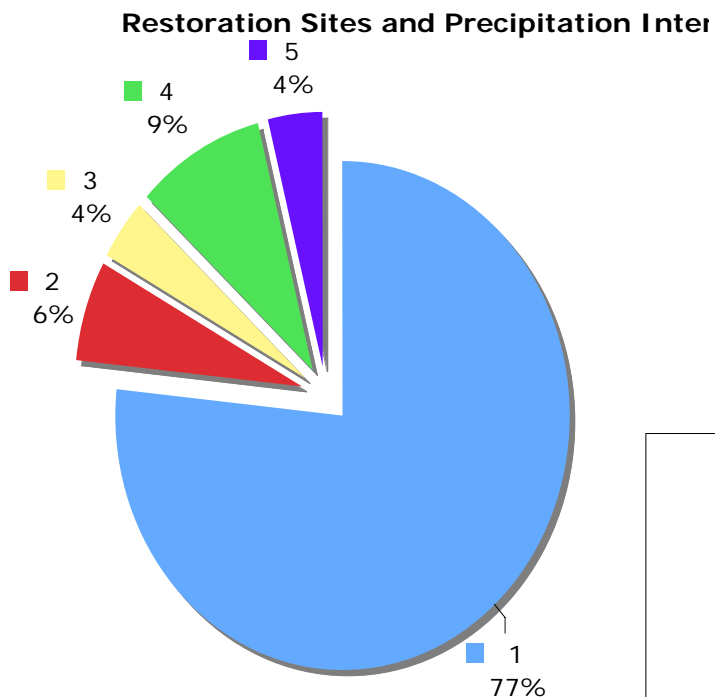
Site Condition

Table 7. Field assessment of restoration site condition

	Condition				
	1 (=worse)	2	3	4	5 (=better)
All Projects	1%	3%	14%	50%	31%
Riparian	0%	2%	15%	57%	27%
Large Wood Placement	8%	15%	0%	23%	54%
Fish Passage	0%	0%	23%	46%	31%

A value of 1 indicates that there was no evidence of restoration activity at the site.
 A score of 5 would indicate that site/project in the best physical condition possible given normally prevailing conditions.

Change in Site Condition



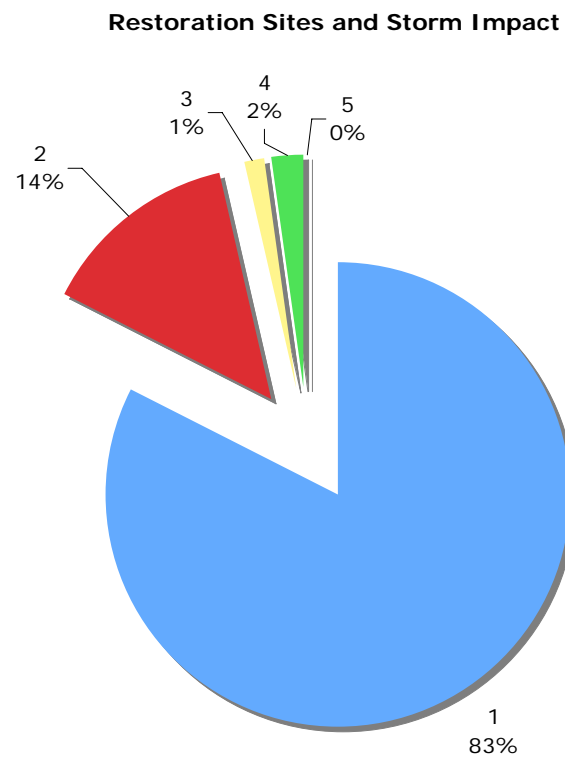
1 = 100% of 100 year maximum

5 = 140% of 100 year maximum



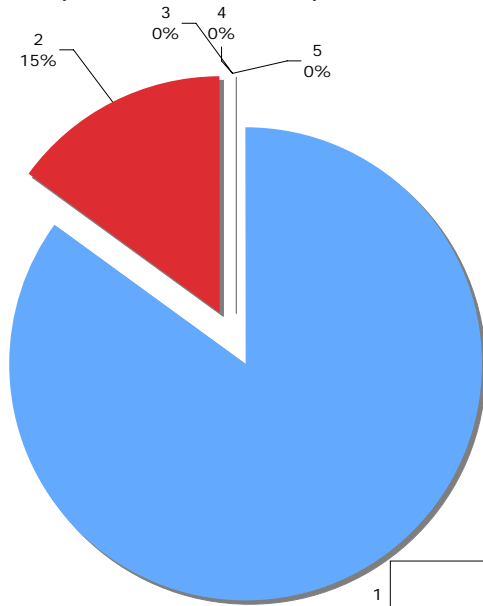
1 = No adverse change

5 = Severe adverse change

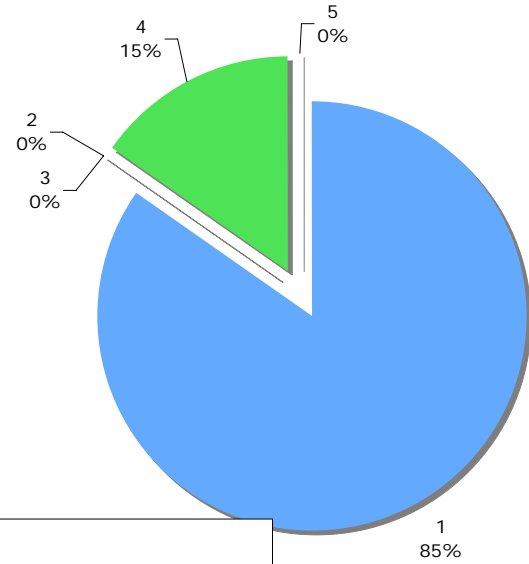


Change in Site Condition

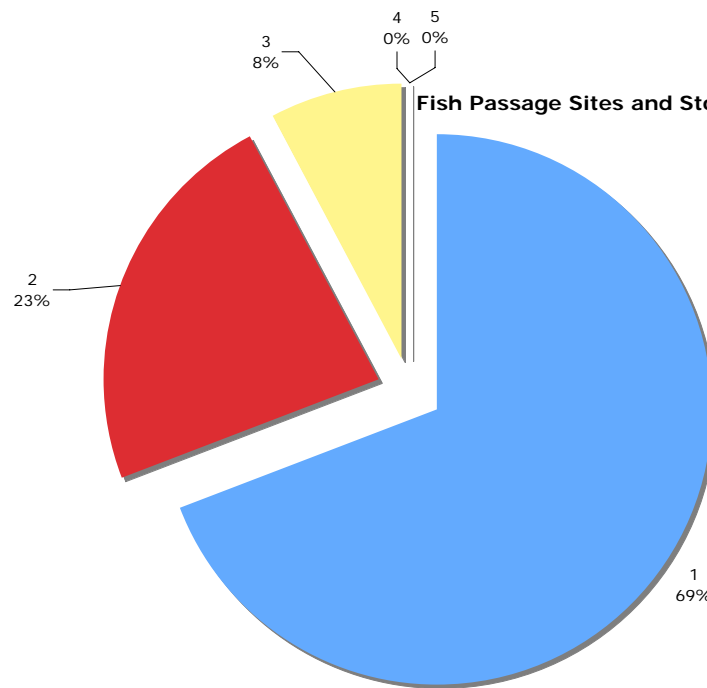
Riparian Sites and Storm Impact



LWP Sites and Storm Impact



Fish Passage Sites and Storm Impact



1 = No adverse change

5 = Severe adverse change

Findings

The Dec 07 storm had a minor impact on OWEB funded restoration projects on the North Coast:

- Prevailing winter conditions on the North Coast tend to towards the extreme and frequently impact restoration sites
- Less resilient sites are likely not subject to restoration and if they are they either do not last or they receive “best practice” treatment
- Restoration design, implementation and rehabilitation practices limit lasting effects from severe storms

Damage from elk and beaver, smothering by invasive species and landowner neglect also impact restoration sites

Caveats

Riparian plantings at the sampled sites were relatively young and plantings may suffer more significant storm damage as they mature

Our findings should not be extrapolated to the rest of Oregon, especially east of the coast range. Different land uses, climate and hydrological regimes may mean restoration sites are impacted differently by severe storms

The absence of systematic pre-storm monitoring data made before and after comparisons of site condition and effectiveness impossible in all but a few instances

Some observed storm damage used to infer impact could have occurred in storms prior to December 2007

Recommendations

OWEB should:

1. Develop a web-based one-stop shop for best practice guidelines for all restoration activities promoting:
 - Greater consistency in the effectiveness of projects overtime
 - An accessible body of knowledge for the next generation of restoration practitioners
2. Require greater consistency in monitoring reporting from restoration practitioners. Our rapid assessment approach is easy to follow and requires no special training or equipment, yet provides consistent monitoring of project condition and effectiveness across a region and through time.

Recommendations

3. Support research that helps reduce uncertainty about the effects of climate change on Oregon's watersheds including the development of regionally downscaled models that forecast climate under a range of scenarios at a watershed scale
4. Build climate change detection into its monitoring protocols to help identify long-term cumulative changes in watershed condition
5. Consider the need to demonstrate climate resiliency and/or ongoing climate adaptation in restoration practices as a condition for funding

Thanks

Project Team

Glenn Ahrens OSU Extension
Jenna Borberg OSU Marine Resource Management
Cyrus Curry Oregon Watershed Enhancement Board
Robert Emanuel OSU Sea Grant Extension
Erik Endrulat Oregon Watershed Enhancement Board
Lisa Gaines OSU Institute for Natural Resources
Guillermo Giannico OSU Fisheries and Wildlife
Michael Harte OSU Marine Resource Management
Josh Lambert OSU Institute for Natural Resources
Kathy Maas-Hebner OSU Forest Science Laboratory
Melissa Murphy OSU Marine Resource Management
Peter Parsons Oregon Department of Agriculture
Stacy Polkowske OSU Institute for Natural Resources
Marv Pyles OSU Forest Engineering

Assistance

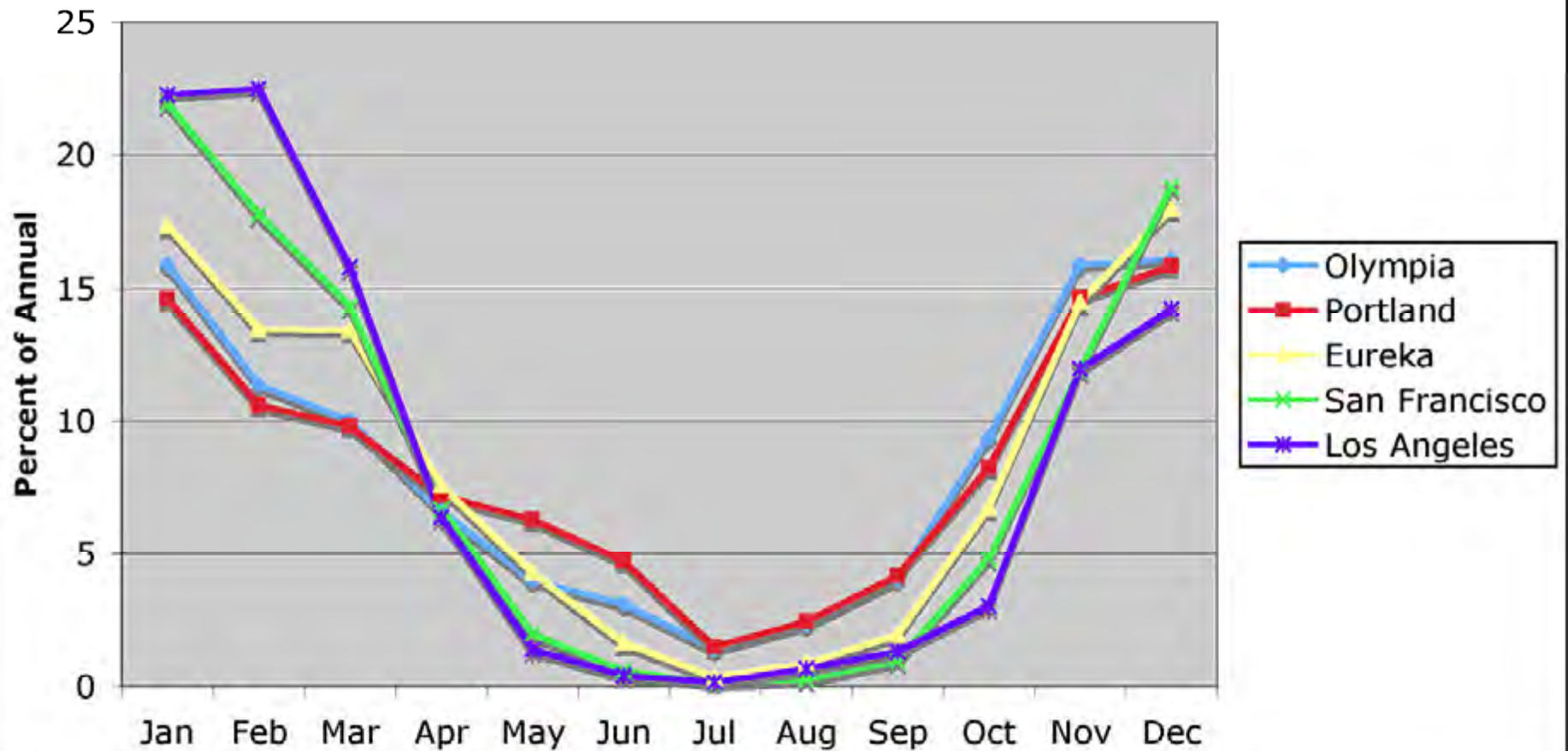
Liz Dent, Oregon Department of Forestry
Maggie Peyton, Upper Nehalem Watershed Council
Ray Monroe, Tillamook County Soil and Water Conservation District
Doug Ray, Carex Consulting
Maryanne Reiter, Weyerhaeuser
Tom Shafer, Oregon Watershed Enhancement Board

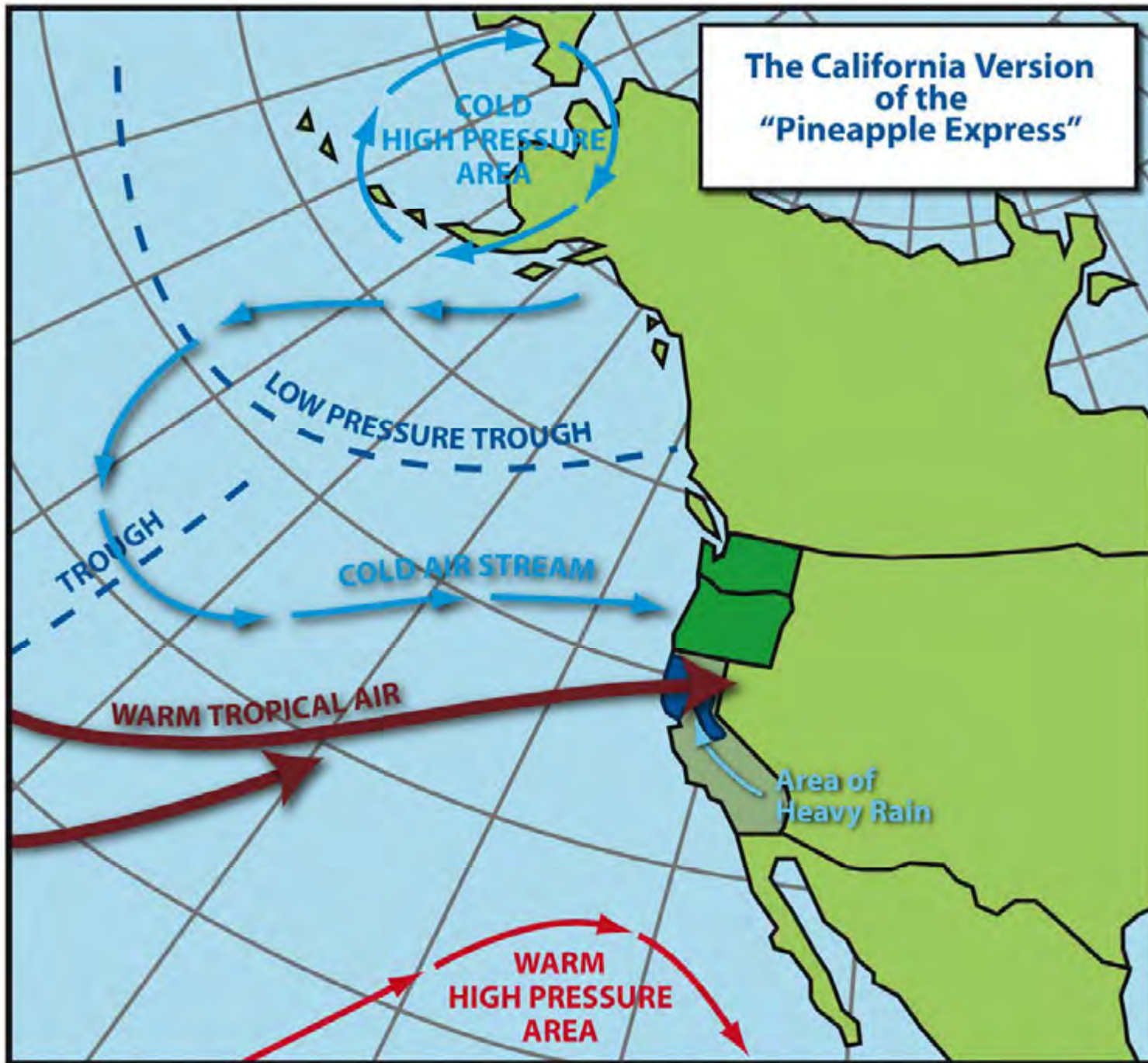


An Analysis of Storm Characteristics and Long-Term Storm Variability Along the Oregon-Washington Coast

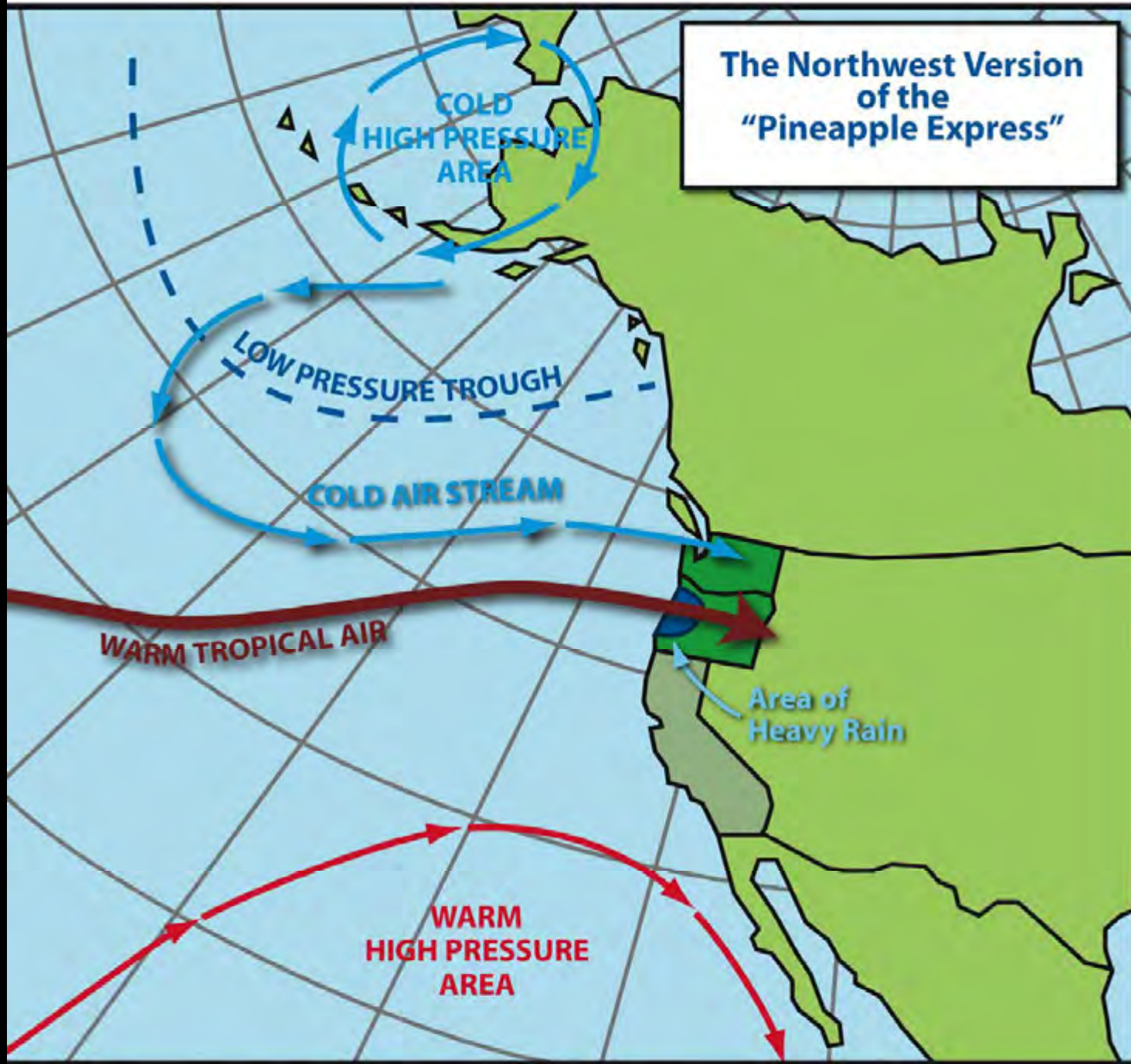
**George H. Taylor
Certified Consulting Meteorologist
Applied Climate Services, LLC**

Percentage of Average Annual Precipitation Recorded Each Month, West Coast Stations



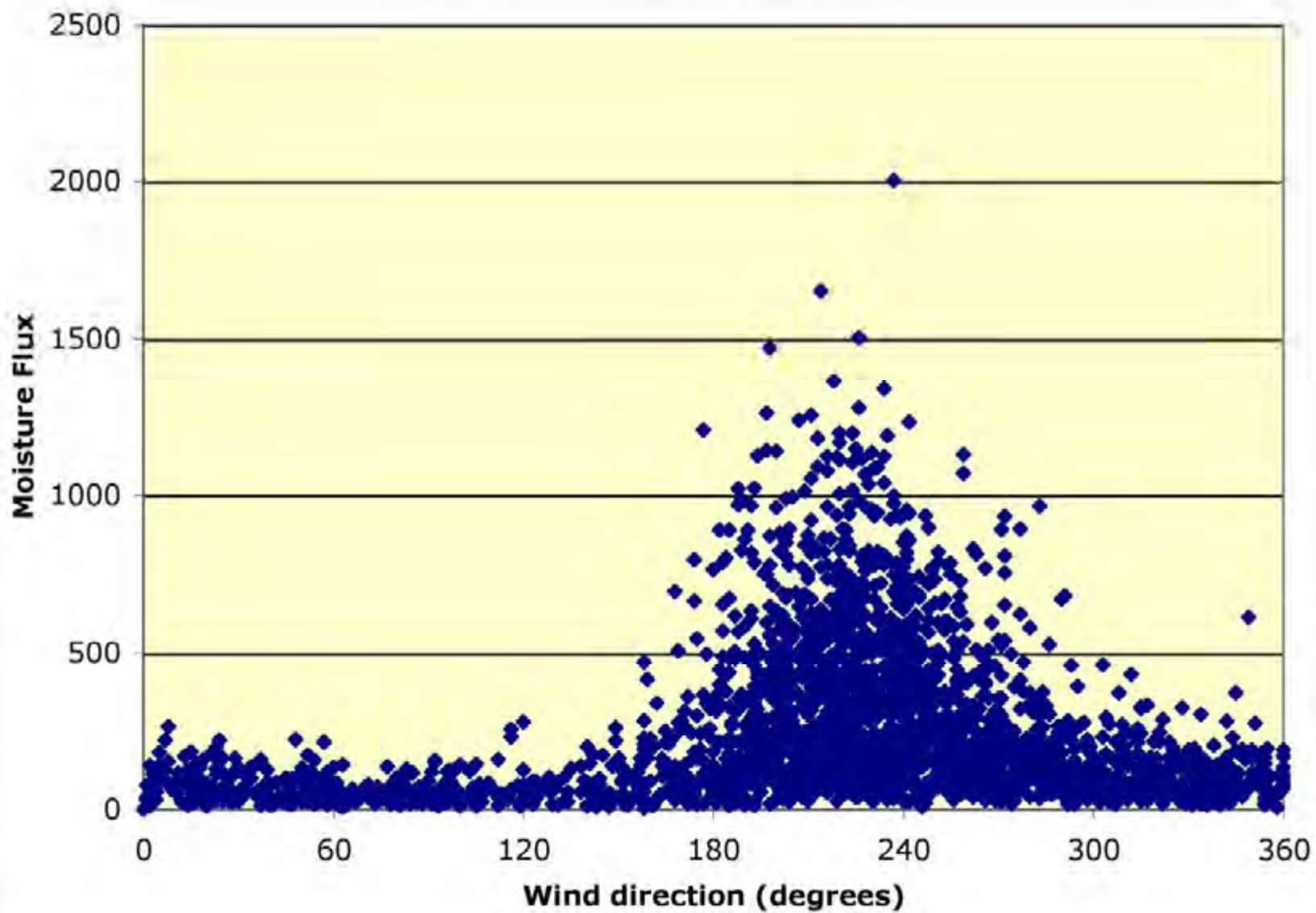


The California Version of the "Pineapple Express"

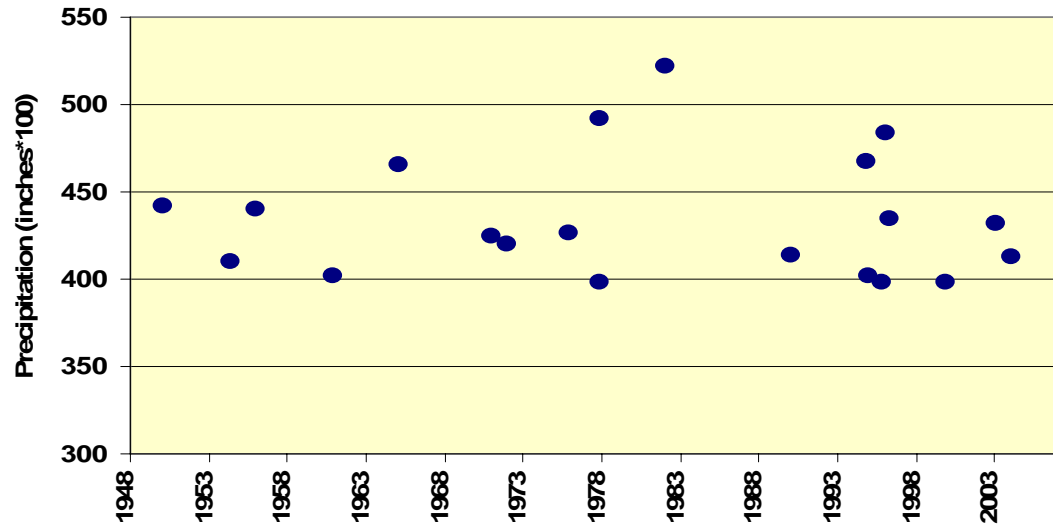


The Northwest Version of the "Pineapple Express"

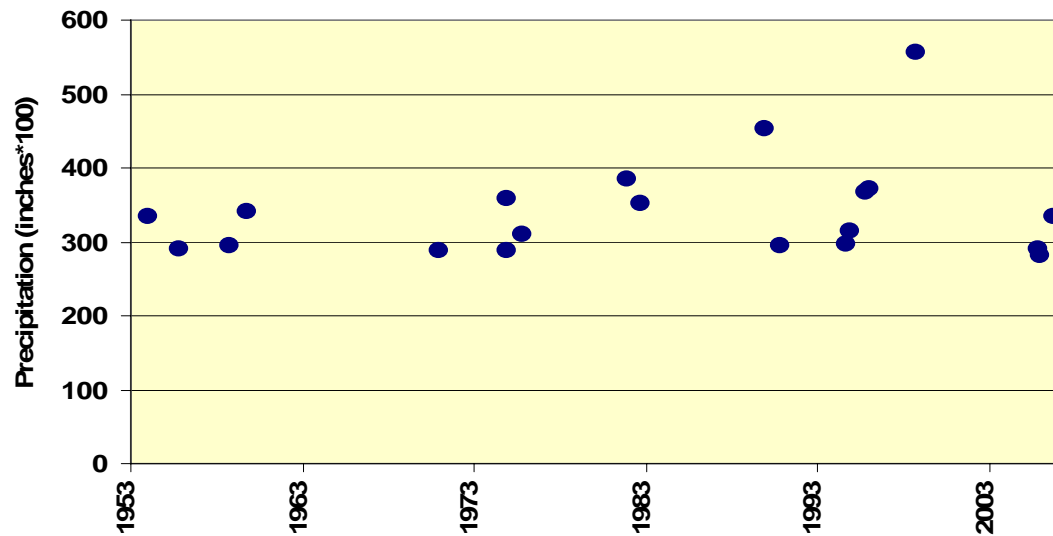
Salem 850 mb Wind Direction vs. Moisture Flux, January 1956-96



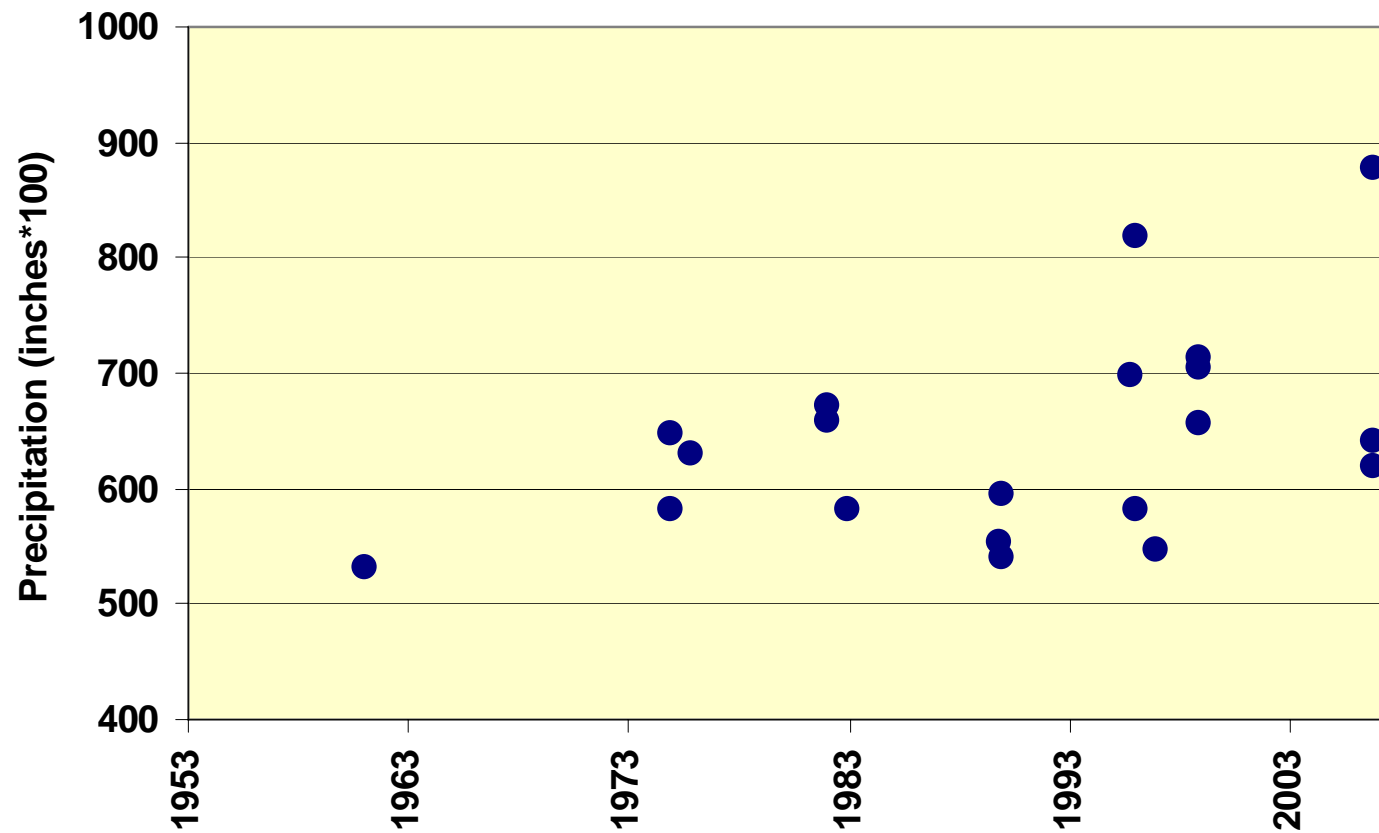
Highest 1-Day Precipitation, Tillamook, OR



Highest 1-Day Precipitation, Astoria, OR



Highest 3-Day Precipitation, Astoria, OR



Salem Soundings with Precipitable Water Content of 20 mm or more, 1966-1996

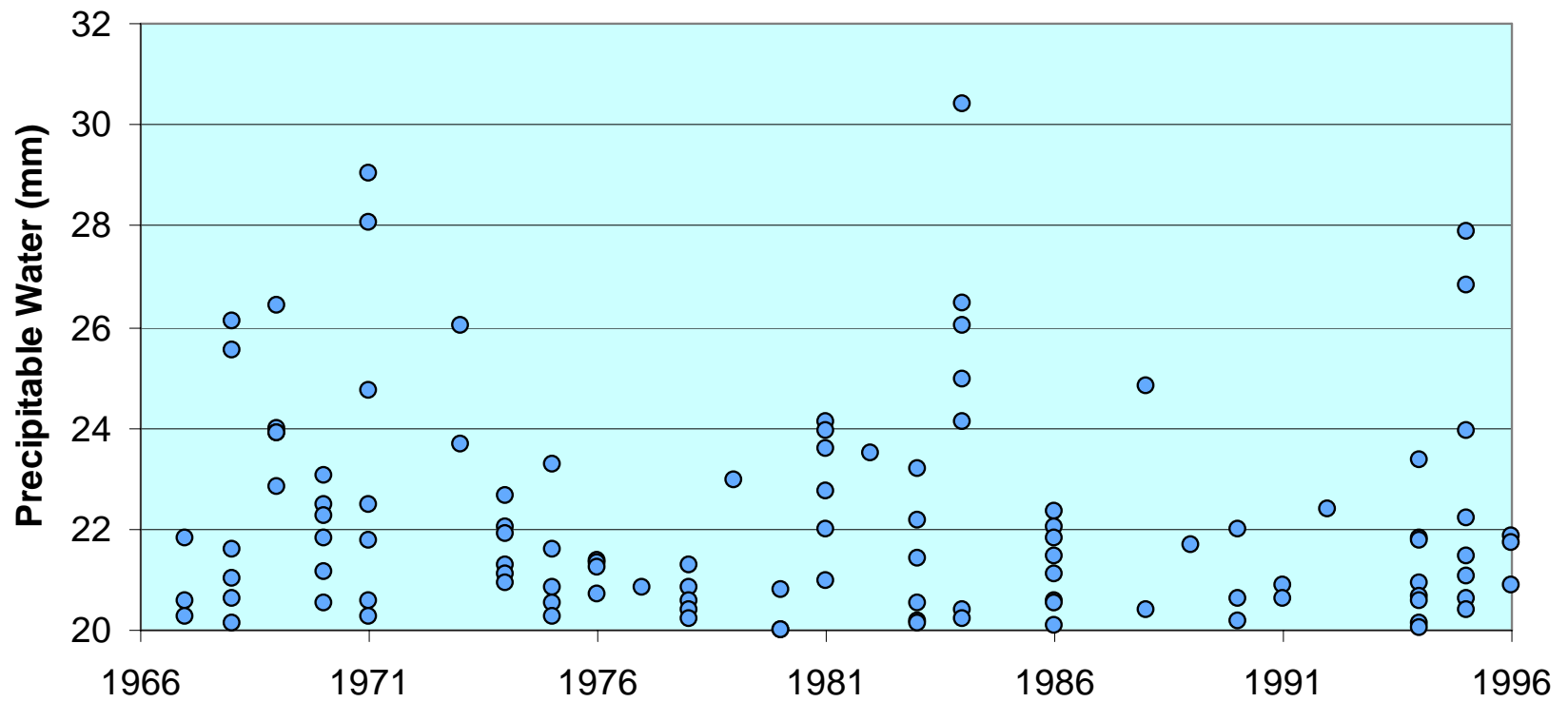
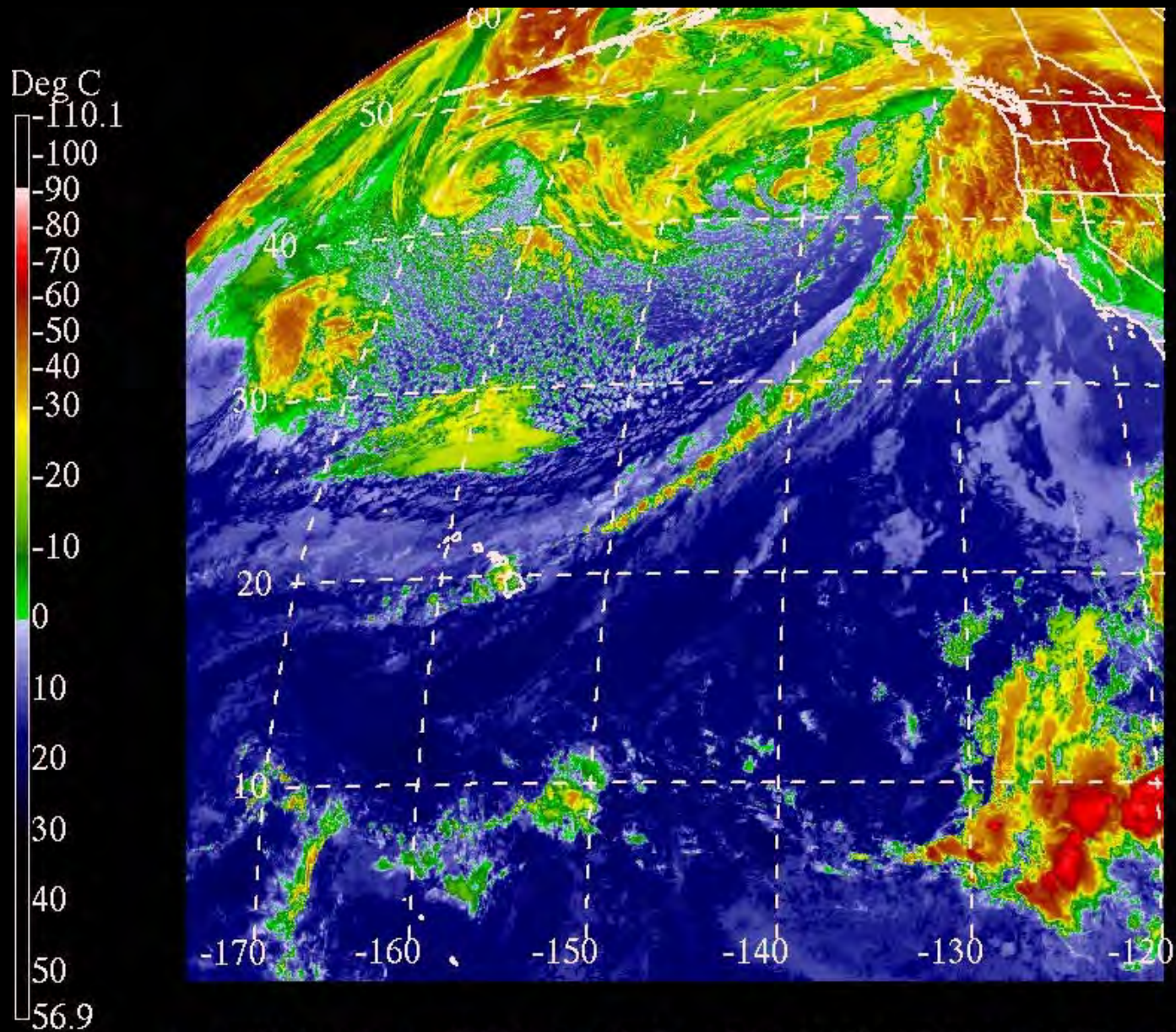


Table 5.1. Historic Peak Winds at Astoria. Peak gusts from 1995-2006 are adjusted upward to account for a 5-second averaging period.

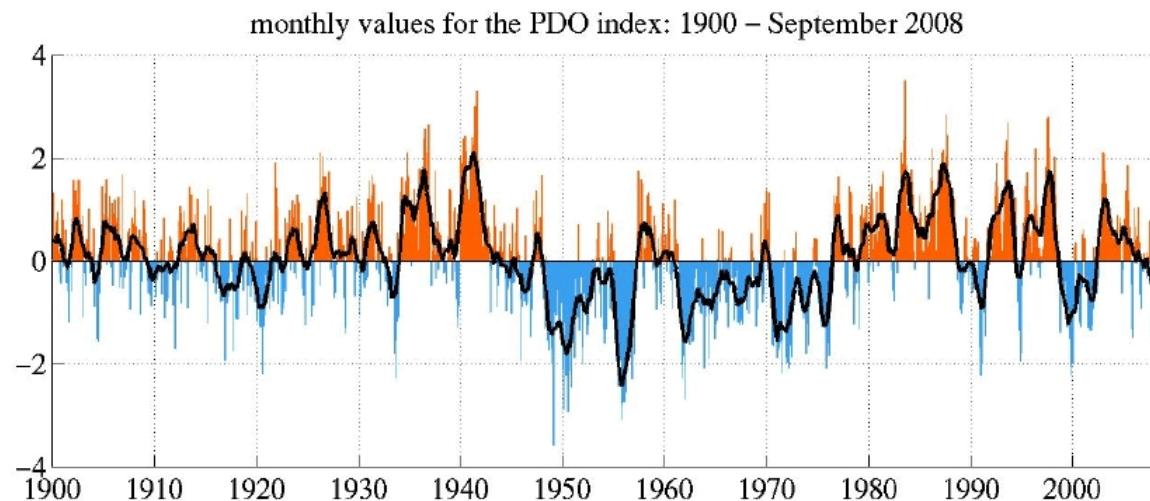
Storm Event	Peak Gust at Astoria (mph)	Other Name
12-Oct-62	96	Columbus Day Storm
03-Dec-07	85	"Great Coastal Gale"?
14-Dec-06	82	Hanukkah Eve Storm
15-Jan-51	80	
16-Jan-00	78	
03-Mar-99	78	
13-Feb-79	76	Kitsap Blowdown
17-Dec-61	76	
20-Dec-61	76	
16-Jan-86	75	
03-Nov-58	75	
15-Dec-95	74	Big Blast
15-Dec-97	74	
20-Jan-93	72	Inauguration Day Storm
27-Apr-62	71	
27-Dec-02	70	
26-Mar-71	70	
09-Jan-53	70	
14-Nov-81	68	Friday-the-13th Storm
07-Jan-53	66	
27-Oct-50	65	



goeswest IR 02:00 am HST Mon 03 Dec 2007 (1200 UTC Mon 03 Dec 2007)

Research Topics

1. Time series of “Atmospheric Rivers” (“Pineapple Express events”)
2. Concurrent wind-rain storms
3. Using PDO and other “cycles” to hedge risk of extreme events



Diagnosis of an Intense Atmospheric River Impacting the Pacific Northwest: Storm Summary and Offshore Vertical Structure Observed with COSMIC Satellite Retrievals

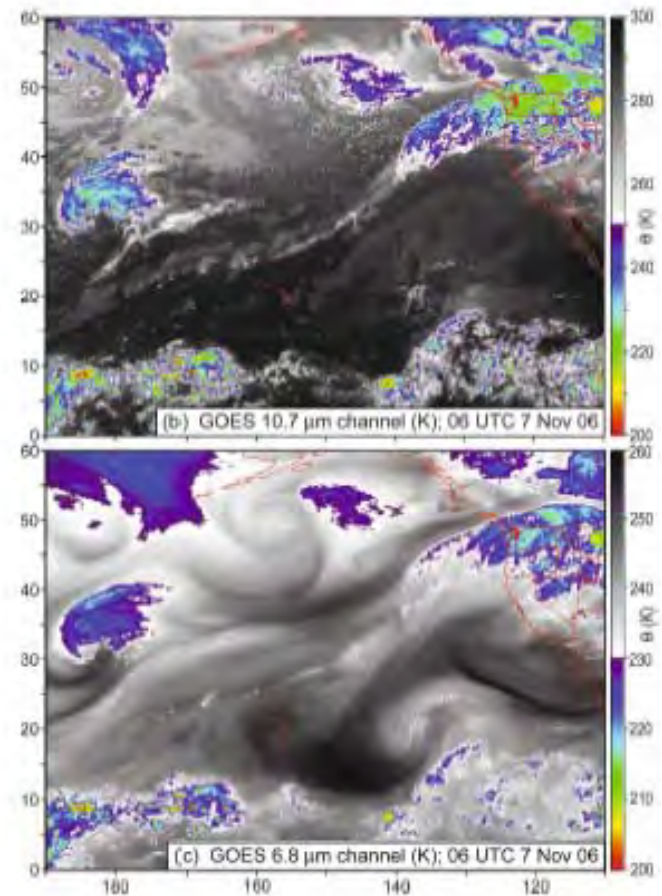
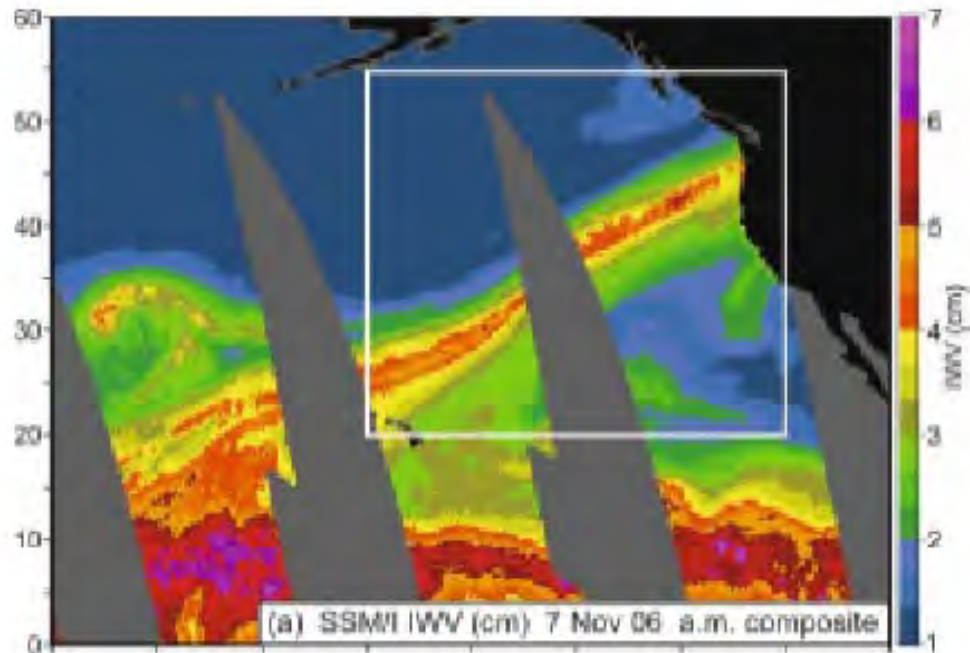
PAUL J. NEIMAN, F. MARTIN RALPH, AND GARY A. WICK

NOAA/Earth System Research Laboratory/Physical Sciences Division, Boulder, Colorado;

YING-HWA KUO, TAE-KWON WEE, AND ZAIZHONG MA, National Center for Atmospheric Research;

GEORGE H. TAYLOR, Oregon Climate Service, Oregon State University, Corvallis, Oregon

MICHAEL D. DETTINGER, U.S. Geological Survey, Scripps Institution of Oceanography, La Jolla, California





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January 5, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Miriam Hulst, Acquisitions Specialist
Ken Bierly, Deputy Director

**SUBJECT: Agenda Item O: Deferred Acquisitions
January 20-21, 2009 OWEB Board Meeting**

I. Introduction

This staff report provides an overview of the land acquisition applications received in the October 2008 grant cycle, gives an update on the status of previously pending land acquisition grant applications, and provides an update on the status of U.S. Fish and Wildlife Service (USFWS) Coastal Wetlands Grants for land acquisition.

II. Deferred Acquisitions

Staff received 11 land acquisition applications in the October 2008 grant cycle. The applications requested a total of \$8,741,462 and represented all regions except for Region 6. The applications are currently being evaluated for ecological and educational merit by the appropriate regional review team.

The October 2008 applications, combined with the additional 11 applications previously deferred for due diligence review, total \$16,410,232. Attachment A provides additional information about the acquisition applications that are currently pending and the acquisition applications that were received in the October 2008 grant cycle.

Land acquisition grant applications often require more time to fully evaluate and prepare funding recommendations than is available in the regular 21-week grant cycle. At the time of writing this staff report, none of the 11 land acquisition applications deferred at previous Board meetings will be ready for consideration at the January 2009 Board Meeting. It is possible that several of the October 2008 applications may be ready for Board consideration at the March 2009 meeting. At least one deferred acquisition, the Big Creek Acquisition, is also likely to be ready for Board consideration at the March 2009 meeting. Given the significance of the proposed acquisition and the funding amount requested from OWEB, staff want to brief the Board about the application in January. The application is described in the following section.

A. Big Creek Acquisition (209-105)

The Big Creek Acquisition application, currently pending due diligence review, is expected to be ready for funding consideration by the Board at the March 2009 Board meeting. The Nature Conservancy (TNC) is currently requesting \$2 million from OWEB for this

application. The Big Creek Acquisition project would be a large OWEB investment, and thus staff have opted to provide the Board with an informational preview of this project.

In April 2008, TNC submitted an application for the Big Creek Acquisition project seeking \$3,750,000 in OWEB funds. The Big Creek property, 193 acres located on the Oregon Coast in Lane County, is adjacent to Siuslaw National Forest and Washburne Memorial State Park. The application states that 97 percent of the property contains OWEB priority ecosystems, plant communities, and species. The property contains 132 acres of federally designated critical habitat for Oregon silverspot butterfly, a threatened species. The property also contains 0.65 miles of federally designated critical habitat for coho salmon, a threatened species. The presence of both threatened species has been confirmed on the property by the U.S. Forest Service (USFS) and TNC. The application states that steelhead, red-legged frog, band-tailed pigeon, and several other at-risk species are also present on the property.

The Big Creek property's zoning currently allows for development of a 150-unit destination resort and up to 11 additional units. The current owners have drafted building plans and obtained development permits. TNC recently entered into an agreement with the owners to purchase the property for the appraised value of \$4.07 million.

The Big Creek application states that acquisition of the property is consistent with five of the conservation principles contained in OWEB's Basin Ecological Priorities. The property's exceptional biodiversity and location adjacent to other conserved properties, in addition to the imminent development threat and the need for active restoration to sustain Oregon silverspot butterfly habitat, make the property a high priority for protection. The Region 1 review team feels that this site is a critically important conservation opportunity. The team identified Big Creek as a key watershed and the proposed property as a chance to conserve both aquatic and terrestrial species of significance.

In May 2008, the Board Acquisitions Subcommittee declined to proceed with due diligence review for the project. The Subcommittee's decision was based on TNC's intent to convey the property to the USFS after purchase of fee title. The Subcommittee was concerned about the state's ability to protect its conservation interests in such a scenario because federal agencies will not hold fee title to land on which the state has a conservation easement. The Subcommittee also declined to proceed with due diligence because it felt that TNC needed to explore additional funding sources, rather than asking OWEB to contribute \$3.75 million of the \$4.07 million purchase price.

As a result of the Subcommittee's concerns, TNC engaged Oregon Parks and Recreation Department (OPRD) in conversations regarding the project. OPRD has expressed interest in holding title to the property. TNC is seeking project funding from the National Oceanic and Atmospheric Administration (NOAA), U.S. Fish and Wildlife Service (USFWS), and private sources to reduce the amount requested from OWEB. In July of 2008, the Subcommittee decided to proceed with due diligence review for the project because of TNC's efforts to address its concerns. TNC submitted a revised application requesting \$2 million in OWEB funds, approximately 50% of the property's purchase price. Funding decisions are expected to be made by other funders between January and March of 2009.

TNC is working with OPRD, USFS, and its other project partners to develop a framework for collaborative management of the property. TNC anticipates having a cooperative management framework in place by March 2009. At that time, if the due diligence review is complete, staff expect to recommend the project for Board funding.

III. Coastal Wetlands Grants for Land Acquisition

As described in Agenda Item D9, the 2008 Coastal Wetlands Grants for the Yaquina and Alsea land acquisitions are held up by due diligence issues, although both acquisitions appear likely to proceed soon and may be ready for Board consideration at the March 2009 meeting. The grant applications for the OWEB funds to match the federal funds are noted in Attachment A.

In May of 2008, the Board authorized the Director to request legislative Emergency Board approval to submit 2009 Coastal Wetlands Grant applications to the USFWS. The Legislative Emergency Board in June of 2008 gave OWEB the approval to apply for 2009 Coastal Wetlands Grants. OWEB submitted applications for two land acquisition grants in the Nehalem Bay were submitted in late June of 2008. The total grant request was for \$1,463,077, with match from OWEB of \$868,462. This request has been reviewed by the USFWS. OWEB was informed that both applications were successful in receiving federal grant funds on December 17, 2008 (Attachment B). The state match amount will be requested from the 2009-2011 OWEB budget.

IV. Recommendation

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

Attachments

- A. OWEB Pending Acquisitions
- B. 2009 Coastal Wetlands Grant Notice

OWEB Pending Acquisitions							
App Number	Applicant	Project Name	Date Received	OWEB Funds Requested	Acerage	Primary Ecological Value(s)	Status
207-324	Wallowa Basin Land Trust	Lostine River CE	10/16/2006	\$516,000	175 ac.	riparian and wetlands	Received Title Report and Phase I ESA, Pending Appraisal
208-111	Greenbelt Land Trust	Luckiamute Meadows/Maxfield Creek CE	10/22/2007	\$200,000	76 ac.	riparian and wetlands	Pending Due Diligence
208-112	Greenbelt Land Trust	Luckiamute/Willamette Confluence CE	10/22/2007	\$600,000	125 ac.	riparian and wetlands	Pending Due Diligence
208-113	Greenbelt Land Trust	Willamette Floodplain-Upland CE	10/22/2007	\$600,000	200 ac.	riparian and wetlands	Pending Due Diligence
208-114	Greenbelt Land Trust	Evergreen Creek CE	10/22/2007	\$500,000	222 ac.		Pending Due Diligence
208-115	City of Eugene	South Eugene Hills Acq.	10/22/2007	\$1,205,330	400 ac.	fendlers blue & Kinkade lupine	Pending Due Diligence
208-116	The Wetlands Conservancy	Alsea Bay	Coastal Wetlands Grant	\$301,000	235 ac.	diked salt marsh	Pending Due Diligence
208-117	Wetlands Conservancy	Yaquina II	Coastal Wetlands Grant	\$46,250	61.35 ac.	tidal marsh	Pending Due Diligence
209-101	North Coast Land Conservancy	Neawana Riparian Forest	4/23/2008	\$1,314,960	212 ac.	riparian and wetlands	Pending Due Diligence
209-104	Benton County	Cardwell Hills CE	4/23/2008	\$385,230	65.5 ac.	Willamette Valley prairie	Policy Issues Raised
209-105	The Nature Conservancy	Big Creek Inholding	4/23/2008	\$2,000,000	193 ac.	coastal prairie & forest	Policy Issues Raised
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TOTAL				\$16,410,232			

CE = Conservation Easement

Department of the Interior
U.S. Fish & Wildlife Service
Pacific Regional Office
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Portland, Oregon 97232-4181
Phone: 503/231-6121
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<http://pacific.fws.gov>

News Release



For Release on December 17, 2008

08-098

Contact: Amy Gaskill, Portland, Oregon, (503) 231-6874

More Than \$8 Million in Coastal Wetland Grants Going to Oregon and Washington

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The Coastal Wetlands Conservation grants will provide federal funding for two projects in Oregon and eight in Washington and will be supplemented with \$6 million from state and private partners. The grants will be used to acquire, restore, or enhance more than 1,444 acres of coastal wetlands for long-term conservation benefits to wildlife and habitat. Partners in this year's projects include state and local governments, local land trusts, private land owners, and many others.

"Coastal wetlands not only provide valuable habitat for many fish and wildlife species but they also help keep our oceans cleaner and serve as buffers to protect coastal communities from storms and flooding" said Robyn Thorson, Director of the Service's Pacific Region, which includes Washington and Oregon. "This Region's Coastal Program is a great example of a voluntary approach to habitat conservation. By providing technical and financial assistance to our partners, we can enlist their help in conserving coastal areas threatened by development and predicted sea-level rise resulting from climate change."

The National Coastal Wetlands Conservation grants are awarded to states through a competitive process. The program is funded under provision of the 1990 Coastal Wetlands Planning, Protection and Restoration Act, with money generated from excise taxes on fishing equipment and motorboat and small engine fuels.

The following are descriptions of the nine projects which received grants this year in Oregon and Washington.

Oregon

Bott’s Marsh Nehalem Estuarine – The Oregon Watershed Enhancement Board (OWEB) working with the Trust for Public Land proposes to acquire 36.76 acres of estuarine intertidal marsh and tidal channels in the Nehalem Estuary in Tillamook County. Acquisition of the Bott’s Marsh is the key to a larger effort to conserve the Nehalem Estuary led by local land trusts and OWEB. Bott’s Marsh is at risk of being developed and the wetland heavily impacted or eliminated by marina development.

Grant request: \$950,000
Partner share: \$402,000
Total cost: \$1,352,000

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Grant request: \$629,665
Partner share: \$583,078
Total cost: \$1,212,743

Washington

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Grant request: \$1,000,000

Partner share: \$1,010,000
Total cost: \$2,010,000

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Grant request: \$1,000,000
Partner share: \$1,039,400
Total cost: \$2,039,400

Lily Point Acquisition Phase II – The Washington State Department of Ecology, partnering with The Nature Conservancy and Whatcom County, proposes to acquire a 146-acre tract with 4,200 feet of natural shoreline and 94 acres of nationally declining estuary intertidal wetlands. The project area is located on the southeast corner of Point Roberts in Puget Sound, bordered by Canada to the north, Boundary Bay to the east and the Strait of Georgia to the south. The proposed acquisition will be combined with an adjacent 130-acre tract to create a new County park. It also contains exceptional sediment feeder bluffs that provide forage fish spawning substrate and sediment to nourish declining estuarine wetland habitat along the western side of Boundary Bay.

Grant request: \$1,000,000
Partner share: \$454,550
Total cost: \$1,454,550

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including Eld Inlet fall chum, Puget Sound coho, Federally threatened Puget Sound fall Chinook and winter steelhead, and anadromous coastal cutthroat trout. This project will add to nearly 600 acres that have already been conserved in the Eld Inlet watershed.

Grant request: \$650,000
Partner share: \$417,780
Total cost: \$1,067,780

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Total cost: \$1,480,000

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Grant request: \$1,000,000
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-FWS-

OWEB Pending Acquisitions							
App Number	Applicant	Project Name	Date Received	OWEB Funds Requested	Acerage	Primary Ecological Value(s)	Status
207-324	Wallowa Basin Land Trust	Lostine River CE	10/16/2006	\$516,000	175 ac.	riparian and wetlands	Received Title Report and Phase I ESA, Pending Appraisal
208-111	Greenbelt Land Trust	Luckiamute Meadows/Maxfield Creek CE	10/22/2007	\$200,000	76 ac.	riparian and wetlands	Pending Due Diligence
208-112	Greenbelt Land Trust	Luckiamute/Willamette Confluence CE	10/22/2007	\$600,000	125 ac.	riparian and wetlands	Pending Due Diligence
208-113	Greenbelt Land Trust	Willamette Floodplain-Upland CE	10/22/2007	\$600,000	200 ac.	riparian and wetlands	Pending Due Diligence
208-114	Greenbelt Land Trust	Evergreen Creek CE	10/22/2007	\$500,000	222 ac.		Pending Due Diligence
208-115	City of Eugene	South Eugene Hills Acq.	10/22/2007	\$1,205,330	400 ac.	fendlers blue & Kinkade lupine	Pending Due Diligence
208-116	The Wetlands Conservancy	Alsea Bay	Coastal Wetlands Grant	\$301,000	235 ac.	diked salt marsh	Pending Due Diligence
208-117	Wetlands Conservancy	Yaquina II	Coastal Wetlands Grant	\$46,250	61.35 ac.	tidal marsh	Pending Due Diligence
209-101	North Coast Land Conservancy	Neawana Riparian Forest	4/23/2008	\$1,314,960	212 ac.	riparian and wetlands	Pending Due Diligence
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-FWS-



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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December 31, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Carolyn Devine, Communications Coordinator

SUBJECT: **Agenda Item P: Communications Update
January 21-22, 2009 OWEB Board Meeting**

I. Introduction

This report provides an update on continuing efforts under the OWEB Communications Plan. The report is for informational purposes only.

II. Background

The statutes guiding OWEB's communications strategy state that the agency "shall provide educational and informational materials to promote public awareness and involvement in the watershed enhancement program." (ORS 541.370) In May of 2005, the Board adopted an Education and Outreach Strategy (Strategy) that had evolved into an umbrella plan that connected and supported all of OWEB's education and outreach functions: the Grant Program, Oregon Plan support, partnerships, and support of local voluntary efforts.

The Strategy is comprehensive and ambitious. OWEB has been limited in its capacity to implement the Strategy because of constraints on the availability of non-capital funding, and until this biennium, no OWEB staff person was committed full time to shepherd this program area.

At the retreat in July 2007, the Board decided to re-visit the Strategy. In December 2007, a Board Subcommittee was formed to lead this effort. Subcommittee members include Jim Johnson, Meta Loftsgaarden, and Patricia Smith. OWEB lead staff include Carolyn Devine and Tom Byler. The Subcommittee has met five times, and discussions have focused on the statutory guidance to the Board regarding OWEB's communications.

Building upon this direction, the Subcommittee began drafting a communications implementation plan. The purpose of this plan is to integrate OWEB's communications efforts and tools toward providing educational and informational materials to promote public awareness and involvement in the watershed enhancement program in a manner that is as strategic and effective as possible.

At the outset, the Subcommittee developed the following goals and outcomes for the communications implementation plan:

Goal

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

Outcomes

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

The Subcommittee recognized that utilizing all communications tools (Education and Outreach grants, the web site, press releases, publications, etc.) will be essential to support the larger agency mission of creating and maintaining healthy watersheds and natural habitats. The challenge is to determine the most strategic use of available funding and staff resources to make effective use of these tools.

III. Communications Implementation Plan Progress

Since the last Board meeting, staff focused on the following elements of the communications program.

A. Biennial Conference, November 5-7, Eugene

Staff strived to make the conference audience-focused and outcomes-based. Forty percent of the participants identified themselves as education/outreach coordinators. Two of the tracks, "Effective Organizations" and "Engaging Your Community," included 15 sessions that provided participants tools for improving awareness and participation in their on-the-ground restoration efforts. Ninety three percent of the participants who took the survey said that they are motivated to use at least one of the communications ideas learned from the conference, and 11 percent said that they plan to implement five or more ideas.

B. Education/Outreach Review Team

For the October 2008 grant cycle, OWEB formed a statewide team of education and outreach experts from around the state to help the agency evaluate the merit of Education and Outreach grant applications. In the past, this function had been performed exclusively by the Regional Review Teams (RRTs). The strengths of these teams tend to be more oriented toward on-the-ground restoration work, rather than education and outreach. For this grant cycle, staff will use both the RRTs and the statewide Education and Outreach Review Team (EORT) to evaluate these applications.

The EORT has 21 members. The members were selected with several qualifications in mind:

- Familiarity with education and outreach grant proposal writing and/or reviewing; experience with OWEB's process was helpful but not required;
- An understanding of outcomes-based educational planning in watershed awareness and education; and
- A willingness and ability to look at both the "big picture" of programmatic goals as well as the details of budgets and project management.

The EORT met on December 4, 2008, and scored each of the Education and Outreach applications using the following five criteria:

1. **Audience.** The proposal demonstrates a clear understanding of the audience's needs, applies appropriate learning strategies, and addresses barriers to learning.
2. **Activities.** The proposed activities are well-defined and will lead toward the outcomes described.
3. **Outcomes.** The end products and outcomes of this proposal provide educational and informational materials, have the potential to be accomplished successfully, and are supported by a well-considered budget.
4. **Project Evaluation.** The project incorporates evaluation for program improvement and effectiveness.
5. **Importance.** The project provides a valuable investment in furthering the broader goal of developing and maintaining healthy watersheds by promoting public awareness and involvement in the watershed enhancement program.

By the time of the January Board meeting, all RRTs will have reviewed the Education and Outreach grant applications within their regions. Staff will combine the evaluations of the RRTs and EORT in developing funding recommendations for the Board's consideration at the March meeting.

C. Communications and Message Refinement

OWEB is now accepting proposals to develop a marketing and messages plan for a multi-year public awareness and information plan on voluntary cooperative conservation projects to restore Oregon's watersheds. This implementation plan will serve as the basis for all media and communications to promote public awareness and involvement in the agency's watershed enhancement program. The work will take place between January 22, 2009, and September 30, 2009. The successful candidate will work directly with the Executive Director and Communications Coordinator, but also more broadly with the OWEB Board and key stakeholders. Staff plan to have the successful candidate selected by the time of the January Board meeting. If this is accomplished, staff will introduce the lead representative(s) to the Board at the meeting.

IV. Recommendation

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



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

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www.oregon.gov/OWEB



December 31, 2008

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager

SUBJECT: **Agenda Item Q: Grant Solicitation for April 2009
January 21-22, 2009 OWEB Board Meeting**

I. Introduction

This report proposes the Board revise the 2007-2009 grant cycle schedule to allow staff to solicit grant applications for Technical Assistance for the upcoming April 20, 2009, deadline. The Board will consider grant awards for this solicitation at its September 2009 meeting. Staff will propose a grant cycle schedule for the full 2009-2011 biennium at the June 2009 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 2007, the Board adopted a grant cycle schedule for the 2007-2009 biennium. For the April 20, 2009, grant deadline, the schedule currently includes a solicitation of Restoration and 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 2009-2011 biennium. As discussed in Agenda Item E, Legislative and Budget Overview, Lottery revenues are diminishing, the Governor's Recommended Budget for OWEB includes reductions in capital and non-capital funding, and there is uncertainty about the availability of Pacific Coastal Salmon Recovery Funds.

Even if capital grant funds are reduced in the final 2009-2011 budget adopted by the Legislature, we expect there will still be significant capital funds available for restoration and acquisition grants. 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 support technical assistance as guidance to capital project development.

IV. April 20, 2009 Grant Cycle

Even though OWEB's 2009-2011 budget is not yet known, staff recommend soliciting Technical Assistance grant applications on the April 20, 2009, deadline for Board consideration at the September 2009 meeting. Staff are not suggesting a Board reserve of the 2009-2011 non-capital funding at this time. Staff will propose a non-capital spending plan, and Technical Assistance funding recommendations that follow the proposed plan, at the September 2009 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 June and September Board meetings.

V. Recommendation

Staff recommend the Board revise the 2007-2009 grant cycle schedule to add the solicitation of Technical Assistance applications to the April 20, 2009, grant application deadline.



Oregon

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January 6, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item R: Other Business**
Brownsville Dam Grant Amendment
January 21-22, 2009 OWEB Board Meeting

I. Introduction

This report requests Board approval to reallocate funds and to amend an existing grant award for the removal of the Brownsville Dam and replacement of the water diversion facility.

II. Background

In December of 2004 the Board awarded \$40,833 to the Calapooia Watershed Council to develop designs for the removal of Brownsville Dam (#204-506). In September of 2006, the Board awarded \$577,527 for the removal of the dam and replacement of the water supply for the City of Brownsville ditch (#207-091). The dam has been successfully removed and the work is highlighted on the Small Dam Removal Effectiveness Monitoring page of the OWEB web site at www.oregon.gov/OWEB/MONITOR/monitor_smalldams.shtml. By all accounts, the project has been successful and is being monitored to determine the ecological outcomes of removing a small dam.

The experience gained from the project has led to the *Small Dam Removal Guide in Oregon - A Guide for Project Managers* publication, which provides guidance on dam removal. A copy of the report will be distributed at the Board meeting.

III. Proposed Action and Fiscal Effect

The project manager has recently been faced with unanticipated expenses that are of no fault of the Calapooia Watershed Council. The Oregon Department of Fish and Wildlife changed the pump screening requirements from the time that the project was permitted. Approximately \$36,080 in additional funds is now needed to complete the project. (Attachment A)

Completion of the pump station is a critical commitment the council made with the community. The project will require additional funds now in order for it to be completed on schedule this spring. OWEB staff propose funding this purpose by using funds previously committed by the Board to fund Salmon Season State of Emergency grants. There are remaining unexpended funds in the Salmon Season State of Emergency program and demand has significantly declined.

The reallocation will essentially close out the remaining salmon emergency funding. The proposed action will not affect the funding allocations or budget items discussed in other agenda items.

IV. Recommendation

Staff recommend the Board approve amending grant #207-091 by adding \$36,080 from previously allocated funds.

Attachment

- A. Calapooia Watershed Council letter

Calapooia Watershed Council
P.O. Box 844
Brownsville, OR 97327

Oregon Watershed Enhancement Board
c/o Ken Bierly
775 Summer Street NE, Suite 360
Salem, OR 97301

January 1, 2009

Dear OWEB Board,

The Calapooia Watershed Council (CWC) requests additional funding to complete the Brownsville Dam and Pump Station Installation Project (OWEB GA #207-091-5193). The amount of this request is \$36,080.00 to be divided between the existing grant categories as follows:

\$31,800.00 Contracted Services
\$1,000.00 Project Management
\$3,280.00 Fiscal Administration

The CWC successfully implemented the Brownsville Dam removal project in August/September 2007. In order to satisfy the Brownsville community's need for water in the historic canal that runs through town and to meet existing water rights, a pump station was chosen as the preferred alternative to the dam. When the CWC wrote the original OWEB grant that funded roughly 65% of the cost of project final design and implementation, the grant was predicated on the design concept that the water intake for the canal would be an infiltration gallery. The estimated cost for installing this system was \$90,000 and was included in the original OWEB grant.

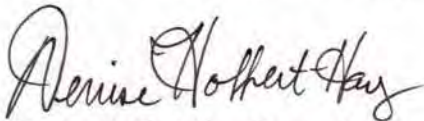
The CWC utilized a technical team during 2006 and 2007 to provide input and support for the engineering design and permitting phases of the entire project. Representatives of most state and federal natural resource agencies participated. Through this process, NOAA Fisheries and Oregon Department of Fish and Wildlife (ODFW) made clear that the original concept of an infiltration gallery would not receive permits. The main reason NOAA and ODFW rejected this design is that in their experience perforated pipes do not perform well over time and have a history of becoming clogged with sediment and no longer functioning as designed. Their preferred alternative was to install a vertical fixed plate screen with a gravity intake. Water is supplied to a pump vault buried in the existing parking lot. Water is then pumped from the vault to the existing canal. The project consultants developed the design for this alternative and an estimated budget for installation. Costs for engineering the design of this system were more than double those for the infiltration intake design. The total cost of installing this system will be over \$400,000.

The project consultants and technical advisory team all agreed it was best to wait one year following the dam's removal to install the pump station. This allowed the Calapooia River to move the bulk of the stored sediment from the former dam site and to ensure the chosen location for the fish screen and intake would maintain the necessary pool elevation to ensure the pump station would have water.

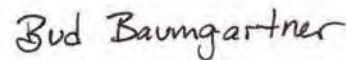
The fish screened intake and pump station portion of the project went out to bid in February 2008. The project bids all came in well over the CWC's available budget. The project consultants who designed the system and the preferred bidders worked to reduce costs by making changes to the materials used in the pump station construction and changing the configuration of the system. These changes brought down the costs, but additional funding was still needed to close the gap. The CWC applied for and received funding from ODFW's Fish Screen and Passage program. As part of the ODFW grant review process, the project design received additional review from the ODFW Engineering Shop. During this review, ODFW requested changes to the fish screen cleaning system to include additional nozzles and increased water pressure that required completely redesigning the sprayer array and pipe sizing to accommodate the increased water pressure. These changes increased the cost of implementing the project. In order to secure the ODFW funding, changes were made to the design. The required changes did not exceed the grant amount the CWC was seeking from ODFW, but it was two steps forward one step back in terms of meeting project costs.

Rather than seek additional funding yet again before beginning construction and possibly losing the 2008 in-water work window, the CWC and project consultants split the pump system project into two pieces: in-water and construction work to be completed in 2008 and out of channel work that could be completed in 2009 when additional funding becomes available. This would allow the system to function and provide flow to the canal during the 2009 irrigation season and prevent the Brownsville community from experiencing another year without water in the canal – as has been the case since the dam flashboards were removed for the final time in August 2007. OWEB funding for this final phase of the project will include work that is necessary to begin start-up of the system next summer.


Thank you for your consideration,



Denise Hoffert-Hay, Project Manager



Bud Baumgartner, Council Co-Chair

by 

APPROVED BY THE BOARD MARCH 18, 2009
Oregon Watershed Enhancement Board
January 21, 2009
OWEB Board Meeting
Salem, Oregon

Minutes

OWEB Members Present

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

OWEB Staff Present

Bonnie Ashford
Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Carolyn Devine
Sue Greer
Wendy Hudson
Melissa Leoni
Greg Sieglitz
Cindy Silbernagel

Others Present

John Moriarty
Nan Evans
Bruce Taylor
Dick Springer
T.J. Woodley
Nicole Duplaix
Jackie Hastings
Michael Cairns
Jean Reiher
Eric Harblen
Tara Putney

*Other OWEB staff attended portions of the meeting since it was held in the State Lands Building where OWEB's offices are located.

Members Not Present

Jim Nakano

A. Board Member Comments

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

B. Board Co-Chair Election

Board Co-Chair Diane Snyder provided background information on how the Board has elected Co-Chairs in the past and described the decisions facing the Board: 1) to select a chair or co-chairs; and 2) to formally elect a chair or co-chairs. She also reported that in a conversation with Director Byler, Dan Heagerty expressed interest in serving another term as co-chair.

After a brief discussion, *Board members unanimously approved:*

1. *to continue the practice of Board co-chairs; and*
2. *to elect Dan Heagerty to serve as Board co-chair for a two-year term.*

C. Minutes

Minutes of the September 16-17, 2008, Board meeting in Klamath Falls were unanimously approved.

D. Executive Director Update

Executive Director, Tom Byler, summarized the following items that were provided to Board members as part of their meeting notebook:

1. Biennial Conference Recap
OWEB's 10th Biennial Conference "Working for Healthy Watersheds – Climate Change and Watershed Resilience" was held November 5-7, 2008, in Eugene. The conference was organized around the theme of climate change. A conference evaluation summary was provided to Board members as part of the staff report.
2. 2009-2011 Watershed Council Support
The watershed council support application deadline is January 30, 2009. Staff have been working with the Board Council Support Subcommittee to discuss the application and evaluation process and funding allocation alternatives in preparation for the June 2009 funding decision.
3. October 20, 2008, Grant Cycle Update
A total of 233 grant applications were submitted to OWEB on its October 20, 2008, deadline. This was the second largest number of applications OWEB has received for a grant cycle. The amount of funds requested far exceeds the funding available for this cycle. Based on the regional review team recommendations, and taking into account available funding, staff will develop funding recommendations for the Board's March 2009 meeting.
4. OWEB Information Security Plan
Staff attended a DAS-sponsored training on developing information security plans in October of 2008. Staff have identified a process and a timeline for developing and implementing the plan for OWEB. The final plan is due to DAS by July 30, 2009.
5. Measure 66 Audit Update
The Secretary of State's Office Audit Division completed a constitutionally required audit of Measure 66 funding, which included a review of effectiveness and performance at OPRD and ODFW and a review of financial integrity at all six state agencies that received Measure 66 funds during the 2005-2007 biennium (OWEB and OPRD, and the Departments of Agriculture, Environmental Quality, Fish and Wildlife, and the State Police Fish and Wildlife Division).

Findings indicated that OWEB expended Measure 66 funds in compliance with the Constitution, and classified and recorded expenditures appropriately. The audit also showed an imbalance in the 65%-35% split for capital and non-capital funds which will need to be balanced prior to 2014. The audit stated that OPRD could improve reporting accuracy for facilities maintenance backlog, ODFW could improve reporting accuracy and expenditure classification, ODA showed classification improvement, and OWEB, OSP, and DEQ were in compliance. OWEB staff are continuing to work with ODFW and ODA on proper reporting of Measure 66 funds.

6. 2007-2009 Oregon Plan Biennial Report
As required by statute, OWEB distributed the 2007-2009 Oregon Plan Biennial Report to the Governor and appropriate legislative committees by January 15. Although the report was slightly rearranged, it generally followed the same format of previous reports by having the core of the report be two-page layouts for each of the 15 Oregon Plan reporting basins.
7. Wetlands Investment Update
Updates were provided on two wetland-related initiatives recently undertaken by the Monitoring and Reporting Program.

Digitization of National Wetlands Inventory Maps

In October 2008, Oregon Corrections Enterprises (OCE) completed the digitization of 242 NWI maps. OCE is currently digitizing 481 NWI maps that cover southeastern Oregon, and expect completion by May of 2009. The anticipated time these wetland maps will be available on the USFWS NWI website is September of 2009.

Compliance and Effectiveness Monitoring of Wetlands Projects

In September 2008, OWEB was awarded \$342,281 by EPA to create the framework for an Oregon Wetland Monitoring and Assessment Program. The project will occur initially in the Willamette Valley which is intended to complement and inform investments made by OWEB. The three partners (OWEB, Department of State Lands, and The Xerces Society) met to set work priorities, and schedule field work for spring of 2009 with results from the first year of sampling expected in late September of 2009.

8. CREP Update
OWEB staff formed a CREP work group to examine issues associated with CREP and develop recommendations for the Board to use when considering the allocation of funds for the coming biennium. The work group is staffed by Ken Bierly and Melissa Leoni. Updates will be provided at the March and June Board meetings.
9. 2008 Coastal Wetlands Grants
In June of 2007, OWEB submitted four applications on behalf of our coastal partners for project funding under the U.S. Fish and Wildlife Service National Coastal Wetlands Grant Program. On January 9, 2008, the Secretary of the Interior announced the awards that included all four applications submitted by OWEB totaling approximately \$2.2 million with a proposed total state match of just over \$1 million.

E. Legislative and Budget Overview

Tom Byler, Executive Director, provided updates on the proposed 2009-2011 Governor's Recommended Budget (GRB) for OWEB. The GRB is based on the December 2008 revenue forecast and reflects the Governor's spending priorities based on available revenues. The GRB is the starting point for legislative consideration of individual state agency budgets. Director Byler summarized highlights of OWEB's GRB which includes the following policy packages:

1. **Program Continuity** – Package 100, 7.0 FTE. This package requests the continuation of seven limited duration positions from the 2007-2009 biennium. The positions are:
 - Office Specialist 2 (permanent)
 - Accountant 1 (permanent)
 - PCSRF reporting specialist (NRS 2 limited duration)
 - Business Application Specialist (ISS 7 limited duration)
 - Data Management and Information Specialist (NRS 3 limited duration)
 - Oregon Plan Communications Coordinator (PAS 2 limited duration)
 - Operations Policy Analyst (OPA 1 limited duration)
2. **PCSRF Grants** – Package 130. In combination with existing base budget levels, this package brings the total proposed funding for PCSRF to \$15 million.
3. **Capital Grants** – Package 200, \$54.8 million for restoration and acquisition grants.
4. **Research and Development Grants** – Package 300, \$5.4 million. Funding for operating grants is \$1.9 million and funding for capital grants is \$3.5 million.
5. **Program Enhancements** – Package 150, 4.0 FTE. This package requests four new positions to advance our mission and additional responsibilities. The positions are:
 - Regional Program Representative (NRS 4 limited duration)
 - Office Specialist 2 (limited duration)
 - Partnership Investment Coordinator (NRS 4 limited duration)
 - Partnership Investment Specialist (NRS 3 limited duration)

These positions will help OWEB address workload demands of our field staff by adding a Regional Program Representative to serve an area on the west side of the Cascades. The two Partnership Investment positions will provide needed program support for OWEB's portfolio of activities under the Partnership Investments program area. These include staffing salmon recovery plan implementation, Special Investment Partnerships, the Conservation Reserve Enhancement Program, the Whole Watershed Restoration Initiative, and other OWEB investment areas that are not carried out through the regular grant program process. The Office Specialist position would support staff in the Monitoring and Reporting and Fiscal sections. Neither section currently has administrative support.

6. **Local Capacity Support** – The GRB proposes to maintain the base level of funding for the capacity of watershed councils and soil and water conservation districts established in the 2007-2009 biennium, at \$5 million each. The funding sources include a combination of Measure 66 non-capital and PCSRF funds.

Board members discussed the accountability of other state agencies who receive Measure 66 funds. They asked staff to work with other M66 agency directors to come to Board meetings and tell how they spend those funds. All recognized the importance of getting the stories told leading up to 2014.

Bruce Taylor, Defenders of Wildlife, and Nan Evans, The Nature Conservancy, explained the proposed Watersheds and Wildlife Conservation Act of 2009. They have been meeting with Measure 66 agencies and stakeholders, and plan to submit the proposed legislation to the legislature. They refer to it as a “renewal not reauthorization” of Measure 66. They believe that this bill will strengthen Measure 66 with Oregon’s voters with the addition of climate change and wildlife conservation. They currently see the Oregon Plan as relating more to fish and watersheds than conservation.

The Board discussed forming a subcommittee to work with staff on the legislative concept if a bill is developed.

F. Budget and Spending Plan Update

Tom Byler, Executive Director, updated Board members on the effects of the economic downturn as it relates to OWEB’s 2007-2009 budget. Most of the proposed budget cuts have been to agencies that are funded from the General Fund. Most of OWEB’s funding comes from federal funds and constitutionally dedicated Lottery revenues. Lottery revenues have declined but have not yet dipped below projected levels for the biennium. If Lottery revenues continue declining, OWEB may face budget cuts this biennium.

Staff will know more after the March and May revenue forecasts and will continue to brief Board members at future meetings.

G. Policy Issue Discussion

Melissa Leoni, Senior Policy Coordinator, and Ken Bierly, Deputy Director, updated Board members on four policy issues, including: (1) the efforts to clarify agency policy on the use of Measure 66 capital funds for mitigation or legally required activities; (2) invasive species management; (3) water conservation projects; and (4) working lands conservation easements.

The issues have been identified in discussions with Board Subcommittees, Board meetings, and among staff. They are complex issues that could have a significant affect on OWEB’s programs.

A proposed schedule was provided with the mitigation policy issue being the first identified for Board consideration and action. The other three will continue to be discussed by staff and will be brought for Board consideration later in 2009. The Board discussed the draft mitigation policy attached to the staff report. Staff will return to the March meeting with a revised policy for Board consideration.

H. Public Comment

- Dick Springer, West Multnomah SWCD, worked for the legislature for 16 years, wants to know how the West Multnomah SWCD can participate in the Willamette SIP.
- T.J. Woodley, Klamath SWCD, supported continuing funding for the Small Grant Program. He made specific suggestions about the management of the Small Grant program.

I. Partnership Investments – Special Investment Partnerships

Staff briefed the Board on the current status of the approved Special Investment Partnerships (SIP). The Deschutes partners explained their progress and staff discussed the status of the Willamette SIP.

Deschutes SIP

The following partners were at the Board meeting to update Board members on progress made with the Deschutes SIP:

- Brad Nye, Deschutes Land Trust
- Tod Heisler, Deschutes River Conservancy
- Ryan Houston, Upper Deschutes Watershed Council

Willamette SIP

The following were at the Board meeting to update Board members on progress made with the Willamette SIP, and the new partnership between OWEB and the Meyer Memorial Trust:

- Paula Burgess OWEB Contractor
- Pam Wiley and Eric Jones, Meyer Memorial Trust

J. Middle Willamette Local Partner Presentations

The following representatives of local groups provided Board members with a brief presentation about their work in the Willamette Basin.

- Tara Putney, Calapooia WC
- Liz Redon and Erica Lang, North Santiam WC
- Eric Hartstein, South Santiam WC
- Tim Stieber, Yamhill SWCD
- Jackie Hastings, Polk SWCD
- Jean Reiher, Yamhill Basin Council
- Nicole Duplaix, Luckiamute WC
- Charles Redon, Rickreall and Glenn-Gibson Creeks WC

APPROVED BY THE BOARD MARCH 18, 2009
Oregon Watershed Enhancement Board
January 22, 2009
OWEB Board Meeting
Salem, Oregon

Minutes

OWEB Members Present

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

OWEB Staff Present

Bonnie Ashford
Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Carolyn Devine
Sue Greer
Wendy Hudson
Melissa Leoni
Greg Sieglitz
Cindy Silbernagel

*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

Michael Gaudern
Jo Morgan
John Moriarty
Jim Paul
Alan Horton
Joe Whitworth
Brett Brownscombe
Greg Apke
Chris Jarmer
Duncan Berry
Jim Cathcart
Ed Hodney
Karlene McCabe
Owen Wozniak

Members Not Present

Jim Nakano

K. Oregon Parks and Recreation Department Presentation

Tim Wood, Director, Oregon Parks and Recreation Department, talked about his agency's use of Measure 66 funding and their approach toward 2014. Director Byler will be presenting at the Parks Commission meeting the following week.

L. Partnership Investments

The Board Partnership Investments Subcommittee met in November to discuss the progress of existing partnerships, evaluate the significant level of interest in partnerships around the state, and possible effects of a curtailed budget next biennium. OWEB staff have been approached by or have had discussions about as many as 13 additional partnership efforts ranging from biomass to carbon markets to geographic specific efforts. Staff expect to continue discussions on the following two partnership opportunities for a potential future role with OWEB: Upper Klamath Basin Keystone Initiative of the National Fish and Wildlife Foundation and Lower John Day Sustainable Communities Initiative.

Ken Bierly, Deputy Director provided an update on the partnerships listed below:

- Whole Watersheds Restoration Initiative
OWEB and the U.S. Forest Service started a partnership in 2006 to encourage restoration in geographic priority areas. OWEB funds have been fully allocated to 2008 projects. A project solicitation was held in October 2008 for 2009 projects that we expect will be awarded in early 2009.
- Oregon 150 Grants
In 2007, OWEB committed \$1 million in a joint effort with ODFW to support the Oregon Sesquicentennial celebration by funding projects that benefit Oregon Symbol species (American Beaver, Western Meadowlark, Oregon Swallowtail, and Chinook Salmon). In two separate solicitations, a total of 16 grants were awarded.

He also introduced the following who explained their project(s) and are seeking potential partnerships with OWEB in the future:

- StreamBank
Louise Solliday, Director, Department of State Lands
Alan Horton and Joe Whitworth, Oregon Trout
- Forest Carbon Marketing
Michael Gaudern, Woodlands Carbon Company
Jim Cathcart, ODF Small Woodlands Association
Duncan Berry, The Coastal Wetlands Initiative

L-1. Oregon Plan Products

Greg Sieglitz, Monitoring and Reporting Program Manager, and Renee Davis-Born, Data Analyst and Information Specialist, briefed Board members on three specific Oregon Plan Products, which were identified as high priority items to be funded with a \$650,000 reserve by the Board at the September 2008 meeting. Due to current budgetary constraints, Staff did not seek approval to fund these projects, but wanted to continue discussions for future consideration of the following:

A. Data Management System for Fish-Passage Barriers and Habitat

Fish passage barrier removal projects comprise a significant number of the total of on-the-ground accomplishments under the Oregon Plan. In the last 10 years, OWEB awarded over \$28 million in grant funds for 131 of these projects. This project would fund data management for information gathered on fish passage barriers from other government agency databases (OWEB's OWRI, Water Resources Department, U.S. Forest Service) and watershed council and soil and water conservation district data inventories, and incorporate the data into the ODFW fish passage barrier database.

B. Stream Flow Measurement with Oregon Water Resources Department

Since the 2007 legislative session, OWEB and WRD have been involved in discussions about the importance of upgrading, installing, and maintaining Oregon's network of stream gauges. Funding for this project is currently part of the Governor's Recommended Budget, fits in well with discussions of the recently formed Flow Conservation Work Group, and is expected to be part of legislative discussions this session.

C. Watersheds Research Monitoring Equipment

OWEB staff were recently contacted by the Oregon Watershed Research Cooperative on funding monitoring equipment replacement and repair for three paired-watershed study areas (Trask, Hinkle, and Alsea river basins) previously funded by the Board. The WRC is a public-private consortium comprises of state and federal agencies and private forestry interests. The WRC requests partial funding at \$13,835 per year from OWEB through 2017. OWEB will continue working with the WRC to refine the timing of their request.

M. Monitoring and Research Program

Greg Sieglitz, Monitoring and Reporting Program Manager, and Renee Davis-Born, Data Analyst and Information Specialist, introduced this item to update Board members on activities of the Board Monitoring and Research Subcommittee (Meta Loftsgaarden, Ken Williamson, and Bobby Brunoe, staffed by Greg Sieglitz and Courtney Shaff).

A. Coastal Storm Assessment Report

George Taylor and Dr. Michael J. Harte, OSU Sea Grant, explained the results of the evaluation of how the December 2006 coastal storm affected OWEB-funded restoration projects to the Board.

B. Research Priorities and Research Solicitation Processes

OWEB offered its first open solicitation for research grants in 2007 and awarded funding to nine projects in September 2008. Also at that time, the Board adopted an approach to developing specific research priorities. Staff had anticipated soliciting research proposals in the spring of 2009, but due to potential revenue reductions, may look toward having a more narrowly focused solicitation. Staff will work with the Monitoring and Research Subcommittee and report back to the Board this spring.

C. Agency Investments in the Wetland Effectiveness Monitoring Program

(See also Agenda Item D-7.)

In September 2008, OWEB was awarded \$342,281 by EPA to create the framework for an Oregon Wetland Monitoring and Assessment Program. This project is intended as an initial step toward a comprehensive wetlands strategy by applying the Oregon Rapid Wetlands Assessment Protocol (ORWAP) to develop detailed effectiveness monitoring to assess wetlands quality and evaluate restoration and mitigation success.

Staff recently conducted a Request for Proposals and selected a wetlands contractor to conduct the field work during the next two field seasons. The EPA grant provided \$63,000 for the field work. Although this staff report does not request funding, staff may return to the March meeting with a funding request to have sensitive wildlife species included in the monitoring. The species were featured in the Oregon Comprehensive Wildlife Conservation Strategy and would add significant value and understanding to the overall wetland evaluation project. The \$30,000 needed would come from an existing \$375,000 reserve for effectiveness monitoring.

N. Public Comment

- Ed Hodney, Director of Parks and Recreation, City of Albany, shared information on Albany's enhancement projects, specifically the Simpson Park wetlands project and

described the East Thornton Lake Nature Area, a proposed OWEB acquisition (Application No. 209-111).

O. Deferred Acquisitions

Ken Bierly, Deputy Director, and Miriam Hulst, Acquisitions Specialist, updated Board members on the status of previously pending land acquisition grant applications and provided an update on the status of U.S. Fish and Wildlife Service National Coastal Wetlands Grants for land acquisition.

Eleven acquisition applications were received in the October 2008 grant cycle requesting a total of \$8,741,462. They are currently being evaluated for ecological and educational merit by the appropriate regional review team.

Big Creek Acquisition (209-105)

Due diligence for this project is almost complete and staff expect to recommend the project for Board funding at the March Board meeting.

Coastal Wetlands Grants for Land Acquisition

The 2008 Coastal Wetlands Grants for the Yaquina and Alsea land acquisitions are held up by due diligence issues, although both acquisitions appear likely to proceed soon and may be ready for Board consideration at the March 2009 meeting.

P. Communications Update

Carolyn Devine, Communications Coordinator, worked with the Board Education and Outreach Subcommittee (Jim Johnson, Meta Loftsgaarden, and Patricia Smith) to develop goals and outcomes for the communications implementation plan. The proposed goal and outcomes are:

Goal

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

Outcomes

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

Staff and the Subcommittee have focused on the following:

- Biennial Conference
- Education and Outreach Review Team
- Communications and Message Refinement

Staff developed a Request for Proposals for a contract to assist with development of a communications implementation strategy. Gard Communications had the successful proposal and were at the Board meeting to introduce themselves. Luciana Johnson is the project manager, and Scott Sparling is the Principle in Charge. They plan to work closely with the Board as well as staff and stakeholders.

Q. April 2009 Grant Cycle

Lauri Aunan, Grant Program Manager, requested Board approval to revise the 2007-2009 grant cycle schedule to allow staff to solicit grant applications for Technical Assistance for the upcoming April 20, 2009, deadline. With the prospect of significant capital funds next biennium, staff believe that technical assistance is one of the best uses of limited non-capital funds. Realizing the importance technical assistance plays in the guidance to capital project development, staff felt it was important to offer a Technical Assistance solicitation in the upcoming cycle.

Board members unanimously approved revising the 2007-2009 grant cycle schedule to add the solicitation of Technical Assistance applications to the April 20, 2009, grant application deadline.

R. Other Business

Brownsville Dam Grant Amendment

In December of 2004, the Board awarded the Calapooia Watershed Council \$40,833 to develop designs for the removal of Brownsville Dam. In September 2006, the Board awarded \$577,527 for the removal of the dam and replacement of the water supply for the City of Brownsville ditch. The dam has been successfully removed however; the Council is now faced with additional expenses due to unanticipated agency requirements regarding pump screening making an additional \$36,080 needed to complete the project.

Director Byler allocated \$7,000 in non-capital funds to this project using funds previously allocated by the Board with authority to determine their use delegated to the director.

Board members unanimously approved to amend grant #207-091 to add \$29,080 in capital funds previously allocated by the Board for Salmon Emergency projects.

Ecosystem Workforce Program

Due to the economic downturn, and the possible availability of federal stimulus money, OWEB staff requested Board approval to contract with the University of Oregon to prepare an estimate of the economic impact and job creation from OWEB's restoration investments. Contact has been made with the University of Oregon Ecosystem Workforce Program to conduct this study.

Board members unanimously voted to allocate \$75,000 of non-capital research funds to support the research, analysis, and development of a model to demonstrate the relationship between watershed restoration investments and local economic impacts and job creation. They also unanimously voted to delegate to the Executive Director the authority to distribute these funds through the appropriate interagency agreement, personal services contract, grant agreement or personnel hire.

Having no further business, the meeting was adjourned.



Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board
March 18-19, 2009

Jefferson III Conference Room
Red Lion Hotel Salem
3301 Market Street NE

*Directions: From I-5: Take exit #256 to Market Street.
Turn west on Market Street and the hotel is located less than 2 blocks on your right side.*

Wednesday, March 18, 2009

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items F, I, and O), 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 21-22, 2009, 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. Legislative and 2009-2011 Budget Update

Tom Byler, Executive Director, and Melissa Leoni, Senior Policy Coordinator, will update the Board on the 2009 legislative session and the 2009-2011 budget process. Director Byler will also give the Board an update on federal and state stimulus funding initiatives and the economic impact of OWEB investments. *Information item.*

E. 2007-2009 Budget and Spending Plan Update

Tom Byler, Executive Director, will update the Board on the status of the OWEB 2007-2009 budget and spending plan. *Information item.*

F. 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 March 11, 2009, deadline. The Board encourages persons to limit comments to no more than five minutes.

G. Board Consideration of Pending Grant Applications

The Board will consider grant applications submitted by the October 24, 2008, application deadline. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

H. Oregon Plan Products

Renee Davis-Born, Monitoring Data Analyst, will update the Board on pending Oregon Plan Product investments and request funding for the Oregon Department of Fish and Wildlife fish passage inventory database and Oregon Watersheds Research Cooperative equipment. *Action item.*

I. Public Comment [approximately 3:30 p.m.]

This time is reserved for public comment on any matter before the Board.

J. Effectiveness Monitoring

Courtney Shaff, Grant Program Coordinator, and Sarah Miller, Effectiveness Monitoring Specialist, will update the Board and request funding for two projects within the OWEB Effectiveness Monitoring program: the Oregon Wetland Monitoring and Assessment Program and Savage Rapids Dam effectiveness monitoring. *Action item.*

K. Research Priorities

Greg Sieglitz, Monitoring and Reporting Program Manager, will update the Board on efforts to identify research priorities and focus areas, and request allocation of funding for research priorities. *Action item.*

Thursday, March 19, 2009**Business Meeting - 8:00 a.m.**

During the public comment periods (Agenda Items F, I, and O), 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.*

L. CREP Partnership Investment

Ken Bierly, Deputy Director, Larry Ojua, Department of Agriculture, and Lois Loop, Farm Services Agency, will brief the Board on the work of the Conservation Reserve Enhancement Program (CREP) Work Group related to program coordination, technical assistance, and program financing. *Information item.*

M. Mitigation Policy Adoption

Melissa Leoni, Senior Policy Coordinator, will discuss draft policy guidance related to the eligibility of and preference for restoration grants under OAR 695-010-0040 that may be considered mitigation projects or legally required actions. *Action item.*

N. Coastal Wetlands

Miriam Hulst, Acquisitions Specialist, and Ken Bierly, Deputy Director, will describe the proposed process for identifying potential OWEB proposals to submit to the U.S. Fish and Wildlife Service (USFWS) for 2010 Coastal Wetlands Grants, and will request Board authorization to enter into the appropriate grant agreements for the 2009 Coastal Wetlands Grant awards for two acquisition projects. *Action item.*

O. Public Comment [approximately 10:00 a.m.]

This time is reserved for public comment on any matter before the Board.

P. Communications Strategy Implementation

Carolyn Devine, Communications Coordinator, and Luciana Trevisan Johnson, Gard Communications, will update the Board on implementation of the OWEB Communications Implementation Strategy. *Information item.*

Q. Partnership Investments

Ken Bierly, Deputy Director, will update the Board on discussions of the Partnership Investments Subcommittee for moving forward with current and potential partnerships, including the Special Investment Partnerships (SIP). *Information item.*

R. Oregon Water Roundtables Presentation

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

S. 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 pending grant applications will be held on Wednesday, March 18, at 10:45 a.m. 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 11, 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, March 18 at 3:30 p.m. and Thursday, March 19, at 10:00 a.m. 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

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

Non-voting Members

Representative of NMFS: *Kim Kratz*
Representative of Oregon State University Extension Service: *James Johnson*
Representative of U.S. Forest Service: *Jose Linares*
Representative of U.S. BLM: *Miles Brown*
Representative of U.S. NRCS: *Meta Loftsgaarden*
Representative of U.S. EPA: *Dave Powers*

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

2009 Board Meeting Schedule

June 2-3, Willamette Valley
September 15-16, Wallowa County

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

March 18-19, 2009 OWEB Board Meeting Executive Director Update #C1: Watershed Council Support Update

Current Status

OWEB received 63 council support applications on the January 30, 2009, deadline requesting \$8,746,029. Applications included requests from two watershed councils that have never before applied to OWEB for council support funding: the Molalla River Watch in Region 3 and Upper South John Day Watershed Council in Region 6.

On February 10 and 12 OWEB held trainings for the 15 council support reviewers. The review team includes resource professionals from each of OWEB's six regions and statewide members. The reviewers have been scoring the applications individually and submitted their scores to OWEB by March 5, 2009.

The review teams meet March 9 - 12 for two facilitated review sessions to develop "consensus scores." Reviewers' individual scores will be used to develop consensus scores during the review sessions. Applications are scored on eight criteria taking into consideration a council's organization and governance structure; commitment to improvement; presence of a management structure; fiscal responsibility; leadership role within the watershed, including collaboration with partners; planning process; and progress towards council goals.

OWEB will use the review team's consensus scores to create a merit score and merit category placement for each application. The merit score and merit category distribution will be evaluated by staff and the Board Council Support Subcommittee. Grant awards to councils will be based on (1) an applicant's merit category, (2) whether OWEB decides to award bonuses for umbrella or multiple councils or other factors, and (3) available funding.

Staff Contact

If you have questions or need additional information, please contact Courtney Shaff, at courtney.shaff@state.or.us or 503-986-0046, or Lauri Aunan at lauri.aunan@state.or.us or 503-986-0047.

March 18-19, 2009 OWEB Board Meeting Executive Director Update #C2: SIP Update

Background

In 2008, the Board allocated \$10 million for two Special Investment Partnerships (SIP).

Deschutes SIP

In January of 2008, \$4 million was allocated to a partnership with four local groups and the operators of the Pelton Fund (the Confederated Tribes of the Warm Springs Indian Reservation and Portland General Electric). The Deschutes SIP was dedicated to projects that will enhance the habitat and access for anadromous fish reintroduced above the Pelton-Round Butte Dam complex. The Deschutes partners reported to the Board in January of 2009 describing the progress made to date. They are on schedule for allocating the full \$4 million to projects this biennium.

Willamette SIP

In March of 2008, the Board allocated \$6 million to address channel complexity and floodplain connection to the main stem Willamette River. Staff were clear at the time that working on the main stem Willamette would take significant effort and more attention than the Deschutes partnership. At the time OWEB adopted the Willamette SIP, staff were negotiating with the Meyer Memorial Trust as a funding partner.

Since the adoption of the Willamette SIP, OWEB and Meyer Memorial Trust have been cooperating on joint efforts to engage both public and private landowners in the effort to address common interests. While the Willamette SIP is proceeding more slowly, recent activities indicate a concurrence of interests. Attachment A identifies the recent activities of the Willamette SIP.

Staff Contact

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

Willamette SIP Status Report

February 6, 2009

MOAs

1. State Agency agreement signed (by OPRD, DOGAMI, DSL, and OWEB)
2. Funding partners agreement signed (by Meyer Memorial Trust, OWEB)

Proposals reviewed

1. Stephens Creek Confluence (City of Portland)
2. Mission Slough (Willamette Riverkeeper, OPRD)
3. South Meadow at Buford Park (Friends of Buford Park)

Review Team Discussion

1. Role of Review Team in project development
2. Discussion of approach to Mission Slough project
3. Development of Project Development Criteria
4. Discussion with City of Portland

Willamette River Photo Atlas

The Atlas has been completed and distributed.

Awards

1. **Stephens Creek Confluence: \$199,060.** Grant agreement is signed. Project is completed (see attached photographs).
2. **Mission Slough: \$908,370 in OWEB funds.** Grant agreement is signed. MMT has funded \$196,258 for pre-implementation work. Willamette Riverkeeper has been working on the design with River Design Group and reported on their evaluation of existing conditions to the review team. The review team gave Willamette Riverkeeper feedback on approaches that they feel best fit the SIP objectives.
3. **South Meadow at Buford Park, Phase III: \$204,824 in OWEB funds.** Grant agreement is signed. MMT has funded \$69,500 primarily for monitoring to ensure monitoring data is consistent with the SIP objectives.

Total OWEB awards: \$1,312,254

Active Efforts

1. **Scappoose Bottoms (Scappoose Bay WSC, OPRD).** Estimated implementation cost is **\$200,000**. A channel and floodplain re-connection project on OPRD lands. The Scappoose Bay Watershed Council has applied to the Governor's Fund for the Environment for funding for the technical assistance. If funded, staff will work with the council to coordinate the project development with the review team.
2. **Tryon Creek Confluence (City of Portland). \$100,000 in OWEB funds.** An alcove-floodplain project similar to Stephens Creek. This project was discussed with the review team but is not yet ready for full review.
3. **Columbia Slough Confluence (City of Portland). \$100,000 in OWEB funds.** A collection of alcoves with localized floodplain reconnection.

4. **Upper Johnson Creek acquisition (Metro). \$400,000 OWEB funds.** Floodplain reconnection and alcove restoration.
5. **Flood Plain Rock Pits (DOGAMI).** OWEB is working with DOGAMI to identify the opportunity to reconnect and reclaim abandoned aggregate pits along the Willamette River. Ongoing discussions with DOGAMI are exploring the development of an inventory of pits, documentation of their status and evaluating opportunities for floodplain reconnection.
6. **Bowers Rock Floodplain, Phase I (Riverkeeper).** Willamette Riverkeeper has submitted an application to the Governor's Fund for the Environment for a grant to develop a restoration design for the Bowers Rock property.
7. **Rust Property acquisition (Greenbelt Land Trust).** This property is being acquired with BPA funds. The acquisition of an easement on 200 acres of floodplain next to the Little Willamette Slough and near Bowers Rock State Park will allow restoration of currently farmed fields. MMT and OWEB staff will work with Greenbelt Land Trust to fund the development of a restoration design for the property. OWEB funds will be used to implement the design.

New and Previously identified potential projects

1. **Lebanon Pits (DOGAMI, City of Lebanon, S. Santiam WSC). Approx. \$500,000.** Reconnection and restoration of three or more abandoned aggregate pits inside City park land next to the South Santiam River.
2. **Middle Fork pits and floodplain (Middle Fork Willamette WSC). Approx. 300,000.** Reconnection and restoration of between one and three abandoned aggregate pits next to the river and reconnection of a couple hundred acres of floodplain.
3. **Clackamas R. channel, floodplain (Metro, Clackamas WSC). Approx. \$600,000.** Acquisition of an island (1 mile long by 0.5 mile wide) about 2 miles upstream from Carver, re-opening a side channel (1.5 miles long), restoration of floodplain conditions and functions.
4. **Several other projects from the City of Portland** could be ready if we invite their submission this biennium. **Approx. \$400,000.**
5. **Multnomah Channel – Sauvie Island reconnection.** The West Multnomah SWCD and Oregon Department of Fish and Wildlife are exploring the possibility of reconnecting Sauvie Island to the Multnomah Channel.

Ongoing Discussions

1. **"Programmatic" approaches:**
 - a. OWEB has convened a discussion between the Willamette SIP partners and the Willamette BiOp parties. The conversation was structured to identify where common goals lie and explore how joint investment can occur.
 - b. OWEB and MMT have met with NRCS to discuss the opportunity for floodplain easements associated with the Stimulus bill and NRCS programs.
 - c. OWEB is continuing the dialog with DOGAMI and others to explore programmatic measures to integrate abandoned gravel operations into the dynamics of the river.
 - d. OWEB is approaching the City of Portland, Portland Harbor Superfund group to discuss the potential for shared restoration projects.

Lessons learned, adaptive adjustments, etc.:

1. **The effort needs a “spark plug”:** The recent addition to capacity has stimulated connections on a programmatic basin and energized discussions around the Willamette main stem.
2. **Changing existing norms is very difficult:** Changing the thinking about a dynamic river is a significant challenge. Constant reevaluation of principles is critical for the effort.
3. **Challenging Agency Operations is difficult:** This applies to OWEB as well as many of the state and federal agencies. It is difficult for public entities to be flexible and nimble.

Stephens Creek (before)



Stephens Creek (after)





Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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March 5, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director
Melissa Leoni, Senior Policy Coordinator

**SUBJECT: Agenda Item D: Legislative and 2009-2011 Budget Update
March 18-19, 2009 OWEB Board Meeting**

Introduction

This report updates the Board on pending legislation, the 2009-2011 budget process, economic stimulus opportunities, and the preliminary results of a contract with the University of Oregon to prepare an estimate of the economic impact and job creation from OWEB's restoration investments. The report is for informational purposes only.

Pending Legislation

At the January 2009 Board meeting, Nan Evans, The Nature Conservancy, and Bruce Taylor, Defenders of Wildlife, presented an overview of their proposed Watersheds and Wildlife Conservation Act of 2009. The legislative proposal was described as a way to update and strengthen Measure 66 and the Oregon Plan for Salmon and Watersheds with the addition of express considerations to climate change and the wildlife conservation strategy, among other things. At this time, it appears that the bill will not be introduced this legislative session.

The deadline for introduction of bills is occurring at the same time as production of this staff report. Staff are tracking a number of bills that may relate to OWEB or its stakeholders. None of these bills appear to have as direct an impact to OWEB or the Oregon Plan as the legislative proposal contemplated by The Nature Conservancy and Defenders of Wildlife. It is unclear at this time which of the bills may actually move forward through the legislative process. Staff will report to the Board on the final list of bills being tracked at the March meeting.

2009-2011 Budget Process

The first phase of OWEB's 2009-2011 budget hearings is complete. The hearings on OWEB's budget were held on February 18 and 24 before the Joint Ways and Means Subcommittee on Natural Resources. The hearing on February 24 included public testimony. Representatives of watershed councils and soil and water conservation districts, landowners, contractors, and other partners presented testimony in support of the OWEB budget. Co-Chair Heagerty testified on behalf of the Board. All presenters were effective in helping the Subcommittee understand the value of OWEB programs and the connection between restoration projects and local jobs.

Final action on the OWEB and other agency budgets is expected to take place following the May 15 state revenue forecast.

Economic Stimulus

In February, Congress passed the American Recovery and Reinvestment Act of 2009 in an effort to provide federal resources to stimulate job creation and economic growth. The Act contains \$789 billion in total federal funding, and includes a smaller amount of funds that will be distributed by federal natural resources agencies through existing competitive programs to support watershed restoration projects.

OWEB has compiled a \$39 million statewide master list of potential projects that might qualify for federal stimulus funds. There is a considerable effort underway by the federal government to distribute federal stimulus funds to worthy projects as soon as possible. Staff are exploring all opportunities to obtain federal stimulus funds to support local restoration projects in Oregon. More specifically, staff submitted project proposals to the U.S. Forest Service (USFS), and will soon prepare and submit proposals to the National Marine Fisheries Service (NMFS). The USFS and NMFS programs offer competitive grants at a national level.

OWEB's Economic and Job Impacts

Due to the economic downturn, and the possible availability of federal stimulus money, OWEB staff requested Board approval in January to contract with the University of Oregon to prepare an estimate of the economic impact and job creation from OWEB's restoration investments. Board members unanimously voted to allocate funds to support the research, analysis, and development of a model to demonstrate the relationship between watershed restoration investments and local economic impacts and job creation. OWEB entered into a contact with the University of Oregon Ecosystem Workforce Program (EWP) to conduct this study.

On February 17, 2009, the EWP provided OWEB with a preliminary analysis of the economic and job creation impact of OWEB's restoration investments. (Attachment A) The analysis concludes that the average impact of each \$1 million invested by OWEB is 15 jobs and \$1.86 million in total economic activity in Oregon.

The EWP will continue to refine the model used to determine the impact of OWEB's restoration investments over the next year, including conducting more thorough interviews and surveys of OWEB grantees and contractors and developing statistical models quantifying the economic impacts and jobs created by restoration activity. OWEB staff will report on the EWP's progress at future Board meetings.

Recommendation

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

Attachment

- A. Ecosystem Workforce Program Briefing Paper #13: A Preliminary Estimate of Economic Impact and Job Creation from the Oregon Watershed Enhancement Board's Restoration Investments



Ecosystem Workforce Program

BRIEFING PAPER # 13

A Preliminary Estimate of Economic Impact and Job Creation from the Oregon Watershed Enhancement Board's Restoration Investments

Max Nielsen-Pincus and Cassandra Moseley Winter 2009

The Oregon Watershed Enhancement Board (OWEB) has proposed nearly \$40 million in watershed restoration projects for state and federal stimulus funding.¹ OWEB's investments in ecological restoration play a large role in public and private natural resource management with projects ranging from stream habitat enhancements and fish passage to irrigation canal improvements, riparian reforestation, road decommissioning, forest thinning, and wildlife habitat enhancement. As with other capital improvements, watershed restoration activities such as those that OWEB is proposing have considerable economic impact and job creation potential. Unlike other sectors of the economy, such as transportation infrastructure, there has been little research to quantify the economic potential of these activities. In this briefing paper, we provide a preliminary assessment of the potential economic and employment impacts for watershed restoration activities.²

Approach

To calculate the economic impact and job-creation potential of OWEB's proposed investments in watershed restoration, we used published research and the U.S. Bureau of Economic Analysis Regional Input-Output Modeling System (RIMS) in a four-step analysis. First, we categorized all proposed projects in OWEB's proposal for state and federal stimulus by the dominant economic activity involved in the project. Second, we used OWEB match funding data to estimate a range of additional public and private funds that will be leveraged with OWEB's investment. Third, we used published research on OWEB's grantee expenditures to estimate the economic capture of these funds within Oregon. Fourth, we use RIMS economic and employment multipliers for Oregon as a whole to estimate economic and employment impacts.

Findings

We find that the projects OWEB is proposing to implement with state and federal stimulus funds are likely to create considerable economic activity and jobs across the state. Specifically, our data suggest

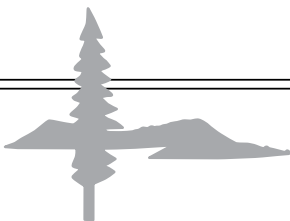
that OWEB's proposed \$40 million investment in watershed restoration projects would:

1. Create or retain nearly 600 jobs and generate over \$72 million in total economic activity in Oregon.
2. Strategically leverage between \$38 and \$59 million in additional funding from other public and private sources that would create or retain an additional 570 to 885 jobs and \$71 to \$110 million in additional total economic activity.

The Economic Impacts of Watershed Restoration Activities

OWEB investments fund labor-intensive riparian and upland restoration projects, equipment intensive aquatic restoration projects, mechanical forest restoration projects, and a variety of water conservation projects (Table 1). These activities create long-term improvements in the state's ecosystems and create economic activity in several sectors of the economy.

Every dollar invested in watershed restoration projects travels through the economy of Oregon in several ways. Restoration project managers hire consultants, contractors, and employees to design, implement, and maintain projects. Consultants and



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Table 1. Restoration Activities by Category

Restoration Category	Restoration Activities
Labor-Intensive Riparian & Upland Restoration	Native planting and seeding, noxious weed treatments, fencing, rangeland restoration, manual fire hazard reduction, juniper management
Equipment-Intensive Aquatic & Road Restoration	Log and boulder placements, instream structure construction, streambank stabilization, floodplain connectivity and channel reconfiguration, fish passage and screening improvements, wetland mitigation and restoration, tide gate and small dam removal, upland erosion control, road decommissioning and maintenance, culvert/bridge replacement and removal
Forest Restoration	Mechanized riparian and upland vegetation management, voluntary tree retention, mechanized fire hazard reduction
Water Conservation	Canal piping and lining, irrigation efficiency, delivery system improvements

contractors hire field crews, rent or purchase equipment, and buy goods and services needed to implement projects. Employees spend wages on goods and services to support their livelihoods. Economic and employment multipliers represent this voyage through the economy. A multiplier measures the degree to which economic activity in one economic sector creates additional economic activity in other sectors of an economy. We obtained US Bureau of Economic Analysis RIMS multipliers for Oregon and linked the above restoration categories to the economic industries represented in the RIMS data (Table 2).³

The RIMS data show that labor-intensive work has the highest job creation potential (nearly 50 to 100% greater than other restoration categories) at nearly 29 jobs per million dollars investment in that type of work compared to only 13 to 20 jobs for other sorts of restoration activities.⁴ Labor-intensive jobs, however, tend to be lower pay and lower quality, but can be an important source of quick job creation. In contrast, equipment-intensive activities tend to create greater total economic activity due to higher wages and greater integration with other economic industries. For example, using a helicopter crew to place large logs in inaccessible streams has job creation potential similar to forest restoration and water conservation, but the total economic activity generated by utilizing helicopters is nearly double that of other restoration activities due to the amount of support infrastructure needed to maintain and operate a helicopter operation.

The Economic and Employment Impacts of OWEB’s Proposed Investment

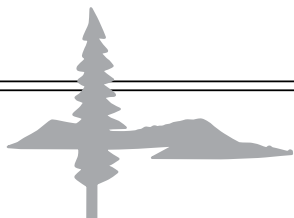
OWEB’s investments in watershed restoration are made through its capital grants program, most of which is awarded to local watershed councils and soil and water conservation districts.⁶ Previous research on grantee expenditures reported that approximately 80% of OWEB’s investments are spent locally in the county in which the grantee is located, and over 90% is spent within Oregon, supporting local jobs and local economies often in rural and economically distressed areas of the state.⁷

We calculated the estimated economic and employment impacts of OWEB’s proposed investments in watershed restoration by multiplying the investment proposed in each restoration category by the 90% rate of state economic capture, and by the RIMS economic output multiplier and RIMS employment ratio per million dollar investment, respectively.

On average, every \$1 million invested in OWEB’s capital watershed restoration program will create approximately 15 jobs and \$1.86 million in total economic activity (Table 3). The economic engines of OWEB’s proposed watershed restoration projects are water conservation and equipment intensive work, which will generate over 80% of the economic impact from OWEB’s proposed investment.

Table 2. Economic and Employment Multipliers by Restoration Categories

Restoration Category	Economic Industry	RIMS Economic Output Multiplier	RIMS Employment/ \$1 M Investment
Labor-Intensive Riparian & Upland Restoration	Forestry & Agricultural Support Services	2.11	28.8
Equipment-Intensive Aquatic & Road Restoration	Construction, Air Transportation ⁵	2.32, 3.93	20.0, 12.5
Forest Restoration	Logging	2.17	13.4
Water Conservation	Water, Sewage and Other Systems	1.85	12.59



Leveraging OWEB Investments through Match

Between 1995 and 2008 total public and private investments in watershed restoration in Oregon was nearly \$500 million and OWEB was the largest source of non-federal watershed restoration funds. The Oregon Watershed Restoration Inventory (OWRI) tracks the accomplishments and matching funding sources of all completed OWEB-sponsored projects.⁸ Between 2004 and 2007, total matching funds reported in OWRI varied between 0.97 in 2006 to 1.52 in 2004. This range is a conservative estimate of actual matching funds because match reporting to the database is voluntary above the minimum requirement of 0.25.

OWEB's capacity to leverage its investment will further increase its economic and employment impacts by contributing from 570 to 885 additional jobs and \$71 to \$110 million in total additional economic activity.⁸ Leveraging funding will raise OWEB's overall impact in total job creation to between 1,150 and 1,460 jobs and in economic activity to between \$145 and \$182 million. With its capacity to leverage funding for capital watershed restoration projects, OWEB is poised to make a substantial contribution to the economy of the state of Oregon at a time of critical need for jobs and economic activity.

Limitations and Assumptions

This analysis is based on several assumptions. First, we assume that each project in OWEB's proposal for state and federal stimulus is dominated by one economic activity (e.g., excavator work or tree planting). From experience we know this assumption does not always hold true. Restoration projects

sometimes include a variety of activities lumped into one proposal. We make the assumption that lumping is not biased towards any one category and that as such the lumping of economic activities is likely balanced across activities. Second, we assume RIMS multipliers accurately depict the economic impacts of restoration activities. This assumption is untested and it is unclear what the impact of this assumption might be. Over the course of the next year, the Ecosystem Workforce Program will continue an empirical investigation to test this assumption. Until that project is completed, the conclusions presented in this briefing paper should be viewed as a preliminary estimate of the economic impacts of watershed restoration.

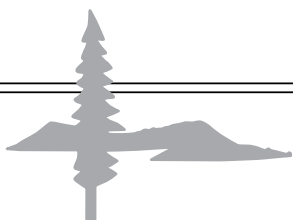
Next Steps

Over the next year the Ecosystem Workforce Program will embark on an empirical investigation of the economics of forest and watershed restoration activities in Oregon. We will work with the Oregon Watershed Enhancement Board and the Pacific Northwest Research Station of the United States Forest Service to quantify and profile the economic impacts of watershed restoration on the state and local economies. We will develop new robust models of the relationship between a variety of restoration activities and economic activity in a four stage analysis. First, we will conduct semi-structured interviews of watershed council and soil and water conservation district representatives focused on staffing and labor costs. Second, we will use these interviews (and federal procurement databases) to build a database of restoration contractors that work in Oregon. Third, we will undertake a survey of restoration contractors working in Oregon focused

Table 3. Potential Economic & Employment Impacts of OWEB's Proposed Watershed Restoration Investment

Restoration Category	Economic Industry	OWEB Proposed Investment	Potential Job Creation in Oregon	Total Economic Activity in Oregon
Labor-Intensive Riparian and Upland Restoration	Forestry and Agricultural Support Services	\$3,929,524	101.8	\$7,475,604
Equipment-Intensive Aquatic and Road Restoration	Construction, Air Transportation	\$10,972,715	203.2	\$24,809,860
Forest Restoration	Logging	\$939,007	11.3	\$1,833,205
Water Conservation	Water, Sewage and Other Systems	\$23,077,027	261.5	\$38,371,327
	Total	\$38,918,272	577.8	\$72,489,995
	Average Impact per \$1.00 Million Invested		14.9 Jobs	\$1.86 Million

Note: This table does not include matching funds.



on (1) general information about contractors working in watershed restoration, (2) average wage and salary rates for watershed restoration workers, (3) spending patterns for each restoration activity in the typology. Fourth, we will develop statistical models quantifying estimated economic impacts and jobs creation by restoration activity. Working with both agencies simultaneously, we will develop a common tool for understanding the economic impacts of forest and watershed restoration that is scalable and transferable.

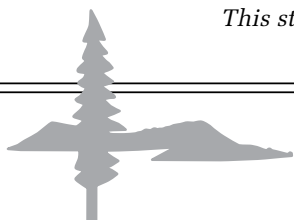
Endnotes

- ¹ Personal Communication, Tom Byler, Executive Director, Oregon Watershed Enhancement Board, January 20, 2009.
- ² Over the coming year, the Ecosystem Workforce Program will be building more robust models of economic impacts models of a range of forest and watershed restoration activities, funded by the Oregon Watershed Enhancement Board and USDA Forest Service.
- ³ The US Bureau of Economic Analysis Regional Input-Output Modeling System allows users to construct a region based on an aggregation of US counties. The Oregon model is built upon 1997 national account data from the US Economic Census and updated with 2006 regional economic data. RIMS economic industries are based on the North American Industry Classification System at the 4-digit level for the industries referenced in Table 2. For more information on RIMS, please go to URL: <http://www.bea.gov/regional/rims/>.
- ⁴ The RIMS data is confirmed by research from other economies that demonstrate job creation potential between 11 and 21 jobs per million dollars of restoration investment depending on the type of activity. See Baker, M. 2004. Socioeconomic Characteristics of the Natural Resources Restoration System in Humboldt County, California. Forest Community Research. Tylorsville, CA. (finding that a approximately 300 jobs were created in Humboldt County, CA in 2002 as a result of a \$14.5 million investment in aquatic, riparian, and road restoration). See also Hjerpe, E.E., and Y.-S. Kim. 2008. Economic Impacts of Southwestern National Forests Fuels Reductions. *Journal of Forestry*. 106:311-316 (finding that a near \$41 million investment fuels reduction in New Mexico created nearly 500 jobs).
- ⁵ Air Transportation reflects large woody debris placement projects where logs are transported and placed in a stream by a helicopter crew.
- ⁶ Oregon Watershed Enhancement Board. 2006. *The Oregon Plan for Salmon and Watersheds: 2005-2007 Biennial Report*. Salem, Oregon.
- ⁷ Hibbard, M. and S. Lurie. 2006. Some community socio-economic benefits of watershed councils: A case study from Oregon. *Journal of Environmental Planning and Management* 49:891-908.
- ⁸ See OWEB 2006 *supra* note 5; Oregon Watershed Restoration Inventory Database, 2009.
- ⁹ This finding is based on the assumption the match funds are directed to the same basic economic activity as the original investment and that match funding is uniformly distributed across the proposed restoration categories in Table 1.

For more information:

This study is a preliminary effort in a larger program of research at the Ecosystem Workforce Program on the economic impacts of forest and watershed restoration on local communities in Oregon. Please contact the Ecosystem Workforce Program at ewp@uoregon.edu for more information.

*This study was made possible by funding from the Oregon Watershed Enhancement Board,
the USDA Forest Service, and the University of Oregon.*





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March 5, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

SUBJECT: **Agenda Item E: 2007-2009 Budget and Spending Plan Update
March 18-19, 2009 OWEB Board Meeting**

Introduction

This report updates the Board on the status of the 2007-2009 budget and the OWEB spending plan for the current biennium. The report is for informational purposes only.

Background

The economic downturn is having a significant impact on state revenues. The February 20 revenue forecast revealed a significant decline in revenue for the current 2007-2009 overall state budget. The forecast predicts an even larger revenue shortfall for the upcoming biennium. This report describes the impacts of the 2007-2009 revenue shortfall on the OWEB budget, and whether those impacts affect the Board's spending plan for the remainder of the biennium.

III. 2007-2009 Biennium

The recent revenue forecast shows a big decrease in General Fund revenue for the current biennium, dropping \$713 million since the December forecast and creating a \$855 million budget hole that needs to be corrected to balance the budget before the end of the biennium in June. Lottery Fund revenues stayed essentially even, despite reduced sales, because the Lottery Department added administrative savings in order to keep 2007-2009 programs whole. Therefore, Measure 66 Lottery Fund revenues remain stable for the moment, and hopefully will remain stable through the remainder of the biennium. The final revenue forecast is scheduled for May 15.

At the time of writing this report, the legislature is completing its effort to re-balance the 2007-2009 budget. This involves making cuts and shifting funds around for a number of state agencies. As part of this effort, the legislature will cut General Fund dollars to natural resources agencies by over \$12 million. Because these cuts are happening so close to the end of the biennium, many agencies will have little flexibility to protect positions from being cut. A number of state agencies that we work closely with will lose positions related to the Oregon Plan for Salmon and Watersheds and other positions as a result of the re-balance.

OWEB is not funded with General Fund dollars, however, some of our current funding is being re-directed to assist with the re-balance. The re-balance actions that affect OWEB's current

budget are as follows:

1. \$59,754 of Measure 66 funds from OWEB administrative operations. These funds will come out of our operations budget and will be covered with administrative savings and remaining balances from our accounts for out-of-state travel, training, and other administrative functions.
2. \$150,000 of Measure 66 funds from the Independent Multidisciplinary Science Team (IMST). This is a significant reduction for IMST operations for the remainder of the biennium.
3. \$15,000 of Measure 66 funds from the Lower Columbia River Estuary Partnership.
4. \$430,000 of Salmon License Plate funds.

The first three reductions, combined with Measure 66 funds shifted out of the Departments of Agriculture and Fish and Wildlife, will be used to fund Total Maximum Daily Load (TMDL) development at the Department of Environmental Quality (DEQ), backfilling a total of \$427,630 that had previously been supported with General Funds.

The \$430,000 of Salmon License Plate funds are to be moved from the OWEB budget to the Oregon Department of Fish and Wildlife for Oregon Plan related work, including the support of two Western Oregon Stream positions that work directly with councils and districts on restoration projects, and a habitat biologist position that also has direct Oregon Plan ties. Lastly, two DEQ Oregon Plan monitoring positions were restored with General Funds. The funding for all of these Oregon Plan related positions will last through the end of the biennium (June 30) and are characterized as one-time fund shifts.

These budget reductions are challenging to deal with, especially so close to the end of the biennium. Given the reductions many other agencies are facing, however, things could have been much worse. Despite the budget reductions, there are several positive points to consider:

1. No OWEB positions will be affected by the cuts between now and the end of June.
2. There were no reductions to our remaining non-capital grant funds (Measure 66 and federal salmon funds) for board awards at the upcoming March and June meetings.
3. Some of the re-balance actions mentioned above saved positions in other agencies that support our local stakeholders and our overall mission.

IV. Spending Plan Status

Per a request of the Legislative Fiscal Office before the beginning of the legislative session, all state agencies prepared budget cut scenarios for the current 2007-2009 biennium. The cut scenarios were developed in anticipation of revenue reductions that might occur before the end of the biennium. If significant cuts were to occur to OWEB's budget, the Board and staff would likely need to reconsider the spending plan priorities.

As mentioned above, Lottery Fund revenues have not dipped below earlier projections. The 2007-2009 budget re-balance had minimal effect on OWEB's remaining discretionary grant funds. Therefore, the Board's spending plan remains essentially unchanged, and staff recommend no substantive alterations to the existing plan at this time.

No non-capital funds reserved in the Board’s spending plan were impacted by the budget rebalance. Table 1 describes the reserves under the Board’s current non-capital spending plan:

Table 1. OWEB Non-Capital Funds Reserve Status

Program Area	Remaining OWEB Non-Capital Reserve
Local Capacity Funding	1,987,000
Technical Assistance	750,000
Recovery Planning	350,000
Monitoring Grants	1,300,000
Other Monitoring	600,000
Education & Outreach Grants	500,000
Education & Outreach Statewide	250,000
Assessment	23,110
Oregon Plan Products	464,507
Partnership Investments	150,000
Research Non-capital	1,146,277
TOTAL	\$7,520,894

The spending plan for capital funds needs to be adjusted as a result of the budget re-balance. The only impact to discretionary grant funds involved a \$430,000 reduction to Salmon License Plate funds, for which revenues accrue on a monthly basis. Following the legislative re-balance reduction, the current level for Salmon Plate funds is \$106,000. These funds are typically used to support road-related salmon habitat restoration projects. The adjusted spending plan reserves for capital funds are contained in Table 2 below:

Table 2. OWEB Capital Funds Reserve Status

Program Area or Fund Type	Remaining OWEB Capital Reserve
Capital Grants/Acquisitions	9,250,000
Special Investment Partnerships	2,000,000
Recaptured Capital Grant Funds	1,541,029
Salmon License Plate Funds	106,000
TOTAL	\$12,897,029

All in all, OWEB is very fortunate to have avoided significant budget cuts. Staff are hopeful that the May 15 revenue forecast will not force additional budget cuts. That said, the continuing economic downturn presents considerable uncertainty about the level of state revenues that will be available through the remainder of the biennium. OWEB funds could be impacted by revenue reductions and legislative disappropriation if the May 15 forecast indicates a drop in revenue. With that in mind, there is no guarantee that funds reserved in OWEB’s spending plan will be available for Board awards at the June meeting. Moreover, there is no guarantee that unspent funds for grants awarded at the March meeting will be available for grantees if revenues decline further and those funds are disappropriated.

V. Recommendation

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



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March 6, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Carolyn Devine, Communications Coordinator
Greg Sieglitz, Monitoring and Reporting Program Manager
Miriam Hulst, Acquisitions Specialist

SUBJECT: Agenda Item G: OWEB Grant Award Recommendations
Overview and Statewide Projects
March 18-19, 2009 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 20, 2008, 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 thirty-three grant applications seeking a total of \$30,955,072 were received by the October 20, 2008, 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, Monitoring, and Education/Outreach applications that generally 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. As explained in more detail below, Education/Outreach applications were also reviewed by the statewide Education/Outreach Review Team (EORT), and Monitoring applications were also reviewed by the Oregon Plan Monitoring Team (OPMT).

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

III. Review Process

The applications were screened for completeness and categorized by application type. The RRTs were sent packets or CDs 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 educational 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.

The EORT reviewed each Education/Outreach grant application. They met in Bend on December 4, and discussed 5 main aspects of each proposal: the applicant's understanding of audience needs; the design of the activities and whether or not they will lead toward the intended outcomes; the process for evaluation; and the proposal's overall value toward furthering the broader goal of developing and maintaining healthy watersheds. These review comments were passed along to the RRTs for their consideration and use in recommending funding and ranking, and were also used by OWEB's Director and Grant Program Manager in making funding recommendations. OWEB received three Education/Outreach grant applications that have broader focus than a single region; these were reviewed by the EORT only. OWEB's Director and Grant Program Manager used the EORT review to develop funding recommendations for the statewide applications.

We recognize that measurable outcomes of our education and outreach investments are important. So that we can articulate the impact of these efforts across the state, we are encouraging Education/Outreach grantees to report not just their activities, but also the impact their efforts have had on their communities through changed skills, attitudes, knowledge, and behavior.

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

The RRT recommendations in summary form were distributed to all applicants whose proposals were reviewed by that RRT. The EORT evaluations were also distributed to Education/Outreach applicants. Staff continue in this grant cycle the practice of forwarding all comments received from applicants regarding the RRT and EORT recommendations to the Board prior to the Board meeting.

IV. Statewide Education and Monitoring Applications

Based on EORT evaluations and staff consideration of the evaluations and available funding, staff recommend funding two statewide Education/Outreach applications totaling \$129,184. Staff recommend reducing the award for application 209-7000 to \$80,000 instead of the requested \$89,643.

Based on the OPMT evaluations and staff consideration of the evaluations and available funding, staff recommend one statewide Monitoring application for funding at \$31,952.

V. Acquisition Applications

Eleven new land acquisition applications 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. The environmental site assessment is reviewed by staff at the Department of Environmental Quality.

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.

Two of the land acquisition grant applications submitted in October 2008 are ready for funding at this time: Coffey Ranch Conservation Easement, application 209-114 in Region 4; and Table Rocks Acquisition, application 209-113 in Region 2. These projects are described in the Region 4 and Region 2 staff reports. The rest of the applications submitted in October 2008 are either recommended for deferral or are not recommended for funding.

One acquisition project previously submitted and deferred by the Board, the Alsea Bay Acquisition, application 208-116 in Region 1, is ready for a funding decision at this time. The project is described in the Region 1 staff report.

VI. Budget Considerations

A. Capital Funds

In September of 2007, the Board established a capital funding target of \$9.25 million for each grant cycle for the 2007-2009 biennium.

Given the unprecedented economic downturn, it is difficult to predict with certainty exactly the amount of capital funds available for the remainder of the biennium. Measure 66 Lottery revenues were distributed to OWEB in February, and the final 2007-2009 distribution will be in May. The latest revenue forecast shows that Lottery revenues are down from the prior forecast. However, despite reduced sales, the Lottery has increased administrative savings and is utilizing about \$20 million in contingency reserves in order to keep 2007-2009 programs whole. This means Measure 66 Lottery funds remain stable for the moment--and hopefully through the remainder of the biennium.

Based on this information, OWEB expects to have approximately \$13 million in uncommitted capital funds available for the remainder of the biennium; this includes unspent grant funds returned from completed grants. Two million dollars of these available capital funds have been reserved by the Board for Special Investment Partnerships. Accordingly, about \$11 million in capital funds is available to be allocated through June 2009.

Staff expect that between \$2 million and \$4 million in land acquisitions applications may be ready for Board consideration at the June 2009 meeting. If the Board adopts staff's Acquisition funding recommendations at the March Board meeting, the total dollar amount of deferred acquisitions will be \$9,684,232.

Staff recommend funding for 62 of the 77 Restoration applications recommended for funding by the RRTs; two land acquisition applications submitted in October 2008, and the previously deferred Alsea Bay Acquisition, application 208-116, for which OWEB is providing state match for a Coastal Wetlands Grant. Staff recommend funding these grants through the expenditure of \$8,662,399 in capital funds.

In addition, in order to allow funding further down the list of non-capital applications, staff recommend funding two Monitoring applications using capital funds for a total of \$241,216. These applications are eligible for capital funds because they propose effectiveness monitoring for two implemented Restoration projects where work is continuing: the Williamson River Delta Restoration in Region 4, and Willow Creek water quality improvement in Region 5.

Therefore the total recommended expenditure of capital funds is \$8,903,615. This is \$346,385 less than the budgeted amount of \$9.25 million per cycle. However, there is still uncertainty about the exact amount of Measure 66 Lottery funds that will be available through the end of the biennium. In addition, we expect up to \$4 million in additional Acquisitions to be ready for funding consideration by the June 2009 Board meeting.

B. Non-Capital Funds

Table 1 shows the non-capital funding reserved for each grant type. This reserve was approved by the Board in September of 2008. Table 1 also shows the total dollar amount of non-capital applications recommended for funding by the RRTs and by staff for the statewide applications.

Table 1. Non-Capital Budget Reserve for the October 2008 Grant Cycle

Grant Type	Budget
Education/Outreach	\$750,000
Monitoring	\$1,300,000
Technical Assistance	\$750,000
Total Budgeted	\$2,800,000
Total RRT Do Fund	\$3,381,290

As discussed above, it is hard to predict the amount of Measure 66 non-capital funds that will be available to OWEB for the remainder of the biennium. The good news is that even though Lottery revenues are down from the prior forecast, the Lottery has increased administrative savings in order to keep 2007-2009 programs whole. However, no one knows for certain what the May Lottery revenue forecast will be. Further, non-capital funds are more vulnerable to legislative appropriation. If the Board approves staff's funding recommendations for non-capital applications, OWEB will communicate to our grantees that while the Board has made the awards, funding is subject to the May revenue forecast and to legislative disappropriation.

Table 2 shows the non-capital funding recommended by OWEB staff for each grant type. The Technical Assistance budget for the October 2008 grant cycle is recommended for increase because the RRTs recommended funding for 30 applications totaling about \$1,084,965, and staff determined it was important to fund as far down the Technical Assistance list as possible, since these proposals will help develop Restoration projects. As a result of this recommended increase, the Education/Outreach budget is recommended for reduction.

Table 2. Non-Capital Applications Recommended by OWEB Staff

Grant Type	Budget
Education/Outreach	\$ 597,125
Monitoring	\$1,315,811
Technical Assistance	\$ 846,621
Total	\$2,759,557

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.

Staff recommend funding 13 of the 23 Education/Outreach applications recommended by the RRTs, and two of the three statewide Education/Outreach applications (one at a slightly reduced level). Staff recommend funding 19 of the 23 Monitoring applications recommended by the RRTs, and one of the three statewide Monitoring applications. Staff recommend funding 22 of the 30 Technical Assistance applications recommended by the RRTs.

Staff recommend funding these grants through the expenditure of \$2,518,341 in non-capital funds and \$241,216 in capital funds, for total funding of \$2,759,557.

VII. Staff Capital and Non-Capital Funding Recommendations

Staff recommendations for Board action are identified by region for the applications indicated in each of the following five regional reports. “Do Fund” applications are indicated on the tables by shading.

A. 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 Applications, <i>Capital</i> Portion	\$6,736,399
Monitoring Applications (209-4040 and 209-5067)	\$ 241,216
Acquisition Applications (Regions 2 and 4)	\$1,625,000
<u>Coastal Wetlands Acquisition (Region 1)</u>	<u>\$ 301,000</u>
TOTAL <i>Capital</i> Staff Recommendation	\$8,903,615

B. Non-Capital Funding Recommendations

Education/Outreach Applications	\$ 597,125
Monitoring Applications	\$1,074,595
Technical Assistance Applications	\$ 846,621
<u>Restoration Applications, <i>Non-Capital</i> Portion</u>	<u>\$ 18,314</u>
TOTAL <i>Non-Capital</i> Staff Recommendation	\$2,536,655

VIII. Staff Recommendations on Statewide Education and Outreach and Monitoring Application Funding

Attachment B shows the proposals and funding amounts for statewide Education/Outreach and Monitoring applications. The table also indicates, by means of shaded entries, the OWEB staff funding recommendations to the Board.

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

Attachments

- A. Types of Applications Received and Amounts Requested by Application Type
- B. Statewide Projects Recommended for Funding

Oregon Watershed Enhancement Board

Types of Applications for October 20, 2008

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Region 1	7	7	7	3	10	34
Region 2	7	5	8	2	20	42
Region 3	18	9	9	2	20	58
Region 4	5	8	3	3	27	46
Region 5	7	3	4	1	32	47
Statewide	0	3	3	0	0	6
Totals	44	35	34	11	109	233

Dollar Amounts by Application Type

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Region 1	\$241,468	\$172,612	\$388,020	\$2,616,462	\$1,311,016	\$4,729,578
Region 2	\$234,247	\$139,286	\$515,866	\$1,500,000	\$1,632,948	\$4,022,347
Region 3	\$667,765	\$355,635	\$684,900	\$2,900,000	\$2,894,110	\$7,502,410
Region 4	\$184,458	\$286,666	\$337,190	\$1,225,000	\$7,269,002 [♦]	\$9,302,316
Region 5	\$291,868	\$106,687	\$209,442	\$500,000	\$3,536,576	\$4,644,573
Statewide	0	\$188,561	\$565,287	0	0	\$753,848
Totals	\$1,619,806	\$1,249,447	\$2,700,705	\$8,741,462	\$16,643,652	\$30,955,072

[♦] This includes the \$3,922,352 Pilot Butte Piping Project (209-4034)

**Statewide
Education Applications Reviewed by the Education/Outreach Team
October 20, 2008 Grant Cycle**

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project name	Total Amount	Priority
209-7001	Building Council Capacity/Gathering 2009/Telling the Story Through Tours *	80,000	1
209-7002	OSU Oregon Watershed Schools	49,184	2
209-7004	Oregon Civic Science Educational Project - Phase II	49,734	3
Total Education Projects Recommended for Funding by Staff to Board		\$129,184	

* Listed Amount Reflects Recommended Reduction

**Statewide
Monitoring Applications Recommended for Funding by the Oregon Plan Monitoring Team
October 20, 2008 Grant Cycle**

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project name	Total Amount	Priority
209-7000	Facilitating Improved Biological Monitoring by Watershed Organizations	31,952	1
209-7003	A Rigorous Statewide Assessment of OWEB's Restoration Projects	439,635	2
209-7005	Oregon Landscape-Management Study Network	93,700	3
Total Monitoring Projects Recommended for Funding to Staff by Oregon Plan Monitoring Team		\$565,287	
Total Monitoring Projects Recommended for Funding by Staff to Board		\$31,952	



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March 6, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Tom Shafer, North Coast Regional Program Representative
Miriam Hulst, Acquisitions Specialist

SUBJECT: Agenda Item G: OWEB Grant Award Recommendations
Region 1, North Coast
March 18-19, 2009 OWEB Board Meeting

I. Introduction

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

II. Background and Summary

Applicants submitted 34 applications for a total request of \$4,729,578 including \$2,616,462 for Acquisitions. The Regional Review Team (RRT) recommended 23 applications for approximately \$1,751,511, and favorably reviewed the three Acquisition applications. Staff recommend 18 applications for a total award of \$1,617,252: \$1,153,929 for Restoration; \$53,769 for Education/Outreach; \$263,532 for Monitoring; and \$146,022 for Technical Assistance. Staff also recommend one Acquisition application for a total of \$301,000.

III. Regional Review Team Recommendations

The North Coast Regional Review Team (RRT) met in Newport in January 2009 to review the applications received in this grant cycle. Restoration, Education/Outreach, Monitoring and Technical Assistance 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.

The RRT recommended reduced funding for two applications, 209-1043 and 209-1020. After staff discussions with the applicant, staff recommend reducing funding for Monitoring application 209-1043 (Upper Nehalem Rapid Bio-Assessment) by a little more than \$2,000. Restoration application 209-1020 (Cedar Creek Large Wood Debris Placement) requested nearly \$34,000 for effectiveness monitoring. The RRT recommended funding only the AQI, stream temperature, and lamprey monitoring components of the effectiveness monitoring, reducing the recommended award by \$14,750. Staff concur with this recommended reduction.

IV. Acquisitions

Three land acquisition applications were received from Region 1 this grant cycle. None of these are ready for funding at this time and all are recommended for deferral. One previously deferred acquisition is ready for funding. A second previously deferred acquisition (Big Creek) is ready, but staff are recommending the Board defer consideration until the June meeting.

A. North Nehalem Bay Wetlands Conservation Project – October 08 Cycle (209-106)

The Lower Nehalem Community Trust (LNCT) requests \$466,462 to purchase seven parcels totaling 16 acres at the northern edge of Nehalem Bay in Tillamook County. LNCT proposes to use the OWEB funds to match \$583,077 in Coastal Wetlands Conservation Grant Program funds recently awarded to OWEB by the U.S. Fish and Wildlife Service for acquisition of the parcels. The parcels contain freshwater wetlands, tidally influenced wetlands, forested uplands, and two small streams. The project is the first phase of a two-phase effort to permanently protect wetlands that link land owned by LNCT to Nehalem Bay State Park. At the direction of the Acquisitions Subcommittee, staff requested due diligence materials in November 2008. The RRT felt that the project has medium-high ecological value and high educational value. The requested due diligence materials have not been received. Staff and the Acquisitions Subcommittee recommend the Board defer consideration of the North Nehalem Bay Wetlands project until due diligence materials have been received and reviewed.

B. Ecola Creek Forest Reserve Addition – October 08 Cycle (209-112)

The City of Cannon Beach requests \$1,400,000 to purchase an 805-acre property currently owned by the Oregon Department of Forestry (ODF). The property is adjacent to the city's forest reserve, a previous OWEB funded acquisition. The property contains extensive high-quality wetlands and riparian woodlands. At the direction of the Acquisitions Subcommittee, staff requested due diligence materials in November 2008. The RRT felt that the project has very high ecological and educational values. The requested due diligence materials have not been received. Staff and the Acquisitions Subcommittee recommend the Board defer consideration of the Ecola Creek Forest Reserve Addition project until due diligence materials have been received and reviewed.

C. Siuslaw Estuary Duncan Island Ranch Conservation Project – October 08 Cycle (209-116)

McKenzie River Trust (MRT) requests \$750,000 to purchase an 83-acre conservation easement on a 108-acre property on Duncan Island in the Siuslaw River estuary. The property contains tidally influenced freshwater wetlands that are in good condition. At the direction of the Acquisitions Subcommittee, staff requested due diligence materials in November 2008. The RRT made a conditional project determination of high ecological value, stating that the project's value hinges on revisions to the draft conservation easement and the development and implementation of a high-quality management plan. The RRT felt that the project has high educational value. Due diligence review is not complete. MRT is currently working to resolve issues pertaining to the title. When the Acquisitions Subcommittee met to discuss with staff the RRT evaluation of the project and the results of due diligence review to date, the Acquisitions Subcommittee recommended that the project be deferred for due diligence, and be considered for funding in the future only if MRT finds additional partners to reduce the amount requested from OWEB.

Staff and the Acquisitions Subcommittee recommend the Board defer consideration of the Siuslaw Estuary Duncan Island Ranch Conservation Project until due diligence review is complete, MRT has fully resolved the title issues and RRT's concerns about the draft conservation easement, and MRT has revised the funding request to not more than \$450,000.

D. Alsea Bay Acquisition – Previously Deferred (208-116)

The Wetlands Conservancy (TWC) requests \$301,000 to purchase two properties totaling approximately 235 acres in the Alsea estuary northeast of Waldport. OWEB funds will match \$997,350 awarded from the U.S. Fish and Wildlife Service's National Coastal Wetlands Conservation Grant program.

1. Ecological Benefits

The Wetlands Conservancy says that the project will protect approximately 88 acres of estuarine wetlands, an OWEB priority ecosystem. The project will also protect approximately 128 acres of forested uplands. The application states that the project will benefit OWEB priority species, including brown pelican, coho salmon, marbled murrelet, peregrine falcon, steelhead, bald eagle, rufous hummingbird, and Pacific-slope flycatcher. The application also states that the project is consistent with two of OWEB's priorities for land acquisition: restoring function to an area that requires active restoration to achieve its conservation purpose and improving connectivity of habitat. The RRT indicated that the property is a desirable acquisition because it will allow for subsequent restoration of tidal marsh, an important part of the Alsea estuary.

2. Capacity to Sustain the Ecological Benefits

The application states that the title to the properties will be held by TWC, assuring that the properties will be protected in perpetuity and restored. The application also states that management and monitoring plans for the properties will be prepared by TWC and the Central Coast Land Conservancy. The Wetlands Conservancy owns and manages over 1,200 acres of land in Oregon, including OWEB-funded acquisitions.

3. Education Benefits

The application states that the Alsea Middle School might be able use the sites for field study and monitoring, and the MidCoast Watersheds Council will use the sites for educational outreach. The application also states that TWC will work closely with the Port of Alsea, Lincoln County, Oregon Department of Fish and Wildlife, and Portland Audubon Society to promote the importance of the Alsea Bay, ongoing restoration and stewardship activities, and opportunities for community development.

4. Partners, Project Support, and Community Effects

According to the application, the MidCoast Watersheds Council, Lincoln County, and Lincoln Soil and Water Conservation District are partners in the project. The application states that the type and level of recreation and public use of the property will be evaluated during development of site management plans. The application also states that TWC will work with Lincoln County to determine if the properties will remain on the tax rolls or if instead in-lieu payments will be made.

5. Legal and Financial Terms

The application states that the project is a fee title acquisition that will protect watershed function, tidal marsh, coniferous forest, and riparian areas for OWEB priority species. OWEB funds are requested for 21 percent of the purchase price of the properties. The rest of the purchase price will be paid using funds from the Coastal Wetlands Grant program and the Duke Foundation.

The legal review of the purchase and sale agreements did not raise any concerns for OWEB. The legal review of the title reports identified several title exceptions, such as a drainage ditch easement, which would conflict with OWEB's conservation interest in the property. TWC agreed to a combination of modifying and removing exceptions to OWEB's satisfaction. This process is nearly complete. Staff do not anticipate encountering problems in the remaining title work.

Appraisals of the properties were conducted by Duncan and Brown, Inc. OWEB's independent review appraiser determined that the appraisal reports are in conformance with Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), the value conclusions are adequately supported, and the proper appraisal methodology was used.

Phase 1 Environmental Site Assessments (ESAs) were conducted for the properties by Hahn and Associates, Inc. A review of the ESAs by the Oregon Department of Environmental Quality determined that the reports conform to the American Society for Testing and Materials (ASTM) standard required by OWEB and that further investigation is not necessary. However, one of the properties contains a septic system and well that must be decommissioned according to applicable regulations.

6. Conclusion

In June 2008, the Acquisitions Subcommittee decided to proceed with due diligence review because, once acquired by TWC, the properties present significant potential for tidal marsh restoration. The RRT concluded that the project has high ecological value but only modest educational value. Resolution of the due diligence issues is nearly complete. Within several weeks, TWC will finish the removal of a title exception and the alteration of another, and staff do not anticipate any problems with this process. Public hearings will be scheduled within several weeks. Staff and the Acquisition Subcommittee recommend funding for the Alsea Bay Acquisition application, contingent on resolution of the title issues to staff's satisfaction and submission of proof that the well and septic decommissioning has been done in accordance with all laws and regulations.

E. Big Creek Forest – Previously Deferred (209-105)

The Nature Conservancy (TNC) requests \$2 million to purchase 193 acres located on the Oregon Coast in Lane County, adjacent to Siuslaw National Forest and Washburne Memorial State Park.

1. Ecological Benefits

The application states that 97 percent of the property proposed for acquisition contains OWEB priority ecosystems, plant communities, and species. Specifically, the application claims that the property contains 19.7 acres of chaparral and north coast shrublands; 16.5

acres of floodplain/outwash lowland riparian, linear, wetlands; 6.8 acres of lowland riparian woodland and shrubland; 140.8 acres of Sitka spruce forest; and 4.5 acres of Western Oregon upland prairie. The application also states that the property contains Pacific reedgrass-blue wildrye, an OWEB priority plant community.

The following OWEB priority species have been documented on the property: coho salmon; steelhead; bald eagle; red-legged frog; Oregon silverspot butterfly; band-tailed pigeon; olive-sided flycatcher; Pacific-slope flycatcher; ruffed grouse; and rufous hummingbird. The property contains 132 acres of federally designated critical habitat for Oregon silverspot butterfly, a threatened species. The property also contains 0.65 miles of federally designated critical habitat for coho salmon, a threatened species.

The Big Creek application states that acquisition of the property is consistent with five of the conservation principles contained in OWEB's Basin Ecological Priorities: securing a transition area, restoring function to an area that requires active restoration to achieve its conservation purpose, protecting a site with exceptional biodiversity, improving connectivity of habitat, and completing an existing network of conservation sites.

The RRT felt that this site is a critically important conservation opportunity. The RRT identified Big Creek as a key watershed and the proposed property as a chance to conserve both aquatic and terrestrial species of significance.

2. Capacity to Sustain the Ecological Benefits

TNC hopes that Oregon Parks and Recreation Department (OPRD) will assume ownership of the property. (See *Legal and Financial Terms*, below). It is not possible to fully assess the capacity to sustain the ecological benefits of the project because the long-term titleholder has not yet been formally identified. However, because TNC anticipates that it will manage the property in a cooperative manner with OPRD, the U.S. Forest Service (USFS), the U.S. Fish and Wildlife Service (USFWS), and other partners, the ecological benefits of the project are likely to be sustained.

TNC has been highly involved in Oregon silverspot butterfly conservation work on the coast for many years. OPRD staff recently told OWEB staff that if OPRD accepts ownership of the property, it will be managed for habitat values, with infrastructure not to exceed one trail through the property. Washburne Memorial State Park, located just south of the Big Creek property, is currently managed by OPRD in part for protection of natural systems such as beaches and dunes. The application states that long-term management of the Big Creek property will be financed through a combination of OPRD, USFS, TNC, and USFWS operations budgets.

3. Education Benefits

The application states that the property will be open to the public for "light, day-use recreation" and publicized on the OPRD web site. The RRT did not feel that the project constitutes a significant opportunity for public education.

4. Partners, Project Support, and Community Effects

As described above in *Capacity to Sustain Ecological Benefits*, TNC is working with OPRD, U.S. Forest Service, and other project partners to develop a framework for

collaborative management of the property. TNC anticipates having a cooperative management framework in place by March 2009.

TNC is seeking project funding from the National Oceanic and Atmospheric Administration (NOAA), USFWS, and private sources to match the funds requested from OWEB. Funding decisions are expected to be made by other funders not later than March of 2009.

5. Legal and Financial Terms

TNC has engaged OPRD in negotiations regarding ownership of the property. Although a formal agreement has not been reached, OPRD has expressed interest in holding title to the property.

The Big Creek property's zoning currently allows for development of a 150-unit destination resort and up to 11 additional units. The current owners have drafted building plans and obtained development permits. TNC recently entered into an agreement with the owners to purchase the property for the appraised value of \$4.07 million.

6. Conclusion

Both the Acquisitions Subcommittee and the RRT felt that this project constitutes a very important conservation opportunity. The due diligence review is complete. The property's final title holder is expected to be OPRD, but a formal OPRD commitment has not yet been made. TNC anticipates cooperatively managing the property with OPRD, other state agencies, and federal and local conservation entities.

Staff and the Acquisitions Subcommittee initially planned to recommend funding for the Big Creek project at the March Board meeting, contingent on formal commitment from TNC or OPRD to long-term ownership of the property and development of a cooperative agreement regarding the purposes for which the property will be managed and the roles of the managing partners. However, in recent days, TNC has determined that the need to complete the Table Rocks transaction (Region 2, 209-113) is more pressing than the Big Creek transaction. Therefore, staff recommend deferring a funding decision for the Big Creek project and proceeding with a funding decision for the Table Rocks project.

V. Staff Recommendation

Staff recommend funding for three of the five Education/Outreach applications, four of the five Monitoring applications, and four of the five Technical Assistance applications. Staff recommend seven of the eight Restoration applications for funding.

Staff and the Acquisitions Subcommittee recommend the Board defer consideration of the three Acquisition applications submitted in October 2008. One acquisition project previously submitted and deferred by the Board, Alsea Bay (application 208-116) is recommended for funding at this time.

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

**Region 1 - North Coast
Deferred Acquisition Application Recommended for Funding by OWEB Staff**

Project #	Project Name	Total Amount Requested
208-116	Alsea Bay Acquisition ** (FFY 08 National Coastal Wetlands Grant) (March 2008 Board Agenda Item J, May 2008 Agenda Item L, Sept. 2008 Agenda Items K-J)	301,000
Total		\$301,000

** Fund with conditions

**Region 1 - North Coast
Acquisition Applications Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Deferral by OWEB Staff
October 20, 2008 Grant Cycle**

Project #	Project Name	Total Amount Requested
209-106	North Nehalem Bay Wetlands Conservation Project	466,462
209-112	Ecola Creek Forest Reserve Addition	1,400,000
209-116	Siuslaw Estuary Duncan Island Ranch Conservation Project	750,000

Region 1 - North Coast
Restoration Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
209-1020	Cedar Cr LWD Placement */Effectiveness Monitoring \$19,200	364,780		364,780	1
209-1049	Little Nestucca River Restoration	232,554		232,554	2
209-1040	Bummer Creek Restoration	158,370		158,370	3
209-1042	Cougar Valley Habitat Restoration	34,607	500	35,107	4
209-1031	Vosburg Creek Dam Removal and Stream Enhancement	37,332	600	37,932	5
209-1041	Tweedle Lane Fish Passage Improvement	305,080		305,080	6
209-1030	Neitzel Farm Restoration - Riparian/Floodplain Planting and Tree Release	20,106		20,106	7
209-1028	Necanicum Estuary Riparian Enhancement	25,461	4,050	29,511	8
Total Restoration Projects Recommended for Funding to Staff by RRT		1,178,290	5,150	\$1,183,440	
Total Restoration Projects Recommended for Funding by Staff to Board		1,152,829	1,100	1,153,929	

* Listed Amount Reflects Recommended Reduction

Region 1 - North Coast
Education Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-1027	Siuslaw Middle School Stream Team	13,279	1
209-1021	Stream Team Extension III	10,978	2
209-1039	Lower Columbia River Watershed Stewardship Project	29,512	3
209-1034	Siuslaw Watershed Exploration Camps 2009	18,397	4
209-1046	MidCoast Watersheds Council Education Program	40,000	5
Total Education Projects Recommended for Funding to Staff by RRT		\$112,166	
Total Education Projects Recommended for Funding by Staff to Board		\$53,769	

Region 1 - North Coast
Monitoring Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-1026	Yachats Water Quality Monitoring Project	9,006	1
209-1022	Salmon Drift Creek Watersheds Water Quality Monitoring 2009-2010	29,063	2
209-1047	Mid Coast Monitoring Project	114,426	3
209-1043	Upper Nehalem Rapid Bio-Assessment *	111,037	4
209-1033	Siuslaw Volunteer Water Quality Monitoring Program 2009-2010 (VWQMP)	8,118	5
Total Monitoring Projects Recommended for Funding to Staff by RRT		\$271,650	
Total Monitoring Projects Recommended for Funding by Staff to Board		\$263,532	

* Listed Amount Reflects Recommended Reduction

Region 1 - North Coast
Technical Assistance Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-1050	Fall Creek Channel Restoration Design	15,970	1
209-1037	Upper Fawcett Creek Fish Passage Engineering	45,680	2
209-1044	Upper Nehalem Limiting Factors Analysis (3 6th fields)	49,492	3
209-1045	Bummer Creek Habitat Design	34,880	4
209-1024	Nehalem Watershed Conservation Planning	38,233	5
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$184,255	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$146,022	

Region 1 - North Coast
Education Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-1025	North Coast Watershed Education and Outreach Program	50,000
209-1036	Wilson-Trask Wetlands Education Project	10,446

Region 1 - North Coast
Monitoring Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-1029	Necanicum Alcove Monitoring	54,890
209-1048	Netarts Bay Spawning Surveys	59,390

Region 1 - North Coast
Technical Assistance Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-1023	Siletz Estuary Dike Removal	26,480
209-1038	NF Beaver Creek Tributary Restoration Design	30,225

Region 1 - North Coast
Restoration Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-1032	Boykin Creek Enhancement	45,391
209-1035	Swamp Creek Restoration	67,435



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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March 6, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Mark Grenbemer, Southwest Oregon Regional Program Representative
Miriam Hulst, Acquisitions Specialist

SUBJECT: Agenda Item G: OWEB Grant Award Recommendations
Region 2, Southwest Oregon
March 18- 19, 2009 OWEB Board Meeting

I. Introduction

This staff report describes the Southwest Oregon Regional Review Team recommendations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 42 applications for a total request of \$4,022,347 including \$1,500,000 for two Acquisitions. The Regional Review Team (RRT) recommended 31 applications for approximately \$1,967,132, and reviewed the two Acquisition applications. Staff recommend 24 applications for a total award of \$1,382,370: \$853,711 for Restoration; \$73,465 for Education/Outreach; \$291,745 for Monitoring; and \$163,449 for Technical Assistance. Staff also recommend one Acquisition application for a total of \$1,300,000.

III. Regional Review Team Recommendations

The Southwest Oregon Regional Review Team (RRT) met in Bandon in January 2009 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.

The Region 2 RRT recommended 17 Restoration applications for \$1,371,341; three Education/Outreach applications for \$105,182; six Monitoring applications for \$317,480; and five Technical Assistance applications for \$173,129.

The RRT recommended special conditions for three Education/Outreach, two Monitoring, one Technical Assistance, and five Restoration applications. Minor to moderate budget reductions were recommended for one Education/Outreach, two Monitoring, three Technical Assistance applications, and two Restoration applications. Staff concur with these recommendations.

Increased budgets were recommended for one Monitoring and one Restoration application. Application 209-2052 continues and expands the volunteer water quality monitoring program of the Partnership for the Umpqua Rivers. This was the top-ranked Monitoring application, and the RRT recommended adding \$7,000 to support analysis of the data and tracking project effectiveness. Application 209-2037 (Williams Creek Ditch Improvement Project) proposes to construct head-gates and install measuring devices in 11 irrigation ditches in Williams Creek, a tributary to the Applegate River, with the goal of leaving more water instream during the irrigation season. Williams Creek provides critical habitat for coho, Chinook, steelhead, cutthroat and Pacific lamprey. This was the top-ranked Restoration application, and the RRT recommended adding \$5,000 for effectiveness monitoring and analysis. Staff concur with both of these recommendations.

Restoration application 209-2027 (Illinois Valley Riparian Tree Planting Project) was recommended to be funded for only one year, reducing the budget by nearly half; however, this application was ranked 17 of 17 and falls below the staff-recommended funding line.

The funding of the staff-proposed restoration projects in Region 2 will result in 1,190 pieces of large wood being placed instream in over 15.37 miles of stream; 0.60 miles of stream bank being stabilized using bioengineered techniques; the placement of 8 boulder weirs over 0.5 miles; one livestock crossing placed to remove livestock from the stream channel; 3.5 acres of riparian area planted using native species; 1.2 miles of riparian zone protected through fencing; the treatment of noxious weeds over 1.3 acres of riparian zones; and the restoration of access by steelhead and coho to 0.29 miles of stream by replacing a undersized culvert.

IV. Special Issues

The RRT recommended funding for Williams Creek Culvert Replacement (209-2043), and ranked the application 10 out of 17. Application 209-2043 proposes to replace a culvert that is the top priority road-related fish passage project on the Umpqua National Forest. Oregon coastal coho, steelhead and coastal cutthroat use Williams Creek, which has some of the best remaining habitat in the Middle North Umpqua fifth field watershed. Replacing the culvert with a bridge would provide access to 4.37 miles of habitat. However, the full cost of the project is more than \$2.7 million. The application submitted to OWEB indicated that the applicant had applied for \$2.1 million in federal forest highway funding. This funding did not come through. As a result, staff do not recommend this application for funding. However, the project has been submitted for federal stimulus funding through the U.S. Forest Service.

V. Acquisition Applications

Two land acquisition applications were received from Region 2 this grant cycle. Both are ready for a Board decision at the March meeting. One is recommended for funding; the other is not recommended for funding.

A. Elk River and Rock Creek Land Acquisition (209-110)

Western Rivers Conservancy (WRC) requests \$200,000 to repay loans it took to purchase a 170-acre property in the Elk River watershed, near Port Orford, in Curry County. WRC states that it acted quickly to purchase the property because the land was on the verge of conversion to a rural home site.

1. Ecological Benefits

The application states that the property contains 80 acres of lowland riparian woodland and shrubland, 0.5 miles of Rock Creek (both banks), and approximately 300 feet of Elk River frontage. The application also states that the property contains “scattered Sitka spruce trees (less than 5 acres).” Sitka spruce forest is an OWEB priority ecosystem. According to the application, the property supports coho salmon, fall-run Chinook salmon (Elk River), foothill yellow-legged frog, and northern red-legged frog. The application states that the project is consistent with five of OWEB’s conservation principles for land acquisition: securing a transition area, restoring function to an area that requires active restoration to achieve its conservation purpose, protecting a site with exceptional biodiversity, improving connectivity of habitat, and complementing an existing network of conserved sites.

The property shares a boundary corner with the Kahn Tract, a previously funded OWEB acquisition. The property is surrounded by Siskiyou National Forest Late-Successional Reserve and Riparian Reserve lands. Timber was recently harvested on approximately 70 acres of the property. The application states that active restoration is needed in the harvested area but also states that the area has been replanted.

The RRT felt that the proposed acquisition has unexceptional conservation values. The members agreed that although the Elk River system is an important salmon producer, hatchery strays are a problem and Rock Creek does not contribute an appreciable amount of fish to Elk River. The RRT, did however, acknowledge that the Elk River – Rock Creek confluence could constitute salmon refugia and that Rock Creek temperatures are good.

The RRT came to agreement that nearly all of the property’s ecological value is contained in the southern part of the site, and that the recent upland harvest and considerable invasive species threat make the rest of the site an undesirable investment. The RRT pointed out that the property is located on the fringe of an area that is already well protected. The RRT also pointed out that although the application states that active restoration is needed to achieve the project’s conservation purpose, it states that passive restoration is the primary management approach planned for the property. The RRT felt that passive restoration is not likely to be successful because the site is infested with gorse. Lastly, the RRT noted that the property had been at risk of only one home site and concluded that that did not constitute a severe development threat.

2. Capacity to Sustain the Ecological Benefits

The application states that WRC intends for the Elk River Land Trust to own and manage the property. The application further states that the South Coast Land Conservancy has agreed (pending approval from its Board) to assume ownership and management of the property should Elk River Land Trust be unable to continue to own and manage the property “according to the spirit and conditions of this grant.” The Elk River Land Trust has a small volunteer staff. WRC is committed to helping the Elk River Land Trust develop and implement a robust management plan for the property.

3. Educational Benefits

The application states that the South Coast Watershed Council and other entities may use the site on an infrequent basis to demonstrate naturally functioning habitat in the Elk River basin. The property will not be closed to the public, but no signs or other encouragement for public use will be implemented.

The RRT felt that the project has low educational merit because it does not contain noteworthy systems and it is difficult to access. The RRT also felt that the application did not present a strong commitment to education.

4. Partners, Project Support and Community Effects

The Elk River Land Trust will own and manage the property with management support from the South Coast Watershed Council. The property taxes have been in forest deferral, and thus are low. The property will remain on the tax rolls. The application states that protecting and enhancing salmon and steelhead habitat in the Elk River can have significant positive impacts on the local and regional economy because fishing is a major part of the region's commerce. Little information was provided regarding the nature of community support for the project.

5. Legal and Financial Terms

WRC applied to the National Fish and Wildlife Foundation (NFWF) for a \$50,000 stewardship endowment; the request was recently not funded by NFWF.

6. Conclusion

In November 2008, the Acquisitions Subcommittee decided not to proceed with a due diligence review because it felt that 0.5 miles of Rock Creek and approximately 300 feet of Elk River frontage did not constitute significant aquatic resources, and 40 percent of the property does not contain priority species because it was recently harvested. The RRT concluded that the project has low ecological and educational value. Therefore, staff and the Acquisitions Subcommittee do not recommend funding for the Elk River and Rock Creek Land Acquisition application.

B. Table Rocks Acquisition (209-113)

The Nature Conservancy (TNC) requests \$1.3 million for the purchase of 1,690 acres on Upper and Lower Table Rocks, near Medford, in Jackson County. The Table Rocks, large basalt mesas rising 700 feet above the Rogue Valley floor, are widely recognized biodiversity hotspots.

1. Ecological Benefits

The application states that 100 percent of the property proposed for acquisition contains OWEB priority ecosystems, plant communities, and species. Specifically, the application claims that the property contains 663 acres of oak woodland, 746 acres of Oregon upland prairie and savanna, and 281 acres of Northern California claypan vernal pools. A footnote in the application states that, per the Oregon Natural Heritage Information Center, the Northern California claypan vernal pool ecological system meets the criteria for inclusion as an OWEB priority, and its omission from the OWEB list was an oversight.

The application states that the property contains 14 of the 23 rare and at-risk plant communities listed in OWEB's Rogue Basin priorities for land acquisition. Examples of the rare and at-risk plant communities cited in the application are white oak/buckbrush/Idaho fescue, white oak-black oak/poison oak, annual hairgrass vernal pool, and bracted popcorn-flower – purslane speedwell vernal pool. The application further states that the acquisition will benefit OWEB priority bird species such as blue-gray gnatcatcher, Lewis' woodpecker, oak titmouse, and white-breasted nuthatch; OWEB priority plant species such as meconella, Henderson's bentgrass, Gentner's fritillaria, big-flowered wooly meadowfoam, slender meadowfoam, Agate Desert lomatium, and coral-seeded allocarya; and OWEB priority mammal species including fringed bat and Townsend's big-eared bat. The application also states that the project will protect common kingsnake and threatened vernal pool fairy shrimp. The property contains federally designated critical habitat for the vernal pool fairy shrimp.

The Table Rocks application states the project is consistent with five of OWEB's conservation principles for land acquisition: protecting a large intact area, protecting a site with exceptional biodiversity, securing a transition area, improving connectivity of habitat, and complementing an existing network of conserved sites.

The RRT felt that the project has very high ecological merit, and noted the presence of extensive vernal pools. The team also commented on the rapid decline of oak ecosystems in the area, and agreed that the project constitutes a good oak conservation opportunity. The RRT also noted that the site's connectivity to other conservation sites is good, and that its large size makes fire a potentially feasible management tool. Several RRT members mentioned that there is considerable development pressure in Jackson County, and that this project presents an opportunity to avert development-driven increased demand for water. In all, the RRT felt that the project constitutes a rare, one-time conservation opportunity, one that should be taken lest it be lost.

2. Capacity to Sustain the Ecological Benefits

TNC believes that public ownership is the most appropriate long-term scenario for the proposed Table Rocks property. The property is adjacent to 1,280 acres designated an Area of Critical Environmental Concern by the Bureau of Land Management (BLM), and is in an area widely used and appreciated by outdoor recreationists. TNC is in talks with Oregon Parks and Recreation Department (OPRD) on the premise that OPRD will eventually assume ownership of the property.

TNC is fully committed to owning and managing the property for as long as it takes to arrange for the most appropriate public ownership. Even though TNC anticipates that it will eventually transfer the property to public ownership, it intends to remain involved in the management of the property by entering into a memorandum of understanding with the eventual title holder and other project partners to cooperatively manage the property for biodiversity conservation and low-impact recreation. TNC owns and manages 1,881 acres of fee and easement lands on Lower Table Rock, and has three full-time staff working in the Medford area.

3. Education Benefits

The application states that TNC and the BLM have offered well-attended education events such as guided hikes to the public for 25 years at Table Rocks, and that acquisition of the proposed property will offer additional education opportunities. The application further states that the public will have year-round access to the property, but that open access will be limited to hiking with signage to protect fragile habitats. The application lastly states that other passive recreational activities might be considered if they do not conflict with efforts to conserve biodiversity at the site. These issues will be addressed during the development of a management plan for the property.

4. Partners, Project Support, and Community Effects

TNC envisions eventually transferring the property to OPRD, and working together with OPRD, BLM, Oregon Department of Fish and Wildlife, and the U.S. Fish and Wildlife Service (USFWS) to manage the property. USFWS is considering contributing funds to the purchase of the property.

The project has wide community support. The application states that the project is supported by the Jackson County Board of Commissioners, the Seven Basins Watershed Council, and the Jackson Soil and Water Conservation District. There is tremendous public interest in the Table Rocks.

5. Legal and Financial Terms

OWEB funds are requested for 33 percent of the purchase price of the property. TNC is currently seeking additional sources of funding.

TNC initially envisioned that OWEB would invest in and place a conservation easement on the entirety of the 1,690-acre property. However, the title review revealed the presence of federal mineral reservations and possible environmental concerns related to past military use on approximately 420 acres of the property. These issues would be costly or impossible to rectify to OWEB's satisfaction, and could conflict with an OWEB conservation interest in that acreage. Therefore, staff recommend that OWEB only invest in and place a conservation easement over the portion of the property that is not encumbered by the federal mineral reservations and environmental concerns. Excluding that portion of the property from the conservation easement would not lessen the importance of the conservation investment. All of the vernal pool fairy shrimp critical habitat originally proposed for protection would still be included in the conservation easement, and OWEB's investment would not exceed the fair market value of the portion of the property covered by the conservation easement.

Staff are working with TNC to address several title exceptions pertaining to the portion of the property planned for inclusion in OWEB's conservation easement, but do not anticipate encountering significant problems in completing the remaining title work.

TNC believes that public ownership is the most appropriate long-term scenario for the proposed Table Rocks property, and thus has begun talks with Oregon Parks and Recreation Department (OPRD), as discussed in Capacity to Sustain Ecological Benefits

section above. TNC is fully committed to owning and managing the property for as long as is necessary to arrange for the most appropriate public ownership.

An appraisal of the property was conducted by Glen Crouch of Real Property Consultants. The appraisal was reviewed by the U.S. Department of the Interior's Appraisal Services Directorate. The federal reviewers determined that the appraisal report was prepared in conformance with the Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA). The federal review and approval is sufficient for OWEB's needs, and thus staff did not ask OWEB's independent review appraiser to review the appraisal.

A Phase 1 Environmental Site Assessment (ESA) was conducted for the property by Hahn and Associates, Inc. A review of the ESA by the Oregon Department of Environmental Quality (DEQ) determined that the report conforms to the American Society for Testing and Materials (ASTM) standard required by OWEB. The DEQ review revealed the need for soil sampling on the portion of the property formerly owned by the federal government. The need for additional environmental due diligence, combined with the difficulty of removing federal mineral reservations, resulted in staff and TNC's decision, described above, to have OWEB only invest in and develop a conservation easement that excludes the portion of the property formerly owned by the federal government.

6. Conclusion

Staff initially anticipated recommending TNC's Big Creek application (Region 1, 209-105) for funding at the March Board meeting instead of the Table Rocks application. However, in recent days, TNC has determined that the need to complete the Table Rocks transaction is more pressing than the need to complete the Big Creek transaction. TNC anticipates purchasing the Table Rocks property by May 2009. Therefore, staff recommend funding for the project, contingent on resolution of the remaining title issues, and based on the explicit understanding that TNC is fully committed to robust management of the property both before and after the property is transferred to public ownership. When TNC has identified a public entity to be the property's long-term titleholder, and has entered into a memorandum of understanding to cooperatively manage the property with the title holder and other partners primarily for the conservation of biodiversity, TNC will submit its request to the Board for approval of the transfer of the property.

V. Staff Recommendations

Staff recommend funding 13 of the 17 Restoration applications; two of the three Education/Outreach applications; five of the six Monitoring applications; and four of the five Technical Assistance applications. Staff and the Acquisitions Subcommittee recommend the Board fund one of the two acquisition applications.

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. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

**Region 2 - Southwest Oregon
Acquisition Application Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Funding by OWEB Staff
October 20, 2008 Grant Cycle**

Project #	Project Name	Total Amount Requested
209-113	Table Rocks Acquisition **	1,300,000
Total		\$1,300,000

** Fund with Conditions

**Region 2 - Southwest Oregon
Restoration Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle**

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
209-2037	Williams Creek Ditch Improvement Project □ / Effectiveness Monitoring \$5,000	25,155		25,155	1
209-2042	Harvey Creek Instream Restoration	156,730		156,730	2
209-2047	Upper Dean Creek Instream Restoration - Phase I	53,410		53,410	3
209-2053	Middle Jackson Creek Restoration *	151,878		151,878	4
209-2036	Quartz Creek Salmon Habitat Restoration	66,233		66,233	5
209-2041	Coquille North Fork-Moon Creek Instream 2009	40,837		40,837	6
209-2055	South Sisters Structure Placement Phase IV	141,298		141,298	7
209-2044	Kennedy Creek Livestock Crossing II **	34,779		34,779	8
209-2035	Vannoy Creek Stream Enhancement **	25,137		25,137	9
209-2043	Williams Creek Culvert Replacement ◇	257,000		257,000	10
209-2039	Coquille Myrtle-Dement Creek Instream 2009	48,658		48,658	11
209-2038	Coquille North and East Fork Riparian Restoration **	47,119		47,119	12
209-2064	Murphy Creek Large Wood Phase 2 **	46,465		46,465	13
209-2029	Wrights Creek Fish Passage Improvement **	16,012		16,012	14
209-2045	Hall Ranch Stream Restoration *	67,644		67,644	15
209-2025	Williams River Watershed Fine Sediment Reduction	159,553	750	160,303	16
209-2027	Illinois Valley Riparian Tree Planting Project *	32,683		32,683	17
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,370,591	\$750	\$1,371,341	
Total Restoration Projects Recommended for Funding by Staff to Board		\$853,711	\$0	\$853,711	

* Listed Amount Reflects Recommended Reduction □ Listed Amount Reflects Recommended Increase ** Fund with Conditions ◇ submitted for federal stimulus funding

Region 2 - Southwest Oregon
Education Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
209-2051	Watersheds 101 Education & Outreach */**	50,000	1
209-2062	Bear Creek Regional Education Project **	23,465	2
209-2061	Watershed Technical Science Education Training (WTSET) **	31,717	3
Total Education Projects Recommended for Funding to Staff by RRT		\$105,182	
Total Education Projects Recommended for Funding by Staff to Board		\$73,465	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 2 - Southwest Oregon
Monitoring Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
209-2052	PUR Water Quality Monitoring □	53,113	1
209-2058	Coos Watershed Hydrological and Meteorological Monitoring 2009-2011	43,843	2
209-2056	North Umpqua Pacific Lamprey Monitoring **	57,956	3
209-2048	PUR Fish Population and Habitat Monitoring **	123,658	4
209-2050	Upper South Umpqua Life-Cycle Monitoring 2009 *	13,175	5
209-2049	Umpqua Basin Stream Gage Monitoring *	25,735	6
Total Monitoring Projects Recommended for Funding to Staff by RRT		\$317,480	
Total Monitoring Projects Recommended for Funding by Staff to Board		\$291,745	

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

Region 2 - Southwest Oregon
Technical Assistance Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
209-2032	Gold Ray Reservoir Sediment Study *	39,692	1
209-2031	Savage Rapids Riparian Revegetation **	25,263	2
209-2057	Project Design for Coho Passage and Habitat Improvement *	49,484	3
209-2060	Southwest Coos Watershed Stream Habitat and Road Sediment Prioritization *	49,010	4
209-2030	Pleasant Creek Habitat Restoration	9,680	5
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$173,129	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$163,449	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 2 - Southwest Oregon
Education Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-2026	URWA Education/Outreach: Newsletter/Projector	12,789
209-2034	Williams Creek Community Outreach Program	19,608

Region 2 - Southwest Oregon
Monitoring Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-2040	Coquille Watershed Effectiveness Monitoring 2009	19,836
209-2059	Coho Life History in Tide Gated Coastal Lowland Streams	183,587

Region 2 - Southwest Oregon
Technical Assistance Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-2028	Sixes Ranch Streambank Enhancement	33,032
209-2033	Hill Creek Tributary Incision Study	18,498

Region 2 - Southwest Oregon
Acquisition Application NOT Receiving a Positive Rating for Ecological Merit
and NOT Recommended for Funding by the OWEB Staff
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-110	Elk River & Rock Creek Land Acquisition	200,000

Region 2 - Southwest Oregon
Restoration Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project name	Total Amount Requested
209-2046	West Fork Windy Creek Fish Passage	35,892
209-2054	Billy Creek Habitat Restoration	100,374
209-2063	Applegate Riparian Restoration Project	73,472



Oregon

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March 6, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Wendy Hudson, Willamette Basin Regional Program Representative
Miriam Hulst, Acquisitions Specialist

SUBJECT: Agenda Item G: OWEB Grant Award Recommendations
Region 3, Willamette Basin
March 18-19, 2009 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

Applicants submitted 58 applications for a total request of about \$7.5 million, including \$2.9 million for Acquisitions. The Regional Review Team (RRT) recommended 43 applications for approximately \$3.8 million, and reviewed the two Acquisition applications. Staff recommend 33 applications for a total award of about \$2,839,209. This includes about \$1,936,163 for Restoration; \$206,957 for Education/Outreach; \$403,415 for Monitoring; and \$292,674 for Technical Assistance.

III. Regional Review Team Recommendations

The Willamette Basin Regional Review Team (RRT) met at the Roth's Hospitality Center in Salem in January 2009 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.

The Willamette Basin RRT recommended 18 Restoration applications for funding totaling \$2,606,739. The RRT also recommended seven Education/Outreach applications totaling \$318,422, seven Monitoring applications totaling \$428,435, and 11 Technical Assistance applications totaling \$403,055.

The RRT recommended special conditions for one Monitoring application, three Technical Assistance applications, and two Restoration applications. The RRT also recommended small to medium budget reductions for one Technical Assistance application and one Restoration application.

The RRT recommended more significant budget reductions for two Restoration applications. The budget for 209-3034 (Lomatium Prairie & Floodplain Forest Restoration) is recommended to be reduced by about \$18,000. Reviewers questioned whether heavy equipment should be brought through sensitive plant habitat in order to create a small pond with unclear benefits to the goals of the restoration project. The RRT recommended reducing the budget for 209-3059 (Forest Park Habitat Restoration) by about \$48,000, based on significant questions that arose during the site visit regarding the costs used to develop the budget. Staff concur with the recommendations.

IV. Special Issues

Staff recommend no funding for the noncapital Education/Outreach component of Restoration application 209-3049 (WREP II: Habitat and Stewardship for Willamette Valley Endangered Species). The application requests \$168,199 to continue a previously funded OWEB grant to reintroduce the threatened Nelson's checker mallow plant. Of this amount, \$42,640 would fund education/outreach personnel to conduct field trips and presentations. Although OWEB sometimes funds small education/outreach components in some Restoration grants (typically a few hundred to several thousand dollars), this level of request should be submitted to OWEB in a separate Education/Outreach grant application, and is not recommended for funding.

Monitoring application 209-3065 (McKenzie River and South Fork McKenzie River Pre-Restoration Monitoring) requests \$46,200 to gather information about watershed conditions and identify restoration opportunities through review of LiDAR and thermal infrared data. Staff recommend reducing the recommended budget by \$17,591 to reflect new LiDAR flight arrangements with DOGAMI.

V. Acquisitions

Two land acquisition applications were received from Region 3 this grant cycle. Neither is recommended for funding.

A. East Thornton Lake Natural Area (209-111)

The City of Albany requests \$2.4 million to purchase 24.2 acres of undeveloped land in a residential area of North Albany. The property, rare because it contains populations of both western painted turtles and western pond turtles, is part of a remnant oxbow of the Willamette River. The land is currently owned by a developer who previously received approval from the city to develop a 78-lot residential subdivision. The city's approval was appealed to the state Land Use Board of Appeals and remanded to the city for procedural reasons; a new decision will be made soon by the city. The developer is willing to sell the property to the city for \$3.2 million.

1. Ecological Benefits

The application states that the property contains 4.25 acres of aquatic beds and freshwater emergent marsh, and 3.7 acres of riparian forest and shrublands (for a total of 33% of the acreage proposal for acquisition). The remainder of the property (16.25 acres) consists of a fallow farm field, which the application characterizes as eventual Western Oregon upland prairie and oak savanna. The application also states that the property contains the following plant communities: Oregon ash/dewey sedge – stinging nettle; black cottonwood – red alder/salmonberry; Pacific willow/stinging nettle; water purslane – waterpepper marsh; dense sedge-tufted hairgrass prairie; and Lobb buttercup aquatic bed. The project aims to restore white oak/poison oak/blue wildrye and tufted hairgrass –

California oatgrass valley prairie. According to the application, the project will benefit acorn woodpecker, short-eared owl, American bittern, chipping sparrow, hooded merganser, white-breasted nuthatch, American kestrel, dusky Canada goose, western meadowlark, western gray squirrel, northern red-legged frog, western painted turtle and western pond turtle.

The application states that the project is consistent with six of OWEB's conservation principles for land acquisition: stabilizing an area on the brink of ecological collapse; securing a transition area; restoring function to an area that requires active restoration to achieve its conservation purpose; protecting a site with exceptional biodiversity; improving connectivity of habitat; and complementing an existing network of sites in the basin.

Historically, juvenile salmonids were present in the oxbow, but do not currently have access. The city plans to explore ways to increase water quality, water quantity, and salmonid use of the channel.

The RRT was of distinctly mixed opinions about the ecological merit of the project. Some members felt that the property constitutes an important opportunity to restore Willamette Valley oak ecosystems and is currently an important area for wintering waterfowl, Western painted turtles, and Western pond turtles. It was pointed out that the USFWS is concerned about the site's native turtles, and is interested in ensuring their protection from further residential development. Another member pointed out that if the site is not purchased for conservation, it has a high chance of being developed.

Other members of the RRT expressed doubt that the protection of such a small piece of property could truly result in significant benefits for sensitive species, especially because the property is surrounded by urban development. Also, it is currently disconnected from the Willamette River and has resultant water quality problems. The city does not yet know if it is feasible to reconnect the property to the Willamette River; urban development might preclude such a project. The RRT also discussed the possibility that the property would become an over-used open space, blurring the line between conservation and recreation, to the detriment of wildlife. One member stated that people would be inclined to use the site as a "city park," and thus managing people and pets would be an ongoing challenge.

2. Capacity to Sustain the Ecological Benefits

The City of Albany Parks and Recreation Department will own and manage the property. The property will be managed for multiple purposes, including wildlife habitat and education-oriented park space. Currently, the Department manages, operates, and maintains more than 700 acres of parks and open space. The Department performs its responsibilities with limited staffing. It anticipates considerable volunteer support for the restoration and management of the site proposed for acquisition.

3. Educational Benefits

The property will be used for research by Oregon State University students and will afford other learning opportunities to grade school, high school, and community college students. A small public area will be located at the west edge of the property, away from

turtle habitat. The area will contain information kiosks and signage. A trail will also be built on the property.

4. Partners, Project Support and Community Effects

The project will provide numerous education opportunities and is supported by scores of conservation organizations, educational institutions, conservation entities, and residents, including the Trust for Public Land, Greenbelt Land Trust, Confederated Tribes of the Grand Ronde, Oregon State University, The Turtle Conservancy, Oregon Wildlife Institute, Greater Albany Schools, Oregon Historical Society, Calapooia Watershed Council, Benton Soil and Water Conservation District, The Institute of Applied Ecology, Friends of East Thornton Lake, Department of Environmental Quality, Friends of Mature Albany Trees, and The Xerces Society.

Acquisition of the property would remove it from the local tax base. In 2007, \$3,450 in taxes were paid for the property. The city currently has a surplus of residential single-family land; protection of the property would reduce the surplus by 3 percent.

5. Legal and Financial Terms

The purchase price will be the Fair Market Value as established by an appraisal, subject to a minimum floor price and not to exceed \$3,200,000. Some of the purchase price might be in the form of a land trade worth \$500,000.

The application states that OWEB's conservation easement would not cover the 3-4 acre public area planned for the west edge of the property. There are no known easements or other legal encumbrances on the property.

6. Conclusion

In November 2008, the Acquisitions Subcommittee decided not to proceed with a due diligence review because it felt that the urban development surrounding the site, the site's small size, the site's majority composition (fallow farm field) and the amount of time that would have to pass before that portion of the site has wildlife value, and the cost of the project all constitute a low-priority investment for OWEB. The RRT's sharply mixed opinions about the project resulted in a final RRT determination of medium ecological value and high educational value. The RRT conclusions were taken into consideration by the Acquisitions Subcommittee, but did not change their opinion of the project. Staff and the Acquisitions Subcommittee do not recommend funding for the East Thornton Lake Natural Area application.

B. Carver Caves Land Acquisition (209-115)

Three Rivers Land Conservancy (TRLC) requests \$500,000 to purchase an 87-acre property southeast of Damascus, in Clackamas County. The property is located in a Metro target area called the Clackamas River Bluffs and Greenway Area. Metro's goals for the area include converting railroad tracks to trails and protecting fish and wildlife habitat. Metro intends to partner with TRLC, contributing \$112,000 to the purchase of the proposed property. Metro will also hold title to, and manage, half of the acreage that would be acquired. TRLC would own and manage the remainder of the acreage.

1. Ecological Benefits

The application states that the property contains “Westside grass bald or bluff.” It also states that the primary habitat of concern on the property is a 32-acre cliff, cave, and talus system. Most of the rest of the property contains “mixed evergreen hardwood – conifer forest.” None of these descriptions are consistent with OWEB’s priority ecological systems for the Willamette Basin. The application states that the property contains OWEB priority plant communities, including bigleaf maple – red alder/sword fern – fringecup and grand fir - bigleaf maple/vine maple – hazelnut. The site’s ground layer of vegetation contains species typically associated with oak woodlands and rocky outcrops, both identified by the Oregon Conservation Strategy as priority habitats. The application states that the property contained at least a small amount of oak woodland in the past. The application also states that the property supports OWEB priority species such as American kestrel, Townsend’s big-eared bat, and red-legged frog. Although the property is not far from the Clackamas River, it does not contain water resources.

The property is adjacent to a 29-acre conservation easement held by TRLC. Clackamas County Parks, with the assistance of Metro, recently purchased 19 acres immediately south of the property. The Clackamas County Parks land will be used for access to the river and environmental resource protection.

The application states that the proposed acquisition is consistent with four of OWEB’s conservation principles for land acquisition: protecting a large intact area, complementing an existing network of sites, improving connectivity of habitat, and securing a transition area.

The RRT acknowledged that the property does not contain OWEB priority ecosystems or water resources, but nevertheless agreed that the property’s unusual geology and caves make it worthy of protection. The RRT also felt that because Damascus is rapidly urbanizing, protecting the property and thus its connectivity to other conserved areas, is very important.

2. Capacity to Sustain the Ecological Benefits

TRLC holds the above-mentioned adjacent 29-acre conservation easement. The Conservancy’s part-time stewardship coordinator and Americorps intern have successfully conducted weed mapping and invasive species control on that easement property. TRLC also holds a conservation easement on a small parcel near Lake Oswego that contains a bald eagle nest. Metro has almost 30 years of experience with managing natural areas and is recognized regionally as a leader in proactive restoration and management of native ecosystems. Metro’s Science and Stewardship Team manages approximately 12,000 acres of natural areas with a staff of five scientists and four natural resources technicians.

3. Educational Benefits

The application states that the site’s caves and rough terrain pose safety concerns that must be taken into account when conducting educational activities. The RRT agreed that the majority of the site is not fit for extensive public access, and thus direct, on-site educational activities should be limited to small, guided tours. The RRT appreciated TRLC’s work with Oregon Public Broadcasting to indirectly educate the public about the uniqueness of the neighboring site, and agreed that the proposed site has similar opportunities for indirect education. The RRT also agreed that the site’s unusual geology

and plant communities present interesting research opportunities. Educational activities on Metro's parcel will be determined as part of the planning stage for Metro's target area properties. It is expected that Metro's parcel will be open to the public and will possibly eventually contain a trail that links the site to other Metro-owned sites.

4. Partners, Project Support and Community Effects

TRLIC intends to partner with the Clackamas Soil and Water Conservation District to develop a management plan for the portion of the property that will be held by TRLIC. The Metro-held portion of the property will be managed separately.

5. Legal and Financial Terms

The property is in forest deferral; the property's tax bill was approximately \$75 for the 2007-2008 tax year. Removing the lots from the county tax roll will be insignificant. The project will increase community enjoyment of open space and understanding of the area's unusual geology. It also will possibly build links among sites in Clackamas River Bluffs and Greenway and beyond.

6. Conclusion

In November 2008, the Acquisitions Subcommittee decided not to proceed with a due diligence review because it felt that the proposed property's lack of OWEB priority ecosystems made it an inappropriate OWEB investment. The RRT concluded that project has high ecological merit, despite the absence of OWEB priority ecosystems on the property. The RRT deemed the project to have medium educational merit. The RRT's conclusions about the project were taken into consideration by the Acquisitions Subcommittee, but did not change their opinion of the project. Staff and the Acquisitions Subcommittee do not recommend funding for the Carver Caves Land Acquisition application.

VI. Staff Recommendations

Staff recommend funding for 15 of the 18 Restoration applications; four of the seven Education/Outreach applications; six of the seven Monitoring applications; and eight of the 11 RRT recommended Technical Assistance applications. Staff do not recommend funding for the two acquisition applications, as discussed above.

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
Restoration Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
209-3085	Middle Fork Willamette Bull Trout Restoration Project	214,600		214,600	1
209-3067	Upper Crystal Springs Enhancement Project	142,520		142,520	2
209-3045	Sandy Basin Anchor Habitat Vegetation Restoration Project	222,214		222,214	3
209-3062	North Fork Gales Creek Large Wood Placement **	39,875		39,875	4
209-3048	Prairie and Oak Habitat Restoration at 2 Regionally Important Sites	315,722		315,722	5
209-3078	Salmon Creek Fish Barrier Correction	218,685		218,685	6
209-3053	Ames Creek Fish Passage	117,969		117,969	7
209-3034	Lomatium Prairie & Floodplain Forest Restoration */Effectiveness Monitoring \$23,450	91,222	1,184	92,406	8
209-3083	Luckiamute Passage Barrier Replacement - Phase I	98,471		98,471	9
209-3077	South Scappoose Creek Enhancement	164,618		164,618	10
209-3031	Potter Creek/Younger Fish Passage Improvement	51,615		51,615	11
209-3063	Crabtree Creek Knotweed Control and Riparian Restoration **	47,147	150	47,297	12
209-3049	WREP II: Habitat & Stewardship Will. Valley Endang. Spec. */Effectiveness Monitoring \$1,760	125,559		125,559	13
209-3052	Courtney Creek Tributary Fish Passage Restoration Project	20,020		20,020	14
209-3035	Deck Fish Passage and Riparian Restoration *	62,495	2,097	64,592	15
209-3084	Willamette River & Johnson Cr. Confluence Salmon Habitat Impvmnt	294,959		294,959	16
209-3038	Blair Creek Fish Passage Project	186,631	2,375	189,006	17
209-3059	Forest Park - Habitat Restoration *	182,217	4,394	186,611	18
Total Restoration Projects Recommended for Funding to Staff by RRT		\$2,596,539	\$10,200	\$2,606,739	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,932,732	\$3,431	\$1,936,163	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 3 - Willamette Basin
Education Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-3044	Salmon Watch - Willamette River Basin	50,000	1
209-3056	Slough School Education Program	49,616	2
209-3037	Teachers as Watershed Researchers: Forest to the Sea	35,168	3
209-3079	Clackamas River Basin Council Outreach and Education	72,173	4
209-3039	MRWC Education & Outreach Program	45,650	5
209-3068	Middle Fork Willamette Watershed Rangers Project	27,591	6
209-3050	Tryon Creek Outreach and Mentoring	38,224	7
Total Education Projects Recommended for Funding to Staff by RRT		\$318,422	
Total Education Projects Recommended for Funding by Staff to Board		\$206,957	

Region 3 - Willamette Basin
Monitoring Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-3081	Luckiamute Watershed Rapid Bio-Assessment - Phase II	109,914	1
209-3065	McKenzie River and South Fork McKenzie River Pre-Restoration Monitoring *	28,609	2
209-3069	McKenzie and Middle Fork Willamette Bull Trout Monitoring Program	103,697	3
209-3057	Willow Flycatcher Monitoring at Killin Wetlands	19,580	4
209-3072	Long-term Effectiveness of Hydrologic Management of Native and Exotic Plants	28,430	5
209-3033	Marmot Dam Removal Geomorphic Monitoring & Modeling **	113,185	6
209-3060	Camp Creek Basin Study	25,020	7
Total Monitoring Projects Recommended for Funding to Staff by RRT		\$428,435	
Total Monitoring Projects Recommended for Funding by Staff to Board		\$403,415	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 3 - Willamette Basin
Technical Assistance Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-3073	Luckiamute Watershed Action Plan	49,304	1
209-3051	Sodom Dam Fish Passage and Flow Management Project	50,000	2
209-3064	Santiam Calapooia Landowner Recruitment for Restoration Project Phase II *	49,500	3
209-3046	Identifying Priority Willamette Valley Oak and Prairie Habitat - Final Phase	20,321	4
209-3041	Beaver Creek Subbasin RBA & Landowner Recruitment	20,705	5
209-3066	Jordan Creek Fish Passage and Off-Channel Irrigation Design	19,812	6
209-3040	Starr & Duffy Creek Fish Passage Designs	38,555	7
209-3047	Willamette Floodplain Restoration Project Design **	44,477	8
209-3036	Forestry Creek Fish Passage Restoration **	45,265	9
209-3071	Lower Molalla River Restoration Plan **	50,000	10
209-3043	Beaver Creek Enhancement Project Phase 3	15,116	11
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$403,055	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$292,674	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 3 - Willamette Basin
Education Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-3061	Coast Fork STREAM Stewardship Program	14,870
209-3080	Writing Our Watershed	22,343

Region 3 - Willamette Basin
Monitoring Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-3032	Monitoring Heavy Metal Exposure in Willamette River Basin Using Freshwater Mussel Shells	191,180
209-3055	Lower Clackamas River Basin Monitoring	47,694

Region 3 - Willamette Basin
Technical Assistance Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-3058	Clackamas Side Channel at Shoe Island	43,171
209-3070	Wagner Creek Fish Passage Project	21,864
209-3074	Sauvie Island Private Land Wetland Restoration	50,000
209-3076	Sturgeon Lake Restoration Action Plan Development	50,000
209-3082	Springfield Mill Race Riparian Design	30,000
209-3086	Building a Foundation to Implement a Willamette Basin Nutria Management Plan	28,659

Region 3 - Willamette Basin
Technical Assistance Application Withdrawn by Applicant
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-3075	Landowner Conservation and Enhancement Recruitment Program	40,603

Region 3 - Willamette Basin
Acquisition Applications Receiving a Positive Rating for Ecological Merit by the RRT
And NOT Recommended for Funding by OWEB Staff
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-111	East Thornton Lake Natural Area ^a	2,400,000
209-115	Carver Caves Land Acquisition ^b	500,000

^a medium ecological merit

^b high ecological merit

Region 3 - Willamette Basin
Restoration Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-3042	Abernathy Creek Restoration Project	121,250
209-3054	Frazier Creek Stream Reconnection	54,184



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March 6, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Rick Craiger, Central Oregon Regional Program Representative
Miriam Hulst, Acquisitions Specialist

SUBJECT: Agenda Item G: OWEB Grant Award Recommendations
Region 4, Central Oregon
March 18-19, 2009 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 and Summary

Applicants submitted 46 applications for a total request of \$9,302,316 including \$1,225,000 for three acquisitions and \$3,922,352 for 209-4034, the Pilot Butte Piping Project. Application 209-4034 was pulled from consideration in this cycle, and has been part of the flow restoration needs, opportunities and priorities discussions by an OWEB Water Conservation Advisory Committee.

The Regional Review Team (RRT) recommended 26 applications for approximately \$2.5 million and reviewed the three acquisition applications and the Pilot Butte Piping Project application. Staff recommends 17 applications for a total award of \$1,676,908: \$1,292,732 for Restoration; \$66,341 for Education/Outreach; \$179,377 for Monitoring; and \$138,458 for Technical Assistance. Staff also recommend funding one acquisition application for \$325,000.

III. Regional Review Team Recommendations

The Central Oregon Regional Review Team (RRT) met in Redmond in January 2009 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.

The RRT suggested special conditions for 10 of the Restoration applications and one Education/Outreach application. Staff concur with these conditions. The RRT recommended a moderate reduction for one Restoration application, and staff agrees with the reduction.

Two Restoration applications received extremely large budget reduction recommendations from the RRT: 209-4045 and 209-4056. Application 209-4045, Tumalo Creek Fish Passage and

Habitat Enhancement, requested \$420,000 to refurbish and stabilize the Tumalo Irrigation District's (TID) 1913 diversion structure, allowing gravel to remain instream and providing for fish passage. The project as proposed would have included construction of new headgates. The RRT wanted to see more of an investment by the TID, and recommended that OWEB only provide \$212,000 to fund acceptable fish passage and the new telemetry equipped stream gauging station. OWEB staff has worked with the TID and determined that it is most effective and efficient to renovate the entire structure at the same time, including the headgates. The TID has agreed to supply labor for the project at a cost of \$150,000. Accordingly, OWEB staff recommend OWEB provide funding in the amount of \$320,000.

Application 209-4056, Evans Creek-Hutson Drive Culvert Replacement, proposes to replace two existing culverts with an arch culvert. The RRT recommended that OWEB fund only the bottomless arch culvert, reducing OWEB funding by \$340,000. OWEB staff do not agree with this reduction, because it would mean that the project could not go forward. The culverts are a partial fish passage barrier for winter steelhead, cutthroat trout, and coho salmon. The project would provide access to 1.3 miles of additional spawning habitat. Accordingly, OWEB staff recommend full funding at \$450,000. OWEB staff; however; recommend a special condition for this application to ensure that no funds are released without written evidence that any right of way issue has been resolved.

IV. Special Issues

The number one-ranked Education/Outreach project is 209-4049, Deschutes County Rural Living Handbook. The Education/Outreach Review Team and the RRT raised issues about how the handbook would be distributed and how the applicant would evaluate how landowners respond to the handbook. Staff recommend a special condition for this grant agreement. Before OWEB releases funds, the applicant should provide OWEB with a distribution plan, a description of how the applicant will determine how many handbooks have been distributed, and a description of how the applicant will evaluate how landowners have responded to the handbook.

The proposed Pilot Butte Piping Project (209-4034) requested approximately \$3.9 million to pipe 2.25 miles of the Central Oregon Irrigation District's Pilot Butte canal north of Bend. It would result in 19.6 cfs of senior water right being converted to an instream water right in the Middle Deschutes River. Due to the amount of the request, OWEB staff determined that a better understanding of OWEB's role in flow restoration was necessary, and pulled the application from the traditional review process to be part of the needs and opportunities discussion with an OWEB Water Conservation Advisory Committee. The advisory committee encouraged the RRT to review the ecological significance of the increased flow.

The RRT determined that 19.6 cfs is a significant, measurable contribution to the Middle Deschutes River, and recommended that the application move forward under a separate review process. The RRT did not rank the application for funding this cycle. Staff recommend the application be deferred and continue to be considered as part of OWEB's review of statewide flow restoration issues and opportunities.

V. Acquisitions

Three land acquisition applications were received from Region 4 this grant cycle. Only one is recommended for funding. One of the Oregon Rangeland Trust applications was withdrawn; the other is not recommended for funding.

A. Maxwell Easement Acquisition (209-108)

Oregon Rangeland Trust (ORT) requested \$700,000 to purchase a conservation easement on the entirety of a 3,600-acre working cattle ranch on the northern edge of the Goose Lake Basin, in Lake County, near Lakeview. In November 2008, the Acquisitions Subcommittee decided not to proceed with a due diligence review because it felt that the project does not propose activities or management that will significantly benefit OWEB priority ecosystems or species. The RRT then determined that the project has medium-low ecological merit. OWEB staff have been discussing the proposed acquisition project with ORT, and expect ORT to revise and resubmit their application in April.

B. Albertson Ranch Conservation Easement (209-109)

Oregon Rangeland Trust (ORT) requested \$200,000 to purchase a 730-acre conservation easement on a working cattle ranch in the Drew's Creek Watershed, in Lake County, near Lakeview. In November 2008, the Acquisitions Subcommittee decided not to proceed with a diligence review because the property's resources are primarily artificial and thus not an OWEB priority for acquisition. ORT subsequently withdrew the application.

C. Coffey Ranch Conservation Easement (209-114)

Deschutes Land Trust (DLT) requests \$325,000 to purchase an easement on a 492-acre parcel that is part of the 2,000-acre Coffey Ranch property near Prineville in Crook County. Although the long-term management goal for the parcel is to maintain its ranch use, the owners bought the land as an investment and have considered subdividing it into 160-acre parcels. The draft conservation easement limits agricultural activities to defined agricultural areas, totaling approximately 80 acres of the 492 acres proposed for easement acquisition.

This project was first submitted by DLT in October 2007 (application 208-105). The Board declined to fund the project at the March 2008 Board meeting because the Acquisitions Subcommittee did not feel that the project would result in significant ecological benefits. The revised application constitutes an increase in the easement acreage and a decrease in the funding amount sought from OWEB.

1. Ecological Benefits

The application states that the proposed acquisition contains 22 acres of freshwater emergent marsh, 23 acres of lowland riparian woodland and shrubland, and one mile of Mill Creek (both sides). The application also states that the proposed acquisition contains seven acres of basin wildrye bottomlands, 104 acres of bitterbrush/Idaho fescue, and three acres of old-growth western juniper within the bitterbrush/Idaho fescue. The application further states that although the proposed easement includes 114 acres of land that are not OWEB acquisition priorities, protection for the entire 492-acre parcel is the only feasible way to protect the one-mile segment of Mill Creek and other OWEB priority systems contained in the parcel. If the proposed easement parcel were to be divided, the resource values would be significantly impacted by additional fences

bisecting the creek, wetland conversion to pasture, new points of water diversion, potentially inappropriate grazing management, and increased residential noise. These impacts could impede the recovery of Mill Creek that has come about as the result of extensive restoration efforts. The application also states that an easement limited to the riparian area and wetlands offers insufficient financial incentive to the landowner.

The application states that the project is consistent with four of OWEB's priorities for land acquisition: protecting a large intact area; securing a transition area; protecting a site with exceptional biodiversity; and improving connectivity of habitat. The application also states that the project will benefit the following OWEB priority species: redband trout; golden eagle; yellow-headed blackbird; ash-throated flycatcher; long-eared owl; spotted bat; Townsend's big-eared bat; pallid bat; Columbia spotted frog; western toad; striped whipsnake; and possibly steelhead (application states "historical, potential").

A large majority of the RRT expressed positive opinions about the Coffey Ranch project. The RRT noted that the landowner has done extensive restoration and fencing and that the project would exemplify the compatibility of good conservation and well-managed agricultural enterprise. The RRT also expressed positive thoughts about Mill Creek as a whole. RRT members pointed out that approximately 80 percent of the private lands on Mill Creek have been restored; Mill Creek has made a good comeback and is powerful demonstration of the positive effects of restoration. The RRT also agreed that residential development is a threat in the Mill Creek area.

2. Capacity to Sustain the Ecological Benefits

The application states that Deschutes Land Trust has conserved more than 7,000 acres of wildlife habitat and agricultural lands. Projects are developed with careful planning and with the support of an experienced and strong network of volunteers, partners, and consultants. DLT's operation funding is stable; most of it comes from more than 1,800 contributing households. In 2007, grants made up only 4 percent of DLT's operational funding.

3. Education Benefits

DLT will reserve the right to conduct tours and educational programs on the easement. The goal of the tours would be to educate landowners and others about private lands conservation, particularly conservation easements. The RRT acknowledged that DLT has an active tour and outreach program and concluded a medium educational benefit.

4. Partners, Project Support, and Community Effects

The application states that DLT is solely responsible for the acquisition of the conservation easement, but that the Crooked River Watershed Council and the Oregon Department of Fish and Wildlife have assisted with the project assessment and design. Funding assistance has been received from NRCS and a private foundation.

DLT has been in contact with the Crook Soil and Water Conservation District and the Crooked River Watershed Council regarding the project. Crook County is generally supportive of the work of DLT. The landowners in the vicinity of the property are aware of the project and have expressed no concerns about it.

The application states that protecting properties such as the one proposed helps to draw tourists, new residents, and businesses to Central Oregon. It also states that keeping the proposed easement land and its prime agricultural soils undeveloped will maintain a productive agricultural land base that adds to economic and cultural diversity, demonstrate that agriculture and habitat protection can co-exist, and help gain the support of agricultural landowners in Crook County.

5. Legal and Financial Terms

OWEB funds are requested for 50 percent of the purchase price of the conservation easement. DLT has secured additional funding from the Farm and Ranch Land Protection Program administered by the NRCS.

The legal review of the option agreement did not raise any concerns for OWEB. The legal review of the title report identified several title exceptions, such as mineral rights and oil and gas leases, which would conflict with OWEB's conservation interest in the property. DLT subsequently removed from the title several of the problematic exceptions, and is currently in the process of removing the remaining exceptions identified by OWEB as incompatible with its conservation interests in the property. DLT is working closely with staff to complete the removal of the title exceptions. The effort is progressing smoothly. Staff expects that DLT will complete the title work soon and without problems.

An appraisal of the property was conducted by Appraisal Group of Central Oregon, LLC. OWEB's independent review appraiser determined that the appraisal report is in conformance with Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), the value conclusions are adequately supported, and the proper appraisal methodology was used.

A Phase 1 Environmental Site Assessment (ESA) was conducted for the property by Hydro-Logics, LLC. A review of the ESA by the Oregon Department of Environmental Quality determined that the report conforms to the American Society for Testing and Materials (ASTM) standard required by OWEB and no further investigation is needed.

6. Conclusion

In November 2008, the Acquisitions Subcommittee decided to proceed with a due diligence review because it felt that the project will adequately protect the property's aquatic resources, and is a good opportunity to maintain the restoration investments that have been made in Mill Creek. After a lively discussion, the RRT settled on a determination of medium ecological and educational merit. The due diligence review is complete. Several title exceptions have yet to be removed from the title, but the process is progressing smoothly and DLT expects to complete the title work soon and without problems. DLT is working closely with OWEB staff to refine the draft conservation easement. Therefore, staff and the Acquisitions Subcommittee recommend funding for the project, contingent on completion of a conservation easement that is acceptable to staff and resolution of the title issues to staff's satisfaction.

V. Staff Recommendation

Staff recommend funding for 11 of the 15 Restoration applications; two of the five Education/Outreach applications; one Monitoring application; and three of the five Technical Assistance applications recommended by the RRT.

Staff recommend funding one Acquisition application.

Staff recommend deferral of the Pilot Butte Piping Project application, 209-4034.

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
Acquisition Application Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Funding by OWEB Staff
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount
209-114	Coffer Ranch Conservation Easement *	325,000
Total		\$325,000

* Fund with conditions

Region 4 - Central Oregon
Restoration Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
209-4024	Neal Creek Riparian Restoration Project	49,940		49,940	1
209-4045	Tumalo Creek Fish Passage and Habitat Enhancement */**	320,000	7,500	327,500	2
209-4019	MFID Emil Creek Water Quality Improvement Project	113,493		113,493	3
209-4017	Upper Chewaucan Habitat Enhancement **/Effectiveness Monitoring \$9,100	91,770	1,250	93,020	4
209-4038	Dry Creek Road Impact Reduction *	5,810		5,810	5
209-4050	Crooked Creek Streambank Stabilization and Habitat Enhancement **	16,500		16,500	6
209-4056	Evans Creek - Hutson Drive Culvert Replacement **	450,000		450,000	7
209-4025	Upland Management Practices for Improved Rangeland Ecosystems **	116,886		116,886	8
209-4039	Lower Deschutes Subbasin Juniper Thinning Demonstration	48,899		48,899	9
209-4048	Stonier's Snake Creek Riparian Protection **	37,684		37,684	10
209-4041	Shady Pine Wetland Restoration **	33,000		33,000	11
209-4018	Upper Lytle Creek Whole Watershed Restoration */**	465,092	3,000	468,092	12
209-4021	Glaze Riparian Restoration Project **	70,480	3,750	74,230	13
209-4028	Badger Spring Reconnection and Wetlands **	55,065		55,065	14
209-4059	Flymon Stewardship Project	78,440	2,500	80,940	15
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,953,059	\$18,000	\$1,971,059	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,283,982	\$8,750	\$1,292,732	

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

Region 4 - Central Oregon
Restoration Application Receiving a Positive Review by the RRT
And Recommended for Deferral by OWEB Staff
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount
209-4034	Central Oregon Irrigation District - Pilot Butte Project	3,922,352
Total		\$3,922,352

Region 4 - Central Oregon
Education Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-4049	Deschutes County Rural Living Handbook **	17,028	1
209-4023	Outdoor Science Education Camps 2009	49,313	2
209-4037	The Crooked River Student Proposal Project *	24,755	3
209-4022	Klamath Basin Watershed Education Program	29,704	4
209-4026	Resources and People Camp	16,147	5
Total Education Projects Recommended for Funding to Staff by RRT		\$136,947	
Total Education Projects Recommended for Funding by Staff to Board		\$66,341	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 4 - Central Oregon
Monitoring Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-4040	Williamson River Delta Post Restoration Water Quality Monitoring Year 3-4 Δ	179,377	1
Total Monitoring Projects Recommended for Funding to Staff by RRT		\$179,377	
Total Monitoring Projects Recommended for Funding by Staff to Board		\$179,377	

Δ Fund with Capital

Region 4 - Central Oregon
Technical Assistance Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-4042	Crooked River Watershed Council Shared Hydrologist	50,000	1
209-4020	Irrigation Lateral 58-11 in Trout Creek Watershed	49,980	2
209-4052	Establishment of a Water Transaction Program for Upper Klamath Lake	38,478	3
209-4054	Lake Ewauna Shoreline Restoration	16,000	4
209-4044	TTDC Point of Diversion Feasibility Analysis	30,000	5
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$184,458	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$138,458	

**Region 4 - Central Oregon
Education Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle**

Project #	Project Name	Total Amount Requested
209-4027	Student Stewardship Project	36,600
209-4036	Klamath Working Group Education and Outreach Project	49,997
209-4058	Teen Experts Engaged in Nature	49,577

**Region 4 - Central Oregon
Monitoring Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle**

Project #	Project Name	Total Amount Requested
209-4035	Klamath Basin Volunteer Water Quality Monitoring Program	80,615
209-4055	Water Quality of Northern Great Basin Vernal Pools	77,198

**Region 4 - Central Oregon
Acquisition Application NOT Receiving a Positive Rating for Ecological Merit by the RRT
And Withdrawn by the Applicant
October 20, 2008 Grant Cycle**

Project #	Project Name	Total Amount
209-109	Albertson Ranch Conservation Easement	200,000

Region 4 - Central Oregon
Acquisition Application Receiving a Medium-Low Rating for Ecological Merit by the RRT
And Withdrawn by the Applicant
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount
209-108	Maxwell Easement Acquisition	700,000

Region 4 - Central Oregon
Restoration Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-4029	Simon Springcreek and Wetland Restoration	55,065
209-4030	Woodway Ducklore/Farris	71,297
209-4031	Murtha Ranch Habitat Restoration	500,000
209-4032	Haycreek Water Quality/Irrigation Efficiency	163,302
209-4033	Abel's Riparian Management	23,522
209-4043	Lonerock Basin Juniper Abatement Project	258,871
209-4046	Walter's Sprague River Wetland/Riparian Protection	11,585
209-4047	Kirby Upland Restoration Project	14,331
209-4051	Cabral Riparian Restoration	41,550
209-4053	Backwater Habitat Restoration Along the Sprague River at Dusty Lane	28,870
209-4057	Tule Smoke Wetland Restoration	83,940



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March 6, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Karen Leiendecker, Eastern Oregon Regional Program Representative
Miriam Hulst, Acquisitions Specialist

SUBJECT: Agenda Item G: OWEB Grant Award Recommendations
Region 5, Eastern Oregon
March 18-19, 2009 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 and Summary

Applicants submitted 47 applications for a total request of \$4,644,573 including \$500,000 for one Acquisition. The Regional Review Team (RRT) recommended 31 applications for approximately \$2.2 million, and reviewed the Acquisition application. Staff recommend 24 applications for a total award of \$1,836,395: \$1,517,178 for Restoration; \$67,409 for Education/Outreach; \$145,790 for Monitoring; and \$106,018 for Technical Assistance.

III. Regional Review Team Recommendations

The Eastern Oregon Regional Review Team (RRT) met in Boardman in December 2008 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.

The RRT recommended special conditions for seven Restoration applications and one Monitoring application. Staff concur with these recommendations. In addition, staff recommends special conditions for Restoration application 209-5086; funds should not be released until the applicant confirms that the project includes a water measuring device as expected by the RRT.

The RRT recommended minor to moderate budget reductions for three Restoration applications and one Monitoring application. Staff concur with these recommendations.

Application 209-5093 (Smith Ditch Water Delivery Improvement Project) is a Technical Assistance proposal to design alternatives to improve an 18-mile irrigation ditch. The goals are

to reduce erosion and sediment pollution to the Powder River while improving irrigation efficiency and fish passage. The RRT recommended reducing the hourly rate for stakeholder meetings, a reduction of \$5,000 with which staff agree. The RRT also recommended significant budget reductions to Restoration application 209-5075 (Lookout Mountain Sage Grouse Project), which has ecological merit but fell below the recommended funding line.

IV. Acquisitions

One land acquisition application was received from Region 5 this grant cycle.

A. Trackwell Ranch Acquisition (209-107)

Western Horizons Conservation Society (WHCS) requests \$500,000 for the purchase a 7,820-acre cattle ranch in Wallowa County, near Imnaha. The property contains approximately eight miles of Imnaha River frontage. A 75,000-acre U.S. Forest Service grazing lease is appurtenant to the property.

1. Ecological Benefits

The application states that the proposed property contains OWEB priority ecological systems, including foothill and canyon dry grasslands and riparian woodland and shrubland. The application does not provide information about the presence of OWEB priority plant communities on the property. However, the application does state that the project will benefit Chinook salmon, steelhead, and bull trout, all of which are OWEB priority species. The application also states that the project is consistent with two of OWEB's conservation principles for land acquisition: protecting a large, intact area and securing an area that is in transition from undeveloped to developed conditions.

The application states that the property's agricultural zoning makes it possible to subdivide the property into 160-acre parcels without administrative approval. The application also states that the property is for sale and is being advertised as "extremely suitable for commercial development." Conservation acquisition will prevent all commercial development and restrict the use of the property to its current uses, which the application states are agricultural and recreational activities. The property is adjacent to Zumwalt Prairie, purchased in 2003 by the Nature Conservancy with the assistance of OWEB funding.

The RRT felt the project, if well implemented, could be beneficial for Chinook salmon and bull trout. The RRT agreed that the degree of development threat is quite low and 160-acre parcels do not constitute a threat of high-impact development. The RRT also felt that the property's ecological systems and conservation values are not unique, and do not have local or regional importance. As a result, the RRT concluded that the project has low ecological merit.

2. Capacity to Sustain the Ecological Benefits

The application provided little information about Western Horizons Conservation Society, other than that the organization's board consists of retired professionals experienced in business matters. The application states that a land manager would be hired specifically for the purpose of managing the property. After the application was received, OWEB staff learned that WHCS was incorporated as a non-profit, registered in Delaware, on October 15, 2008. The articles of incorporation state that "the mission of

WHCS is to identify, preserve and protect plants, animals, and natural communities that represent the diversity of life on Earth by protecting the lands and water and all other resources they need to survive.”

3. Education Benefits

The application states that WHCS intends to partner with educational institutions and other education and conservation-oriented non-profit organizations to conduct a series of educational programs on the property. The RRT felt that the project is not well enough developed to allow for a full assessment of its educational value, however the members agreed that the site’s remote location would pose logistical challenges for educational programs.

4. Partners, Project Support, and Community Effects

The application states that the project is too early in development to have partners, a budget, or match funding. According to the application, property taxes (\$2,500) will continue to be paid and that the project is expected to have no adverse economic or social effects.

5. Legal and Financial Terms

The application states that Western Horizons Conservation Society reached an informal agreement with the current property owner on October 17, 2008 to purchase the ranch for \$9,000,000. WHCS, which registered as a non-profit several days before it reached an agreement with the landowner, then submitted the OWEB application and also began applying for loans from private foundations. The application states that the requested OWEB funds will be used either for the purchase of the property or to repay loans taken for the purchase of the property. WHCS intends to submit subsequent annual applications to OWEB for funds to repay the loans. The application states that WHCS intends to hold title to the property. However, supporting materials indicate that WHCS might intend to transfer the property to the U.S. Forest Service, the state, or Wallowa County.

6. Conclusion

In November 2008, the Acquisitions Subcommittee decided not to proceed with a due diligence review because it felt that WHCS does not have a track record of acquiring and managing conservation lands that demonstrates the capacity to successfully implement the proposed project. The Acquisitions Subcommittee also felt that the project lacks sufficient partners, community support, and certainty about the final fee title holder of the property. The RRT agreed, and determined that as a result of these deficiencies, the project has low ecological and educational merit. Staff and the Acquisitions Subcommittee do not recommend funding for the Trackwell Ranch Acquisition application.

V. Staff Recommendation

Staff recommend funding 16 of the 19 Restoration applications, two of the three Education/Outreach applications, three of the four Monitoring applications, and three of the four Technical Assistance applications recommended by the RRT. Staff do not recommend funding for the one Acquisition application.

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
Restoration Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
209-5087	Middle John Day/North Fork Project Implementation Phase II	169,840		169,840	1
209-5066	Malheur Experiment Station Pump Back System	16,951		16,951	2
209-5090	Silvies River Water Quality and Grazing Management Project **	156,221		156,221	3
209-5055	Upper Middle Fork Allotment Improvements	89,096		89,096	4
209-5076	West Camp Creek Juniper Management and Aspen Restoration */**	195,944		195,944	5
209-5054	Rock Creek Aspen Restoration	35,650	500	36,150	6
209-5096	Eagle Creek Restoration Project Phase II *	154,200		154,200	7
209-5092	Upper Grande Ronde Invasive Weed Control	39,167	833	40,000	8
209-5080	White Butte Juniper Control & Aspen Protection **	29,730		29,730	9
209-5086	Gable Creek Irrigation Efficiency/Fish Passage **	70,293		70,293	10
209-5057	Strip Tillage in Malheur and Owyhee Watersheds	38,883	3,700	42,583	11
209-5091	Little Muddy Creek Range & Habitat Restoration **	124,596		124,596	12
209-5097	Patton Pivot/Culvert	32,414		32,414	13
209-5098	Big Bend Ditch Pipeline **	139,263		139,263	14
209-5083	Knox Place Water System	56,104		56,104	15
209-5064	Hermiston Irrigation District I - Line Conversion Project *	163,793		163,793	16
209-5065	Butler Ranches Juniper Control	137,830		137,830	17
209-5075	Lookout Mountain Sage Grouse Project */**	71,385		71,385	18
209-5078	West Camp Creek Push Up Dam Removal **	73,830		73,830	19
Total Restoration Projects Recommended for Funding to Staff by RRT		1,795,190	5,033	\$1,800,223	
Total Restoration Projects Recommended for Funding by Staff to Board		1,512,145	5,033	1,517,178	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 5 - Eastern Oregon
Education Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-5094	STELLAR	18,557	1
209-5063	Clean Water Neighborhood Project Management	48,852	2
209-5068	South Eastern Oregon Watershed Education	39,278	3
Total Education Projects Recommended for Funding to Staff by RRT		106,687	
Total Education Projects Recommended for Funding by Staff to Board		67,409	

Region 5 - Eastern Oregon
Monitoring Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-5067	Willow Creek Effectiveness Monitoring */Δ	61,839	1
209-5061	East Birch Creek Streamflow Restoration	14,420	2
209-5082	Snake River/Hells Canyon TMDL Agriculture Drain Monitoring Phase 3 **	69,531	3
209-5077	Dry Gulch Ditch Measuring Flume	3,410	4
Total Monitoring Projects Recommended for Funding to Staff by RRT		149,200	
Total Monitoring Projects Recommended for Funding by Staff to Board		145,790	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions ΔFund with Capital

Region 5 - Eastern Oregon
Technical Assistance Applications Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
209-5093	Smith Ditch Water Delivery Improvement Project *	41,700	1
209-5053	Harney Basin Groundwater Study Landowner Outreach	17,347	2
209-5059	Upper Wallowa River Stream Bank Stabilization	46,971	3
209-5074	Cusick Creek Project	34,050	4
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		140,068	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		106,018	

* Listed Amount Reflects Recommended Reduction

Region 5 - Eastern Oregon
Monitoring Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-5095	Harney Basin Groundwater Study Phase II	71,500

Region 5 - Eastern Oregon
Technical Assistance Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-5052	Fox Creek Assessment	50,000
209-5060	Lower Umatilla River Reach Study	50,000
209-5072	Keating Water Conservation Assessment	46,000

Region 5 - Eastern Oregon
Acquisition Application NOT Receiving a Positive Rating for Ecological Merit by the RRT
And NOT Recommended for Funding by OWEB Staff
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-107	Trackwell Ranch Aquisition	500,000

Region 5 - Eastern Oregon
Restoration Applications NOT Recommended for Funding by the RRT
October 20, 2008 Grant Cycle

Project #	Project Name	Total Amount Requested
209-5056	Willow Creek Landowners Water Quality Restoration - Phase II	668,477
209-5058	Powder River Kirkway Reach Restoration	315,900
209-5062	Irish Spring Fire Reseeding Fence	16,883
209-5069	Lochart Juniper Control	76,451
209-5070	Bunker Water Quality Control Project	131,421
209-5071	Bingham Restoration Project	37,405
209-5079	Lostine River Fish Passage Improvement Project	58,242
209-5081	Kopp Water Development	38,471
209-5084	Bologna Creek Restoration	29,084
209-5085	Schoolhouse Hill Restoration	28,887
209-5088	Opal Butte	37,560
209-5089	Moon Hill RX-North Steens Ecosystem Restoration Project Phase II	222,525



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March 6, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager
Renee Davis-Born, Data Analyst and Information Specialist

**SUBJECT: Agenda Item H: Oregon Plan Products
March 18-19, 2009 OWEB Board Meeting**

I. Introduction

This report seeks Board approval of two specific Oregon Plan Product requests for data integration and web-enabling of the Oregon Department of Fish and Wildlife's (ODFW) Oregon Fish Passage Barrier Inventory Database and equipment replacement and repair for the Oregon Watersheds Research Cooperative.

II. Background

Over the years, OWEB has provided support for the implementation of the Oregon Plan for Salmon and Watersheds by funding interagency efforts that help further State goals and objectives. The Board has reserved funding for Oregon Plan Products in its non-capital spending plan in recent biennia to provide for Oregon Plan needs identified by staff, in consultation with the Oregon Plan Monitoring Team and Core Team that do not fit well into the current suite of grant offerings provided through the regular grant program.

In 2007, the Board delayed funding additional Oregon Plan Products until there was more clarity about the amount of non-capital funding that would be available from the Pacific Coastal Salmon Recovery Fund (PCSRF). Last summer OWEB was awarded \$8.2 million in PCSRF funds. In September 2008, the Board reserved \$650,000 of those funds for Oregon Plan Products.

At recent Board meetings, staff briefed the Board about several high priority Oregon Plan Products. These products will inform activities such as project planning and implementation by watershed councils and reporting on agency Key Performance Measures by OWEB and other agencies. At the January 2009 Board meeting, staff did not propose funding for any Oregon Plan Products due to uncertainty in the current budget situation.

III. Oregon Plan Products Proposed for Funding

Two of the Oregon Plan Products discussed at the January 2009 meeting are ready for Board consideration. The following sections describe each proposal and the amount of funding recommended by staff.

A. Data Management System for Fish Passage Barriers and Habitat

Fish passage barrier removal projects comprise a significant number of the total on-the-ground accomplishments under the Oregon Plan for Salmon and Watersheds. OWEB awarded well over \$28 million in grant funds for 313 fish passage barrier removal projects over the last ten years. Several thousand miles of streams have been re-opened to salmon and other aquatic species in Oregon's waterways as a result of this investment. To date, however, Oregon does not possess a comprehensive list and map of fish passage barriers to guide priority development for future barrier removal and for evaluation of past barrier removal accomplishments.

By the middle of 2009, ODFW anticipates making up-to-date fish habitat distribution data available online for coho salmon, winter and summer steelhead, spring and fall Chinook salmon, and chum salmon. At the same time, ODFW expects to release an initial version of the fish passage barrier database that will represent a compilation of the three largest barriers databases in Oregon (ODFW, Bureau of Land Management, and Oregon Department of Transportation) and comparison of known barriers to restoration projects that have been reported to OWEB's Oregon Watershed Restoration Inventory (OWRI). Inclusion of the most recent OWRI data in the barriers database will ensure that the current status of barriers is correct by denoting where fish passage has already been restored through on-the-ground projects. This database will provide an important first step toward compiling information about all fish passage barriers on all waterways throughout the state.

Since the January Board meeting, OWEB staff have met with staff from ODFW, Oregon Geospatial Enterprise Office, Oregon Department of State Lands, and the Institute for Natural Resources to discuss near-term priorities and future data management needs for fish passage barriers. In the short term, OWEB funding will result in a substantially more comprehensive and useful database of barriers for Oregon that will greatly benefit OWEB, grantees, tribal government, state agencies, federal entities, and the public. Funds will be used for the staff time and costs to build the base of information included in the database and to create tools for quantifying the impact of barriers (i.e., number of miles blocked that would be opened via restoration efforts). Specifically, tasks to be completed with OWEB funding include:

- Add barrier data from U.S. Forest Service.
- Add data from several local barrier inventories conducted by watershed councils and soil and water conservation districts (exact number to be determined depending on resources and priorities).
- Compare OWRI data with aforementioned datasets and update status of restored barriers.
- Develop and implement a semi-automated process to identify and reconcile duplicate records stored in more than one dataset.
- Apply GIS tools to the barrier database for the purpose of quantifying the miles of fish habitat for various species that is blocked by a particular barrier, thus improving the information available to inform funding investments for fish passage restoration.

In the future, OWEB funding could enable the development of a web-accessible data management system for fish passage barriers. Data in this system would be automatically and regularly updated to reflect new inventories of barriers and restoration actions undertaken to address fish passage problems. This web-based system would allow users to depict fish habitat and barriers on maps, assess the level of severity of different barriers, and to use decision-support tools for prioritizing investments in fish passage restoration.

The budget in Attachment A describes each of these tasks and provides low and high cost estimates for completing this work. The total OWEB funds proposed by staff for fish passage data management is \$68,470. This funding would support progress on several, high-priority tasks that improve the quality and accessibility of barrier data, and is intended for use in leveraging additional funds.

B. Watersheds Research Monitoring Equipment

OWEB has invested in several research projects over the years and many include the purchase and operation of monitoring equipment. At times, this equipment is subject to damage, loss, and vandalism. While funding of maintenance is not eligible through the restoration grant rules, no such prohibition exists for research or monitoring grants.

The Oregon Watersheds Research Cooperative (WRC) is a public-private consortium comprised of state and federal agencies and private forestry interests. The WRC is implementing watershed-scale research projects in three areas (Trask, Hinkle, and Alsea river basins), in part, with OWEB funding. These research projects are designed to evaluate contemporary forest harvest and develop an understanding of the effect of those practices on physical and ecological processes on the landscape. OWEB has funded capital expenses of these projects through two separate research grants for the WRC in the amount of nearly \$650,000. The most recent investment of \$400,000 was through a Research Grant awarded in September of 2007.

The WRC approached staff in spring of 2008 with a request for additional funding to cover research equipment repair and replacement costs, estimated at \$60,000 per year. The WRC requested that OWEB consider funding to cover 50 percent of these costs, or \$30,000 per year. Following Board discussion in September of 2008, the WRC provided supplemental information for discussion at the January 2009 meeting, including reducing its maximum annual request of OWEB to \$13,835. (Attachment B) Staff believe the revised request represents a more realistic need for the annual research project equipment maintenance, repair, and replacement. However, the WRC has also requested annual funding through 2017.

Since the January Board meeting, staff have met with WRC and discussed the challenge of requesting annual funding through 2017. (Attachment C) Given that research grants often are highly dependent on functioning equipment to provide useful information, and because there is not an OWEB rule prohibition on funding the maintenance of monitoring and research equipment, staff believe this request to be a reasonable and important one and recommend limiting the current request to a shorter timeframe. Therefore, staff recommend the Board approve funding only for three years, after which time the Hinkle Creek portion of the project will be complete. At \$13,835 per year, the total for three years is \$41,505.

IV. Recommendation

Staff recommend the Board approve:

- A. Up to \$68,470 in non-capital funds for an interagency agreement with the Oregon Department of Fish and Wildlife for updates and refinements to the Oregon Fish Passage Barriers Database; and
- B. Up to \$41,505 in research capital funds for an interagency agreement with the Oregon State University for the Watersheds Research Cooperative for maintenance, repair, and replacement of project equipment.

Attachments

- A. Cost estimate for tasks to update the Oregon Fish Passage Barriers Database
- B. Oregon Watersheds Research Cooperative Request
- C. WRC supplemental information

Fish-Passage Barrier Data Management – Funding Options

Task	Description	Time Est. - Low (months)
1	Incorporate USFS barrier data	1
2	Incorporate local inventories (5-8 inventories)	2.5
3	Reconcile OWRI data with aforementioned datasets	1
4	Identify and reconcile duplicates among datasets	0.75
5	Connect barriers data with National Hydrography Dataset in GIS	1
6	Build geometric network in GIS to use for analysis of stream habitat miles above and below barriers	2.5
7	Compile historical and presumed historical (i.e. intrinsic potential) habitat distribution data for a limited number of species	1.5
Total		10.25

NOTE: In-Kind Match Not Included

Tasks 1-7,

Personnel	Rate	Months	Amount
Projected Classifications			
Management NRS-4	\$6,250	1	6,250
I.S.S. 6 - GIS Coordinator	\$5,562	3.25	18,077
I.S.S. 3 - Fish Passage Barrier GIS Technician	\$3,463	7	24,241
Subtotal			48,568
Projected Classifications			
Management NRS-4	46.52%		2,908
I.S.S. 6 - GIS Coordinator	48.99%		8,856
I.S.S. 3 - Fish Passage Barrier GIS Technician	60.14%		14,579
Fringe Benefits			26,342
Subtotal			74,909
Total Personnel			
74,909			
Services and Supplies			
Travel			
Office Supplies			
Software misc			
Computer (including monitors, battery backup)			
Telephone			
Utilities (gas, electric, water, janitorial)			
Subtotal			0
Total Direct Cost			74,909
Indirect Cost (non-State)	33.55%		
Indirect Cost (State; DAS, OWEB)	10.00%		7,491
Indirect Cost (State; non-ODFW)	32.59%		
Total Cost, StreamNet subproject			82,400

NOTE: In-Kind Match Not Included

Tasks 1-6

Personnel	Rate	Months	Amount
Projected Classifications			
Management NRS-4	\$6,250	0.75	6,250
I.S.S. 6 - GIS Coordinator	\$5,562	2.5	18,077
I.S.S. 3 - Fish Passage Barrier GIS Technician	\$3,463	6.25	24,241
Subtotal			40,236
Projected Classifications			
Management NRS-4	46.52%		2,181
I.S.S. 6 - GIS Coordinator	48.99%		6,812
I.S.S. 3 - Fish Passage Barrier GIS Technician	60.14%		13,017
Fringe Benefits Subtotal			22,009
Total Personnel			62,245
Services and Supplies			
Travel			
Office Supplies			
Software misc			
Computer (including monitors, battery backup)			
Telephone			
Utilities (gas, electric, water, janitorial)			
Subtotal			0
Total Direct Cost			62,245
Indirect Cost (non-State)	33.55%		
Indirect Cost (State; DAS, OWEB)	10.00%		6,225
Indirect Cost (State; non-ODFW)	32.59%		
Total Cost, StreamNet subproject			68,470

**MAINTENANCE/REPAIR BUDGET
ALSEA WATERSHED STUDY**

The Watersheds Research Cooperative (<http://watershedsresearch.org/>) is evaluating the effectiveness of various forest management strategies in protecting and restoring small headwater streams and downstream fish bearing streams. OWEB has invested close to \$900,000 in the three watershed studies in two separate grant cycles for capital investments. These studies would not have been possible without these OWEB investments. While long-term studies are needed to address these kinds of effectiveness questions, they also result in annual equipment repair and replacement costs. The purpose of this paper is to provide budget and Oregon Plan context for these watersheds studies and discuss the expected nature of our expected equipment maintenance costs over the life of the studies (through 2017).

Total estimated annual maintenance or replacement costs for three watershed studies: **\$13,835/year**. The actual equipment is itemized in Tables 1, 2 and 3. This estimate does not include batteries that will eventually wear out nor does it include catastrophic damage to any station such as treefall on a weir or gauging house or loss of a flume site during debris flow or storm event. Costs to completely re-establishment a gauging station or flume site would range from \$12,000 - \$23,000 depending on the site.

Table 1. Estimated annual equipment maintenance costs for the Alesa.

Alsea Items	Cost
Annual replacement of tubing for pump samplers (3 sets)	\$250
Annual replacement for DO probe sensor caps (6)	\$510
HACH DO Probes (1 per year due to vandalism or weather damage)	\$2,425
Precipitation gauges (average of 2 lost per year due to vandalism)	\$100
1 TTS station to be vandalized every three years	<u>\$2,000</u>
TOTAL ANNUAL	\$5,285

Table 2. Estimated annual equipment maintenance costs for the Trask.

Trask Items	Costs
Annual TTS Maintenance	\$ 2,685
Annual headwater flume maintenance	\$ 2,385
TOTAL ANNUAL	\$ 5,070

Table 3. Estimated annual equipment maintenance costs for Hinkle.

Hinkle Items	
Annual Micro Met Maintenance	\$ 600
Annual TTS Maintenance	\$ 2,880
TOTAL ANNUAL	\$ 3,480

TOTAL ANNUAL COSTS FOR 3 STUDIES	\$13,835
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The three watershed studies- Alesa, Hinkle, and Trask, have been able to leverage OWEB's substantial investment against an even larger operating budget from diverse funding sources. The operating budget for the three studies is approximately \$695,000-\$1,527,000/year for a total anticipated cost of \$10,545,000

when the project is complete. Funding sources include but are not limited to ODF, NCASI, OFRI, BLM, Douglas County, OFIC, Weyco, USGS, OSU, EPA, and other Grant money.

The research and monitoring conducted under the three watershed studies benefits the Oregon Plan. These studies address effectiveness of current forest management (a critical component of the Oregon Plan), across multiple landowner types (State, Private, and Federal), multiple regions, and at a watershed scale. The Alsea, Hinkle, and Trask studies include biological and downstream responses to forest management. No other project currently addresses all of these topics. Furthermore, effectiveness monitoring is currently recognized as a knowledge gap for the Oregon Plan. This research compliments other OWEB research focused on status and trends or restoration. In fact, the Alsea Study will evaluate restoration as well as general forest management.

While long-term studies are needed to address these kinds of effectiveness questions, they also require annual equipment repair and replacement. Thus, we are now faced with repairing and replacing equipment initially purchased with OWEB capital investments. Not maintaining equipment is not an option. It could result in temporally and spatially inconsistent data collection, lower data quality, data gaps, or complete loss of data stations if damaged equipment is not replaced. These types of issues can limit final study conclusions.

We estimate that the WRC can cover some of the maintenance costs. Examples could include batteries or catastrophic damage both of which were not included in the estimate. The WRC funds will come from current funding sources in proportions to their relative investments (i.e. ODF, NCASI, OFRI, BLM, Douglas County, OFIC, Weyco, and USGS). Given our available budget for equipment repair, we estimate the following maintenance grant requests to OWEB through the life of these studies as follows:

- 13k/year from 2009 - 2011 (Hinkle will be done),
- 10K/year from 2012-2016 (Trask will finish),
- 5K in 2017 (Alsea will finish)

Actual maintenance costs may differ from this estimate and may vary from year to year. While large storm events can be particularly devastating to instream equipment, even average storm events cause damage. Some equipment is simply limited in longevity or needs battery upgrades and replacements (e.g. temp probes). Other equipment, by design is subjected to damaging floods (TTS probes and samplers). Therefore it is reasonable to anticipate annual maintenance will be needed. Our estimates are based on knowledge from principle investigators who have experience with other large scale, long term studies (e.g. H.J. Andrews, Hinkle Creek)

We can only estimate what we would purchase based on operation for the last several years. Luminescent DO and temperature probes need to be maintained every year or two. We have had vandalism of cables and theft of instruments over the last couple years. In these damp locations electronic can short out.

We recognize multiple requests for high priority work outweigh available OWEB funds. We appreciate OWEB's past support and investment in this well-designed set of watershed studies. We do not plan to solicit additional funding from OWEB but there could be an unforeseen, compelling development in the future that might warrant a request. Because we have the basic watershed research structure in place these sites become high valuable for "add-on" studies. For example, the question about stormwater runoff and herbicides can be address at these sites in a much tighter experiment and at lower cost than it would elsewhere.

We appreciate your consideration of this request. Any questions should be forward to Chris Jarmer or Liz Dent.

Chris Jarmer
Oregon Forest Industries Council
503.586.1243

Liz Dent
Aquatic Specialist
State Forests Program
Oregon Department of Forestry
Phone Numbers:
Philomath: 541.929.9168
Salem: 503.945.7371

Attachment C

WRC Response to OWEB Board Questions from January Board Meeting 2/23/09

Why didn't we plan to cover our own maintenance costs?

We did plan for it and are doing so. If OWEB helps support equipment costs, WRC funds can better support operational costs. Also, the original OWEB grant request was for more than was eventually provided. Finally, WRC funding has decreased for some of the studies - highlighting a challenge for the long term nature of this research.

Can we reduce our request and what is our match?

Any amount that OWEB can provide would be extremely valuable. We have absolutely reduced our request as low as possible. For example, we are not asking for funds to cover catastrophic failures. This year we lost a \$15,000 gage on Hinkle Creek. Our current OWEB request which we intend to use across all three watershed studies will be covered with other funds. We are meeting the catastrophic failures with other funds that otherwise would cover operational expenses.

How much do we spend on maintenance?

We cover all the maintenance (approximately \$20,000-\$30,000/year) at this point but that is at the expense of what would be available for operational budgets. Funding sources have been described in previous letters.

Why would they want to contribute to a project they funded through 2009?

Management of Oregon's Forests is one of the most critical components to the recovery of native salmonids. The three watershed studies partnering under the Watershed Research Cooperative are researching effectiveness of Oregon Plan Forest Management measures. While the OWEB funding cycle operates at an annual scale, the strength of a watershed study relies in part on longer term cycles - this one will go until 2017.

The 3 watershed studies provide staggered results. For example, study results evaluating harvest effects on water quality and fish in Hinkle Creek are already being presented. This sequential nature of study results will continue. Hinkle is looking at effects of a second downstream harvest following a completion of harvest in headwaters - a very common forest management activity. Continued support of the WRC brings the other studies into maturity providing harvest effect results from Trask and Alsea. Inference from study results will be more powerful with three studies covering coast and cascades, climatic gradients, and geology in managed and second growth forests. The WRC affords the state of Oregon and OWEB an opportunity to evaluate the effects of a range of forest management practices on aquatic ecosystems, forests, wildlife, and water quality. This work is unique in Oregon, and already proving valuable to the natural resource managers, policy and scientific communities.

Timing Priorities

Any amount of funding that OWEB can provide will be helpful and greatly appreciated. The next few years will present the greatest needs and highest priority as the studies have been underway for several years now and equipment will be in need of attention. While the project runs through 2017, support through 2014 would be extremely valuable.



Oregon

Theodore R. Kulongoski, Governor

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March 6, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager
Courtney Shaff, Acting Grant Program Coordinator
Sarah Miller, Acting Effectiveness Monitoring Coordinator

**SUBJECT: Agenda Item J: Effectiveness Monitoring
March 18-19, 2009 OWEB Board Meeting**

I. Introduction

This report provides an update on the effectiveness monitoring components of the Oregon Wetland Monitoring and Assessment Program in the Willamette Valley and requests Board action on funding. This report also provides an update on the effectiveness monitoring of Savage Rapids Dam removal and requests Board action on funding.

II. Background

A. Wetland Effectiveness Monitoring

OWEB, in coordination with the Department of State Lands and The Xerces Society for Invertebrate Conservation secured a \$342,281 grant from the Environmental Protection Agency (EPA) to create the framework for an Oregon Wetland Monitoring and Assessment Program in the Willamette Valley. The project is intended to be an initial step toward developing a comprehensive wetlands strategy by applying the Oregon Rapid Wetland Assessment Protocol (ORWAP) for effectiveness monitoring to assess wetland quality and to evaluate restoration and mitigation success. This project is intended to complement and inform investments that will be made by OWEB under the Willamette Special Investment Partnership.

Following the Board's approval of the delegation of authority for the Director to enter into grant agreements and contracts at the May 2008 meeting, staff conducted a Request for Proposals and selected a wetland contractor to conduct the field work during the next two field seasons. The work under this grant commenced last fall and field work is scheduled to begin this spring.

B. Savage Rapids Dam Removal Effectiveness Monitoring

OWEB began its investment in dam removal effectiveness monitoring in 2007 through funding effectiveness monitoring at Brownsville and Sodom dams on the Calapooia River and Marmot Dam on the Sandy River. This area of effectiveness monitoring is one that the

Board Monitoring and Research Subcommittee recommended OWEB take a lead role. While Brownsville and Marmot dams have been removed and monitoring continues, the removal of Sodom Dam has been delayed.

During the 2007 research solicitation, a proposal to conduct effectiveness monitoring at the Savage Rapids Dam site was submitted to OWEB. At the time, the research proposal was not approved for funding by the Board until the monitoring plan and budget were more fully developed. In May of 2008, the Board reallocated funds from the Sodom Dam removal project to Savage Rapids Dam for effectiveness monitoring in anticipation of its removal in 2009.

III. Discussion

A. Willamette Valley Wetland Monitoring Enhancements

In February of this year, OWEB initiated the field work associated with the EPA grant through a contract (209-905-7170) with Adamus Resource Assessment, Inc. for \$46,787. The EPA grant provides \$63,000 for the field work to complete Oregon Wetland Rapid Assessment Protocol (OWRAP) Level II and III vegetation and soil assessments on 50 wetland sites and Level II OWRAP assessment at approximately seven to 11 Department of State Lands wetland mitigation sites.

There are additional parameters that project partners have identified as being important to include in the field work component of the project this year. (Attachment A) The additional monitoring parameters that were identified include sensitive wildlife species featured in the Oregon Comprehensive Wildlife Conservation Strategy that would add significant value and understanding to the overall wetland evaluation project. Amphibian and bird surveys would also be completed on a sub-set of the wetlands to complement the invertebrate work conducted by The Xerces Society.

Staff recommend the addition of \$30,000 of funds reserved for effectiveness monitoring to provide for the completion of both one year of pre- and post-project monitoring at the OWEB restoration sites under the current contract. The collection of these additional data will improve the ability to evaluate Willamette Valley wetlands and provide an opportunity to collaborate with other wetland monitoring projects occurring in the Willamette Valley.

B. Additional Funding for Savage Rapids Dam Evaluation

After the Board reallocated funds in May of 2008, staff worked with Oregon State University (the grantee evaluating Brownsville, Sodom and Savage Rapids dams) to revise the original project scope of work to include effectiveness monitoring at Savage Rapids Dam. The amendment to the scope of work and the time extension were completed in November of 2008. At that time, the grantee also identified the need for \$34,953 in additional funds to support the scope of work to complete the Savage Rapids Dam monitoring program described in Attachment B. The additional costs of the project include travel, supplies, and staffing due to the distance to and from the site. The fact that Savage Rapids Dam is larger than Sodom Dam also influences the increase in monitoring costs. Staff view these additional needs as legitimate costs to complete the project and recommend that \$34,953 of the effectiveness monitoring reserve be allocated to this project.

IV. Recommendation

Staff recommend the Board allocate:

- A. \$30,000 from the non-capital funds for Effectiveness Monitoring reserved at the September 2008 Board meeting to the Adamus Resource Assessment, Inc. contract 209-905-7170 for the Wetland Monitoring and Assessment Program in the Willamette Valley project consistent with the purposes described in Section III.A. of this report; and
- B. \$34,953 from Research Capital to Oregon State University for the effectiveness monitoring of Savage Rapids Dam consistent with the purposes described in Section III.B. of this report.

Attachments

- A. Wetland Effectiveness Monitoring supplemental budget
- B. Savage Rapids Dam Scope of Work and Budget

Oregon Wetland Monitoring and Assessment Program

Phase II: January 2010 – September 2010

All Contractors must bid on both Phase I and Phase II tasks. Up to \$16,787.00 will be awarded for Phase II of this contract.

- 1) Complete a second year of monitoring on all 50 original sites using both the Level II and III Assessment methods.
- 2) Complete post-implementation monitoring using Level II and III Assessment methods on all sites that were monitored prior to implementation in year 1 of the project.
- 3) Provide copies of all data collected to OWEB for distribution to project partners.
- 4) Coordinate sampling and access to all 50 sites with Xerces, OWEB, and DSL staff.
- 5) Lead data analysis and report writing, in coordination with Xerces for information from the macroinvertebrate and water-quality monitoring.
- 6) Suggest refinements to Level II and III methods.
- 7) The Contractor will be available for 3-4 meetings in Salem and Portland, Oregon.

Phase II Deliverables

September 2010

- Final map of all sites monitored
- Final report on Level II and Level III assessments of Willamette Valley wetlands including results of pre and post-implementation monitoring and wetland mitigation and restoration sites.
- Consultation as requested by OWEB and other project partners during development of guidance for state agencies involved in wetland mitigation and restoration projects

Phase II Timeframe

- A draft of the final report will be due to OWEB by 8/10/2010. The Contractor will provide one hard copy and a CD for review. Comments from OWEB, DSL, and Xerces staff will be submitted to the contractor by 8/27/2010. Three hard copies and one CD of the final report will be due to OWEB by 9/15/2010.

Savage Rapids Dam Removal – Monitoring Scope of Work

Pre-removal: Summary of activities

Pre-removal monitoring will be implemented in two phases. Year -1 (2007-2008) will be used to map the study reaches and geomorphic units, collect sediment and invertebrate samples, and assess habitat conditions. This reconnaissance effort will both establish the baseline condition and be used to perform power analysis to evaluate sampling requirements for statistically valid change detection. The sampling strategy for Year 0 (2008-2009) and beyond will then be modified to meet minimum statistical power.

Specific activities recommended for preliminary instrumentation and pre-removal monitoring include:

- aggregate relevant, existing data from various agencies, especially long-term data
- produce GIS maps of existing monitoring data
- create project website for photos and data dissemination, field data sheets
- articulate and revise field methods and analysis
- establish a GPS control network along the river corridor
- establish photo points
- establish permanent cross sections and survey points, and survey in monuments
- survey of the upstream reservoir and downstream river channel and floodplains
- 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: Summary of activities

Greater intensity monitoring will occur during the drawdown and removal of Savage Rapids Dam.

Proposed activities include:

- continued turbidity and temperature observations should occur during drawdown, through removal
- bathymetric resurvey of reservoir (delta front, channel, longitudinal, terraces) following removal and prior to 2009-2010 water year

All sampling and surveying will occur during the low flow season (summer) and after leaf out for safety and consistency.

Post-removal monitoring : Summary of activities

The post removal monitoring strategy will be used to address questions regarding the outcomes of the Savage Rapids dam removal 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 stages of sampling.

Short-term (2 years post removal) - Data collected during this period include:

- continuous turbidity, temperature, and discharge observations and analysis
- annual channel surveys (targeted cross sections, longitudinal profile, bed material)
- annual invertebrate sampling and habitat assessment
- monitoring of photo points
- continuous update of GIS maps and website

Project deliverables

A fundamental outcome of the proposed research is the documentation of physical and biological responses of the Rogue River to dam removal, for which 4 dam removals are at some level of implementation. As a “medium” sized dam removal, the proposed monitoring strategy is critical as this removal represents an important learning opportunity. Our approach will be to inform and engage local stakeholders in an assessment of river recovery while addressing important research questions of interest to the broader science community. Our analyses and documentation will articulate and test procedures for reliability in predicting responses to dam removal, making tools more accessible for future dam removals. Thus, in combination with monitoring activities occurring at the Brownsville dam removal site, this monitoring program will document the outcomes of the a small and medium dam removal, as well as demonstrate, test, and document effectiveness monitoring procedures for future 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 or systematic effectiveness monitoring, (2) detailed cost estimates (per-hours/year) 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. Additional deliverables from the combined dam removal program include annual presentation and documentation of findings to OWEB and local stakeholders, a master’s thesis and PhD dissertation, and peer-reviewed publications advancing dam removal science.

Table 1 - Project budget

Item	Annual Rate	Unit	No. of Units	No. of Years	Annual increase	year 1 (2007-2008)	year 2 (2008-2009)	year 3 (2009-2010)	year 4 (2010-2011)	OWEB
PROJECT MANAGEMENT										
Investigator (Tullos)	\$73,000	1	0.04	3	0.04		\$3,037	\$3,158	\$3,285	\$9,480
IN-HOUSE PERSONNEL										
FRA	\$45,000	1	0.5	4	0.04	\$11,250	\$22,500	\$23,400	\$22,500	\$79,650
FRA (Gerth)	\$36,000	1	0.02	4	0.04	\$720	\$749	\$779	\$810	\$3,057
URA	\$20,800	1	0.25	4	0.04	\$5,200	\$5,408	\$5,624	\$5,849	\$22,082
<i>Fringe Benefits</i>										
Investigator (Tullos)	0.47				-		\$1,427	\$1,484	\$1,544	\$4,456
FRA	0.60				-	\$6,750	\$13,500	\$14,040	\$13,500	\$47,790
FRA (Gerth)	0.67				-	\$432	\$482	\$522	\$543	\$1,979
URA	NA									
CONTRACTED SERVICES										
SUPPLIES AND MATERIALS										
Misc. field supplies				4		\$1,500	\$500	\$500	\$500	\$3,000
TRAVEL										
to-from project sites and Salem	\$0.54	mile	1250	4		\$675	\$675	\$675	\$675	\$2,700
to national conference	\$1,000	year		1						\$1,000
FISCAL ADMINISTRATION										
Total direct costs										\$175,194
OWEB	10%				OPE=					\$17,519
Total indirect costs										
other direct costs										
Total Other direct costs										
TOTAL ESTIMATED COSTS										\$192,713

Table 2 – Tentative Timeline for Monitoring of Brownsville and Savage Rapids Dam removals

	2007												2008												2009												2010												2011													
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D		
Brownsville Dam Year 0 Monitoring																																																														
Brownsville Dam Removal Monitoring																																																														
Brownsville Dam Year 1 Monitoring																																																														
Savage Rapids Year-1 Monitoring																																																														
Savage Rapids Year 0 Monitoring																																																														
Savage Rapids Dam Removal Monitoring																																																														
Brownsville Dam Year 2 Monitoring																																																														
Savage Rapids Dam Year 1 Monitoring																																																														
Savage Rapids Dam Year 2 Monitoring																																																														



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March 5, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager

SUBJECT: **Agenda Item K: Research Priorities**
March 18-19, 2009 OWEB Board Meeting

I. Introduction

This report provides an update on the discussions of the Monitoring and Research Subcommittee regarding priorities for applied research projects.

II. Background

OWEB offered its first open solicitation for research grants and awarded funding to nine projects in September of 2007. During 2008, the Monitoring and Research Subcommittee met to develop priority focus areas for the anticipated 2009 research grant cycle. A proposed approach to developing specific research priorities was presented to the Board at the September 2008 meeting. In September, the Board adopted the Monitoring and Research Subcommittee approach to revising the OWEB Research Priorities and to establish a process for soliciting research proposals in the spring of 2009.

At the January Board meeting, the Board adopted a modified approach, given the current budgetary constraints for the remainder of the biennium, and instructed staff to explore specific areas of research to bring before the Board in March. Staff then began working on revising the research priorities and establishing a process for soliciting research proposals in the spring of 2009.

III. Monitoring and Research Board Subcommittee Research Discussions in 2008

The Monitoring and Research Subcommittee, composed of Meta Loftsgaarden, Ken Williamson, and Bobby Brunoe, met to discuss monitoring and research priority development in 2008 following the direction developed during the 2007 Board Planning Session. The following are the recommendations from the Subcommittee meetings that were presented to the Board at the September 2008 meeting.

1. The Subcommittee encouraged the continued collaboration with and use of the U.S. Forest Service Pacific Northwest Research Stations around the region.
2. The newly established Oregon Climate Change Research Institute under the Governor's Initiative on Climate Change and the Oregon Climate Change Commission are also important entities to continue to be connected to through our Research Grant Program.

Research on climate change should focus in part on addressing the scale issue and linking results to things that are important to Oregonians.

3. The Subcommittee recognized that the recent research grant solicitation and the current OWEB Research Priorities are significantly focused on anadromous salmonid research needs and that a broader suite of topics is necessary for future grant solicitations.
4. Given the strong connection between OWEB actions and salmon health, it was agreed that a continued focus for a portion of the research funds on salmon is important. Focusing on climate change, ocean conditions, and salmon health are important areas to establish a role for OWEB research investments. Of significant concern is the general lack of connection between fish management processes, especially predicting fish returns, and marine ecosystem research. Better predictive models could be used in concert with better coordination and the use of leading indicators rather than lagging indicators.
5. The Subcommittee recognized that effectiveness monitoring could add value to and highlight certain research needs over time. The idea of using the Grande Ronde and Rogue basins as pilot programs was discussed.
6. It was suggested that some research needs may require a direct investment or non-competitive award process to focus on the Planning Session comments and desires to link to 2014 needs.

At the time of the September 2008 report, the recommendation was for staff to embark upon revising the current research priorities over the winter and develop a work plan to be presented to the Board at its January 2009 meeting.

IV. Current Approach to Research Grant Selection

In light of potential revenue reductions and budget constraints, staff proposed a shift of course on this program area at the January Board meeting. Instead of developing a broad list of updated research priorities to inform an open solicitation for research grant proposals, staff recommended convening the Monitoring and Research Subcommittee to discuss a more narrow set of research priorities that could focus on applied research products such as: climate change and local watershed impacts; climate change and salmon returns from the ocean environment; economic evaluations of the role OWEB investments play in local economies and communities; modeling water availability; and terrestrial considerations of invasive species and wildfires.

The direction from the January Board meeting was to convene the Subcommittee to develop a reduced set of research focus areas and specific research grant considerations to present to the Board at the March Board meeting.

At the time of writing this staff report the Monitoring and Research Subcommittee has not yet met. Staff will convene the Subcommittee on March 11 and will provide the Board with an update on the deliberations of the Subcommittee at the Board meeting. Staff also anticipate making specific applied research funding recommendations for Board consideration at the March and June Board meetings.

V. Recommendation

Staff will recommend a list of specific research investments at the March meeting.



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March 6, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item L: CREP Partnership Investment
March 18-19, 2009 OWEB Board Meeting**

I. Introduction

This report updates the Board on the discussions and recommendations from the Oregon Conservation Reserve Enhancement Program (CREP) Work Group.

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 CREP 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 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 the 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.

During the 2007-2009 biennium spending plan discussion at the September 2007 meeting, the Board raised a concern about the increased commitment of funds for CREP contracts and the timing of contracts relative to the life span of Measure 66. Additional concerns about funding for CREP Technical Assistance were raised by ODA and the Soil and Water Conservation Commission during discussions about additional funding for soil and water conservation districts.

Staff from OWEB, ODA, and FSA discussed the Oregon CREP issues in front of the Board of Agriculture in May of 2008. Staff then organized a CREP Work Group and scheduled the first meeting for September 5, 2008. OWEB staff support is provided by Ken Bierly and Melissa Leoni. The members of the work group are:

Gail Stinnett, FSA, Hillsboro
Kevin Macintyre, FSA, The Dalles
Lois Loop, FSA, Tualatin
Larry Ojua, ODA, Salem
Tom Straughan, ODA, Pendleton
Amie Loop-Frison, Yamhill SWCD
Ron Graves, Wasco SWCD
Meta Loftsgaarden, NRCS

The Work Group met has met three times and a subgroup has met once since September.

III. Discussion

The Work Group has discussed two primary issues, technical assistance and statewide support for the program, and the development of an accrued liability fund for contracts that go beyond 2014. The two issues are discussed below in more detail with preliminary recommendations for Board discussion in March. Staff anticipate developing the recommendations further for Board consideration during the 2009-2011 spending plan development process.

A. Program Support and Technical Assistance

CREP is dependent on state funding for technical assistance that engages landowners and assists in the development of conservation plans. The funding for technical assistance has been a critical part of the match that is required by the agreement between Oregon and the USDA. Previous OWEB investments in CREP technical assistance have been made with non-capital funding.

This biennium, ODA has experimented with tracking the time of local technical assistance providers by activities that are eligible for “capital” funds and those activities that are not eligible. For the 2007-2008 fiscal year approximately 64 percent of the tracked hours could be connected to CREP projects and considered eligible for “capital” funds. This information has led to the work group developing a recommendation that technical assistance be supported in part with “capital” funds. The evaluation by ODA has documented that if 60 percent of the funds allocated to CREP technical assistance were “capital” they could be appropriately tracked to meet the requirements of the use of “capital” funds.

In addition to the funding for local technical assistance, the work group recognized the need to fund CREP coordination by ODA. This recommendation recognizes the need for a position that can pursue opportunities to leverage additional resources and partnerships, actively monitor program efforts and technical assistance agreements, and trouble shoot for the program. A state coordinator could also provide consistent and regular training for local technical assistance providers and be an active liaison between state and federal partners.

An initial estimate of the funding required to provide continued technical assistance and statewide coordination is displayed in the following table:

Funding Concept for CREP Technical Assistance

Activity	Capital Funds	Non-Capital Funds
Statewide Coordination		\$35,000
Annual Training		\$5,000
Local Technical Assistance	\$600,000	\$400,000
Total	\$600,000*	\$440,000

*likely from carry forward from the 2007 - 2009 biennium

B. Accrued Liability

The issue of accrued liability is an important because of the limited duration of dedicated funds for OWEB and the continuous nature of Congressional appropriations for the CREP program. The way the CREP program works is that potential participants sign up at their local FSA office. A determination of eligibility is made and, if eligible, a conservation plan of operation is developed that identifies the conservation actions (fencing plan, site preparation, planting plan, maintenance of plants, etc.) for approval by the FSA County Committee. At the time of the County Committee approval, OWEB signs a state contribution agreement. After approval of the agreement, the landowner has one year to initiate the restoration portion of the agreement. Most landowners implement the identified conservation actions within three years (with the great majority implementing within two years).

OWEB funds are not guaranteed beyond 2014 and agreements signed in 2010 and beyond have the potential of accruing liability for the state’s portion of restoration cost-share beyond the life of OWEB. Staff and the work group are still discussing methods of estimating the amount of potential accrued liability and will have a specific proposal for addressing the issues at the September Board meeting.

IV. Recommendation

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



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March 5, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator

SUBJECT: **Agenda Item M: Mitigation Policy Adoption
March 18-19, 2009 OWEB Board Meeting**

I. Introduction

This report requests Board action on proposed guidance intended to clarify agency policy on the use of Measure 66 capital funds for mitigation or legally required activities.

II. Background

OWEB has adopted administrative rules guiding eligibility and preferences for restoration grants (OAR 695 Division 10). OAR 695-010-0040 specifically describes the following as ineligible for OWEB funding by the Board:

(3) A watershed improvement project constructed solely to comply with a state or federal agency enforcement order, legal judgment or mitigation requirement.

When the administrative rule was adopted it was done to prevent the use of OWEB funds (public funds) to satisfy a requirement that an individual incurred from an action that adversely impacted the environment. Subsequent to rule adoption, questions have been raised over the potential use of Measure 66 funds to fund a mitigation bank from which “credits” would be sold to allow others to alter wetlands.

Staff have also encountered significant and increasing opportunities to leverage OWEB funding with some other types of funding that could be construed as being required for mitigation purposes or to be in compliance with a state or federal legal judgment. If OWEB is to join in these opportunities and to remain consistent with the current rule, staff recommend that OWEB funds be used only for restoration benefits that are above and beyond, or separable, from the actions taken to comply with mitigation or legal judgment requirements. Also, as other devices are created to trade ecosystem services, it will be important for OWEB to be clear when Measure 66 funds can and can not be involved. This is a complex and nuanced issue, and the answers often depend on the specifics of an agreement.

In 2006, staff cooperated with a group of state and federal agencies to develop guidance describing the circumstances where restoration funds may or may not be appropriate in species and wetland mitigation projects. In January of 2008, the agencies released the Oregon Interagency Recommendations that describe some conclusions and recommendations for

establishing a common approach regarding the appropriate use of public conservation funds in mitigation projects, including wetland mitigation banks and species conservation banks.

Staff determined that rule changes are not needed to clarify when and how OWEB funds may be used in these types of scenarios, but that further guidance for grantees, staff, and grant reviewers is needed. Staff initiated internal discussions and drafted policy guidance on this subject, which was the subject of discussion at the January 2009 Board meeting.

III. Draft Guidance

Attachment A contains the revised policy guidance document based on the discussion of the Board at the January meeting and comments provided by OWEB staff to improve clarity and readability. Benton County also provided comments on the Habitat Conservation Plan (HCP) section of the guidance as it is currently developing an HCP and incidental take permit for Willamette Valley prairie species and has a pending land acquisition application for acquisition of conservation easements in the Cardwell Hills area to protect existing habitat for two prairie species, the Fender's blue butterfly and Kincaid's lupine.

IV. Recommendation

Staff recommend the Board approve the mitigation policy guidance shown in Attachment A.

Attachment

A. Proposed Mitigation Policy Guidance



Oregon Watershed Enhancement Board

Policy to clarify eligible uses of OWEB funds
related to mitigation projects and funds

Effective Date: _____, 2009

Approved By: _____
Tom Byler, Executive Director

Background

In 2004, the OWEB Board adopted an administrative rule that states:

“The Board will not consider:

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

This rule was adopted to prevent the use of OWEB funds to satisfy a legal obligation of another party. The staff discussion before the Board on this issue beginning in January of 2008, focused on the desire to prevent the use of OWEB funds from subsidizing development that is required to “mitigate” for an environmental alteration. The Board discussion distinguished between direct permit or other legal requirements (e.g. DSL removal-fill permit requirement, EPA enforcement order, or judicial order to restore a site as part of a legal settlement, etc.) and a general legal requirement (e.g. state law prohibits blocking anadromous fish passage) that is not specific to an individual action.

Since adoption of the rule, a number of questions have arisen concerning the intent and application of the rule. In 2005, OWEB asked the Department of Justice (DOJ) for advice on the applicability of the rule to local government mitigation requirements and whether the rule could be interpreted to make eligible for OWEB funding projects required by state or federal law where there has not been a specific or cited violation that must now be corrected. DOJ advised OWEB that projects required only by local government are eligible for funding because the rule only specifies state and federal actions, but if the local government requirement is imposed solely because of a state or federal requirement for mitigation, the project is ineligible for funding. DOJ also concluded that OWEB’s rules (as currently written) make mitigation projects required by state or federal entities ineligible, regardless of whether there has been an order or judgment reflecting violations of law requiring mitigation.

The Board and staff decided in 2008 not to amend the rule, and instead provide additional guidance for staff, grantees, and grant reviewers. This policy guidance document further defines and clarifies eligibility for projects under OAR 695-010-0040.

OWEB Policy

The intent of the administrative rule is to fund voluntary, pro-active watershed improvement projects that aren't specifically required by the state or federal government. For the purposes of this policy, mitigation means activities designed specifically to compensate for the adverse ecological effects of a project or development activities, or to resolve violations of law.

The following are examples of project and funding situations and explanation regarding whether OWEB funding is eligible to participate in such situations.

A. Required Mitigation

Projects designed exclusively to compensate for the adverse ecological impacts of another project or development, or to address violations of law as required by a state or federal enforcement order, are not eligible for OWEB funding. Specific elements of a mitigation project that aren't required, for example the creation of additional habitat benefits for other species or additional acres of wetlands restored or created beyond those required, may be eligible for OWEB funding if an applicant clearly demonstrates the added value of OWEB's investment and has clear mechanisms for accounting for those additional habitat values or acres.

Examples: A developer needs to mitigate for the loss of 10 acres of wetlands. The developer is not eligible for OWEB funding to restore or enhance those 10 acres of wetlands. If however, the developer was working with a landowner who was interested in restoring 15 acres of wetland; the developer could pay the costs associated with the 10 acres required for mitigation and OWEB funding could be used to restore the remaining five acres.

The funding used to support the required mitigation is not eligible to be counted towards the required match for OWEB grants.

Examples: If the developer spends \$100,000 to restore 10 wetland acres as compensatory mitigation and OWEB funds are proposed to support the restoration of an additional five acres, the \$100,000 cannot be used as match for the OWEB grant.

B. Actions Required or Encouraged by State or Federal Law

Projects designed to comply with state or federal law, but where no specific mitigation requirement, judgment, or enforcement order exists are eligible for OWEB funding.

Examples: Fish passage projects designed to comply with ORS 509.580 – 509.910 and agricultural water quality projects designed to implement local agricultural water quality management plans (ORS 580.900 – 580.933) are eligible for OWEB funding. Voluntary actions developed to meet the objectives of an approved recovery plan under the Endangered Species Act (ESA) are eligible for OWEB funding.

If a state or federal agency initiates an enforcement order against a landowner under the Clean Water Act or ESA, the actions required by that enforcement order are ineligible for OWEB funding.

C. Local Requirements

The eligibility of projects designed to address a local government order, judgment, or mitigation requirement, if the requirement is solely a function of local government and does not originate in state or federal requirements are not addressed by the rule. Therefore projects designed to address local government mitigation requirements based solely on local government codes, and not state or federal requirements for such codes, are eligible for OWEB funding. However, if a county or city adopts a code to implement a state or federal requirement, then OWEB funds cannot be used on a project to meet those codes.

Staff believe this exception to the rule has only been used once, but in general, we recommend that the use of OWEB funds for this purpose be discouraged and considered a lower priority in order to fund voluntary, value-added watershed improvement projects.

Examples: Wetland mitigation required as a condition of a local government development permit, because that mitigation is required under Oregon's removal-fill laws, is not eligible for OWEB funding. On the other hand, mitigation required by a local government permit for impacts in an Environmental Conservation Zone, which was adopted to address state land use planning goals that do not require mitigation, is eligible for OWEB funding.

D. Habitat Conservation Plans

A Habitat Conservation Plan (HCP) is used to obtain an incidental take permit from the U.S. Fish and Wildlife Service or NOAA Fisheries under the Endangered Species Act. Actions that meet the objectives of an HCP, but that are not specifically required in the associated take permit are eligible for OWEB funding. If the take permit requires specific mitigation actions, including the restoration of habitat values or protection of specific acres of habitat, those activities are ineligible for OWEB funds.

Examples: A restoration project to restore Willamette Valley prairie habitat, which addresses the objectives of a Willamette Valley Prairie HCP, but is not required by the take permit or designed to generate mitigation credits, is eligible for OWEB funding.

A restoration project that is required to mitigate for three acres of Willamette Valley prairie habitat under an HCP and take permit is not eligible for OWEB funding.

A project proposes acquisition of a 20 acre property containing 10 acres of high quality Willamette Valley prairie habitat and then use of the property for mitigation required by the take permit. The acquisition of the property and protection of the 10 existing acres of habitat would be eligible for OWEB funding if the conservation easement held by OWEB specifically describes the habitat to be protected and has a detailed baseline report that maps the acreage, describes the quality of the habitat, and photo documents current conditions. However, the acres and habitat conditions protected with OWEB funds cannot be used for mitigation credits. Mitigation credits could only be generated under the take permit if additional acres are restored or habitat quality is improved above the OWEB easement baseline with other funding sources. The restoration or enhancement activities associated with the mitigation credits are ineligible for OWEB funding and cannot be used as match for the OWEB acquisition grant.

E. Mitigation or Settlement Funds

Where a legal judgment includes the creation of a fund for habitat restoration or protection purposes, but does not identify specific restoration or habitat mitigation projects, OWEB funds are eligible as cost share with these funds to implement specific projects. Examples of these types of funds include Bonneville Power Administration (BPA) mitigation funds, Pelton-Round Butte settlement funds, and other negotiated settlements.

Examples: The Pelton-Round Butte relicensing agreement required the licensee to establish a fund to accomplish two general outcomes, improved fish habitat and increased protected stream flow. The agreement specified a process and criteria, but not individual projects or specific quantified outcomes. Projects designed to meet the two outcomes and that are eligible under the fund are eligible for OWEB funds, and the Pelton-Round Butte funds may be used as match for an OWEB grant. Similarly, BPA mitigation funds aren't targeted to specific projects or property acquisitions and projects that are eligible for BPA funds are also eligible for OWEB funding, and the BPA funds may be used as match.

Alternatively, if a mitigation or settlement fund identified specific parcels to be protected or specific quantified restoration outcomes to be accomplished, these projects would be ineligible for OWEB funding. In this instance, OWEB could partner on the protection of additional habitat acres or stream flow or on restoration actions above and beyond those required by the fund, but not those activities needed to meet the specific outcomes required by the fund.

F. Mitigation Banking

By statute, "mitigation bank" means a wetland site, created, restored or enhanced to compensate for unavoidable adverse impacts (ORS 196.600(3)). OWEB funds are not eligible to be used to establish a mitigation bank to offset permitted environmental alterations. This is consistent with the January 2008 Oregon Interagency Recommendations developed by OWEB and a number of other state and federal agencies on the use of restoration funds and funding of mitigation banks. The Interagency Recommendations propose that agencies prohibit the use of restoration funds for the purpose of establishing or creating credits for a mitigation bank.

However, the Interagency Recommendations do propose that agencies allow restoration funds to be used with "payment to provide" or "fee-in-lieu" mitigation funds for watershed restoration projects. These funds are payments made to agencies in lieu of physical compensatory mitigation, which are then used to finance other voluntary conservation actions that result in resource benefits that equal or exceed the original mitigation obligation. OWEB funds could be used with these types of funds on a restoration projects in a similar fashion to the Required Mitigation situation described in Section A.

Examples: A watershed council working with a landowner who is interested in restoring 15 acres of wetland could restore five acres using "fee-in-lieu" funds and apply to OWEB to fund the restoration of the remaining 10 acres. This is possible only if the 10 acres restored with OWEB funds are not used to establish a mitigation bank or generate additional mitigation credits and there is an accounting of the habitat values achieved through each funding source. The "fee-in-lieu" funds also cannot be used as match because they are required to achieve a specific mitigation obligation.

G. Conservation Banking

Conservation banks are permanently protected privately or publicly owned lands that are managed for endangered, threatened, and other at-risk species. A conservation bank is a market enterprise that offers landowners incentives to protect habitat, including selling habitat or species credits to parties who need to compensate for environmental impacts.

Since conservation banks have not yet been established in Oregon, OWEB is proposing to treat them in the same manner as mitigation banks (Section F) until conservation banking policy and standards have been fully established.

H. Ecosystem Services Markets

Ecosystem services mean the environmental benefits arising from the conservation, management, and restoration of ecosystems. Currently there are individual markets for carbon, wetlands, habitat, open space, and hazard reduction. There is also an effort underway in Oregon to develop an integrated ecosystem services marketplace, but similar to conservation banking, the policy and standards have yet to be established. Until such time, OWEB proposes to treat ecosystem services market funds in the same manner as mitigation banks described in Section F.

Examples: If OWEB funds are requested to protect existing riparian or oak savannah habitat through a land acquisition grant, those protected acres should not subsequently be used to create carbon credits. OWEB's conservation easements should clearly state that protection of existing plant communities includes the carbon sequestration values of those communities.



Oregon

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March 4, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Miriam Hulst, Acquisitions Specialist
Ken Bierly, Deputy Director

**SUBJECT: Agenda Item N: Coastal Wetlands Grants
March 18-19, 2009 OWEB Board Meeting**

I. Introduction

This staff report provides an update on the 2008 Coastal Wetlands projects and the recent 2009 Coastal Wetlands Grant awards of approximately \$1.5 million to OWEB from the U.S. Fish and Wildlife Service (USFWS) to fund two coastal wetlands projects. Staff will also request Board authorization to enter into the appropriate grant agreements for the 2009 Coastal Wetlands Grant awards and to request legislative approval to submit 2010 Coastal Wetlands Grant applications to the USFWS.

II. Background

The National Coastal Wetlands Conservation Grant (Coastal Wetlands Grant) Program was established by Title III of P.L. 101-646, Coastal Wetlands Planning, Protection and Restoration Act of 1990. Under the program, the USFWS provides matching grants to states for acquisition, restoration, management, or enhancement of coastal wetlands. To date, about \$220 million in grants has been awarded to coastal states and territories for the protection, restoration, and enhancement of approximately 258,000 acres of habitat. Typically, between \$13 million and \$17 million in grants are awarded annually through a nationwide competitive process. Funding for the program comes from excise taxes on fishing equipment and motorboat and small engine fuels.

The Coastal Wetlands Grant Program offers a significant partnership investment opportunity to restore and protect wetland and estuary ecological values, promote strong partnerships, and provide a two-to-one match of OWEB funds. To date, OWEB has been awarded more than \$7.5 million in federal funds for coastal wetland acquisition and restoration projects in Oregon:

- **1998:**
 - Neawanna Wetland Acquisition, Seaside (\$170,000)
- **1999:**
 - Coos-Coquille Wetland Acquisition and Restoration (\$820,000)
 - Tillamook Wetland Acquisition (\$750,000)
 - Smith River Estuary Restoration (\$138,875)

- **2003:**
 - Yaquina River Estuary Acquisition (\$952,214)
 - Circle Creek Wetland Acquisition, Seaside (\$750,000)
- **2008:**
 - Salmon River Estuary Restoration (\$754,800)
 - Lint Slough (Alsea River Estuary) Restoration (\$310,000)
 - Yaquina River Estuary Acquisition (\$95,725)
 - Alsea Bay Acquisition (\$997,350)

In June of 2008, OWEB submitted two applications on behalf of our coastal partners for project funding under the Coastal Wetlands Grant Program. On December 17, 2008, the Secretary of the Interior announced the 2009 awards that included both applications submitted by OWEB. Combined, the two federal grants total approximately \$1.6 million and require a total state match of \$868,462.

III. 2008 Coastal Wetlands Grants

The following sections describe the status of the 2008 Coastal Wetlands Grant awards to Oregon.

A. Salmon River Estuary Restoration

Good progress has been made on the Tamara Quays portion of the project. The culverts on Rowdy Creek have been replaced with culverts that pass anadromous fish. All infrastructure materials have been removed or disassembled. The dike and fill will be removed to expose the former marsh surface in summer 2009. Work will also commence on the Pixieland site this summer.

B. Lint Slough (Alsea River Estuary) Restoration

The first phase of the project, removal of remnants of the fish hatchery, was completed with OWEB funds in summer 2008. On February 27, 2009, USFWS notified OWEB staff that it has completed the compliance review for the Lint Slough Restoration Project and will issue the grant agreement to OWEB soon. Replacement of the City of Waldport water line and removal of the dike blocking tidal inundation will be completed this summer.

C. Alsea Bay Acquisition (208-116)

The Alsea Bay Acquisition Project is ready for a Board funding decision. See Agenda Item G, Region 1.

D. Yaquina River Estuary Acquisition (208-117)

The Yaquina River Estuary Acquisition project is held up by due diligence issues and thus is not ready for Board action at this time. Staff recommend the OWEB match application be deferred.

IV. 2009 Coastal Wetlands Grants

The following sections describe the 2009 Coastal Wetlands Grant awards to Oregon, including the review process used and the current status of the projects.

A. North Nehalem Bay Wetlands Acquisition (209-106)

The federal grant for the North Nehalem Bay project is \$629,665 with OWEB match of \$466,462.

1. Project Description

The Lower Nehalem Community Trust (LNCT) plans to purchase seven parcels totaling 16 acres at the northern edge of Nehalem Bay in Tillamook County. The parcels contain freshwater wetlands, tidally influenced wetlands, forested uplands, and two small streams. The land is currently zoned for residential development, and offers highly desirable ocean views. Development on adjacent properties has resulted in substantial loss of wetlands that abut Nehalem Bay. The project is the first phase of a two-phase effort to permanently protect wetlands that link land owned by LNCT to Nehalem Bay State Park. LNCT intends to manage the properties for habitat values and environmental education.

2. Partners and Community Support

LNCT has formed an advisory group for assistance with the development of stewardship plans for the acquired parcels. The advisory group is a diverse assemblage of natural resources entities, including Oregon Department of Fish and Wildlife; North Coast Land Conservancy; The Nature Conservancy; a private consultant; Urban Greenspaces Institute; Audubon Society; and Oregon Parks and Recreation Department.

The project has extensive community support, including the unanimous approval of the Tillamook County Commissioners and the mayor of Nehalem. LNCT gathered more than 450 signatures from local residents who support the project.

3. Process and Status

In October 2008, LNCT submitted an OWEB land acquisition application (209-106) for state match, as described and recommended for deferral in the Region 1 staff report (Agenda Item G). At the direction of the Acquisitions Subcommittee, staff requested due diligence materials in November 2008. Materials have not yet been received. The Region 1 Regional Review Team (RRT) reviewed the application for its ecological and educational merits in January 2009. The RRT felt that although the parcels proposed for acquisition are small and not highly ecologically valuable in and of themselves, the property forms a very important habitat link between Nehalem Bay State Park and other protected areas. The RRT was of the opinion that these parcels must be conserved to save the last remaining bayside wetlands and maintain habitat linkages. The RRT also felt that the project offers a good opportunity to restore hydrology, and thus wintering refuge for fish, on several of the parcels. The RRT felt that LNCT's current educational programs are outstanding and expressed confidence that LNCT would implement high-quality educational programs at the site.

Staff recommend the Board authorize staff to enter into the federal grant agreement for this project, so that LNCT can proceed with OWEB's due diligence requirements. When the due diligence materials have been submitted and reviewed, staff will return to the Board with a recommendation for the state match funds.

B. Bott's Marsh Acquisition

The federal grant for the Bott's Marsh project is \$950,000 with OWEB match of \$402,000.

1. Project Description

The Trust for Public Lands (TPL) has an option to purchase a 36 acre site that is partially tidal wetlands and partially filled uplands in the City of Nehalem. The site has been subject to land use controversy for more than 30 years. The tidal marsh and channels are important for juvenile salmon during their downstream migration and are used by estuarine and marine aquatic species as well. The tidal flats and waters are important for shore birds and other coastal species. The site provides an excellent opportunity for conservation education. The TPL has discussed final transfer of title to the North Coast Land Conservancy (NCLC) for management and protection.

The project has extensive community support, including the unanimous approval of the Tillamook County Commissioners and the mayor of Nehalem.

2. Partners and Community Support

NCLC has not yet developed a management plan for the property but is prepared to engage both agency and citizen partners to develop a stewardship and education plan for the property.

3. Process and Status

TPL has not submitted a land acquisition application to OWEB for state match. When TPL finalizes the purchase contract with the landowner, it will apply for OWEB funds.

Staff recommend the Board authorize staff to enter into the federal grant agreement for this project, so that TPL can proceed with OWEB's due diligence requirements. When the OWEB grant application and due diligence materials have been submitted and reviewed, staff will return to the Board with a recommendation for the state match funds.

V. 2010 Coastal Wetlands Grant Applications

In January 2009, the USFWS requested applications for the 2010 Coastal Wetlands Grant Program. Staff sent a memo to coastal land conservation groups to solicit project concepts in a more formal manner than previously used. The project concepts will be reviewed by the Acquisitions Subcommittee, the applicable RRT, and staff. The Subcommittee and staff, considering RRT input, will select for submission to USFWS the projects determined to be most consistent with the Coastal Wetlands Grant funding criteria, OWEB's Ecological Priorities for Land Acquisition, and other appropriate criteria. The local partners, with guidance from staff, will develop the Coastal Wetlands Grant applications according to USFWS criteria. Applications are due to USFWS by June 26, 2009.

Local partners' project concepts were due to staff by February 23, 2009. Staff received four project concepts, all from Region 1. The Region 1 RRT is currently reviewing the project concepts for ecological merit. The Acquisitions Subcommittee will meet in late March 2009 to select projects for submission to USFWS. The final amount of total funding requested of USFWS and the required state match will depend on the outcome of this review and further development of each project by the local sponsor, but the estimated cost of the four project concepts is \$2.1 million from USFWS and \$1.3 million from OWEB.

OWEB will also need to seek legislative approval to apply for the federal grant prior to the June 2009 Board meeting. Staff recommend the Board authorize the Director to request approval from the 2009 Legislature to submit Coastal Wetlands Grant applications to USFWS for the projects recommended by the Acquisitions Subcommittee. Staff will report on the status of the 2010 Coastal Wetlands Grant applications at the June meeting.

VI. Staff Recommendation

Staff recommend the Board:

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



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March 5, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Carolyn Devine, Communications Coordinator

SUBJECT: **Agenda Item P: Communications Strategy Implementation
March 18-19, 2009 OWEB Board Meeting**

I. Introduction

This report provides an update on continuing efforts under the OWEB Strategic Communications Implementation Plan. The report is for informational purposes only.

II. Background

Since December 2007, the Board Communications Subcommittee, composed of members Jim Johnson, Meta Loftsgaarden, and Patricia Smith, and OWEB lead staff Carolyn Devine and Tom Byler have met six times. Discussions have focused on the statutory guidance to the Board regarding OWEB's communications. Building upon this direction, the Subcommittee began drafting the following goals and outcomes:

Goal

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

Outcomes

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

The Subcommittee recognized that utilizing all communications tools (Education and Outreach grants, the web site, press releases, publications, etc.) will be essential to support the larger agency mission of creating and maintaining healthy watersheds and natural habitats. The challenge is to design a plan that strategically uses these tools, funding, and staff resources toward these outcomes.

III. Education/Outreach Grants

The Education/Outreach Review Team (EORT) reviewed each Education and Outreach grant application. They met in Bend on December 4, 2008. Their review comments were passed along to the Regional Review Teams for their consideration and use in recommending funding

and ranking. Their comments were also used by OWEB's Director and Grant Program Manager in making the funding recommendations contained in Agenda Item G.

IV. Communications Implementation Plan Progress

Since the last Board meeting, staff contracted with Gard Communications to help create this plan. Gard Communications has a long track record in creating and implementing statewide communications plans, and significant experience in communicating successfully on natural resources issues.

To maximize efficiency, Gard will begin with a discovery process that involves interviewing a few key stakeholders representing a variety of perspectives from every corner of the state. The goal of these interviews is to assess the current communications program and to understand the opportunities and needs for future communications. They are also reviewing existing communications materials and available public opinion research regarding the awareness and perceptions of watershed enhancement efforts around the state. The initial findings from this discovery process will be discussed at the Board meeting.

During and after the discovery process, Gard will draft goals and objectives, a message platform, key messages and a message delivery strategy. These will be reviewed and revised based on input from key staff, stakeholders, and the Board Subcommittee.

V. Recommendation

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



Oregon

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March 5, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item Q: Partnership Investments
March 18-19, 2009 OWEB Board Meeting**

I. Introduction

This report provides an update on the status of OWEB Partnership Investment Subcommittee discussions, describes the criteria that staff used for existing partnerships, and offers a set of draft criteria that may be used in any new, future partnership efforts. This report is for informational purposes only.

II. Background

Development of the Partnership Program within OWEB has been both cumulative through time by incremental decisions and through specific, guided Board discussions about investments in specific outcomes. The primary characteristics of partnership investments are that they include specific ecological objectives, specific partner roles and responsibilities, significant matching of OWEB funds, and alternative solicitation and review processes. All partnership investments maintain OWEB fiscal controls, strong technical review criteria, and enforceable agreements. Examples of existing partnerships include the Conservation Reserve Enhancement Program, Oregon 150, Oregon Plan Products, and Special Investment Partnerships.

Because partnership projects undergo different processes, the Board last year formed the Partnership Investment Subcommittee to provide greater focus on these investment areas. The Subcommittee meets periodically to review the status of existing partnership projects and to review potential new ideas and proposals before they are introduced to the full Board. Subcommittee members include Diane Snyder, Dan Heagerty, Ken Williamson, Jennifer Phillippi, Meta Loftsgaarden, and Dave Powers.

III. Discussion

The Subcommittee recently asked staff to characterize the criteria that are applicable for evaluating partnership efforts and to propose a set of criteria to be used in any future partnership efforts. The criteria for the Special Investment Partnerships (SIP) has been discussed and approved by the Board over the course of several Board meetings in the last two years. The SIP criteria, and criteria for other existing partnerships, are described in the sections below.

A. SIP Criteria

The following are the criteria developed and applied to Special Investment Partnerships:

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 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.
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.
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 have become a part of local custom and culture.
5. **Captures the Imagination/High Visibility.** The scale, importance, and sustainability of an SIP 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.
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.

B. Existing Partnerships and the Criteria Used

1. Oregon CREP

The longest existing partnership developed by OWEB has been with the U.S. Department of Agriculture. The Oregon Conservation Reserve Enhancement Program (CREP) was developed in 1998 through extensive discussions with stakeholders, the Farm Services Agency and the Oregon Governor's office. The Oregon CREP program was structured to address two significant watershed issues, the loss of riparian forested vegetation and loss of stream flow from irrigation of farm land. The CREP program is funded by the Conservation Commodity Commission on an 80 percent federal and 20 percent state match basis. The program provides long term (15 year) contracts for “conservation rentals” for the establishment of forested riparian buffers.

The Oregon CREP effort:

- a. Provides significant match to state funds;
- b. Is eligible to use state “capital” funds;
- c. Addresses statewide issues affecting stream habitats and water quality;

- d. Provides an efficient delivery system for state funds; and
- e. Has allowed the state to develop incentives that fit Oregon.

2. Whole Watersheds Restoration Initiative

The Whole Watersheds Restoration Initiative came about through discussions between OWEB staff and regional staff of the U.S. Forest Service about basin scale priorities for aquatic restoration. The recognition that we had shared priorities led to the identification that using a common watershed assessment approach to develop priority projects within specific basins could be a tool to focus restoration efforts. This led to further conversations about funding across land ownerships and for common outcomes. The partnership was enhanced by NOAA Fisheries funding and administrative handling by Ecotrust, Inc. To date, OWEB has been a relatively minor funding partner.

The Whole Watersheds Restoration Initiative:

- a. Uses “capital” funds for projects ready for implementation;
- b. Focuses restoration efforts in a manner supported by common analysis and shared priorities;
- c. Provides a significant leverage for state funds (\$2 in federal funds for every \$1 from OWEB);
- d. Recognizes that watersheds are comprised of both public and private ownerships and implements restoration on both; and
- e. Uses a third party to facilitate administrative transactions.

3. Oregon 150 Partnership

In preparation for Oregon’s celebration of the sesquicentennial, OWEB staff met with ODFW staff and developed a concept of providing funds for projects that would honor Oregon’s symbol species. These species are the American beaver, Chinook salmon, Oregon swallowtail butterfly, and western meadowlark. OWEB and ODFW presented the partnership concept to the Board as a way to show cooperation around the Oregon Conservation Strategy and help both agencies address the celebration of 150 years of Oregon statehood.

The Oregon 150 Partnership:

- a. Focuses restoration efforts on common priorities; and
- b. Addresses a unique opportunity to focus habitat restoration on Oregon symbol species.

4. National Coastal Wetlands Grants

Prior to the Legislative creation of OWEB, the Governor’s Watershed Enhancement Board (GWEB) first applied for and was granted funds from the U.S. Fish and Wildlife Service for the protection and restoration of coastal wetlands and associated lands. Since 1999, OWEB has been granted approximately \$8 million of federal funds that have required a 25 percent match. This federal grant program is offered annually and OWEB has been successful in working with local partners to address important coastal wetland conservation issues associated with the protection and restoration of habitats that are important to salmon, shorebirds, and a wide variety of other animals.

The National Coastal Wetlands Grant Program:

- a. Provides significant leverage to state funds;
- b. Targets important sites that are often unavailable for restoration unless purchased through a conservation acquisition; and
- c. Addresses ecological resources (estuarine wetlands) that are critical for functioning coastal watersheds.

5. Oregon Plan Products

Since 1997, GWEB and OWEB have budgeted funding for projects that have been developed by the Oregon Plan Monitoring Team and Core Team to meet common and shared agency needs as Oregon has moved forward to address salmon and steelhead listings and implementation of the Oregon Plan for Salmon and Watersheds. The projects funded through the Oregon Plan Products vehicle most often are monitoring, research, and data development or distribution programs. The focus on these project types is a derivative of the Oregon Plan Monitoring Strategy which provides guidance to OWEB and other state natural resource agencies responsible for Oregon Plan implementation. Specifically, OWEB is charged in statute with convening and implementing projects and programs to assist in achieving the outcomes articulated in the Oregon Plan Monitoring Strategy.

In addition to the guidance provided in the strategy, the Oregon Plan Monitoring Team meets to discuss projects that are developed under the Oregon Plan umbrella. Criteria such as timeliness, criticalness of the work, alignment with agency and Oregon Plan objectives, credentials and track record of proponents, relative importance and utility of the information collected, the likely breadth of use of the information, and the relative accessibility to results are all considered by the partner organizations.

Oregon Plan Products are exclusively non-capital projects in nature and do not deal with on-the-ground restoration unlike other Partnership Investments. The projects funded have also typically been reviewed and discussed by the Monitoring and Research Subcommittee, therefore a procedural issue is raised regarding retaining the Oregon Plan Products in the Partnership Subcommittee's deliberations.

IV. Draft Partnership Criteria

At a recent meeting, the Subcommittee expressed an interest in establishing consistent and distinguishing characteristics between projects funded as "partnerships" from those activities funded through the regular, competitive grants process. In reviewing the criteria and basis for previous partnerships, staff developed the following draft criteria for use in considering the continuation of existing partnerships or the development of new partnerships, other than Special Investment Partnerships.

The draft criteria are intended to stimulate discussion between staff and the Board. After receiving input from the full Board, staff intend to discuss potential revisions to the draft criteria with the Subcommittee and return to the full Board with proposed final criteria at the June Board meeting.

The staff draft criteria include:

A. Specific Ecological Outcomes

By this, staff suggest that any proposed partnership be able to demonstrate that the result of the funding allocation from OWEB will result in a measurable ecological outcome that is sufficiently specific and important to be a priority for dedicated funding. The examples of coastal wetlands and riparian zones in agricultural landscapes are good examples of specific ecological outcomes.

B. Leverage of State Funding

Staff suggest that a threshold of at least equal match (50:50 share of funding) should be a minimal threshold for partnerships. When there are important ecological outcomes, but a limited funding share, partnerships should be evaluated more closely. Strong partnerships with 75 to 80 percent match from other funding partners allow state funds to go further.

C. Unique or Limited Opportunities

There are occasionally opportunities that make a one-time partnership a reasonable idea. Oregon celebrating 150 years of statehood is an example of the unique circumstances that may arise.

D. Administrative Efficiency

With this criterion, staff recognize that partnerships require additional staff work that is difficult to manage, especially with budget shortfalls. Partnerships should include either an administrative agent (like Ecotrust with the Whole Watersheds Restoration Initiative) or routine processes (like the CREP payments). This criterion is becoming more important as staff capacity to effectively manage workload is exceeded.

E. Address Institutional or Physical Watershed Management Issues

The investment of OWEB funds can be a catalyst for agency and stakeholder interaction to address physical or institutional barriers. For example, OWEB's current partnerships recognize that agricultural development has significantly altered riparian forested vegetation (Oregon CREP); that nearly one quarter of the state is managed by the U.S. Forest Service (Whole Watersheds Restoration Initiative); and that government agencies sometimes manage resources for programs rather than look for ways to work across program responsibilities (Oregon Plan Products).

F. Strong Technical Review Process

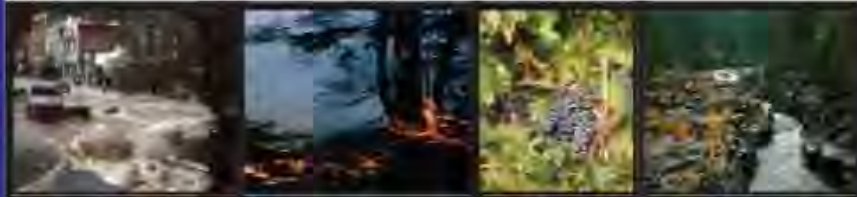
The technical review process associated with OWEB's regular grant process is an extremely important resource for the Board and staff to understand the ecological merit of project proposals. All partnership program initiatives must have equivalent technical review processes to ensure investments focus on high priority, well-developed projects.

V. Recommendation

This is an information item. No Board action is requested. Staff recommend the Board discuss the draft criteria and provide suggestions to staff and the Subcommittee.

PREPARING FOR CLIMATE CHANGE

IN THE ROGUE RIVER BASIN OF SOUTHWEST OREGON



Prepared by:



MAPSS Team at the U.S.D.A. Forest Service:
Pacific Northwest Research Station

Public Health

- Demands for emergency services are likely to increase as storm events, flooding and wildfires increase, but the funding needed to support them may be difficult to obtain.
- Rising summer temperatures will likely increase the incidence and intensity of heat-related illnesses and vector- and water-borne diseases such as Lyme disease and West Nile virus.
- Rising temperatures and increased smoke from wildfires are likely to increase the incidence of asthma.

Agriculture and Forestry

- Forest products may shift to smaller diameter logs if managed by thinning to reduce drought stress and to supply new biomass energy or alternative forest products.

- Agriculture will face increased competition between in-stream and municipal users for available water supplies while rising temperatures are likely to require the use of more water and/or a shift in crop types and farming practices.

Manufacturing, Retail and Service Sectors

- Manufacturing, retail and service sectors are likely to experience higher fuel and electrical costs due to reduced summer output from the BPA hydroelectrical system, disruption in supply chains and the distribution of goods due to increased storm events, flooding, and fires, and increased workforce health concerns.
- Winter recreation activities such as skiing and snowmobiling will be reduced as snowpack decreases.

The science panel made the following recommendations to prepare aquatic and terrestrial systems for climate change by increasing resilience and resistance:

Aquatic Systems

- Restoration and maintenance of stream complexity and connectivity will improve spawning habitat and allow for movement to new areas as other areas become too warm.
- Restoration and maintenance of critical landscapes such as high elevation riparian areas, floodplains, tributary junctions, north-facing streams, and stream reaches with gravels and topographic complexity.
- Management of fisheries to protect genetic and life history diversity of native species.
- Remaining intact habitats should be protected, including old growth, roadless areas and corridor connections for wildlife migration. Protected areas should be expanded longitudinally and latitudinally in order to allow species to shift their ranges.
- Land and stream reaches that provide critical support for ecosystem services should be identified, protected and restored. Ecosystem services are benefits that people gain from functioning ecosystems, including clean water, decomposition of waste and toxins, timber harvest, recreational opportunities, etc.
- Translocations may be necessary when the suitable climate changes too quickly for species to adjust their ranges, or when habitat fragmentation prevents their movement.

Terrestrial Systems

- Protection and restoration of ecosystem structure, function and genetic diversity to allow organisms to withstand and adapt to climate stressors.
- The use of strategic fire should be used to reduce the likelihood of severe fire, as should replanting with a diverse array of native species, and ecologically appropriate fuels reduction efforts.

WEST COAST GOVERNORS' AGREEMENT on OCEAN HEALTH

WASHINGTON OREGON CALIFORNIA



Action Plan

THE OFFICE OF THE GOVERNORS
WASHINGTON, OREGON, AND CALIFORNIA



WEST COAST GOVERNORS' AGREEMENT on OCEAN HEALTH

WASHINGTON OREGON CALIFORNIA

Overarching Action 2: Preparing for the Effects of Climate Change



Memorial Lighthouse, Trinidad
Photo Credit: Robert Holmes/CalTour

The three states recognize the inevitability of impacts on ocean and coastal resources from climate variations and long-term climate changes. Climate change results in changes in storm activity and sea level, which alter the shoreline. It also influences ocean currents, upwelling, water temperature and chemistry, and ecosystem stability. Climate effects will impact marine species distributions and abundances from kelp forests to marine mammals to plankton species at the base of the food chain. In addition to global warming, the release of carbon dioxide to the atmosphere leads to ocean acidification, which has the potential to dissolve the shells of some marine organisms or reduce their ability to form shells. As a result, ocean acidification can result in the death of or injury to marine life. The impacts of climate change will affect every priority in this agreement and many of the specific action items. Although models provide predictions and scenarios, these impacts and corresponding ecosystem responses are still shrouded with uncertainties.

★ *Therefore, the West Coast states will focus initial efforts, in collaboration with the federal government, on a West Coast-wide assessment of shoreline changes and anticipated impacts to coastal areas and communities due to climate change over the next several decades, and work together to develop actions to mitigate and adapt to the impacts of climate change and related coastal hazards.*

To model impacts to the West Coast under various likely climate change scenarios, the states will engage with academia,

nongovernmental entities, local, state, and federal government agencies, and the private sector, and will use the same frames of reference¹ for predicting and responding to shoreline changes from storm surges and sea level rise. In addition, the states will continue to develop climate scenarios of the likelihood and severity of changes in factors such as precipitation, average temperatures, and number of extreme heat days. To conduct the West Coast-wide assessment, the states will align their methodologies and tools to facilitate information exchanges across the region.

⌚ *Timeframe:* Initiated within 12 months of release of the final action plan.



Sonoma County, beach at the mouth of the Russian River
Photo Credit: Robert Holmes/CalTour

¹ That is, models appropriate for providing inputs and assessing regional climate changes, and scenarios published for greenhouse gas emissions.

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

Minutes

OWEB Members Present

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

OWEB Staff Present

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

Others Present

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

Members Not Present

Helen Westbrook

A. Board Member Comments

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

B. Minutes

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

C. Executive Director Update

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

1. Watershed Council Support Update

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

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

2. Strategic Investment Partnerships (SIP) Update

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

D. Legislative and 2009-2011 Budget Update

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

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

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

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

E. 2007-2009 Budget and Spending Plan Update

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

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

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

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

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

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

F. Public Comment – Pending Grant Applications

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

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

G. Board Consideration of Pending Grant Applications

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

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

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

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

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

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

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

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

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

After being screened for eligibility and completeness, the applications were sent to the appropriate review teams, who developed recommendations for individual projects on their merit for funding, and numerically ranked the recommended projects for funding. OWEB staff used the review team rankings to develop funding recommendations for Board consideration. The funding recommendations are based on the budget allocated by the Board and the rankings of the reviewers.

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

Statewide Education and Monitoring Applications

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

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

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

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

Acquisition Applications

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

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

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

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

REGION 1, NORTH COAST

Lauri Aunan, Grant Program Manager

Tom Shafer, Regional Program Representative

Miriam Hulst, Acquisitions Specialist

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

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

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

REGION 2, SOUTHWEST OREGON

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

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

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

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

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

REGION 3, WILLAMETTE BASIN

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

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

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

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

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

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

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

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

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

REGION 4, CENTRAL OREGON

Lauri Aunan, Grant Program Manager
Rick Craiger, Regional Program Representative
Miriam Hulst, Acquisitions Specialist

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

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

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

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

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

REGION 4, CENTRAL OREGON

Lauri Aunan, Grant Program Manager

Karen Leiendecker, Regional Program Representative

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

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

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

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

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

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

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

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

Statewide – approve with no changes.

Region 1 – approve with the following changes:

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

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

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

Region 2 – approve with no changes.

Region 3 – approve with the following change:

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

Region 4 – approve with no changes.

Region 5 – approve with the following change:

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

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

H. Oregon Plan Products

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

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

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

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

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

I. Public Comment – General

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

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

J. Effectiveness Monitoring

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

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

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

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

K. Research Priorities

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

K-1 Modeling Water Availability in a Changing Climate

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

K-2 Climate Change and Local Watershed Impacts

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

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

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

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

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

(Ecosystem Services Module)

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

Board members voted unanimously on the following:

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

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

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

APPROVED BY THE BOARD JUNE 2, 2009
Oregon Watershed Enhancement Board

March 19, 2009
OWEB Board Meeting
Salem, Oregon

Minutes

OWEB Members Present

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

OWEB Staff Present

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

Others Present

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

Members Not Present

John Jackson
Jose Linares
Helen Westbrook

L. CREP Partnership Investment

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

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

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

M. Mitigation Policy Adoption

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

“The Board will not consider:

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

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

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

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

N. Coastal Wetlands Grants

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

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

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

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

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

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

Board members voted unanimously to:

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

O. Public Comment – General

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

P. Communications Strategy Implementation

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

Updates will be provided at future Board meetings.

Q. Partnership Investments

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

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

R. Oregon Water Roundtables Presentation

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

S. Other Business

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

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

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

S-2 Strategic Planning

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

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

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

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

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

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

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

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

Having no further business, the meeting was adjourned.



Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board June 1, 2009 – Board Planning Session June 2-3, 2009 – Business Meeting

**McKenzie Ballroom
Valley River Inn
1000 Valley River Way, Eugene**

See page 4 for directions to the Valley River Inn.

Monday, June 1, 2009

Planning Session - 1:00 p.m.

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 15-16, 2009.

Tuesday, June 2, 2009

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items E, H, and L), 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 18-19, 2009, 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. Legislative and 2009-2011 Budget Update

Tom Byler, Executive Director, will update the Board on the 2009 legislative session and the 2009-2011 budget process. Director Byler will also give the Board an update on federal and state stimulus funding initiatives. *Information item.*

**E. Public Comment – Pending Watershed Council Support Applications
[approximately 9:30 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 8, 2009, deadline.

F. Board Consideration of Pending Watershed Council Support Applications

The Board will consider Watershed Council Support applications submitted by the January 30, 2009, application deadline. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

G. Awards to Support Implementation of Memoranda of Understanding

Lauri Aunan, Grant Program Manager, will provide an update on the Memoranda of Understanding between the Alesa and MidCoast, and the Salmon-Drift and MidCoast watershed councils, and recommend funding for the Alesa and Salmon-Drift to implement those MOUs for the 2009-2011 biennium. *Action item.*

H. Public Comment – General [approximately 3:30 p.m.]

This time is reserved for public comment on any matter before the Board.

I. Partnership Investments – Criteria and Standards

Ken Bierly, Deputy Director, will provide Board members with proposed criteria for use when considering the continuation of existing partnerships or the development of new partnerships outside of the regular grant cycles, and Strategic Investment Partnerships (SIP). *Action item.*

J. Deferred Acquisitions

Miriam Hulst, Acquisitions Specialist, will update Board members on land acquisition projects deferred from previous meetings and present funding recommendations for Board consideration. *Action item.*

Wednesday, June 3, 2009

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items E, H, and L), 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. Research Program

Greg Sieglitz, Monitoring and Reporting Program Manager, will provide updates on current research efforts and a request for additional research funding will be presented. *Action item.*

L. Public Comment [approximately 9:00 a.m.]

This time is reserved for public comment on any matter before the Board.

M. Oregon Invasive Species Council Presentation

Representatives of the Oregon Invasive Species Council including Lisa DeBruykere, coordinator, Dan Knott, chair and/or Mark Sytsma from Portland State University, Center for Lakes and Reservoirs, will describe the Invasive Species Forum and resulting recommendations to the Governor and Legislature. The Council members will describe the priorities they see for addressing invasive species in Oregon.

N. Conservation Reserve Enhancement Program (CREP)

1. Ken Diebel, Oregon Department of Agriculture, will present the results of the Oregon CREP Effectiveness Evaluation study that was funded by OWEB and undertaken in 2008-2009. *Information item.*
2. Ken Bierly, Deputy Director, will present an interim funding proposal for CREP Technical Assistance to the Board requesting the use of previously allocated capital funds to carry ongoing staff through the early part of the biennium. *Action item.*

O. Small Grant Program Report

Bev Goodreau, Grant Program Specialist, will update Board members on progress this biennium on the Small Grant Program. *Information item.*

P. 2009-2011 Grant Cycles and Board Meeting Schedule

Lauri Aunan, Grant Program Manager, will discuss the proposed Board meeting and grant application deadline schedule for the 2009-2011 biennium. *Action item.*

Q. Other Business**R. Willamette SIP Presentation**

The Willamette Special Investment Partners will present their progress and approach to the Board. Ken Bierly, Deputy Director, and Paula Burgess, SIP Contractor, will describe the conceptual framework for working on the river. Pam Wiley will describe the progress being made by the Meyer Memorial Trust Willamette Initiative. Jim Morgan of Oregon State Parks will describe the interaction of State Parks and OWEB on the Willamette. *Information item.*

Tour – 2:00 p.m.

The Board will tour a local SIP watershed restoration project site at the Buford Park. The project is one of a few back channel reconnection projects being implemented on public lands as part of the Willamette SIP. 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.

Directions:

From I-5 to exit 194b (I-105 west), take second exit marked #1 Delta Hwy/Santa Clara - Junction City. Merge to the right lane and take the 1st exit to Valley River Center. Get into the left lane as you are coming over the overpass. At the bottom of the overpass there is a four-way lighted intersection: turn left onto Valley River Way. Follow to the end, on the left.

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 pending watershed council support applications will be held on Tuesday, June 2, at 9:30 a.m. The Board will not accept any written materials at that time. Any written comments pertaining to pending council support proposals must be received by the May 8, 2009, 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 Tuesday, June 2 at 3:30 p.m. and Wednesday, June 3 at 9:00 a.m. 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

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

Non-voting Members

Representative of NMFS: *Kim Kratz*
Representative of Oregon State University Extension Service: *James Johnson*
Representative of U.S. Forest Service: *Jose Linares*
Representative of U.S. BLM: *Miles Brown*
Representative of U.S. NRCS: *Meta Loftsgaarden*
Representative of U.S. EPA: *Dave Powers*

Contact Information

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Salem, Oregon 97301-1290
503-986-0178
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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

2009 Board Meeting Schedule

September 15-16, Wallowa County

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

June 2-3, 2009 OWEB Board Meeting Executive Director Update #C1: Mitigation Policy Guidance

Background

OWEB has adopted administrative rules guiding eligibility and preferences for restoration grants (OAR 695 Division 10). OAR 695-010-0040 specifically describes the following as ineligible for OWEB funding by the Board:

(3) A watershed improvement project constructed solely to comply with a state or federal agency enforcement order, legal judgment or mitigation requirement.

When the administrative rule was adopted it was done to prevent the use of OWEB funds (public funds) to satisfy a requirement that an individual incurred from an action that adversely impacted the environment. Subsequent to rule adoption, questions have been raised over the potential use of Measure 66 funds to fund a mitigation bank from which “credits” would be sold to allow others to alter wetlands.

Staff have also encountered significant and increasing opportunities to leverage OWEB funding with some other types of funding that could be construed as being required for mitigation purposes or to be in compliance with a state or federal legal judgment. Over the last year staff have worked with other regulatory and funding agencies to explore consistent policy concerning the use of conservation funds in relation to regulatory mitigation requirements. The Board discussed draft policy guidance language in January and March of 2009.

Mitigation Policy Guidance

Following the discussion at the March 2009 Board meeting, staff developed final language for the policy guidance. The document was signed by the Executive Director on April 27, 2009. The issue of ecosystem service credits was not resolved and was left off the guidance document as discussed in March. The adopted language is attached. (Attachment A)

Staff Contact

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

Attachment

A. Mitigation Policy Guidance




Oregon Watershed Enhancement Board

Policy guidance to clarify eligible uses of OWEB
funds related to mitigation projects and funds

Effective Date: April 27, 2009

Approved By:


Tom Byler, Executive Director

Background

In 2004, the OWEB Board adopted an administrative rule that states:

“The Board will not consider:

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

This rule was adopted to prevent the use of OWEB funds to satisfy a legal obligation of another party. The staff discussion before the Board on this issue beginning in January of 2008, focused on the desire to prevent the use of OWEB funds from subsidizing development that is required to “mitigate” for an environmental alteration. The Board discussion distinguished between direct permit or other legal requirements (e.g. DSL removal-fill permit requirement, EPA enforcement order, or judicial order to restore a site as part of a legal settlement, etc.) and a general legal requirement (e.g. state law prohibits blocking anadromous fish passage) that is not specific to an individual action.

Since adoption of the rule, a number of questions have arisen concerning the intent and application of the rule. In 2005, OWEB asked the Department of Justice (DOJ) for advice on the applicability of the rule to local government mitigation requirements and whether the rule could be interpreted to make eligible for OWEB funding projects required by state or federal law where there has not been a specific or cited violation that must now be corrected. DOJ advised OWEB that projects required only by local government are eligible for funding because the rule only specifies state and federal actions, but if the local government requirement is imposed solely because of a state or federal requirement for mitigation, the project is ineligible for funding. DOJ also concluded that OWEB’s rules (as currently written) make mitigation projects required by state or federal entities ineligible, regardless of whether there has been an order or judgment reflecting violations of law requiring mitigation.

The Board and staff decided in 2008 not to amend the rule, and instead provide additional guidance for staff, grantees, and grant reviewers. This policy guidance document further defines and clarifies eligibility for projects under OAR 695-010-0040.

OWEB Policy

The intent of the administrative rule is to fund voluntary, pro-active watershed improvement projects that aren't specifically required by the state or federal government. For the purposes of this policy, mitigation means activities designed specifically to compensate for the adverse ecological effects of a project or development activities, or to resolve violations of law.

The following are examples of project and funding situations and explanation regarding whether OWEB funding is eligible to participate in such situations.

A. Required Mitigation

Projects designed exclusively to compensate for the adverse ecological impacts of another project or development, or to address violations of law as required by a state or federal enforcement order, are not eligible for OWEB funding. Specific elements of a mitigation project that aren't required, for example the creation of additional habitat benefits for other species or additional acres of wetlands restored or created beyond those required, may be eligible for OWEB funding if an applicant clearly demonstrates the added value of OWEB's investment and has clear mechanisms for separately accounting for those additional habitat values or acres.

Examples: A developer needs to mitigate for the loss of 10 acres of wetlands. The developer is not eligible for OWEB funding to restore or enhance those 10 acres of wetlands. If however, the developer was working with a landowner who was interested in restoring 15 acres of wetland; the developer could pay the costs associated with the 10 acres required for mitigation and OWEB funding could be used to restore the remaining five acres.

The funding used to support the required mitigation is not eligible to be counted towards the required match for OWEB grants.

Examples: If the developer spends \$100,000 to restore 10 wetland acres as compensatory mitigation and OWEB funds are proposed to support the restoration of an additional five acres, the \$100,000 cannot be used as match for the OWEB grant.

B. Actions Required or Encouraged by State or Federal Law

Projects designed to comply with state or federal law, but where no specific mitigation requirement, judgment, or enforcement order exists are eligible for OWEB funding.

Examples: Fish passage projects designed to comply with ORS 509.580 – 509.910 and agricultural water quality projects designed to implement local agricultural water quality management plans (ORS 580.900 – 580.933) are eligible for OWEB funding. Voluntary actions developed to meet the objectives of an approved recovery plan under the Endangered Species Act (ESA) are eligible for OWEB funding.

If a state or federal agency initiates an enforcement order against a landowner under the Clean Water Act or ESA, the actions required by that enforcement order are ineligible for OWEB funding.

C. Local Requirements

The eligibility of projects designed to address a local government order, judgment, or mitigation requirement, if the requirement is solely a function of local government and does not originate in state or federal requirements are not addressed by the rule. Therefore projects designed to address local government mitigation requirements based solely on local government codes, and not state or federal requirements for such codes, are currently eligible for OWEB funding. However, if a county or city adopts a code to implement a state or federal requirement, then OWEB funds cannot be used on a project to meet those codes.

Staff believe this exception to the rule has only been used once. The exception is also inconsistent with Board intent to fund voluntary, value-added watershed improvement projects and the use of OWEB funds for this purpose is discouraged and will not be considered unless an applicant can demonstrate a compelling ecological benefit from the project.

Examples: Wetland mitigation required as a condition of a local government development permit, because that mitigation is required under Oregon's removal-fill laws, is not eligible for OWEB funding. Mitigation required by a local government permit for impacts in an Environmental Conservation Zone (adopted to address state land use planning goals that do not require mitigation) is technically eligible for OWEB funding, but is not a priority of the Board.

D. Habitat Conservation Plans

A Habitat Conservation Plan (HCP) is used to obtain an incidental take permit from the U.S. Fish and Wildlife Service or NOAA Fisheries under the Endangered Species Act. Actions that meet the discretionary actions under an HCP, and the associated take permit, are eligible for OWEB funding. If the take permit requires specific mitigation actions, including the restoration of habitat values or protection of specific acres of habitat, those activities are ineligible for OWEB funds.

Examples: A restoration project to restore Willamette Valley prairie habitat, which addresses the objectives of a Willamette Valley Prairie HCP, but is not required by the take permit or designed to generate mitigation credits, is eligible for OWEB funding.

A restoration project that is required to mitigate for three acres of Willamette Valley prairie habitat under an HCP and take permit is not eligible for OWEB funding.

A project proposes acquisition of a 20 acre property containing 10 acres of high quality Willamette Valley prairie habitat and then use of the property for mitigation required by the take permit. The acquisition of the property and protection of the 10 existing acres of habitat would be eligible for OWEB funding if the conservation easement held by OWEB specifically describes the habitat to be protected and has a detailed baseline report that maps the acreage, describes the quality of the habitat, and photo documents current conditions. However, the acres and habitat conditions protected with OWEB funds cannot be used for mitigation credits. Mitigation credits could only be generated under the take permit if additional acres are restored or habitat quality is improved above the OWEB easement baseline using other funding sources. The restoration or enhancement activities associated with the mitigation credits are ineligible for OWEB funding and cannot be used as match for the OWEB acquisition grant.

E. Mitigation or Settlement Funds

Where a legal judgment includes the creation of a fund for habitat restoration or protection purposes, but does not identify specific restoration or habitat mitigation projects, OWEB funds are eligible as cost share with, but not as an offset to, these funds to implement specific projects. Examples of these types of funds include Bonneville Power Administration (BPA) mitigation funds, Pelton-Round Butte settlement funds, and other negotiated settlements.

Examples: The Pelton-Round Butte relicensing agreement required the licensee to establish a fund to accomplish two general outcomes, improved fish habitat and increased protected stream flow. The agreement specified a process and criteria, but not individual projects or specific quantified outcomes. Projects designed to meet the two outcomes and that are eligible under the fund are eligible for OWEB funds, and the Pelton-Round Butte funds may be used as match for an OWEB grant. Similarly, BPA mitigation funds aren't targeted to specific projects or property acquisitions and projects that are eligible for BPA funds are also eligible for OWEB funding, and the BPA funds may be used as match.

Alternatively, if a mitigation or settlement fund identified specific parcels to be protected or specific quantified restoration outcomes to be accomplished, these projects would be ineligible for OWEB funding. In this instance, OWEB could partner on the protection of additional habitat acres or stream flow or on restoration actions above and beyond those required by the fund, but not those activities needed to meet the specific outcomes required by the fund.

F. Wetland Mitigation Banking

By statute, "mitigation bank" means a wetland site, created, restored or enhanced to compensate for unavoidable adverse impacts (ORS 196.600(3)). OWEB funds are not eligible to be used to establish a mitigation bank to offset permitted environmental alterations. This is consistent with the January 2008 Oregon Interagency Recommendations developed by OWEB and a number of other state and federal agencies on the use of restoration funds and funding of mitigation banks. The Interagency Recommendations propose that agencies prohibit the use of restoration funds for the purpose of establishing or creating credits for a mitigation bank.

However, the Interagency Recommendations do propose that agencies allow restoration funds to be used with "payment to provide" or "fee-in-lieu" mitigation funds for watershed restoration projects. These funds are payments made to agencies in lieu of physical compensatory mitigation, which are then used to finance other voluntary conservation actions that result in resource benefits that equal or exceed the original mitigation obligation. OWEB funds could be used with these types of funds on a restoration projects in a similar fashion to the Required Mitigation situation described in Section A.

Examples: A watershed council working with a landowner who is interested in restoring 15 acres of wetland could restore five acres using "fee-in-lieu" funds and apply to OWEB to fund the restoration of the remaining 10 acres. This is possible only if the 10 acres restored with OWEB funds are not used to establish a mitigation bank or generate additional mitigation credits and there is an accounting of the habitat values achieved through each funding source. The "fee-in-lieu" funds also cannot be used as match because they are required to achieve a specific mitigation obligation.

G. Conservation Banking

Conservation banks are permanently protected privately or publicly owned lands that are managed for endangered, threatened, and other at-risk species. A conservation bank is a market enterprise that offers landowners incentives to protect habitat, including selling habitat or species credits to parties who need to compensate for environmental impacts.

Since conservation banks have not yet been established in Oregon, OWEB will treat projects involving conservation banking on a case by case basis and will develop guidance as conservation banking policy and standards are more fully established.

H. Ecosystem Services Markets

Ecosystem services mean the environmental benefits arising from the conservation, management, and restoration of ecosystems. Currently there are individual markets for carbon, wetlands, habitat, open space, and hazard reduction. There is also an effort underway in Oregon to develop an integrated ecosystem services marketplace, but similar to conservation banking, the policy and standards have yet to be established. Further guidance needs to be developed related to leveraging OWEB funds with ecosystem services market funds.

Examples: In the OWEB land acquisition program, the purchase price of the interest to be acquired is currently valued using standard real estate methods for both land and water right interests. Where OWEB funds are requested to protect existing riparian or oak savannah habitat through a land acquisition grant, those protected acres should not subsequently be used to create carbon credits using another market valuation of the interest already protected with OWEB funding. At some future time, OWEB may want to consider the market values of carbon sequestration in its due diligence evaluation of land acquisition grants to ensure that it is only paying fair market value for the ecosystem services acquired.

**June 2-3, 2009 OWEB Board Meeting
Executive Director Update #C2: April 2009 Grant Cycle Update**

Background

On the April 20, 2009, grant deadline OWEB received 170 applications requesting nearly \$24.4 million. This is the largest dollar request submitted to OWEB for an April grant cycle, and the second highest number of applications. The applications include proposals for Restoration and Acquisition projects (which use *capital* funds), and Technical Assistance projects (which use *non-capital* funds).

OWEB's Board will make funding decisions at its September 2009 meeting. Because the level of funding depends on OWEB's 2009-2011 legislatively adopted budget, the Board has not yet approved any reserves or funding targets for the April 2009 grant cycle. At its September 2009 meeting, the Board will adopt a 2009-2011 spending plan based on OWEB's budget.

Table 1 displays the number of applications by region and type of application. Table 2 shows dollar amounts requested by type of application. The amounts requested far exceed what the Board has typically reserved for grant cycles.

Table 1 - Types of Applications for April 20, 2009

	Technical Assistance	Acquisition	Restoration	Totals
Region 1	9	1	11	21
Region 2	13	0	28	41
Region 3	11	1	16	28
Region 4	7	2	16	25
Region 5	6	1	27	34
Region 6	1	0	20	21
Totals	47	5	118	170

Table 2 - Dollar Amounts by Application Type

	Technical Assistance	Acquisition	Restoration	Totals
Region 1	324,780	53,000	1,760,325	2,138,105
Region 2	404,252	0	4,268,554	4,672,806
Region 3	442,858	1,000,000	2,895,605	4,338,463
Region 4	201,703	527,094	5,306,757	6,035,554
Region 5	168,123	1,500,000	2,623,369	4,291,492
Region 6	24,823	0	2,886,905	2,911,728
Totals	\$1,566,539	\$3,080,094	\$19,741,515	\$24,388,148

The application review process has started with OWEB Regional Program Representatives and members from the Regional Review Teams attending site visits for some of the applications. The Regional Review Teams will meet in June and July to evaluate and prioritize applications. Staff encourage Board members to attend all or parts of the site visits and Regional Review Team meetings, if schedules allow it.

Regional Review Team Meetings

<p><u>Region 1</u> Thursday, July 9, 2009 – 8:30 AM Newport Call Tom Shafer for further information 541-528-7451</p>	<p><u>Region 2</u> Thursday, June 18, 2009 – 9:30 AM Bandon Call Mark Grenbemer for further information 541-776-6010 ext 231</p>
<p><u>Region 3</u> Tuesday, June 30, 2009 – 9:00 AM Salem Call Wendy Hudson for further information 503-986-0061</p>	<p><u>Region 4</u> Friday, June 26, 2009 – 9:30 AM Redmond Call Rick Craiger for further information 541-923-7353</p>
<p><u>Region 5</u> Monday, June 22, 2009</p> <ul style="list-style-type: none"> • 12:00 PM Tour • 3:00 PM Meeting <p>Tuesday, June 23, 2009 – 8:00 AM Meeting La Grande Call Karen Leiendecker for further information. 541-786-0061</p>	<p><u>Region 6</u> Monday, June 15, 2009</p> <ul style="list-style-type: none"> • 10:00 AM PM Tour • 1:00 PM for Meeting <p>Tuesday, June 16, 2009 – 8:00 AM Meeting John Day Call Sue Greer for further information. 541-384-2410</p>

Staff Contact

If you have questions or need additional information regarding the April 2009 grant cycle, please contact Grant Program Manager Lauri Aunan at lauri.g.aunan@state.or.us or 503-986-0047.

June 2-3, 2009 OWEB Board Meeting

Executive Director Update #C3: Effectiveness Monitoring

Background

This item provides a progress report about two effectiveness monitoring related initiatives undertaken by OWEB's Monitoring and Reporting Program. At the September 2008 Board Meeting, the Board awarded \$100,000 to determine the effectiveness of fencing and riparian improvement projects completed between 1995 and 1998 in the Grande Ronde and South Coast basins and fish passage projects completed between 1995 and 2001 in the South Coast basins.

Riparian Improvement Effectiveness Monitoring

Since the September 2008 Board Meeting, OWEB staff worked with Shane Langley, an OWEB intern and Portland State University graduate student, to research fencing\riparian projects awarded between 1995 and 1998 in the South Coast and Grande Ronde basins. A total of nearly 500 riparian\fencing project sites were implemented in this time frame using OWEB and GWEB funding. He also developed field indicators and methods to assess the riparian improvement projects. Indicators were developed to answer the following questions:

1. Do projects implemented between 1995 and 1998 still exist on the landscape?
2. Are the projects meeting their original restoration objective to:
 - a. Increase vegetative cover and shade in the riparian zone;
 - b. Reduce livestock access to the riparian area; or
 - c. Increase bank stability/reduce bank erosion?
3. What is the current riparian vegetation structure at project sites?

OWEB staff worked with StatNet at Oregon State University to develop a representative and statistically significant sub-set of 60 projects in the South Coast Basin. All 38 Grande Ronde basin riparian projects completed in this time frame will be assessed. Seven control sites (one for each basin) will be surveyed to determine the conditions of areas without riparian improvement.

OWEB staff posted a 'Request for Proposals' and selected a contractor to perform the field work and analysis. A final report is scheduled to be released in January 2010.

Fish Passage Improvement Effectiveness Monitoring

Since the September 2008 Board Meeting, OWEB staff compiled a list of 97 fish passage improvement projects completed between 1995 and 2001. These barrier improvement projects include culverts, weirs, push-up dam removals, and fish screens. Ninety sites will be surveyed with seven sites previously surveyed by the South Coast Watershed Council to determine the effectiveness of the entire population. Field indicators were developed to answer the following questions:

1. Do passage improvement projects completed in 1995-2001 still meet their original restoration objectives-to provide adequate passage to salmonids?
2. What, if any, juvenile fish are using the stream above the repaired barrier?

OWEB staff developed a 'Request for Proposals' and selected a contractor to perform the field work and analysis. A final report is also scheduled to be released in January 2010.

Staff Contact

If you have questions or need additional information, please contact Greg Sieglitz, at Greg.Sieglitz@state.or.us or 503-986-0194.

June 2-3, 2009 OWEB Board Meeting Executive Director Update #C4: Communications Strategy Update

Background

Since December 2007, the OWEB Board Communications Subcommittee, composed of members Jim Johnson, Meta Loftsgaarden, and Patricia Smith, and OWEB lead staff Carolyn Devine and Tom Byler have met seven times. Discussions have focused on the statutory guidance to the Board regarding OWEB's communications. Building upon this direction, the Subcommittee began drafting goals and outcomes. The Subcommittee recognized that utilizing all communications tools (Education and Outreach grants, the web site, press releases, publications, etc.) will be essential to support the larger agency mission of creating and maintaining healthy watersheds and natural habitats. The challenge is to design a plan that strategically uses these tools, funding, and staff resources toward these outcomes.

To help prioritize resources and hone outcomes OWEB contracted with Gard Communications in January. At that time, Gard undertook an initial discovery process that involved interviewing a few key stakeholders representing a variety of perspectives from every corner of the state. They presented some of their initial findings at the March 2009 Board meeting in Salem.

Recent Activities

On April 21, 2009, the Communications Subcommittee met. The following items were discussed:

1. Awareness

Based on both the March 2009 Board meeting and the April Subcommittee meeting, there is consensus that the main focus of the strategy is on promoting public awareness rather than increasing involvement in the watershed enhancement program. Many landowners, volunteers and others already participate in watershed enhancement activities. However, few Oregonians are aware of these activities and the value healthy watershed brings to their community and economy.

2. Coordination with the Strategic Plan

Gard Communications will coordinate and facilitate both strategies to ensure the Communications Strategic Plan and the strategic plan for OWEB will complement and inform each other.

Attached is a report from Gard describing their discovery process and draft message platform.

Staff Contact

If you have questions or need additional information, please contact Carolyn M. Devine, at carolyn.devine@state.or.us or 503-986-0195.

Attachment

- A. Gard Communications Update



OWEB Board Meeting Report
June 3, 2009

DISCOVERY REPORT - March 31, 2009

Gard Communications submitted a Discovery Report that outlines the first phase of contract activities from February through March. The Discovery Process consisted of reviewing existing research, auditing existing communications materials and conducting one-to-one structured interviews with key stakeholders. We worked closely with OWEB staff to develop a list of stakeholders and questions for the structured interviews.

One-to-one interviews: Interviews were conducted with 15 stakeholders. We also listened to the testimony from 21 stakeholders at the Joint Ways and Means Subcommittee on February 24. Finally, we gathered input from OWEB board members directly at the board meeting on March 19. Initial observations include:

- Communications must define what is meant by the term watershed.
- Oregon's approach to watershed enhancement is unique.
- Oregonians care about what OWEB does, not who OWEB is.
- Oregonians care about iconic projects.
- A large corps of watershed ambassadors is already in place.
- Facts are good, but emotion is better.
- Watershed enhancement can be connected to climate change efforts in some respects, but is also a powerful environmental positive on its own.

Review of Research: We reviewed two existing research reports:

- "The Language of Conservation," an older piece of research (2004) conducted for the Trust for Public Land and The Nature Conservancy. The main findings of this research confirm input from the stakeholder interviews.
- The statewide survey conducted for The Nature Conservancy in June 2008. One key finding is that Oregonians think that Oregon is not doing enough to promote conservation and that the state should do more. Ninety-five percent of Oregonians felt protecting water quality in rivers and streams was extremely important or very important.

These findings validate key input from stakeholders – water is important, water quality is ranked very high and Oregonians don't want to lose existing water resources.

Review of Communications Materials: OWEB and associated organizations working on Oregon watersheds have produced a wide array of communications materials. Our observations:

- Almost all of the material is aimed at a committed and informed reader. There is little information aimed at what might be termed “ordinary Oregonians” unaware of or uninterested in watershed issues.
- In order to broaden support for watershed work, communications materials that are less detailed and more broadly targeted may be needed.
- Each document has a different look and feel. There is no single overview piece that simply explains what OWEB does in everyday terms. It may be important to develop a piece of this type, or at least this message for inclusion in other pieces.
- OWEB has not been consistent with co-branding efforts. OWEB does not always have much visibility in partner-produced publications or on their websites. An increased emphasis on co-branding may be helpful going forward.

Goal and Objectives: Goals and objectives will be presented in the draft communications plan. One refinement to project goals is the need of promoting and gaining support for watershed enhancement/restoration as opposed to recruiting more volunteers for specific projects.

DRAFT MESSAGE PLATFORM - May 5, 2009

A draft message platform was submitted in May. After review and revision, these will be included in the draft communications plan.

Draft goals and objectives:

- A majority of Oregonians begins to view our water resources/watersheds as part of a connected, statewide system, with each part integral to the quality of the whole.
- A majority of Oregonians believes that the health of our watersheds is directly tied to the quality of life in Oregon.
- A majority of Oregonians understands that we must act in order to maintain our healthy watersheds – that we will lose our healthy water resources/watersheds unless we continue to maintain them.

Key audiences:

- The primary audience consists of Oregonians who generally support environmental causes but who have not focused much or any attention on watersheds.
- An important secondary audience consists of Oregonians whose primary concerns are practical and/or economic, rather than environmental. They care about maintaining Oregon’s quality of life for the future and for the next generation.

Proposed Message Platform:

- Healthy watersheds are vital to clean water, healthy habitat for fish and wildlife, strong communities and a vibrant economy for Oregon. Oregon's unique approach to watersheds creates community, provides maximum value from public dollars, and protects irreplaceable resources. OWEB is vital to the success of these efforts. We must continue these successful efforts or risk losing the resources we value.

Sample messages:

- Our lakes, rivers, and streams are vital to Oregon's health.
- Our watersheds are crucial because they provide clean water, natural beauty and habitat for fish and wildlife.
- No matter where you live in Oregon, you're in a watershed.
- We must work together to make sure we always have clean water, natural beauty and healthy habitat.
- Healthy watersheds keep Oregon green and beautiful for everyone to enjoy.
- The Oregon way of taking care of our watersheds is a one-of-a-kind model for the rest of the nation.
- OWEB is the Oregon Watershed Enhancement Board. OWEB makes this work possible by providing funding and direction.
- Not many people know about OWEB, because it works behind the scenes, but it is one of Oregon's great success stories.
- OWEB's work helps build and strengthen communities, protects the beautiful parts of our state, and makes sure we have clean water and healthy habitat.
- OWEB's work creates local jobs and fuels economic activity.
- Oregon's unique, voluntary, citizen-led work is possible because it is supported by consistent state funding through OWEB.

RESEARCH – May 8, 2009

Timing options for the statewide consumer survey:

- Option 1: the research informs the strategic planning process and therefore it is conducted earlier. Timing: May-July.
- Option 2: the strategic planning process informs the research, which then informs the communications plan. Timing: July-October.

NEXT STEP

The completion date for the Draft Communications Plan has been moved from May 26 to end of July to coordinate with the Strategic Planning process that will start in May.

May 14, 2009

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Courtney Shaff, Grant Program Coordinator

**SUBJECT: Agenda Item F: 2009-2011 Watershed Council Support Funding
June 2-3, 2009 OWEB Board Meeting**

I. Introduction

OWEB received 63 council support applications by the January 30, 2009, deadline. Two applications were from watershed councils that have never before applied to OWEB for council support funding (Molalla River Watch and Upper South Fork John Day Watershed Council). Three applications were from councils that had previously received funding from OWEB as one umbrella council, but after receiving permission from the Board in September 2008, submitted three separate applications. The total council support requested amount was \$8,746,029. This report describes the application and review process, funding alternatives, and a recommendation for funding the 2009-2011 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 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 indicating legislative interest in a merit-based approach to funding watershed councils.

In March 2004, the Board adopted new rules outlining a merit-based application and evaluation grant program for Council Support.

Costs eligible for Council Support funding are council coordinator salary and benefits; operating costs such as utilities, rent, travel, printing and training; risk management and accountability insurance costs; and fiscal management of the council support grant award not to exceed 10 percent of direct costs.

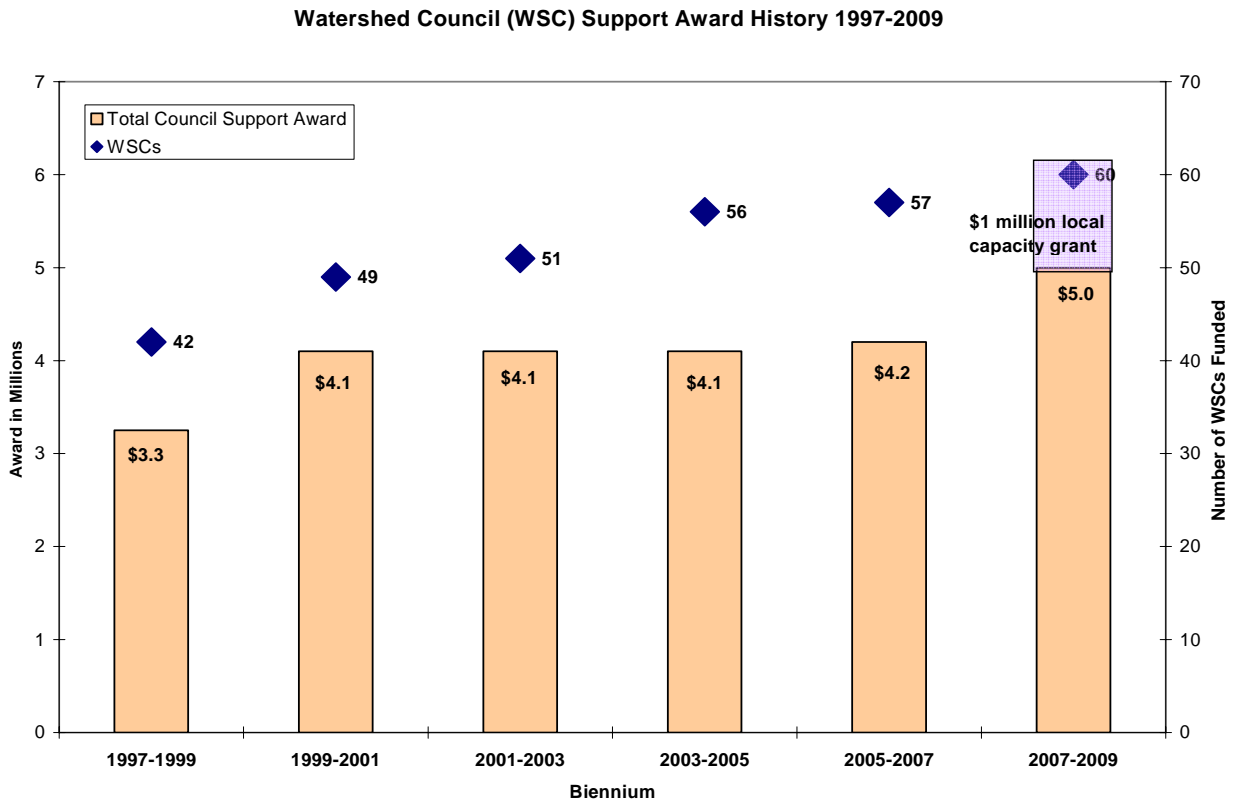
Under OWEB's rules, awards to councils are based on:

- an applicant's merit category;
- whether the Board decides to award incentives for umbrella ("a" or "b") councils or multiple ("c") councils within one application; and
- how much funding is available.

Also under OWEB's rules, merit category placements are based on:

- The recommendations of the Council Support Advisory Committee;
- The recommendations of OWEB's Director; and
- The applicant's response to these recommendations

The chart below shows the history of Council Support and local capacity funding from 1997-1999 through 2007-2009.



For 2007-2009, the Board awarded \$5 million in Council Support at its May 2007 Board meeting. Once OWEB's budget was known, and because there were sufficient resources, the Board approved additional non-capital funding to support local capacity, including an additional \$1 million for watershed councils.

III. 2009-2011 Application and Evaluation Process

A. The Application

The 2009-2011 application was substantially the same as the 2007-2009 application, with only minor changes. Questions in the application were designed to address the following eight criteria:

Council Organizational Structure

Criteria #1 A well organized council has an effectively functioning organization and governance structure, and is increasing citizen participation.

Criteria #2 A well organized council is committed to organization improvement.

- Criteria #3** A well organized council is engaged in active management of the organization.
- Criteria #4** A well organized council is fiscally responsible.

Council Effectiveness

- Criteria #5** An effective council takes a leadership role in watershed activities.
- Criteria #6** An effective council plans strategically.
- Criteria #7** An effective council works collaboratively with partners.
- Criteria #8** An effective council makes progress toward goals.

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 influence their work. The objective of the “special circumstances” section was to provide reviewers with a context for evaluating the accomplishments of each council.

B. Application Evaluation Process

OWEB followed the same evaluation process that was used in 2007-2009. The Council Support Advisory Committee (CSAC) was made up of 16 members, divided into two teams. Each team was comprised of one person from each of OWEB’s regions and two “statewide” representatives. For a list of CSAC members, see Attachment A. The role of the CSAC was to evaluate applications and make merit recommendations to OWEB staff.

After pre-scoring the applications, the CSAC met for facilitated “consensus scoring sessions.” At the sessions, the CSAC teams discussed the applications and developed consensus scores for the eight criteria for each application. 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, the accomplishments of each council, and special circumstances described by the council in its application. As contemplated by OWEB’s council support rules, the reviewers also asked for, and received, regional program representative comments on the evaluation criteria and the applications.

OWEB staff then applied weighting factors that resulted in one merit score for each application. Council effectiveness and accomplishment criteria were weighted more heavily than council organizational structure criteria.

The merit scores, along with staff and Director recommendations, were used to assign merit categories. Adjustments to merit category placement were made based on field staff knowledge of situations where staff felt the reviewers clearly missed an important aspect of a council’s work.

The merit categories “Excellent,” “Very Good,” “Good,” “Satisfactory,” and “Needs Improvement” are the same categories used in the 2007-2009 award process. In addition, new applicants that had never before applied for or received council support funding were placed in a “New Council” merit category.

C. Observations on the Process

The council support grant process is very resource- and time-intensive for OWEB staff, reviewers and applicants. Even without making significant changes to the application and review process, the process requires dedicated staff time ranging from about 0.25 to 1 FTE over a 15-month period. The work ranges from managing the process for councils to ask the Board for permission to submit separate grant applications, training applicants and reviewers, managing the application review and recommendation process, leading the Board Subcommittee work, to writing the grant agreements for each award.

Similar to the process in 2007-2009, the application and the process were not perfect. Some of the application questions were confusing for applicants. To be fair, the reviewers primarily rely on what was in the application and there were instances where the information provided in the application did not accurately reflect the council. As noted above, the regional program representatives were asked to provide information when reviewers had questions. In addition, due to the diversity of councils, evaluations will always involve an element of subjectivity.

The review sessions went very well. The reviewers were very prepared, engaged, and thoughtful in their deliberation of the applications. The two review teams were consistent in how they scored applications (as shown by the duplicate review of three applications, which the two teams scored consistently).

During the four day application review meeting, the Council Support Advisory Committee members consistently commented on how impressed they were with the level of activity and accomplishments across the state. After the review process, nearly 70 percent of all councils ranked in the Very Good and Excellent categories.

Generally, staff feel that the review process was sound but have also actively sought suggestions for improving the application and review process. Suggestions range from a complete overhaul of the process, to tweaking the application questions and review process. As might be expected, there is a wide variety of opinions on what should be the focus and goals of the Council Support process. OWEB Council Support funds are the foundation of the capacity of councils to carry out watershed restoration work. Staff recommend that the Board consider the priority of the Council Support program and future goals for the program during the strategic planning process.

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.*

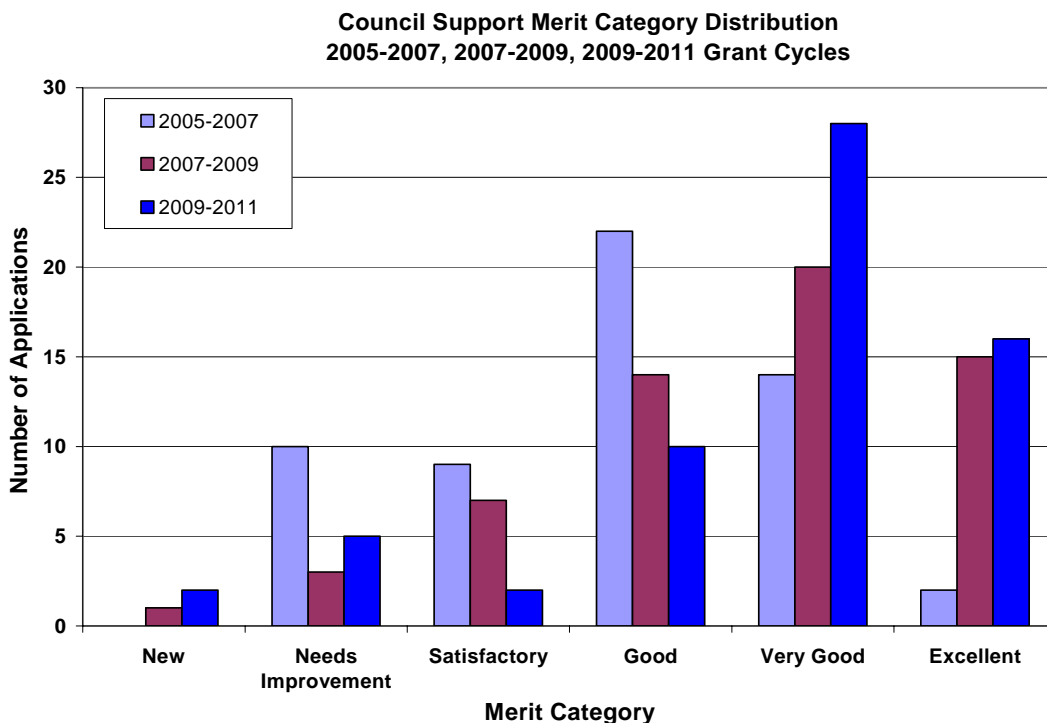
Available funding is a key consideration in the recommended amount of the individual grant awards. The base level of council support funding in OWEB’s 2007-2009 budget was \$5 million. For 2007-2009, the Board was able to provide an additional \$1 million in local capacity funding to watershed councils. Due to the state’s worsening economy, we don’t know for certain whether we will have \$5 million, or potentially less, for councils in 2009-2011. The level of funding available is contingent on OWEB’s legislatively adopted budget. As of the writing of this staff report, OWEB’s budget had not been adopted. Of concern is the level of council support approved by the Legislature as well as the total amount of non-capital funds that will be available for grant program purposes.

At this time, it is not known whether the Legislature will take action on the OWEB budget before the June Board meeting. Staff will provide a budget update at the meeting. Depending on OWEB’s budget, the Board may consider additional local capacity funding options at the September 2009 Board meeting.

A. Final Merit Category Placement and Evaluations

OWEB used the same merit categories as in 2005-2007: “Excellent,” “Very Good,” “Good,” “Satisfactory,” and “Needs Improvement.” For councils that had never before applied for or received council support funds, OWEB added a merit category, “New.”

The table below shows a comparison between the distribution of merit categories for 2005-2007, 2007-2009, and 2009-2011. Compared to the previous Council Support grant cycles, fewer councils are in the “satisfactory” and “good” categories, and more councils are ranked in the “very good” and “excellent” categories. This reflects the reviewers’ comments noting how impressed they were with the accomplishments and work of councils in general.



Staff prepared written summaries of the CSAC evaluations. Evaluations were formatted to provide specific feedback to applicants related to each of the eight evaluation criteria. Staff

made every effort to provide constructive feedback to the applicants that related directly to the merit category placement and that identified specific areas where the council excelled during the last biennium and areas of needed improvement.

Copies of all the evaluations were sent to Board members and applicants on April 17 and 20, 2009, respectively. Applicants had until 5:00 p.m., Friday, May 8, 2009, to submit written comments. Applicant comment letters were sent to the Board along with this staff report.

Staff and the Board Council Support Subcommittee do not recommend changes to individual grant awards at the June 2009 meeting based on applicant responses to the written comments.

B. Board Subcommittee Approach to Merit Category Award Levels

The recommended level of individual grant awards is based on the following approach:

- Keep base awards for each merit category as close as possible to the base awards for 2007-2009.
- Provide a high level of funding for the “Excellent” and “Very Good” councils.

A comparison of the awards for each council from 2007-2009 to the recommended 2009-2011 awards shows that many councils’ awards are lower under both the \$5 million and \$6 million funding scenarios. This is due to:

- Councils have moved up or down in merit category placement; for example, some councils that were “excellent” in 2007-2009 ranked “good” in 2009-2011.
- Compared to 2007-2009, fewer councils are in the “satisfactory” and “good” categories, and more councils are ranked in the “very good” and “excellent” categories.
- As a result of Board action in September 2008, three councils that previously submitted one “umbrella” application submitted three separate applications this time.

C. Umbrella and Multiple Council Awards

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, (b) those that provide service to a watershed area containing three or more 4th-field hydrologic units, and (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.

1. History of umbrella awards

In 2005 the Board awarded umbrella incentives to 13 watershed councils. An additional 30 percent was awarded to the five (a) councils, an additional 15 percent to the six (b) councils, and an additional 35 percent to the two (a) and (b) councils.

In 2007 the Board again awarded umbrella incentives to 13 watershed councils, at decreased percentages. An additional 18 percent was awarded to the five (a) councils, an additional 9 percent to the six (b) councils, and an additional 22 percent to the two (a) and (b) councils.

2. Recommended umbrella awards for 2009-2011

For 2009-2011, staff identified four type (a) umbrella councils, six type (b), and one type (a)/(b) council. Staff seek to have the Board award additional funds to these umbrella councils, *above the base award*, allocated by the Board. Staff and the Board Subcommittee recommend that the type (a), (b), and (a)/(b) umbrella councils receive an additional 10, 5, and 15 percent, respectively, of their base award. The size of umbrella awards is reduced from the 2007-2009 biennium due to budget constraints and the goal of maintaining the base awards for each merit category as close as possible to those of 2007-2009.

3. Continue the practice of no multiple “(c)” council awards

The Board has never awarded incentive funding based on “whether the applicant is two or more watershed councils” (subsection (c) in the rule, above). In the May 2005 Council Support awards staff report, staff realized that the rule language relating to this is imprecise and makes the concept difficult to apply. Erring on the inclusive side, numerous councils might currently fit this definition, resulting in significant additional OWEB awards. Staff and the Board Subcommittee recommend continuing to *not* award additional funds for potential multiple “c” councils on the basis of the rule’s imprecise language and the impact it would have on the base award for all watershed councils.

D. Special Funding Considerations

1. New Watershed Council Support Applicants

Two watershed councils, Molalla River Watch and Upper South Fork John Day Watershed Council, applied for council support for the first time this cycle. They had previously not applied for, nor been awarded, council support funds.

The Molalla River Watch was formed in 1992 with the mission to protect and restore the fish and wildlife habitat and water quality of the Molalla River Watershed. There is no other functioning watershed council for the Molalla River Watershed.

The Upper South Fork John Day Watershed Council has been operating in close coordination with the Grant SWCD since 1996 with a focus on project implementation. There is no other functioning watershed council for the Upper South Fork John Day Watershed.

In 2003, the Board adopted a funding principle to limit the awards for new watershed council applicants to \$37,500, regardless of merit. The principle was also informally applied in the 2001-2003 biennium when new councils received half-time support. This award amount was based on the cost for a council to employ a part-time council coordinator (at that time, staff estimated that a full-time coordinator salary for the biennium would cost \$75,000).

The Board Subcommittee and staff wrestled with how to approach these two new councils given OWEB’s current funding and budget constraints. There was recognition that funding for these two councils would enhance their capacity for watershed restoration in their watersheds. However, due to severe funding constraints, staff and the

Board Council Support Subcommittee came to the difficult recommendation not to fund the two councils that submitted applications to OWEB for the first time.

2. Councils in “Needs Improvement” category

Five councils have fallen into the “Needs Improvement” category. Of the five, the Smith River Watershed Council, Greater Oregon City Watershed Council and Mid-Willamette Watershed Alliance (formerly Salem-Keizer Watershed Councils) were also ranked in the “Needs Improvement” category in 2007-2009. (In 2007-2009, Greater Oregon City was a new council.)

For councils in the "Needs Improvement" category, staff will develop very clear grant agreements that outline specific deliverables and deadlines for councils to meet to show progress towards improvement. These deliverables will have to be received and approved by the OWEB Project Manager and the Grant Program Manager in order for the council to receive the full Board award. In addition, the grant agreements will explicitly state that if the council falls into the “Needs Improvement” category again in the 2011-2013 biennium there is a high likelihood they will not be funded.

3. Award for application 210-033

Application number 210-003 is a combined application among the MidCoast, Alsea, and Salmon Drift Creek watershed councils. The MidCoast Watersheds Council is a type “a” umbrella council which is the coordinating council for the Yaquina Group, Siletz Watershed Council, Yachats Water Quality Group, Beaver Creek, and the Salmon Drift Creek Watershed Council. The Alsea Watershed Council operates independently of the MidCoast umbrella structure.

The councils submitted the combined application 210-033 as a result of OWEB direction and advice in the fall of 2008. At that time, OWEB thought that a joint council support application was a path forward as part of helping to improve working relationships in the mid-coast watersheds and implement memoranda of understanding among three of the councils. However, when OWEB tried to make the joint application work in the council support process under our rules, it didn't work.

Because of the confusion around application 210-033, this staff report clarifies the following:

- The award for application 210-033 is to the MidCoast Watersheds Council as a type “a” umbrella council.
- Staff recommend that the Alsea Watershed Council, which operates independently of the umbrella structure, not be awarded Council Support funds. The staff report for agenda item G recommends the Board award \$18,700 in recovery planning funding to the Alsea Watershed Council to implement the memorandum of understanding that arose from OWEB-funded mediation between the Alsea and MidCoast.
- In implementing the award to the MidCoast Council, OWEB will include in the grant agreement a requirement for the MidCoast to pass through a total of \$10,000 to the Salmon Drift Creek Watershed Council for the 2009-2011 biennium. The

staff report for Agenda Item G also recommends the Board award \$7,700 in recovery planning funding to the Salmon Drift to implement the memorandum of understanding between the Salmon Drift and MidCoast.

- Under OWEB's rules, any council that is or has been part of the MidCoast umbrella structure would need prior Board approval in order to submit a separate Council Support grant application for the 2011-2013 biennium.

V. Funding Alternatives

Attachment B shows what individual awards would be under \$4 million, \$5 million, and \$6 million funding scenarios. Attachment B also shows the individual Council Support awards for the 2007-2009 biennium.

Staff and the Board Subcommittee recognize the work of watershed councils is critical to the success of OWEB's 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. If possible, staff and the Board Subcommittee would like to increase funding for watershed councils to the highest practicable level. However, the significant state revenue shortfalls and uncertainty about OWEB's final budget lead staff and the Board Subcommittee to recommend the Board approve funding for councils at the \$5 million level proposed by the Governor's Recommended Budget. This funding level is contingent on OWEB's legislatively adopted budget.

Depending on OWEB's budget, the Board may consider additional local capacity funding options at the September 2009 Board meeting. At that time, the Board will have a clearer understanding of the availability of non-capital funding for the 2009-2011 biennium.

Regardless of when OWEB's budget is passed, grant agreements will be written to be effective starting July 1, 2009.

VI. Recommendations

OWEB staff and the Board Subcommittee recommend the following:

- A. The Board adopt the \$5 million funding level for Council Support with the individual award amounts at the \$5 million level, as shown on Attachment B. This funding level and the individual award amounts are contingent on OWEB's legislatively adopted budget and are subject to change depending on available funding.
- B. The Board award umbrella watershed councils an additional amount of 10, five, and 15 percent of the base award for (a), (b), and (a)/(b) type umbrella watershed councils, respectively. These additional umbrella awards are contingent on OWEB's legislatively adopted budget and are subject to change depending on available funding.

Attachments

- A. Council Support Advisory Committee members
- B. Funding Alternatives and Individual Awards

Council Support Advisory Committee Members

Team 1

Lisa Phipps	OWEB Region 1	Tillamook Watershed Council
Al Cook	OWEB Region 2	Retired
Jason Dedrick	OWEB Region 3	City of Eugene/Planning
Anne Saxby	OWEB Region 4	Hood River SWCD & WS Working Group
John Stephenson	OWEB Region 5	US Fish and Wildlife Service
Tom Straughan	Region 6	Oregon Department of Agriculture
Mike Powers	Statewide	Oregon Department of Agriculture
Max Nielsen-Pincus	Statewide	Institute for a Sustainable Environment

Team 2

John Sanchez	OWEB Region 1	US Forestry Service
Brian Barr	OWEB Region 2	National Center for Conservation Science and Policy
Denise Hoffert-Hay	OWEB Region 3	Consultant
Tonya Dombrowski	OWEB Region 5	Oregon Department of Environmental Quality
Brian Wolcott	Region 6	Walla Walla Watershed Council
Alan Henning	Statewide	EPA
Amy Horstman	Statewide	US Fish and Wildlife Service

DRAFT
Proposed Council Support Funding Levels
2009-2011

App. #	Applicant (alphabetical by category)	4 million	5 million	6 million	Requested 09-011	Awarded 07-09
210-022	Calapooia WSC	\$76,500	\$93,750	\$110,750	186,318	104,000
210-023	Clackamas River Basin Council	\$76,500	\$93,750	\$110,750	159,653	104,000
210-010	Coos Watershed Association	\$76,500	\$93,750	\$110,750	139,370	114,000
210-049	Grande Ronde Model WS Program (b)	\$80,325	\$98,438	\$116,288	196,205	124,260
210-026	Johnson Creek WSC	\$76,500	\$93,750	\$110,750	144,623	114,000
210-027	Long Tom WSC	\$76,500	\$93,750	\$110,750	148,565	114,000
210-003	MidCoast WSC (a)	\$84,150	\$103,125	\$121,825	412,903	134,520
210-018	Partnership for the Umpqua Rivers (b)	\$80,325	\$98,438	\$116,288	159,510	113,360
210-034	Sandy River Basin WSC	\$76,500	\$93,750	\$110,750	119,206	104,000
210-006	Siuslaw WSC	\$76,500	\$93,750	\$110,750	157,931	104,000
210-016	South Coast WSC (a)	\$84,150	\$103,125	\$121,825	158,300	134,520
210-017	Tenmile Lakes Basin Partnership	\$76,500	\$93,750	\$110,750	120,046	97,980
210-007	Tillamook Bay WSC	\$76,500	\$93,750	\$110,750	141,374	104,000
210-047	Upper Deschutes WSC	\$76,500	\$93,750	\$110,750	217,700	114,000
210-004	Upper Nehalem WSC	\$76,500	\$93,750	\$110,750	142,397	67,260 (134,520)
210-054	Walla Walla Basin WSC	\$76,500	\$93,750	\$110,750	136,471	114,000
210-008	Applegate River WSC	\$66,500	\$83,500	\$100,500	141,350	104,000
210-009	Bear Creek WSC	\$66,500	\$83,500	\$91,800	91,800	91,880
210-024	Coast Fork Willamette WSC	\$66,500	\$83,500	\$100,500	133,232	93,462
210-025	Columbia Slough WSC	\$66,500	\$83,500	\$100,500	125,930	104,000
210-041	Crooked River WSC (b)	\$69,825	\$87,675	\$105,525	184,150	124,260
210-021	Elk Creek WSC	\$66,500	\$83,500	\$100,500	118,300	94,000
210-050	Harney WSC (b)	\$69,825	\$87,675	\$99,960	99,960	84,282
210-043	Hood River WS Group	\$66,500	\$83,500	\$99,600	99,600	94,100
210-040	Klamath WS Partners (a) (b)	\$76,475	\$96,025	\$115,575	171,133	114,680
210-045	Lake County WSCs (a)	\$73,150	\$91,850	\$110,550	158,000	122,720
210-002	Lower Columbia River WSC	\$66,500	\$83,500	\$83,666	83,666	77,820
210-061	Lower Nehalem WSC	\$66,500	\$83,500	\$100,500	120,094	36,993 (134,520)
210-014	Lower Rogue WSC	\$66,500	\$83,500	\$100,500	119,248	94,331
210-058	Luckiamute WSC	\$66,500	\$83,500	\$100,500	212,300	104,000
210-051	Malheur WSC (b)	\$69,825	\$87,675	\$105,525	149,180	114,680
210-029	Middle Fork Willamette WSC	\$66,500	\$83,500	\$100,500	212,100	104,000
210-062	Necanicum WSC	\$66,500	\$83,500	\$100,500	121,584	30,267 (134,520)
210-005	Nestucca-Neskowin WSC	\$66,500	\$83,500	\$100,500	105,015	80,000
210-001	North Coast WS Assn (a)	\$73,150	\$91,850	\$110,550	143,211	122,720
210-052	North Fork John Day WSC	\$66,500	\$83,500	\$100,500	189,053	94,000
210-030	North Santiam WSC	\$66,500	\$83,500	\$100,500	146,832	94,000
210-056	Owyhee WSC (b)	\$69,825	\$87,675	\$105,525	156,188	113,360
210-057	Powder Basin WSC (b)	\$69,825	\$87,675	\$105,525	111,605	102,460
210-035	Scappoose Bay WSC	\$66,500	\$83,500	\$100,500	156,350	104,000
210-036	South Santiam WSC	\$66,500	\$83,500	\$100,500	123,431	94,000
210-037	Tualatin River WSC	\$66,500	\$83,500	\$100,500	111,410	104,000
210-048	Wasco Area WSCs	\$66,500	\$83,500	\$100,500	103,140	94,000
210-039	Yamhill Basin WSC	\$66,500	\$83,500	\$100,500	147,854	114,000
210-011	Coquille Watershed Association	\$56,250	\$73,500	\$90,000	138,476	104,000
210-012	Illinois Valley WSC	\$56,250	\$73,500	\$90,000	124,487	99,211
210-013	Little Butte Creek WSC	\$56,250	\$73,500	\$90,000	130,254	80,000
210-028	Marys River WSC	\$56,250	\$73,500	\$90,000	151,540	114,000
210-038	McKenzie WSC	\$56,250	\$73,500	\$90,000	155,375	114,000
210-015	Middle Rogue WSC	\$56,250	\$73,500	\$90,000	122,760	104,000
210-032	Rickreall & Glenn-Gibson Cr WSCs	\$56,250	\$73,500	\$90,000	138,476	94,000
210-020	Seven Basins WSC	\$56,250	\$73,500	\$90,000	121,040	94,000
210-046	Sherman County WSCs	\$56,250	\$73,500	\$86,815	86,815	80,000
210-053	Umatilla Basin WSC	\$56,250	\$73,500	\$90,000	110,540	94,000
210-042	Gilliam-East John Day WSC	\$44,500	\$60,000	\$75,000	116,481	63,470
210-055	Wheeler County WS Groups	\$44,500	\$60,000	\$75,000	127,645	80,000
210-059	Greater Oregon City WSC	\$40,000	\$46,000	\$60,000	64,020	37,500
210-044	Middle Deschutes WSC's	\$40,000	\$46,000	\$60,000	62,700	80,000
210-033	Mid-Willamette Watershed Alliance	\$40,000	\$46,000	\$60,000	118,948	67,000
210-060	Smith River WSC	\$40,000	\$46,000	\$60,000	138,480	67,000
210-019	Upper Rogue WS Assn	\$40,000	\$46,000	\$60,000	90,103	80,000
210-064	Molalla River Watch	\$0	\$0	\$0	89,700	Did not apply
210-063	South Fork John Day WSC	\$0	\$0	\$0	81,901	Did not apply
Average Award		\$65,580	\$81,987	\$98,268	\$140,564	
		\$4,000,350	\$5,001,225	\$5,994,341	\$8,746,029	

Excellent
Very Good
Good
Satisfactory
Needs Improvement
New

(a), (b) or ((a))/(b) next to the applicant name, indicates an umbrella council.
The award amounts include the umbrella awards of 0.10, 0.05 and 0.15 times the base award for type (a), (b) and ((a))/(b) umbrellas, respectively.

Amounts in red were adjusted to reflect the amount requested by the grantee when the requested amount was lower than the base award for that category.

May 14, 2009

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager

**SUBJECT: Agenda Item G: Awards to Support Implementation of Memoranda of Understanding
June 2-3, 2009 OWEB Board Meeting**

I. Introduction

This report provides an update on the Memorandum of Understanding (MOU) between the Alsea Watershed Council and MidCoast Watersheds Council, and the MOU between the Salmon Drift Creek Watershed Council and MidCoast council. This report also recommends funding for the Alsea and Salmon Drift councils, to help them implement those MOUs for the 2009-2011 biennium.

II. Background

The MidCoast Watersheds Council (MidCoast) was formed in 1994. The MidCoast began to act as an umbrella council in 1996 when they hired a coordinator and began to help the local basin planning teams form. These local groups included the Yaquina, Siletz, Salmon Drift, and Yachats Basin Planning Teams. The Salmon Drift Creek Watershed Council (Salmon Drift) began organizing as a council in 2001 and was awarded its first water quality monitoring grant from OWEB in 2002. In 2004, the Salmon Drift split from the MidCoast due to differences in opinions. During that period the MidCoast continued to provide minimum funding to the Salmon Drift for their coordinator. The two councils mended their differences, developed a Memorandum of Understanding (MOU), and have been working cooperatively together since 2006. The MOU includes guidelines on how the two councils will work cooperatively on projects within the geographic area of mutual interest that will further their organizations' missions and goals.

The Alsea Watershed Council (Alsea) began with an informational and organizational meeting in December of 1997. It joined the MidCoast organization in 1998. The OWEB council support awards to the MidCoast for the 1999-2001, 2001-2003, 2003-2005, and 2005-2007 biennia included funding to support basin planning team staff for the Alsea.

The Alsea separated from the MidCoast in June of 2005; however, they continued to receive \$375/month from the MidCoast through the remainder of the 2005-2007 biennium.

The Alsea adopted bylaws in December of 2006 and received its non-profit status in May of 2007. In 2008, the Alsea received watershed council recognition from Benton, Lane, and Lincoln counties as "the" watershed council serving the Alsea watershed. The MidCoast is recognized by the same counties, and Tillamook County, as serving the mid-coast area, which includes the Alsea watershed.

In 2008, the Alsea requested approval from the OWEB Board to submit a council support application separate from the MidCoast application. In its request, the Alsea described the reasons for its split with the MidCoast as a basic philosophical difference. In September 2008, the Board denied this request. Under OWEB's rules, because the MidCoast is also locally recognized for the same geographic area and has received council support funds, the Alsea does not serve a unique geographic area and is currently ineligible to apply independently. At the same time, at the September 2008 meeting, several Board members indicated an interest in what OWEB could do to help improve the working relationship and communication between the MidCoast and Alsea. The conflicts and differences in opinions were a source of tension that was interfering with the ability to focus on restoration projects.

In an effort to help improve communications and working relationships between the Alsea and MidCoast, OWEB funded a mediation. The mediation resulted in a Memorandum of Understanding (MOU) between the two councils (OWEB is not a party to the MOU). The MOU includes guidelines on how the two councils will communicate, work together, and strive to "work cooperatively on projects within the geographic area of mutual interest that will further their organizations' missions and goals."

Based on discussions with OWEB staff during the mediation, the MOU was written in anticipation of a joint council support grant to both organizations. At the time, OWEB thought that a joint council support application was a path forward as part of helping to improve working relationships. However, when OWEB tried to make the joint application work in the council support process under our rules, it didn't work. OWEB admits that the joint application idea was a mistake. At the same time, the MidCoast, Alsea, and Salmon Drift councils relied on OWEB's directions and advice in developing a joint council support application. OWEB does not want to penalize the councils for following our directions, and wants to follow through on our commitment to provide resources to carry out the MOUs.

III. Staff Recommendations

Staff recommend one-time only funding for the Alsea and Salmon Drift to implement the MOUs to support improved communication, coordination, and working relationships in the watershed. Funding for the awards is proposed from federal recovery planning funds, and will not affect the separate watershed council support award funding. These awards are not watershed council support grant awards, and under OWEB's rules, any council that is or has been part of the MidCoast umbrella structure would need prior Board approval in order to submit a separate council support grant application for the 2011-2013 biennium.

A. Alsea Award

- Amount of award: \$18,700 for 2009-2011. This amount includes 10 percent for fiscal administration.
- Conditions of award: Funds are to be used to help carry out the intent and activities contemplated in the MOU and help develop the capacity of the Alsea council. Specifically, the grant will provide funding for Alsea council representatives to travel to, attend and support Alsea council meetings, and travel to and attend MidCoast council meetings and MidCoast Tech Team meetings. In year 2, the grant contemplates the Alsea working with the MidCoast to develop a joint action plan for the Alsea watershed. Funds will also be provided to support the Alsea to develop and

submit grant applications and conduct an OWEB self-evaluation to assess organizational needs.

- Funds are to be paid out quarterly based on receipts and a record of the activities over the quarter. Funding is based on activities; if activities for which the grant is provided did not occur, payment can be withheld.

B. Salmon Drift Award

- Amount of award: \$7,700 for 2009-2011. This amount includes 10 percent for fiscal administration. Together with the \$10,000 that will be passed through to the Salmon Drift under the council support award for the MidCoast, as noted in the staff report for agenda item F, the total funding received by Salmon Drift will be \$17,700.
- Conditions of award: Funds are to be used to help carry out the intent and activities contemplated in the MOU. Specifically, the grant will provide funding for a Salmon Drift council representative to meet with the MidCoast at least once a year to discuss projects of mutual interest, provide regular updates to the MidCoast on planned activities within the area of mutual interest, and coordinate on activities of mutual interest.
- Funds are to be paid out quarterly based on receipts and a record of the activities over the quarter. Funding based on activities; if activities for which the grant is provided did not occur, payment can be withheld.

This is a unique situation, and it is OWEB's final commitment to help rebuild trust and coordination in an important watershed.

Staff recommend the Board award \$18,700 of recovery planning funds to the Alsea Watershed Council and \$7,700 of recovery planning funds to the Salmon Drift Creek Watershed Council with the conditions described in III.A. and III.B. of this report.

May 18, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item I: Partnership Investments
June 2-3, 2009 OWEB Board Meeting**

I. Introduction

This report provides an update on the status of OWEB Partnership Investment Subcommittee discussions, describes the criteria developed following Board discussion in March, and proposes a final set of partnership investments criteria for Board consideration and approval.

II. Background

Development of the Partnership Program within OWEB has been both cumulative through time by incremental decisions and through specific, guided Board discussions about investments in specific outcomes. The Partnership Subcommittee distinguished projects funded as “partnerships” from those activities funded through the regular, competitive grant processes or Special Investment Partnerships (SIP). Subcommittee members include Diane Snyder, Dan Heagerty, Ken Williamson, Jennifer Phillippi, Meta Loftsgaarden, and Dave Powers.

The Subcommittee has discussed the use of consistent criteria for evaluating and considering future partnerships. These criteria are slightly different from the criteria for the SIP that have been previously discussed and approved by the Board. At the direction of the Subcommittee, staff developed draft criteria to stimulate discussion between staff and the Board at the March Board meeting. The draft criteria included:

- A. Specific Ecological Outcomes
- B. Leverage of State Funding
- C. Unique or Limited Opportunities
- D. Administrative Efficiency
- E. Address Institutional or Physical Watershed Management Issues
- F. Strong Technical Review Process

At the March meeting, Board members discussed the proposed criteria and gave staff substantive input to prepare final recommendations for the June meeting.

III. Final Proposed Criteria

Following the March discussion, staff and the Subcommittee met to finalize the criteria that are applicable for evaluating partnership efforts and to evaluate any future proposed partnerships. The proposed criteria were modified and simplified to address issues raised in March. The result combined some of the previously proposed criteria and eliminated one as an evaluative criterion, thereby distilling the criteria to five points of consideration. The following are the final proposed criteria for Board consideration:

1. A potential partnership should address a specific ecological outcome or issue and have sufficient commitment to make progress on addressing the issue. *This criterion provides explicit goals or outcomes expected from the partnership.*
2. A potential partnership should bring partners to assist in the funding and other support to address the issue of interest. *This criterion requires specific documentation of the financial commitment of partners.*
3. A potential partnership should use strong technical standards or have a review process that evaluates expenditures. *This criterion requires an assurance of quality control.*
4. A potential partnership should be administratively efficient and share administrative responsibilities. *This criterion requires a demonstration of the administrative sharing by the proposed partner and an evaluation of the OWEB workload associated with a partnership.*
5. A potential partnership should be a catalyst for meaningful restoration actions. *This criterion looks at the role of OWEB funding in stimulating additional restoration actions beyond single projects.*

The Subcommittee recommends that the criteria be used to evaluate proposed partnerships but not as hard rules. The Subcommittee wants to be sure that the ability of the agency to remain flexible and adaptable to creative partnership proposals is retained. In this light, it proposed that the criteria would be used as evaluative criteria for all partnership proposals for consistency but the judgment of the Board not be bound entirely by the criteria.

IV. Recommendation

Staff recommend the Board adopt the final proposed criteria contained in Section III of this report, and direct staff to use them when considering funding recommendations on partnership investment proposals.

May 12, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Miriam Hulst, Acquisitions Specialist
Ken Bierly, Deputy Director

**SUBJECT: Agenda Item J: Deferred Acquisitions
June 2-3, 2009 OWEB Board Meeting**

I. Introduction

Land acquisition grant applications often require more time to fully evaluate and prepare funding recommendations than is available in the regular 21-week grant cycle. This staff report provides information about three acquisition applications previously deferred by the Board for due diligence review, and which are now ready for funding consideration.

II. Deferred Acquisitions

A. Evergreen Creek Acquisition (208-114)

Greenbelt Land Trust (GLT) requests \$305,000 to purchase 221 acres located in the Muddy Creek watershed, south of Philomath, in Benton County.

GLT first proposed to purchase a conservation easement for this property, and requested \$500,000 from OWEB. GLT subsequently determined that the property's restoration opportunities make it a more appropriate fee title investment than conservation easement purchase. The sellers were amenable to changing the project to a fee title transaction. GLT's receipt of North American Wetlands Conservation Act (NAWCA) funds enabled it to reduce the OWEB funding request from \$500,000 to \$305,000.

1. Ecological Benefits

The application states that the property proposed for acquisition contains 48 acres of palustrine emergent and forested/shrub wetlands, 0.75 miles of Evergreen Creek, and 16 acres of riparian habitat associated with Evergreen Creek. The remainder of the property consists of areas currently used for hay production and areas farmed in the recent past.

The application states that the majority of the property's soils are hydric, and thus the site provides an important opportunity to restore Western Oregon wet prairie, an OWEB priority habitat. The property's non-hydric soils are appropriate for the restoration of Western Oregon upland prairie and oak savanna. GLT has developed a restoration strategy and timeline for a phased approach to enhancing the native habitats currently present on the property and restoring the remainder of the property to native, historic

habitats. GLT intends to reintroduce to the site, where appropriate, threatened and endangered plant species present in the watershed, such as Kincaid's lupine and Willamette daisy. The application states that restoring the site will result in important wetland and riparian habitat connectivity in the Muddy Creek watershed, where there are previous acquisition and restoration investments, including Finley National Wildlife Refuge.

The Evergreen Creek application states that acquisition of the property is consistent with three of the conservation principles contained in OWEB's Basin Ecological Priorities: restoring function to an area that requires a change in ownership and active restoration to achieve its conservation purpose, improving connectivity of habitat, and complementing an existing network of conserved lands.

The Regional Review Team (RRT) felt that the property constitutes an important ecological connection among the protected sites in the region. The RRT confirmed that there are OWEB priority habitats present on the property, and noted that they will serve as useful reference sites for GLT's development of restoration plans for the remainder of the property.

2. Capacity to Sustain the Ecological Benefits

GLT holds conservation easements on 13 properties and owns two properties in Benton County, including three acquisitions funded in part by OWEB. GLT has demonstrated the capacity to build diverse and productive partnerships to develop and implement management plans and restoration projects, including listed species reintroductions. GLT's staff currently includes a stewardship program manager who will oversee management and restoration of the site. The application states that GLT's recently completed business plan calls for hiring a stewardship assistant within five years.

The Evergreen Creek application states that management and restoration plans will be developed in coordination with conservation partners with which GLT has a track record of effective collaboration. GLT has started the partnership by working with the U.S. Fish and Wildlife Service (USFWS) to develop a restoration strategy and timeline for the property, which will be refined in further planning efforts. GLT has also begun developing plans to pursue restoration funding, and intends to, upon purchase, take actions to qualify for grant funds from the Natural Resources Conservation Service. GLT has agreed that once the property is restored, its enhanced state will become the reference conditions by which easement compliance is determined, thus protecting the restoration efforts in perpetuity.

3. Education Benefits

The application states that GLT will encourage the public to visit the site for structured educational tours and activities such as plant reintroduction work parties, but that unlimited public access is not intended while the property is being restored. Once restoration is complete, GLT will consider increasing public access.

Philomath High School students partner with GLT to propagate threatened and endangered plant species for reintroduction at GLT's Lupine Meadows property. Teachers at the high school have expressed interest in adding the Evergreen Creek

property to the suite of sites at which the students help to achieve habitat restoration. Oregon State University (OSU) has also expressed interest in being involved in restoration at the Evergreen Creek property.

The RRT felt that the property can be restored to diverse habitats that exemplify fish and wildlife benefits and provide educational opportunities for students.

4. Partners, Project Support, and Community Effects

The application states that Marys River Watershed Council, Benton Soil and Water Conservation District, and USFWS will assist with developing and implementing management and restoration plans for the property. OSU and Philomath High School will also assist with restoration.

The application states that although the property's active agricultural areas, totaling 136 acres, will gradually be removed from production to allow for restoration, the project will not have a significant effect on the overall agricultural economy of Benton County. At this time, GLT intends to pay property taxes for the site. The application states that GLT might later apply for a tax exemption, pay in-lieu fees, or apply for wildlife assessment status.

5. Legal and Financial Terms

GLT will match OWEB funds with \$410,000 from the NAWCA grant program, administered by USFWS. The sellers will donate \$37,374 dollars to a stewardship fund for the property and an additional \$10,000 for miscellaneous project costs.

Agriculture will be phased out on the property, rather than being discontinued all at once, because the site's large size makes it infeasible to restore the entirety of it contemporaneously. Maintaining agricultural operations until restoration begins will keep invasive species in check and provide GLT with a source of funds for property stewardship.

Benton County recently completed a partition that separated the acreage that GLT will purchase from approximately 30 acres that the seller will retain. The acreage that GLT intends to purchase does not front a public road. GLT will enter the property via a permanent access easement that will be granted by the seller to GLT as a condition of the sale.

The legal review of the option did not raise any concerns for OWEB. The legal review of the title report identified several minor title exceptions, such as a historic road right-of-way, that could conflict with OWEB's conservation interest in the property. GLT is nearly finished addressing the title issues; staff expects the process to conclude smoothly.

An appraisal of the property was conducted by Robert E. Hugie. OWEB's independent review appraiser determined that the appraisal report is in conformance with Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), the value conclusions are adequately supported, and the proper appraisal methodology was used.

A Phase 1 Environmental Site Assessment (ESA) was conducted for the property by Omnicon Environmental Management. A review of the ESA by the Oregon Department of Environmental Quality determined that the report conforms to the American Society for Testing and Materials (ASTM) standard required by OWEB and no further investigation is needed.

6. Conclusion

In November 2007, the Acquisitions Subcommittee decided to proceed with due diligence because the property presents a significant opportunity to restore a variety of native habitats in a location that augments a network of protected sites and affords enhanced ecological connectivity. The RRT concluded that the project has high ecological and educational benefits. Resolution of due diligence issues is nearly complete. A public hearing will be scheduled within several weeks. Staff and the Acquisitions Subcommittee recommend funding for the project, contingent on resolution of remaining title issues to staff's satisfaction.

B. Big Creek Acquisition (209-105)

The Nature Conservancy (TNC) requests \$2 million to purchase 193 acres located on the Oregon Coast in Lane County, adjacent to Siuslaw National Forest and Washburne Memorial State Park. TNC intends to purchase the property in May 2009. OWEB funds would reimburse TNC for approximately half of the purchase price. TNC understands that its prior purchase of the property and the financial consequences of the purchase will not be a factor in the Board's funding decision.

1. Ecological Benefits

The application states that 97 percent of the property proposed for acquisition contains OWEB priority ecosystems, plant communities, and species. Specifically, the application claims that the property contains 19.7 acres of chaparral and north coast shrublands; 16.5 acres of floodplain/outwash lowland riparian, linear, wetlands; 6.8 acres of lowland riparian woodland and shrubland; 140.8 acres of Sitka spruce forest; and 4.5 acres of Western Oregon upland prairie. The application also states that the property contains Pacific reedgrass-blue wildrye, an OWEB priority plant community.

The following OWEB priority species have been documented on the property: coho salmon, steelhead, bald eagle, red-legged frog, Oregon silverspot butterfly, band-tailed pigeon, olive-sided flycatcher, Pacific-slope flycatcher, ruffed grouse, and rufous hummingbird. The property contains 132 acres of federally designated critical habitat for Oregon silverspot butterfly, a threatened species. The property also contains 0.65 miles of federally designated critical habitat for coho salmon, a threatened species.

The Big Creek application states that acquisition of the property is consistent with five of the conservation principles contained in OWEB's Basin Ecological Priorities: securing a transition area, restoring function to an area that requires a change in ownership and active restoration to achieve its conservation purpose, protecting a site with exceptional biodiversity, improving connectivity of habitat, and completing an existing network of conservation sites.

The RRT felt that this site is a critically important conservation opportunity. The RRT identified Big Creek as a key watershed and the proposed property as a chance to conserve both aquatic and terrestrial species of significance.

2. Capacity to Sustain the Ecological Benefits

TNC will purchase the property in May 2009, and then transfer the title to the Oregon Parks and Recreation Department (OPRD) in autumn 2009. The property will be cooperatively managed by a private-state-federal partnership consisting of TNC, OPRD, the U.S. Forest Service (USFS), and USFWS. The partners have drafted a Memorandum of Understanding (MOU) which states that the property will be managed for the protection and restoration priority habitats and species. The partners will develop a property management plan, pursue funds for restoration or support pursuit of funds for restoration, and allow and support management activities that further the conservation of priority habitats and species. The partners agree that the property will be used only for low-impact recreation. TNC has indicated to OWEB staff that infrastructure will not exceed one trail on the property.

TNC has been highly involved in Oregon silverspot butterfly conservation work on the coast for many years, and will continue butterfly work at the Big Creek property after its transfer to OPRD. USFWS funds habitat restoration and population monitoring and augmentation on USFS property adjacent to the Big Creek property; the funding can be applied to the Big Creek property as well. OPRD is well-positioned to own the property because of the property's proximity to Washburne Memorial State Park. OPRD has permanent staffing at the park and good knowledge of the area's ecological systems and their management needs.

3. Education Benefits

The application states that the property will be open to the public for "light, day-use recreation" and publicized on the OPRD web site. The RRT did not feel that the project constitutes a significant opportunity for public education.

4. Partners, Project Support, and Community Effects

The application states that staff from TNC, USFS, and OPRD have been interested for several decades in purchasing the Big Creek property, and have worked cooperatively to secure purchase funds from the National Oceanic and Atmospheric Administration (NOAA). Federal funds from USFWS might also be used in the transaction. The project is supported by the Central Coast Land Conservancy and the MidCoast Watersheds Council.

The application states that the land has not been actively managed for agriculture and has never been aggressively managed for forestry production. Therefore, conserving the property won't impact regional agriculture or forestry production. The application further states that although acquisition of the property will preclude opportunities for jobs associated with development, the opportunity to conserve biological diversity will result in economic and social benefits.

5. Legal and Financial Terms

The Big Creek property's zoning currently allows for development of a 150-unit destination resort and up to 11 additional units. The current owners have drafted building plans and obtained development permits. TNC recently entered into an agreement with the owners to purchase the property for the appraised value of \$4.07 million.

TNC anticipates purchasing the property in May 2009. TNC will then transfer the property to OPRD in autumn 2009, at which time OPRD will contribute at least \$1 million in NOAA funds. Some of TNC's purchase costs might also be reimbursed by USFWS. TNC understands that OWEB rules require the Board to consider the title transfer at a regularly scheduled public business meeting before TNC undertakes the transaction.

The legal review of the option and title did not raise any concerns for OWEB. An appraisal of the property was conducted by Duncan and Brown, Inc. OWEB's independent review appraiser determined the appraisal report is in conformance with Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), the value conclusions are adequately supported, and the proper appraisal methodology was used. An environmental review of the property did not raise any concerns for OWEB.

6. Conclusion

Both the Acquisitions Subcommittee and the RRT felt that this project constitutes a very important conservation opportunity. The due diligence review is complete. Staff and the Acquisitions Subcommittee recommend funding for the project, contingent on TNC's continued involvement of OWEB in the development of the MOU that will guide cooperative management of the property.

C. North Nehalem Bay Wetlands Conservation Project (209-106)

The Lower Nehalem Community Trust (LNCT) requests \$240,000 to purchase two properties totaling approximately five acres at the northern edge of Nehalem Bay in Tillamook County. LNCT proposes to use the funds to match Coastal Wetlands Conservation Grant Program (Coastal Wetlands) funds recently awarded to OWEB by USFWS for acquisition of the parcels.

The parcels are two of seven that LNCT intends to purchase in the first phase of its effort to permanently protect wetlands that link land owned by LNCT to Nehalem Bay State Park. LNCT anticipates that at least four of the remaining parcels will be ready for a funding decision by the Board at the September meeting.

1. Ecological Benefits

The application states that the property proposed for acquisition contains OWEB priority ecological systems, including freshwater marsh and aquatic beds, intertidal salt marsh, and lowland non-linear forested wetlands. Protection of the parcels will conserve OWEB priority species, including coho salmon, steelhead, chum salmon, red-legged frog, band-tailed pigeon, bald eagle, great-blue heron, pacific-slope flycatcher, rufous hummingbird, marbled murrelet, and peregrine falcon. The application states that proposed acquisition is consistent with five of OWEB's conservation principles: protecting a large, intact area;

securing a transition area; protecting a site with exceptional biodiversity; improving the connectivity of habitat; and complementing an existing network of conservation sites.

The RRT felt that although the parcels are small and not highly ecologically valuable in and of themselves, the property forms a very important habitat link between Nehalem Bay State Park and other protected areas. The RRT was of the opinion that these parcels should be conserved to save the last remaining bayside wetlands and maintain habitat linkages.

2. Capacity to Sustain the Ecological Benefits

LNCT was founded in 2002 and currently owns three properties totaling 65 acres. LNCT recently hired a full-time staff person. LNCT has demonstrated success in obtaining OWEB and USFWS grants and raising private funds for the purchase and maintenance of conservation lands. LNCT also successfully engages North Coast residents in the care and understanding of coastal ecosystems.

3. Education Benefits

LNCT currently conducts frequent educational activities at its Alder Creek Farm conservation site, near the parcels proposed for purchase. LNCT leads a wide variety of workshops, provides free education programs to more than 400 children per year, and trains and maintains a team of natural resources research and monitoring volunteers. If this project is funded, LNCT will expand its educational offerings to include on-site learning at the newly acquired properties.

The RRT felt that LNCT's current educational programs are outstanding and expressed confidence that the Trust would implement that same high-quality community education programs at the proposed properties as it does at Alder Creek Farm.

4. Partners, Project Support, and Community Effects

OWEB was awarded \$583,077 in Coastal Wetlands funds to assist LNCT with acquisition of the parcels. LNCT has received commitments from the following entities for in-kind assistance with the development of stewardships plans for the acquired parcels: Oregon Department of Fish and Wildlife, North Coast Land Conservancy, TNC, a private consultant, Urban Greenspaces Institute, Audubon Society, and OPRD. LNCT gathered more than 450 signatures from local residents who support the project.

Annual property taxes total approximately \$850 for the two parcels for which LNCT is currently seeking funding. If the parcels are acquired for conservation, these taxes would no longer be paid. Despite this, the project has received unanimous support from the Tillamook County Board of Commissioners and is also supported by the Mayor of Nehalem. LNCT and many members of the community feel that the loss of property taxes will be offset by the project's educational and ecological benefits.

5. Legal and Financial Terms

LNCT currently requests \$240,000 from OWEB to match \$533,000 in Coastal Wetlands funds for the purchase of two of seven parcels it intends to acquire in the first phase of a two-phase project that will protect wetland linkages adjacent to Nehalem Bay. The parcels for which LNCT is currently requesting funding have a fair market value totaling

\$759,000 because the parcels are zoned for residential development and contain highly desirable view home sites at the edge of Nehalem Bay. The owners of these parcels are not willing to sell their land for less than fair market value. LNCT anticipates that it will pay far less than fair market value for the rest of the parcels it acquires in the first phase of the project.

The legal review of the options did not raise any concerns for OWEB. The legal review of the title reports identified several minor title exceptions, which LNCT is nearly done addressing. Staff expects the process to conclude smoothly.

An appraisal of the properties was conducted by Zell and Associates. OWEB's independent review appraiser determined that the appraisal report was initially insufficient for OWEB's purposes. With guidance from OWEB's review appraiser, Zell and Associates amended the report. OWEB's review appraiser subsequently determined that the report is in conformance with Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), the value conclusions are adequately supported, and the proper appraisal methodology was used.

A Phase 1 Environmental Site Assessment (ESA) was conducted for the property by Hahn and Associates, Inc. A review of the ESA by the Oregon Department of Environmental Quality determined that the report conforms to the American Society for Testing and Materials (ASTM) standard required by OWEB and no further investigation is needed.

6. Conclusion

In November 2008, the Acquisitions Subcommittee decided to proceed with due diligence because the members felt that the acquisition of the properties, despite the expense, is advisable because the properties are the last remaining wetlands link between ecologically significant, protected areas. The Subcommittee also felt that the project has strong educational merit and outstanding community support. The RRT felt that the project has medium ecological merit and high educational merit. Staff and the Acquisitions Subcommittee recommend funding for the North Nehalem Wetlands project, contingent on resolution of the title issues to staff's satisfaction.

III. Recommendation

Staff recommend the Board award:

- A. \$305,000 for the Evergreen Creek Acquisition (208-114), contingent on resolution of remaining title issues to staff's satisfaction;
- B. \$2 million for the Big Creek Acquisition (209-105), contingent on TNC's continued involvement of OWEB in the development of the MOU that will guide cooperative management of the property; and
- C. \$240,000 for the North Nehalem Wetland Conservation Project (209-106), contingent on resolution of the remaining title issues to staff's satisfaction.

May 18, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item J-1: Deferred Water Conservation Project
June 2-3, 2009 OWEB Board Meeting**

I. Introduction

The Deschutes River Conservancy submitted a grant application (209-4034) requesting \$3,922,352 to cost share in a \$14 million irrigation canal piping project that would result in a significant volume of conserved water (approximately 19.6 cfs). This staff report provides information about the application, explains the review conducted, and recommendation from staff.

II. Background

The Central Oregon Irrigation District (COID) is one of eight districts that serve patrons throughout the Deschutes basin. Established in 1918, the COID is a Municipal Corporation of the State of Oregon. The COID system consists of two main canals: the Pilot Butte Canal, which runs north, through Bend, Redmond, and Terrebonne; and the Central Oregon Canal, which runs east, through Bend, Alfalfa, and Powell Butte. Both canals divert water from the Deschutes River.

The COID provides water for about 45,000 acres within an 180,000-acre area in Central Oregon. More than 700 miles of canals provide agricultural and industrial water to the Terrebonne, Redmond, Bend, Alfalfa, and Powell Butte areas. In addition, COID provides water to the City of Redmond and numerous subdivisions; in Bend, many parks and schools receive water through the COID system.

COID has evaluated water loss from their canal system. The project proposes to pipe 2.25 miles through an area determined to be underlain by porous broken basalt. In an evaluation of water supply and demand by the Deschutes Water Alliance, this project was identified as having the second highest cost effective conservation value of 14 projects identified. The proposed piping project is part of a larger project (Juniper Ridge Project). The application seeks funds to bury a nine-foot diameter steel pipe through fractured bedrock. This is expected to result in 19.6 cfs of legally protected conserved water upon completion of the project. The applicant has agreed to return 100 percent of the conserved water for instream flows.

III. Project Review

The application was pulled from the regular grant review process. The application was reviewed by the Water Conservation Work Group and the Region 4 Review Team (RRT).

The Water Conservation Work Group reviewed the application and discussed it in light of alternative approaches to conserve and protect in-stream flows. The Water Conservation Work Group recognized that the application as proposed provided a cost effective way to protect a significant volume of conserved water. They recommended the application be seriously considered for funding.

The Region 4 RRT evaluated the ecological value of the application. The RRT unanimously recognized the significance of the conserved water in the Middle Deschutes. They recognized that the 19.6 cfs would have a senior water right and it would be left in the river past the point of diversion at all times. There is a stream gauge just downstream of the diversion to ensure the instream right is being met. The RRT determined this amount of water was a significant, measurable contribution to the Middle Deschutes River. The application would add additional permanent water to protect the habitat necessary for all stages of aquatic life. The RRT supported the application moving forward. The RRT expressed concern about the effects of large dollar requests such as this application would have on their availability to recommend projects for funding from their region. The RRT is interested in the outcomes from the Water Conservation Work Group.

IV. Changes in Funding Request

Since the application was submitted, the partners have developed a revised funding approach resulting in a decreased request to OWEB. With the availability of stimulus funding, the applicant has revised their funding request. (Attachment A) The original request to OWEB was for \$3,992,352 with \$2 million to be awarded from the 2009-2011 biennium and the remainder awarded from the 2011-2013 biennium. The current request is for \$1 million from the 2007-2009 biennium and an additional \$1 million from the 2009-2011 biennium.

COID seeks \$1 million from OWEB at the June meeting to finalize their financing package for the project. The \$1 million request is seen as a critical commitment to stabilize their funding package, which is based on loans, district bond financing, and other funds. The benefits of the project will not be diminished with the reduced funding request. The benefit of 19.6 cfs is a very good bargain under the revised funding request.

COID recognizes that the Board cannot commit funds from future biennia budgets, and understands they will have to appear before the Board next biennium to request additional funding.

V. Recommendation

Staff recommend the Board award \$1 million in capital funds to grant application 209-4034.

Attachment

A. COID Revised Funding Request



CENTRAL OREGON IRRIGATION DISTRICT
1055 SW Lake Court, Redmond, OR 97756
Phone: 541.548.6047 Fax: 541.548.0243
www.coid.org

A MUNICIPAL CORPORATION OF THE STATE OF OREGON

29 April, 2009

Mr. Ken Bierly
Oregon Watershed Enhancement Board
775 Summer Street, NE
Suite 360
Salem, OR 97301-1290

Dear Ken,

Per your request, I am writing with regards to the Central Oregon Irrigation District (COID) grant request for our Juniper Ridge Hydro Piping Project and the recent modifications we discussed.

The original request for hard project costs was for \$3.8million. Due to the likelihood of the project receiving some federal stimulus funds, and to make the COID request more manageable for OWEB I amended the request to \$2 million on the hard project costs.

The \$2 million would be in two \$1 million portions. The first portion would be funded in June 2009 under the existing OWEB biennial funding, and the second portion would be requested for early in the new biennium. This would provide funding at critical points in time with the first portion assisting in securing the 2.5 miles of steel pipe for the project, and the second portion providing funds for the construction of the project.

COID appreciates the opportunity of partnering with OWEB on this project, and is looking forward to restoring significant permanent flows in the Deschutes River. Please don't hesitate to contact me with any questions or comments.

Sincerely yours,

Steven C Johnson

District Secretary – Manager

Cc: Tod Heisler, Deschutes River Conservancy – Executive Director

May 19, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager

**SUBJECT: Agenda Item K: Research Program
June 2-3, 2009 OWEB Board Meeting**

I. Introduction

This report provides an update for the Board on the Research Program and requests funding for additional research projects for the remainder of the biennium.

II. Background

OWEB offered its first open solicitation for research grants and awarded funding to nine projects in September of 2007. During 2008, the Board Monitoring and Research Subcommittee met to develop priority focus areas for the anticipated 2009 research grant cycle. A proposed approach to developing specific research priorities was presented to the Board at the September 2008 meeting. In September, the Board adopted the Monitoring and Research Subcommittee approach to revising the OWEB Research Priorities and to establish a process for soliciting research proposals in the spring of 2009.

At its January meeting, the Board adopted a modified approach, given the current budgetary uncertainty for the remainder of the biennium, and instructed staff to explore specific areas of research to bring before the Board in March. Staff then began working on revising the research priorities and establishing a process for soliciting research proposals in the spring of 2009. Staff presented several proposals for research funding in specific focus areas and three of these were funded at the March 2009 Board meeting. This report provides an update on those projects as well as additional information requested by the Board for one proposal and three new funding requests.

III. Update on March Research Awards

A. Climate Change: Water Availability

At the March 2009 Board meeting, the Board allocated \$175,000 in non-capital research funding to a water availability and climate change project pending due diligence work to be conducted by staff. This update provides information about the status of that due diligence. OWEB staff spoke to and met with Oregon Water Resources Department (OWRD) staff on several occasions following the March Board meeting. The purpose of those discussions was to ground-truth the draft water availability study, coordinate with OWRD on related studies, establish OWRD participation in the design and implementation, and to explore additional partnership opportunities. At the time of writing this staff report more detailed discussions

had not yet occurred. Staff will present updates on the results of these meetings at the June Board meeting.

B. Climate Change: Sea-level Rise

Another March 2009 Board action included the allocation of \$100,000 in non-capital research funding, pending additional staff work, for climate change and sea-level rise research. This summary provides an update on the staff work in March and April. OWEB staff participated in several conference calls with representatives from the states of Washington and California as well as the Oregon Governor's Natural Resources Office to discuss the draft proposal to the National Academy of Sciences (NAS) on a sea-level rise study for the entire west coast of the conterminous U.S. The State of California has been leading this effort under an Executive Order by Governor Schwarzenegger signed in November of 2008. Subsequent to the OWEB Board meeting in March, California met with the NAS and secured the necessary \$500,000 to conduct a study with a reduced scope, including the elimination of the concept of case studies. The case studies were an important aspect of the work presented to the Board.

OWEB continues to participate with the Oregon Governor's Natural Resources Office and appointees from the states of Washington and California at the time of writing this report. Additional details will be provided at the June Board meeting at which time we anticipate that the State of Oregon will have entered into an agreement with the State of California to implement the project or staff will be developing an alternative approach.

IV. Climate Change at the Local Level – Follow-up Information and Funding Request

At the June Board meeting, staff presented work conducted by the Climate Leadership Initiative (CLI) at the University of Oregon in the Rogue and Willamette basins. Staff proposed participating in similar work in the Umatilla and Klamath basins over the coming year through support of a research grant to the CLI. The discussion at the Board meeting included concerns raised about two primary factors that required additional background before the Board wished to enter into an agreement for this work.

Subsequent to the March Board meeting, staff had conversations with the CLI and explored the Board's concerns about reports lacking detail and participation by local groups. The CLI recognizes that more work is necessary following the production of one of the basin reports, such as the Rogue and Willamette examples. The CLI conducts "Climate Futures Forums" as a means and venue for initiating discussion around what the large regional scale climate models appear to indicate could occur at the basin level. These forums are designed to be the first phase of a two-phase approach to working with local communities. The second phase includes follow-up work with local planners and decision makers designed to construct more detailed actions that could be implemented to prepare communities for climate change. The CLI has initiated the second phase in the Rogue basin beginning with the Rogue Council of Governments. Staff also explored the participation of local watershed councils in the CLI efforts. The Willamette work was focused in the upper Willamette basin and all of the respective watershed councils participated. At the time of writing the staff report, the staff inquiries into the Rogue basin participation by local partners was not yet completed. On a related note, staff learned that the Oregon Water Resources Department has been involved in and supportive of the Upper Willamette CLI project.

The incorporation of climate change into local planning and actions is in its early stages and the CLI is helping move those conversations forward. As such, education and opportunities for conversation among local leaders are two important aspects that will be necessary to ensure future actions are supported. Representatives from the CLI will be available to answer questions at the June Board meeting.

Staff recommend funding the CLI to conduct climate model downscaling to the local basin and “Climate Futures Forums” in the Umatilla and Klamath basins. Staff propose the use of \$171,128 in Research Non-capital to support this work.

V. Update on Ecosystem Services Proposal

In March, the Board awarded \$165,000 for a request for proposals for ecosystem services marketplace research. Following the March meeting, the Monitoring and Research Subcommittee developed a draft Request for Proposals focused on soliciting contractors to assist OWEB in negotiating the marketplace of ecosystem services that have a likely connection to OWEB grantees and actions. The draft RFP was finalized by the subcommittee and posted on the State of Oregon Procurement website (ORPIN) in May. (Attachment A)

The research project consists of three primary objectives:

1. Develop a description of the current ecosystem services and the potential markets in Oregon that might be closely aligned with OWEB projects;
2. Conduct an evaluation of the contributions that OWEB land acquisition and restoration projects can provide in the ecosystem services’ marketplace; and
3. Create business application models that provide OWEB and its grantees an approach to participating in ecosystem service marketplace transactions.

At the time of writing this staff report the RFP process was not completed. Staff will update the Board on the status of this process at the June Board meeting.

VI. New Research Funding Requests

A. LiDAR – Research Capital Funding Request

During the 2007-2009 biennium, OWEB experienced an increase in the number of local groups requesting funding for Light Detection and Ranging (LiDAR) remote sensing applications for the purpose of project planning, design, and implementation. In 2008 and 2009, the Department of Geology and Mineral Industries (DOGAMI) led efforts around the state to acquire LiDAR imagery, in part, through \$1.5 million of Measure 66 research capital funding provide by the Legislature. As grant requests for LiDAR were received by OWEB from local entities, staff put them in contact with DOGAMI efforts which lead to increased efficiencies, lower cost projects, higher quality products, and larger areas flown.

The technological advances and decreasing costs of LiDAR imagery has enabled the mainstreaming of this tool and accessibility to local organizations has never been better. DOGAMI plans to continue their efforts in the 2009-2011 biennium but it remains to be seen whether the agency’s final budget includes funding limitation for LiDAR acquisition. Staff anticipate a continued interest in and need for LiDAR imagery expressed by local entities. Through the efforts of the Oregon LiDAR Consortium, led by DOGAMI, additional

significant progress can be made in flying portions of the state not presently covered by LiDAR imagery over the next two years.

Over the next two weeks, we should have a better understanding of what final agency budgets will look like for 2009-2011. If the final DOGAMI budget does not have sufficient funding for LiDAR, staff may present a funding proposal for the Board to fund this program with research capital funding.

B. Fish and Water Quality Monitoring

At the September 2008 Board meeting, the Board reserved \$225,000 for the purpose of evaluating fish passage and water quality improvement projects throughout the state. While fish and water quality monitoring top the list of monitoring investments made by OWEB, information is lacking about the collective improvements made to improving access to fish habitat, expanded fish distribution, and water quality.

OWEB received a proposal from researchers at Oregon State University during the October 2008 grant cycle to conduct an independent evaluation of habitat utilization by fish opened up as a result of OWEB fish barrier removal projects. This particular application was not funded at that time partially due to the size of the application, which requested more than 25 percent of the available funding. The applicant was encouraged to work with staff on a refined proposal to be considered as a research grant request.

A new set of proposals was submitted to OWEB by the researchers at Oregon State University that included a focused approach to evaluating fish passage projects. This work will complement the recently initiated work in the Grande Ronde, Rogue, and South Coast basins focusing primarily on the older Model Watershed and early OWEB fish passage work. The new proposal will be reviewed this month and recommendations on whether to fund the proposal will be provided by staff and the Monitoring and Research Subcommittee at the June Board meeting. Since the review by the subcommittee meeting will occur subsequent to the writing of this report, the staff recommendation will be presented at the June Board meeting. Staff intend that a future proposal solicitation will focus on the water quality effectiveness evaluations.

Because this is the last meeting of the biennium, and the desire is to move these program investments forward without losing time or momentum, staff recommend the Board award the \$225,000 reserve to continue the implementation of the fish and water quality monitoring projects enabling the expansion of the Grande Ronde and South Coast work to a statewide scope. Staff further propose the Director have the authority to distribute the funds to specific projects following consultation with the Subcommittee and/or Board.

VII. Effectiveness Monitoring

During the September 2008 Board meeting, a reserve of \$375,000 was established for the continuation of the OWEB Effectiveness Monitoring Program. In just the last two and one half years, the program has completed effectiveness monitoring on seven large categories of OWEB restoration project investments. These are:

1. Livestock exclusion riparian work (three seasons of monitoring);
2. Western juniper removal (two years of monitoring);
3. Small dam removal (entering second year of monitoring);

4. Irrigation efficiency improvements (three seasons of monitoring Malheur basin/two seasons Deschutes);
5. Conservation Reserve Enhancement Program (CREP) evaluation (two years of monitoring);
6. Intensively Monitored Watersheds (entering third year of monitoring John Day); and
7. Wetland restoration (entering first year of monitoring).

As described in Agenda Item #C3: Director's Update, staff also recently initiated work on both riparian planting and fencing projects in the Grande Ronde, Rogue, and South Coast basins to evaluate the status, condition, and performance of projects initiated more than eight years ago. Significant work remains to be done to continue existing program efforts and initiate new projects. The \$375,000 reserve will be a critical catalyst to maintain and build on the effectiveness monitoring program. Additional effectiveness monitoring that will continue with additional funding includes:

- A. Small dam removal monitoring continues at Marmot Dam on the Sandy River, Savage Rapids Dam on the Rogue River, and Brownsville Dam on the Calapooia River. Future projects include Gold Rey dam on the Rogue River and Sodom Dam on the Calapooia River.
- B. Western juniper removal continues to be a major area of project growth east of the Cascades in central and eastern Oregon particularly as planning grows associated with climate change and forest and rangeland fires.
- C. Intensively Monitored Watersheds (IMWs) continue in the coast range, southern, and eastern Oregon in the Trask, Hinkle Creek and Middle Fork John Day basins funded through OWEB research awards and NOAA funding secured through the Pacific States Marine Fisheries Service. IMW needs remain in central and northeastern Oregon to establish a complete representation of Oregon's regions and ecosystems.
- D. Continued wetland effectiveness monitoring will be an important complement to the EPA funding grant in the Willamette Valley as the work expands to other areas within the state where wetland restoration has occurred.

Staff recommend awarding the \$375,000 reserve to continue existing and initiate new effectiveness monitoring projects. This is the last opportunity for the Board to award the funds before the end of the current biennium, and the funds will allow program continuity into the new biennium. Staff recommend the Board delegate the distribution authority to the Director, who will consult with the Subcommittee and/or Board prior to distributing funds to specific effectiveness monitoring projects.

VIII. Recommendation

Staff recommend the Board:

- A. Approve up to \$171,128 in Research Non-capital to support the local planning for climate change in the Umatilla and Klamath basins through an Interagency Agreement with the Climate Leadership Initiative at the University of Oregon.

- B. Approve up to \$1 million in Research Capital for the acquisition of LiDAR imagery in numerous locations in Oregon and other research priorities articulated by the Monitoring and Research Subcommittee.
- C. Allocate \$225,000 of Research Non-capital and authorize the Director to enter into Grant Agreements, Interagency Agreements, and contracts to implement fish and water quality effectiveness monitoring projects throughout the state.
- D. Allocate \$375,000 of Research Non-capital and authorize the Director to enter into Grant Agreements, Interagency Agreements, and contracts to continue the implementation of the Effectiveness Monitoring Program.

Attachments

- A. Ecosystem Services Request for Proposals

REQUEST FOR PROPOSALS
OREGON WATERSHED ENHANCEMENT BOARD (OWEB)
EVALUATION OF ECOSYSTEM SERVICES' MARKETPLACE AND
OPPORTUNITIES FOR VOLUNTARY RESTORATION PROJECTS

Proposal Opening Date: May 07, 2009

Proposal Due: May 14, 2009

Submit To: Greg B. Sieglitz
Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, Oregon 97301-1290
(503) 986-0911

I. BACKGROUND

Who we are: OWEB administers a grant program

The Oregon Watershed Enhancement Board (OWEB) is a state agency, directed by a 17 member policy board, that runs a grant program that supports voluntary efforts by Oregonians seeking to create and maintain healthy watersheds. OWEB funds projects such as:

- restoration projects (planting, culvert replacement, large wood placement, etc.)
- capacity building of local watershed-based citizen groups who perform the on-the-ground restoration work
- effectiveness monitoring
- education and outreach efforts that promote understanding and participation
- technical assistance

Funded by: Lottery, Pacific Coastal Salmon Recovery Funds, Salmon License Plates

In 1998, Oregon voters approved a ballot measure that set aside 15 percent of all lottery revenues for restoring Oregon's salmon, watersheds, and state parks. Under the program, half of the funds are used to enhance watersheds and salmon habitat. Other funding sources include half of Salmon License Plate revenues and federal Pacific Coastal Salmon Recovery Funds.

Purpose of this Proposal

OWEB's bread-and-butter has been its *capital* grant program. That program is responsible for some \$200 million in watershed improvement grants in the form of more than 2,500 on-the-ground restoration projects throughout the state of Oregon. While the watershed improvement and restoration projects strive for and continue to achieve watershed and site specific outcomes, the economies and marketplaces of ecosystem services are maturing. Many ecosystem marketplace concepts are in formative and developmental stages; others are reaching mainstream acceptance and application (e.g. carbon emissions crediting).

The Oregon Watershed Enhancement Board is interested in hiring one or more contractors to assist OWEB in researching and developing a better understanding of navigating the ecosystem marketplace challenges, opportunities to align OWEB programs and projects with the marketplace, developing applied models that outline how local entities could enter into the ecosystem services' marketplace for revenue generating purposes, and testing the models through pilot projects.

II. KEY PROJECT OBJECTIVES

The key objectives of this project are:

1. Develop a description of the current ecosystem services and the potential markets in Oregon that might be closely aligned with OWEB projects;
2. Conduct an evaluation of the contributions that OWEB land acquisition and restoration projects can provide in the ecosystem services' marketplace
3. Create business application models that provide OWEB and its grantees an approach to participating in ecosystem service marketplace transactions

III. CONTRACTOR RESPONSIBILITIES

Task 1.

Quantify and evaluate the possible ecosystem services that could be delivered through watershed restoration activities.

Task 2.

Develop models that are appropriate for a range of OWEB investment areas (focused on restoration) that build a framework for understanding the likely marketplace. Models should include GIS-based systems for scaling flexibility and analysis of alternatives.

Task 3.

Calculate the values and potential revenue generated for different restoration practices and in multiple geographic areas.

Task 4.

Test assumptions through pilot projects as appropriate.

Task 5.

Summarize results in a final report

Deliverables:

Final Report and presentation to the OWEB Board

Timeline:

Evaluation of Projects	Summer 2009
Draft Report	November 16, 2009
OWEB Comments due	November 30, 2009
Final Report	December 16, 2009
Presentation	January 2010 Board Meeting TBA

IV. QUALIFICATIONS

- Must have expertise in ecosystem economics.
- Must have at least two years experience in evaluating or participation in the ecosystem services' marketplace.
- Must be familiar the OWEB grant and restoration program.
- Must be experienced in GIS mapping, data management, and modeling.
- Must be able to work with landowners, local watershed councils and soil and water conservation districts.
- Must have experience giving concise presentations.
- Must be able to meet all deadlines outlined in this RFP.

V. SELECTION PROCESS

A. Evaluation of Proposals

A committee of OWEB staff will evaluate proposals soon after the RFP due date. The evaluation process will determine whether a proposal meets the requirements of the RFP, and to what extent. The following process will be used:

1. Quality of Proposal (10%): The committee will evaluate proposals for clarity, completeness, and compliance with the requirements of the RFP. If the proposal is unclear, bidders may be asked to provide written clarification. Incomplete proposals will be rejected.
2. Experience with Ecosystem Services' Marketplace (35%): The committee will evaluate bidders' experience with successful ecosystem services market strategies and participation.
3. Experience with Ecosystem Services' Marketplace Modeling (25%) The committee will evaluate bidders' experience in assessing and modeling ecosystem services' marketplace.
4. Experience with Local Groups and OWEB programs (10%) The committee will evaluate the bidders experience working with Watershed Councils, Soil and Water Conservation Districts, landowners and other local groups and familiarity with OWEB and its programs.
5. Project Rate (10%): The committee will evaluate the proposed fee structure for competitiveness.
6. Presentation Experience (10%) The committee will evaluate bidders experience with performing concise presentations.

The evaluation committee will each independently score the proposals. OWEB staff will total the scores, and on that basis, rank the proposals.

B. Method of Award

Method of award will be to bidders determined to be in the best interest of OWEB. OWEB will notify all bidders of the evaluation committee's decision within two weeks of proposal due date.

VI. PROTESTS

A. Protest of RFP Specifications

Bidders who have questions or concerns about the RFP specifications may submit a letter to OWEB *before* the RFP closing date. Protests of technical or contractual requirements shall include the reason for protest and any proposed changes to the requirements.

B. Protest of the Evaluation/Contract Award Process

Bidders who have questions or concerns about the evaluation/award process may submit a letter to OWEB, which must be received within seven days after the date of OWEB's decision letter. No protest of the selection will be considered after this time period.

VII. PROPOSAL PREPARATION AND SUBMISSION

Submit an original typewritten copy of the proposal and one electronic copy to the address on the front page of this RFP. All envelopes should be clearly marked **OWEB Ecosystem Services Proposals**.

- A. A signed cover letter describing how the bidder meets the qualifications and has the capacity to carry out the required responsibilities;
- B. Names and phone numbers of three references who can provide details characterizing the bidder's services, expertise, and performance;
- C. Resumes outlining the qualifications of the bidder and all contractor staff who will be performing under the terms of this RFP; and
- D. A detailed fee structure, including an hourly rate (bidder may include this in the cover letter) by contractor staff position and a per site cost estimate.
- E. The proposal should clearly describe:
 - How you propose to meet the objectives of this project;
 - Methods for assessing and describing the ecosystem services' marketplace as it relates to OWEB funded projects;
 - Models to be used or created for building business applications connecting the ecosystem services' marketplace and OWEB projects
 - Experience in the ecosystem services' marketplace and;
 - Examples of related projects.

Send a completed proposal to the contact and address on the front page of this RFP. Proposals must be received by OWEB on or before 5 p.m. Monday, May ??, 2009. No faxed or emailed proposals will be accepted.

OWEB reserves the right to extend the contract for a period of one year.

OWEB has obligated an amount up to \$145,000.00 for this project.

OWEB reserves the right to accept or reject any or all proposals.
This RFP does not obligate OWEB to issue a contract(s).

May 13, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item M: Oregon Invasive Species Council Presentation
June 2-3, 2009 OWEB Board Meeting**

I. Introduction

This report summarizes the OWEB involvement in invasive species issues as background and context for a presentation by the Oregon Invasive Species Council. This is an information item, no Board action is requested.

II. Background

Funding to control exotic invasive and native invasive species has received significant funding from Measure 66 funds both through legislative appropriation and through our regular grant program. The issue of OWEB's role in invasive species management has been discussed since the establishment of the agency in 1999. The Board held a joint meeting with the Board of Agriculture in September of 2000 where they discussed invasive species control. In March of 2001 the Board discussed Noxious Weed Control issues with the Department of Agriculture.

III. Legislative Appropriation

The Oregon Legislature has appropriated Measure 66 funds to the Department of Agriculture for noxious weed and insect pest control since 2001. A total of \$9.7 million from Measure 66 funds has been invested in the Oregon Department of Agriculture's Noxious Weed Control Program over this time period. ODA staff work closely with the Oregon State Weed Board to prioritize weed control projects and award noxious weed control grants that protect and enhance fish and wildlife habitat and watersheds overall.

Since July 1, 2003, \$4.8 million from Measure 66 funds has been invested in the Oregon Department of Agriculture's Insect Pest Control and Prevention Program. These funds are used for invertebrate plant pest eradication and control projects that protect and enhance watersheds, fish and wildlife habitat and/or water quality in Oregon from gypsy moth, Japanese beetle, Asian longhorned beetle, and many other harmful and invasive pests.

IV. OWEB Grant Funding for Invasive Control

OWEB grants funds for projects that involve weed control during each grant cycle. The majority of OWEB grants involving weed control are for stream, riparian, and upland restoration projects where the noxious weed treatments were one component of a larger project. Most weed treatment included replanting or reseeding of native vegetation after weed removal.

Twenty-one percent of the weed control restoration projects were strictly weed control or eradication projects, without other restoration activities or revegetation. Most of these projects were funded through the Small Grant Program.

OWEB-funded weed treatments also tended to be larger scale watershed restoration efforts, including the treatment of multiple systems (not just weeds) over a landscape, often with whole watershed benefits. The total OWEB investment in weed control since July 1, 1999, is approximately \$22.7 million. Beyond exotic species, OWEB has invested an additional \$2.8 million in juniper removal projects.

OWEB has also invested in invasive awareness and project development, including \$178,000 for education projects and \$77,000 for technical assistance projects.

V. Oregon Invasive Species Council

The Oregon Invasive Species Council was established by the Oregon Legislature in 2001 (ORS 561.685). The council is charged to: 1) create and publicize a system for reporting sightings of invasive species; 2) undertake educational activities to raise awareness of invasive species issues; 3) develop a statewide action plan (completed in 2005); and 4) administer a trust fund account to fund eradication. The Council is composed of five ex-officio members representing the Oregon Departments of Agriculture, Forestry and Fish and Wildlife, and Oregon and Portland State Universities. These five members appoint eight members from the community who are knowledgeable and involved in invasive species issues.

In 2008 the Oregon Invasive Species Council held a “summit” on invasive species. The summit was organized to identify needs and recommend approaches to address exotic invasive species in Oregon. The report to the Governor and the Legislature identified many issues that they suggest be addressed. The Executive Summary is attached to this staff report. (Attachment A) Copies of the full report will be available at the Board meeting. Council members will present their recommendations to the Board.

Attachment

- A. Executive Summary, 2008 Oregon Invasive Species Council Statewide Summit

2008 Oregon Invasive Species Council Statewide Summit



Report to Governor Kulongoski

Oregon Invasive Species Council
Coordination, Prevention, Education, and Collaboration

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Oregon Invasive Species Council

The Oregon Invasive Species Council was established by the Oregon Legislature in 2001 to conduct a coordinated and comprehensive effort to keep invasive species out of Oregon and to eliminate, reduce, or mitigate the impacts of invasive species already established in Oregon.

2008 OISC Council Members

Chair Mark Sytsma—Portland State University

Vice-Chair Bradley Knotts—Oregon Department of Forestry

Dave Bridgwater—USDA Forest Service

Steve Buttrick—The Nature Conservancy

Sam Chan—Oregon Sea Grant

Don Farrar—Gilliam County Weed Department

Chris Guntermann—Oregon Association of Nurseries

Randy Henry—Oregon Marine Board

Marla Harrison—Port of Portland

Dan Hilburn—Oregon Department of Agriculture

Martin Nugent—Oregon Department of Fish and Wildlife

Bill Reynolds—Bureau of Indian Affairs—Warm Springs

Mark Wiegardt—Whiskey Creek Shellfish Hatchery

Lisa DeBruyckere—Oregon Invasive Species Council Coordinator

Tristen Berg—Special Assistant to the Council/ OISC Web Publisher

Robyn Draheim Waldeck—Special Assistant to the Council

Executive Summary

A year-long statewide public awareness and engagement campaign was initiated in Oregon in 2008 to address the increasing threat invasive species pose to Oregon's natural resources, economy, and quality of life, and initiate actions to better protect Oregon. The campaign includes numerous federal, state, and local governments, tribal governments, nonprofit organizations, universities, industry representatives, media, corporations, private foundations, and citizen groups.

As part of the campaign and to help coordinate an effective government response to invasive species in Oregon, the Oregon Invasive Species Council coordinated and hosted a statewide invasive species summit on July 22, 2008 in Salem, Oregon. About 175 people attended the summit, which was designed to bring federal and state agency and industry leaders and legislators together to describe the obstacles to successfully dealing with invasive species in Oregon, and strategies to address those barriers.

Summit attendees described five main concerns relative to invasive species in Oregon, and suggested potential solutions to address those concerns:

Coordination/Cooperation—Oregon needs leadership and communication/cooperation across agencies, enhanced political will to balance strategic and local issues, effective memorandums of understanding with federal agencies, and increased non-governmental participation. Solutions include clearly identifying roles of all agencies, a comprehensive inter-agency strategic plan, an effective Early Detection-Rapid Response Program, an effective outreach program, creation of regional invasive lists, coordinated and efficient tracking of data on invasives, and, where possible, lessening unnecessary duplication of effort by targeting groups or suites of species versus species-specific efforts.

Funding—There is a need for stable, flexible funding as well as emergency funding dedicated to long-term monitoring, coordinated management, strategic control, and enforcement efforts. Solutions include collecting user fees, enforcing existing fines, creating vanity plates, using lottery and Measure 66 dollars, and taxing the vectors (containers, tires, etc.).

Policy—Oregon lacks a comprehensive policy dealing with invasive species, including a lack of focus on pathways and vectors, and checkpoints at ports of entry. There are gaps and overlaps in enforcement jurisdiction. Solutions include stronger laws, clarification of noxious weed listing criteria, a statewide assessment, and legislative committees to deal with invasives.

Public Awareness—Oregonians lack knowledge about invasives and their effect on the environment and the economy. They don't understand their personal responsibility, they fear government involvement, they are confused by the plethora of information on invasives, there is no clear statement of the invasive species problem, and social norms need to shift. Solutions include a sustained multi-media campaign, better distribution of existing materials and use of existing programs, and required curriculum in the schools.

Research and Monitoring— There is no statewide baseline assessment and monitoring system, no transparent and logical risk assessment tool for prioritizing, no integrated database/information sharing system, no forum to share information and research needs, and no comprehensive statewide rapid response strategies for invasive species (note: there are response plans for a few species). Solutions include development of an incident command system to respond to new invasions, professional training on invasive species, creation of a joint federal/state program to identify priorities for research, and development of integrated monitoring programs.

The next steps are to share this report with the Governor, incorporate key strategies into the OISC strategic plan, support key legislative concepts in the 2009 legislative session, and develop and share with the Governor OISC recommendations to enhance support of invasive species efforts throughout Oregon.

1 Background—What Led to the Statewide Summit

Invasive species threaten Oregon’s natural resources, economy, and quality of life. Invasive species continue to be introduced as accidental hitchhikers accompanying our trade and travel, and via unintentional relocation by unsuspecting citizens. People have caused our invasive species problem, and people can solve it.

Oregon has many success stories relative to invasive species efforts. The Wildlife Integrity Rules (OAR 635-056), Feral Swine Action Plan,¹ *Spartina* and *Hydrilla* Response Plans,^{2,3} Invasive Species Action Plan,⁴ county weed programs,^{5,6} Ballast Water Management Act of 2007 (SB 644), and Oregon Noxious Weed Strategic Plan⁷ are just a few examples of current and ongoing efforts to address invasive species issues in Oregon. Although progress has been made in the invasive species arena, many acknowledge these efforts fall short of what is necessary to protect Oregon.

In 2007, Oregon Public Broadcasting (OPB) initiated the concept for a statewide awareness and engagement campaign, initially with *The Statesman Journal*, and then with a much broader group of partners that included SOLV, The Nature Conservancy, the Oregon Invasive Species Council, Oregon State University Extension, Oregon Sea Grant, Oregon Departments of Fish and Wildlife, Agriculture, and Forestry, Oregon Marine Board, Oregon Watershed Enhancement Board, Oregon Association of Nurseries, Port of Portland, Bureau of Indian Affairs—Warm Springs, USDA Forest Service, Bureau of Land Management, USDA Plant Protection and Quarantine, US Fish and Wildlife Service, and Portland State University. Many

¹ http://www.oregon.gov/OISC/feral_swine_plan.pdf

² <http://www.clr.pdx.edu/docs/SpartinaPlan5-8.pdf>

³ <http://www.statesmanjournal.com/assets/pdf/J0924081124.PDF>

⁴ http://www.oregon.gov/OISC/docs/pdf/oisc_plan6_05.pdf

⁵ <http://www.co.marion.or.us/PW/ES/salmon/vegplan/native/noxious.htm>

⁶ <http://www.co.deschutes.or.us/index.cfm?objectId=8C99B808-BDBD-57-C1-9BAA666BF374E19B>

⁷ http://www.oregon.gov/ODA/PLANT/WEEDS/plan_contents.shtml

local organizations, including cooperative weed management areas, watershed councils, and soil and water conservation districts became involved, as well as numerous citizens, corporations, and private foundations.

The campaign, called The Silent Invasion, launched on April 22, 2008, with the premiere of OPB’s one-hour documentary on invasive species, created to raise public awareness and encourage people take action against invasive species.

Also on April 22, two Websites launched—the Oregon Invasive Species Hotline,⁸ where Oregonians can report and upload photos of suspected invasives and interact with invasive species experts, and The Silent Invasion companion site,⁹ that provides extensive links and information on invasive species in Oregon, including a video archive of stories about invasives in Oregon. The weekly series, Oregon Field Guide (OPB), will continue to focus on invasives species in a number of showings during 2008.

GardenSmart Oregon: A Guide to Non-Invasive Plants was released in April. The booklet identifies 25 of the most threatening invasive plants across Oregon and recommends non-invasive alternative plants for gardeners and landscapers. This free booklet is available statewide in garden centers and other businesses, and from local government agencies. It was developed by the City of Portland, The Nature Conservancy, Oregon Sea Grant, Oregon State University Extension, Oregon Association of Nurseries, and Oregon Public Broadcasting.

Also in April of 2008, over 100,000 OPB members and about 50,000 subscribers to the *Statesman Journal* received a publication on invasive species that provides specific actions people can take to reduce the spread of invasives.

⁸ www.oregoninvasiveshotline.org

⁹ www.opb.org/silentinvasion

SOLV is participating in the campaign by coordinating volunteer weed pulls with over 10,000 Oregonians in 2008. Their Web site¹⁰ includes a statewide calendar of events for invasive vegetation removal projects.

In addition to contributing to *GardenSmart Oregon*, The Nature Conservancy is developing an Early Detection-Rapid Response (EDRR) program in Oregon.¹¹ The project trains volunteers to regularly monitor priority natural areas and identify and report invasives so they can be stopped before they spread.

Oregon State University and Oregon Sea Grant conducted pre-campaign surveys to determine how much Oregonians know about invasive species and what ordinary citizens can do to help prevent their spread. This follows focus group studies conducted by the university last year to gauge awareness and attitudes among key stakeholders in Oregon. Oregon Sea Grant also released a new publication on aquatic invasive species, *On the Lookout for Aquatic Invaders: Identification Guide for the Pacific Northwest*.

The Statesman Journal published a series of in-depth articles on invasive species in Oregon and their economic and ecological impacts. The newspaper has also created a comprehensive Website, www.invasivespeciesoforegon.com, and is producing educational materials for use in classrooms.

The Silent Invasion campaign is receiving national attention because of the collaboration among government, nonprofit, and private entities and its scope.

The Oregon Invasive Species Council is serving as a clearinghouse for information and action to address invasive species statewide, including coordinating the efforts of many groups. The council is a consortium of federal, state, county, and local government agencies, nonprofit organizations, universities, and industry representatives dedicated to a coordinated and comprehensive effort to keep invasive species out of Oregon and to eliminate, reduce, or mitigate the impacts of invasives already present. As the documentary, *The Silent Invasion*, aired across Oregon in numerous communities,

people began asking, “What is government doing to stop invasive species?” The Oregon Invasive Species Council responded to this question by raising funds to coordinate and host a statewide invasive species summit. The goals of the summit were developed with input from federal, state, local, and tribal government leaders, as well as legislators and their staffs:

- *Bring* federal and state agency and industry leaders and legislators (and others contributing to invasive species efforts in Oregon) together to develop a shared understanding of the threat of invasive species to Oregon’s natural resources, economy, and quality of life;
- *Develop* cost-effective, proactive, shared strategies and commitments that adequately fund and implement invasive species control and prevention efforts in Oregon;
- *Develop* a shared understanding of and support for the legislative concepts for the 2009 legislative session that will provide Oregon with adequate protections from invasive species;
- *Prioritize* invasive species efforts in Oregon; and
- *Identify* next steps.



¹⁰ www.solv.org/programs/invasives.asp

¹¹ www.nature.org/oregon

2 The Summit—Bringing People Together for Oregon’s Interests

The Oregon Invasive Species Summit was held on Tuesday, July 22, 2008, at the Northwest Viticulture Center in Salem, Oregon. Summit attendees that pre-registered for the event received a pre-summit packet (see Appendix A) that included a document on the economics of invasive species in Oregon, developed specifically for the summit by Chris Cusack and Michael Harte of Oregon State University; the summit agenda; fact sheets on feral swine and western quagga mussels; an Oregon State University Extension Service publication on Sudden Oak Death; and key draft legislative concepts for the 2009 legislative session that address some of the most significant invasive species concerns identified to date by the Oregon Invasive Species Council.

The agenda for the summit was structured to achieve the summit goals outlined above. Most of the morning session was devoted to short presentations by local government (Portland—Commissioner Sam Adams), state government (Dan Hilburn—Oregon Department of Agriculture and Evan Freeman—Utah Division of Wildlife Resources), federal government (Lori Williams—National Invasive Species Council, Washington, DC), and global (John Randall—The Nature Conservancy, California) representatives, describing the impacts and challenges of managing invasive species. The pre-summit materials and opening session were designed to meet the first objective on the agenda—shared understanding and awareness.

The latter portion of the agenda focused on achieving the remaining objectives—identifying the problem, developing solutions, and garnering support for 2009 legislative concepts. The target group was local, state, tribal, and federal government officials as well as legislators and their staffs. A total of eight facilitated sessions with eight people in each session (65 participants and 16 facilitators) discussed and responded to two questions:

- **Question #1:** *What are the most significant obstacles Oregon faces in addressing invasive species? Develop a priority list.*
- **Question #2:** *What prioritized strategies/actions could address these obstacles and the ways we currently approach invasive species monitoring, prevention, and control efforts in Oregon?*

A total of 175 people attended the event (see Appendix B). The 110 people that were not participating in facilitated sessions were given the opportunity to listen to the facilitated discussions, provide comments to the entire group of 175 people during the last segment of the agenda, submit written comments to incorporate into this report, and edit this report.



3 The Summit Results

The following includes the results of the facilitated sessions, organized by question and then theme (a complete listing of the raw data obtained from each facilitated session is available in Appendix C).

- Coordination/Cooperation
- Funding
- Policy
- Public Awareness
- Research and Monitoring

Coordination/Cooperation

The Issues

Groups highlighted the need for improved communication/coordination at the intra-agency, interagency, and regional levels. There is no one authority/responsible for coordination or information sharing, nor is there a legislative mandate or funding for coordination/cooperation. One group suggested “political will” was lacking to create such a holistic structure that balances both strategic and local approaches across agencies, and that even if a strategic outreach plan were developed, the state lacks the capacity to implement such a plan.

It was suggested there is lack of coordination within agencies, with “isolated personnel tackling invasive species issues.” Although several agencies have “some authority,” there is no central leader to guide resource allocation (personnel and operational dollars) for prioritized invasive species monitoring, management, and control efforts. Such efforts require coordination, consistent enforcement and



Western Tanager. Photo by Portland Audubon Society.



Pronghorn antelope. Photo by US Fish and Wildlife Service.



Yaquina Head Lighthouse. Photo by Lisa DeBruyckere.



Steens Mountain. Photo by Oregon Natural Desert Association.

Oregon’s native landscapes and wildlife are threatened . . .

penalties, clear leadership, a mechanism for local implementation, increased non-governmental participation, and memorandums of understanding among federal and state agencies.

Several groups commented on the tendency to work on invasive species within specific taxa or habitats (e.g., terrestrial weed programs; state aquatic invasive species management plan; individual species projects), creating opportunities for unnecessary duplication as well as “species fatigue” within outreach target audiences.

The Solutions

Groups described the need to clarify roles and responsibilities of agencies and organizations relative to invasive species monitoring, management, control, and enforcement, and suggested a comprehensive inter-agency strategy to develop a 5-year plan, create an effective Early Detection-Rapid Response program, establish priorities, develop a policy road map, create and implement an effective education and outreach program, and identify resources. It was advised that any program in Oregon should complement national standards and that existing programs can serve as a model—there’s no need to reinvent the wheel.

Some suggested establishing a lead agency, perhaps using the OISC to establish the infrastructure,

framework, and priorities for implementation by agencies and groups. One group suggested the OISC could serve as the fiscal agent to funnel funding to implement actions. It was suggested a statewide strategic plan be developed, and that people should be added to a task force/subcommittee/advisory committee to fully flesh out the details of a statewide plan.

One group suggested the need for regional weed lists to enhance coordination on a more local level, and that industry should be involved in the development of those lists. Another suggested the strength of atypical partnerships, such as The Nature Conservancy, Oregon Cattleman’s Association, and industry partners, such as Oregon Association of Nurseries, approaching the legislature in unison on invasive species management issues. Cooperative Weed Management Areas (CWMA) and watershed councils could be a mechanism for working across boundaries.

It was suggested that the Oregon Natural Heritage Program conduct invasives inventories as part of their biological inventories. The inventories could build on the Oregon Department of Fish and Wildlife (ODFW) Conservation Strategy,¹² which includes ecoregional lists of priority invasive species (those here, and ones not here yet) and Conservation Opportunity Areas. The inventories could be used to help prioritize species and locations for

¹² <http://www.dfw.state.or.us/conservationstrategy/contents.asp>

... by invasive species



Kudzu in northwest Oregon. Photo by Tom Forney.



American Bullfrog. Photo by Patricia Michaels.



Scotch Broom. Photo by Eric Coombs.

targeted invasives work in the future. A database of management actions, similar to ODFW and Bureau of Land Management programs, could be included. Weedmapper¹³ and Wildlife Viewer¹⁴ could be updated more frequently, expanded to map invasives, and provide more specific locations for local weed managers, and the OISC could obtain input from the cooperative weed management areas and watershed councils/industry to help integrate management priorities. It was also suggested that the Western Plant Diagnostic Network¹⁵ at Oregon State University could be expanded to include the broader list of all invasive species—mammals, birds, reptiles, amphibians, and insects.

Funding

The Issues

Groups discussed the need for stable, flexible funding as well as emergency funding to address long-term monitoring, coordinated management, strategic control, and enforcement efforts. Groups noted the need for a statewide strategic plan that prioritizes strategies—to allocate and optimize finite resources, focus on achievable problems, implement a state-led Early Detection-Rapid Response program, and differentiate between problems that are better dealt with at the state versus local levels. It was suggested that existing funding restrictions limit staffing and outreach efforts and result in over-reliance on volunteers and competition for resources in programs that are already stretched thin—as one group said, “the plate’s too full.” It was noted that invasive species control is a low priority for counties, particularly those counties in western Oregon that have experienced reduced timber payments from federal-managed forests. Another group expressed support for funding county weed boards.

Groups suggested a need to better identify external sources for supplemental funding, but noted there is a lack of established priorities to effectively seek funding and support for invasive species issues. Some perceived a “lack of legislative champions”

¹³ <http://www.weedmapper.org>

¹⁴ <http://www.oregonexplorer.info/Wildlife/WildlifeViewer/>

¹⁵ <http://www.wpdn.org/index.php>

relative to invasive species issues, while others acknowledged the achievements of the past, such as the unanimous passing of the ballast water bill during the 2007 legislative session.

The Solutions

Groups discussed funding solutions by describing specific sources of funding, or proposing the development of committees or groups to create more specific funding strategies—but both supported the need for stable, dedicated, coordinated, strategic, long-term, flexible and emergency funding.

Groups suggested collecting user fees via a public service charge, such as an added fee on electric bills, enforcing existing fines, vanity plates, using lottery and Measure 66 dollars, and taxing the vectors—shipping containers, tires, boater registration fees, ATV registration, herbicide enforcement fees, and a pet trade tax. A cost-saving measure included using inexpensive labor, such as college students and Americorps for monitoring and inventory work.

Groups suggested developing a strategic plan to better use existing money, developing a mechanism/authority for emergency fund management, funding to continue the hotline Website management, a funding source that is less restrictive than the current capital funds vs. operational funds dilemma that ODA currently experiences, a committee to develop funding strategies, and funding for outreach and education grants.

One group also discussed how some solutions to problems are better tackled at higher levels of government, like the state or federal agencies, whereas others are better tackled at the local level. This should be considered as Oregon develops programs and secures funding for addressing some of the barriers to effective invasive species management. For example, municipalities need statewide assistance with developing new policy, securing local program funding, setting management priorities, developing regional lists, developing overarching reporting and tracking systems (ones that could be used locally), and developing outreach/educational materials. At the local level, however,

they are effective at implementing control efforts, implementing education and outreach, tracking and reporting control efforts, and conducting inventories.

Policy

The Issues

It was noted that Oregon lacks a comprehensive policy dealing with invasive species—several groups commented on the need for a legislative mandate, greater political will, and enhanced recognition on the part of the legislature that there is a problem. Oregon relies on “after-the-fact” regulations, some existing laws may actually serve as barriers, and lack of market considerations in regulations hampers effectiveness. One group mentioned “a lack of checkpoints at ports,” although there are customs and inspection stations at all ports. It was noted that “poster child” invasive species can serve as both a barrier and an opportunity, and that there is a lack of focus on pathways/vectors (i.e., Internet sales jurisdiction and/or enforcement). Groups commented on the overlapping enforcement jurisdictions, and gaps, or areas where jurisdiction has not been identified. “Boundary issues” are a result of geographical and political issues, and are compounded by conflicting interests, priorities, and authorities.

The Solutions

It was suggested that Oregon needs “real laws with real enforcement teeth” and authority—i.e., because there is limited public funding for implementation of control efforts, Oregon needs a noxious weed law similar to Washington and Idaho that requires property owners to remove invasive plants from their property—and that the legislature should be used to review, clarify, and define authorities. Noxious weed listing criteria should be clarified. Several groups suggested the creation of an invasive species “czar,” a policy staffer within the Governor’s office, while another group suggested that different groups may be the best leaders under certain circumstances. The need to keep leadership interested and engaged in

invasive species issues was expressed. A statewide assessment that would help define legislative authority and gaps, and define jurisdiction for pathways/vectors, was deemed important. One group suggested the creation of legislative committees on invasive species issues, because these generally lead to policy. It was also noted that any actions should address crises while a pro-active framework is built.

One group offered three different perspectives or views on developing a policy model:

- The creation of an invasive species “czar” as a clear authority in the state.
- The Governor distributing an executive order to agencies to set aside funds and resources in the short term to eradicate and prevent invasive species—in the long term, a task force (the OISC) would develop a statewide plan for funding and action, with the OISC obtaining funding authority.
- Require agencies to work together like the “Oregon Plan for Salmon and Watersheds” model, with dedicated lottery funds.

Policy issues should complement national initiatives and should be conducted on different scales—from the West Coast Governor’s agreement, to a local watershed council, to someone’s backyard.

Public Awareness

The Issues

Groups described numerous issues associated with public awareness and outreach, primarily focusing on the need for clear messages to specific target audiences. It was acknowledged that within the public exists “entrenched constituencies,” both “knowing and unknowing,”—i.e., some people like or value certain invasive species—and that in general, the public lacks knowledge about invasive species and their effect on the environment. In particular:

- invasive species are not recognized as having local impacts;

- people don't understand the liability and costs of invasive species,
- people don't perceive that their behavior is part of the problem and thus aren't willing to take ownership of the issue;
- people fear government involvement;
- people are confused because of the proliferation of lists and sources of information about invasive species;
- audiences are segmented—i.e., boaters, anglers, hunters, gardeners; and
- Oregonians live in a large, diverse state with region-specific invasive species priorities.

It was noted that a clear statement of the invasive species problem does not exist—in some ways contributing to a lack of sense of urgency—and that lack of common definitions adds a layer of complexity to the issue. The public receives mixed confusing messages instead of definitive success stories that include clear, achievable, prioritized goals that focus on important areas and habitats that warrant protection in the immediate future, and that quantify the “do nothing” alternative, i.e., the impacts of invasive species—economic, environmental, social, etc.

One group asked, “Whose job is it?” while another commented on the need for a spokesperson. It was suggested that perhaps a social paradigm shift is necessary to obtain social acceptance of procedural activities to deal with invasive species—another group described this as a shift in social norms, where the public would take ownership and responsibility for invasive species prevention and control. Several groups commented that people need to see the sense of urgency reflected in leadership.

One group noted the importance of creating citizen-based tools to encourage monitoring and prevention.

The Solutions

Groups suggested developing a sustained multi-media effort with specific, but broad, target audiences that:

- summarizes the economic impact of invasive species;
- distributes the Oregon Public Broadcasting documentary;
- focuses on individual legislator's districts;
- resolves the issue of mixed and confusing messages;
- includes an Invasive Species Day at the Legislature;
- acknowledges there is no one solution; and
- incorporates messages the public can relate to in a systematic way, such as watershed health, or in a context that can be understood, such as power availability and fishing.

It was suggested that there be better distribution of existing materials, and sharing and use of available curriculum (one group suggested natural history curriculum be mandated in Oregon schools so that children develop an appreciation for native flora and fauna). Existing programs, such as Master Gardeners,¹⁶ can be used to inform the public, and the proliferation of invasive species “lists” on numerous Websites should be coordinated and reduced to one statewide list and regional lists—criteria used to list species should be transparent and promoted as well as corresponding stewardship tools. The positive aspects of state programs should be shared and acknowledged, and the structure of invasive species monitoring, management, and control efforts should be clearly explained to the public. There should be a “public rapid response” to invasive species sightings: as one group stated, “See it, get proper identification, pull it, kill it.” Another group noted that because many members of the public cannot properly identify invasive species, they should be trained to seek professional identification for suspected invasives.

¹⁶ <http://extension.oregonstate.edu/mg/>

Research and Monitoring

The Issues

Groups described the need for:

- a statewide baseline assessment and monitoring system (it was suggested there may be an over-reliance on volunteers for data collection);
- a transparent and logical risk assessment tool for prioritizing;
- an integrated database/information sharing system;
- basic and applied science;
- best management practices;
- a forum to share information and research needs, and science and best management practices;
- formulation of rapid response strategies for invasive species;
- a transparent and logical risk assessment tool for prioritizing;
- coordinated research in Oregon and regionally; and
- research that evaluates the potential impacts of invasives and development of control measures to eradicate or contain them.

It was also noted there is conflict over control options, i.e., use of pesticides, herbicides, biocontrols, and lethal methods.

The Solutions

An incident command/fire model could be used to develop an “Early Detection-Rapid Response Strike Team” or “Virtual Action Team” to deal with acute invasive species problems and an improved ability to predict impacts. The Team would respond to new invasive species introductions—this would include formalized interagency agreements to facilitate

Feral Swine are wreaking havoc in states where they have become established, destroying riparian areas and other important native habitats. Photo by Oregon Department of Agriculture.



Brought to the United States from Eurasia at the turn of the 20th century, Leafy Spurge is one of the West's worst weed species. Photo by Dan Sharratt.

Purple Starthistle displaces valuable forage species, impacting agriculture and native wildlife. Photo by Tom Forney.



Eurasian Watermilfoil can form dense canopies on the surface of lakes. Photo by Robert L. Johnson of Cornell University



A native of Australia, the Light Brown Apple Moth was recently discovered in California. This insect poses a major threat to Oregon's agriculture industry, particularly fruit orchards. Photo by California Department of Food and Agriculture.

rapid response, and an agency fund pool to facilitate action. It was suggested the Team would exist at the Governor’s Cabinet level, with the OISC serving as the Board. It was suggested that the Puget Sound Partnership could serve as a model, however, others noted it is important that a lead agency be designated for implementation of this model.

One group suggested developing local sources for biological supplies will reduce costs and reinforce the goals of invasive species management (versus, for example, introducing another non-native as a biological control), however, it was pointed out that classical biological control is the re-association of natural enemies of the pest invasive, thus using native local sources may not be feasible.

Two groups suggested the need for professional training for invasive species issues. One group suggested bringing expert knowledge together via “New Pest Response Guidelines.” Another group noted the Institute for Natural Resources¹⁷ could serve as facilitator for Center of Excellence Networks for sharing through the university system.

One group mentioned creating a joint federal/state program to identify priorities for research. The program could be funded through both competitive and invited proposals based on priorities. This same group recommended expansion of the Oregon Department of Agriculture Noxious Weed Grant Program to include funding research and monitoring.

Another group recommended developing integrated monitoring programs.

¹⁷ <http://inr.oregonstate.edu/>



4 The Next Steps

At the conclusion of the summit, the next steps in the process were described. This included:

- production of this report, which all summit attendees would have an opportunity to comment on and edit;
- presentation of this report to the Governor;
- incorporation of key strategies into the Oregon Invasive Species Council strategic plan and business plan;
- support of key legislative concepts in the 2009 legislative session that protect Oregon from the introduction of new species and the spread and eradication of existing species; and
- using input from the summit to develop

and share with the Governor OISC recommendations to enhance support of invasive species efforts throughout Oregon.





OREGON INVASIVE SPECIES COUNCIL

Oregon Invasive Species Council, Oregon Department of Agriculture Plant Division, 635 Capitol St NE, Salem, OR 97301-2532
www.oregoninvasiveshotline.org



OREGON INVASIVE SPECIES COUNCIL

Coordination, Prevention, Education, Collaboration

Oregon Invasive Species Summit
(hosted by the Oregon Invasive Species Council)

July 22, 2008

Northwest Viticulture Center—Chemeketa Community College

215 Doaks Ferry Road NW

8:30 a.m.–4:30 p.m.

Agenda

Meeting Objectives:

- *Bring federal and state agency and industry leaders and legislators (and others contributing to invasive species efforts in Oregon) together to develop a shared understanding of the threat of invasive species to Oregon's natural resources, economy, and quality of life;*
- *Develop cost-effective, proactive, shared strategies and commitments that adequately fund and implement invasive species control and prevention efforts in Oregon;*
- *Develop a shared understanding of and support for the legislative concepts for the 2009 legislative session that will provide Oregon with adequate protections from invasive species;*
- *Prioritize invasive species efforts in Oregon; and*
- *Identify next steps.*

Expected Work Product:

- *A report to the Governor that describes the actions, strategies, and recommendations developed by summit participants to deal with invasive species in Oregon.*

8:15 Gather—Coffee

8:30 – 8:40 Agenda for the Summit

- Review today's agenda; other housekeeping details — *Lisa A. DeBruyckere, OISC Coordinator*

8:40 – 8:50 Welcome and Introductions

- Welcome and Introduction of Plenary Session — *Mark D. Sytsma, Oregon Invasive Species Council (OISC) Chair*

8:50 – 9:00 Governor's Office Remarks

- Perspectives of the Governor's office — *Mike Carrier, Governor's Natural Resource Policy Director*

9:00 – 10:00

Invasive Species — International, National, State, and Local Perspectives

- Background information and discussion on the state of invasive species at the international, national, state, and local levels
 - Objective: Provide an overview of the challenges and opportunities to effectively manage invasive species as well as the short-term and long-term key priority issues.
 - *Sam Adams*—Portland City Commissioner, Portland, Oregon (Local government perspective)
 - *Evan Freeman*—Invasive Species Biologist, Utah Department of Wildlife Resources (State perspective)
 - *Dan Hilburn*—Administrator of Plant Division, Oregon Department of Agriculture, Salem, OR—**Oregon vs. Invasive Species, Are We Winning, Losing, or Holding Our Own?**

10:00 – 10:20

BREAK

10:20 – 11:00

Continuation of Morning Session

- *Lori Williams*—Executive Director of the National Invasive Species Council, Washington, DC (National perspective)
- *John Randall*—Global Invasive Species Team Lead, The Nature Conservancy (International perspective)

11:00 – 11:15

Summary of key State of the State Issues and Initiate Breakout Sessions

- Summarize plenary discussion key points and packet materials — *Lisa DeBruyckere, OISC Coordinator*
- Create breakout sessions involving summit invitees
 - Objective: Summit invitees gather in small groups to develop shared solutions to address the barriers to effectively managing invasive species in Oregon.
 - The OISC has identified the following barriers to effectively managing invasive species in Oregon:
 - After-the-fact regulations and regulatory obstacles
 - Lack of knowledge and awareness
 - Competing priorities, inadequate funding, and non-existent emergency funding
 - A lack of infrastructure to prioritize, coordinate, collaborate, and fund invasive species efforts
 - **Question #1: What are the most significant obstacles Oregon faces in**

addressing invasive species? Develop a priority list using the bulleted list above and/or additional perspectives.

- **Question #2:** *What prioritized strategies/actions could address these obstacles and the ways we currently approach invasive species monitoring, prevention, and control efforts in Oregon?*

11:15 – 12:15

Breakout Session #1 (address question 1)

- Facilitate small group discussions to address barriers — *Summit Facilitators*

12:15 – 1:30

LUNCH (*Case studies on successful invasive species efforts in the U.S.*)

Guest speakers: *Charlie Stenvall*—Refuge Manager, Willapa Bay National Wildlife Refuge, Washington (*Spartina*)
Everett Hansen—Professor, Department of Botany and Plant Pathology, Oregon State University
Lars Anderson—Lead Scientist, US Dept. of Agriculture/ Agricultural Research Service, Exotic and Invasive Weed Research Laboratory (*Caulerpa*)

1:30 – 2:45

Breakout Session #2 (address question 2)

- Facilitate small group discussions to address barriers — *Summit Facilitators*

2:45 – 3:00

BREAK

3:00 – 4:20

Summary and Discussion of Breakout Session Solutions and Recommendations

- Summarize and lead discussion of the results of the breakout sessions — *Lisa DeBruyckere, OISC Coordinator*
 - Objective: Ensure there is a shared understanding and support for suggested shared solutions and recommendations to effectively manage invasive species in Oregon.

4:20 – 4:30

Next Steps

- Describe and obtain concurrence on the next steps (short term and long term) needed to implement an effective strategy for managing invasive species in Oregon — *Mark D. Sytsma, OISC Chair*

4:30

Adjourn

The Economics of Invasive Species

*Prepared for the Oregon Invasive
Species Council*

July 2008

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Agricultural and Resource
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The Economics of Invasive Species

Summary

- The prevention, eradication and control of invasive species is an economic and policy issue and has less to do with biology and ecology than many people involved in the management natural resources realize.
- Invasive species were introduced into the United States because of trade, commerce and the fulfillment of cultural needs. Decisions about agricultural production, conversion of land from forest to fields to towns, the growth of trade and tourism and the choice of introduced species for food production, garden ornamentals and for hunting and fishing are among the fundamental economic drivers of the invasive species problem.
- Economics provides us with many of the tools we need to understand the drivers of the invasive species problem and inform managers and policy-makers about the costs of invasive species and the costs and benefits of different prevention, eradication and control measures.
- Studies have been carried out to estimate the economic effects of invasive species and their management on natural resources. These have been particularly focused on forest or agricultural production losses and control costs but the economic impacts on ecosystem functioning and human health have been less well studied at both state and national levels. Examples of estimates of the annual cost of invasive species in the USA and Oregon (in 2007 dollars) include:

USA general estimate	Total direct and indirect use impacts	\$140 billion/year
Noxious weeds (21 species in Oregon)	Production losses, fire damage, control costs	\$120 million/year
Zebra mussels (Oregon) (projected)	Projected control costs to 13 hydropower facilities	\$25 million/year
Sudden Oak Death (Oregon)	Nursery production losses if established	\$79-\$304 million/year
	Control costs of current outbreak	\$7 million/year
Invasive Plants (Portland, Oregon)	Complete removal and revegetation with native species over five year period	\$10-31 million/year

- A much wider role for economics is needed that goes beyond financial analyses of agricultural or timber production losses and control costs and embraces measures of the impact of invasive species on total economic value and the consequences of the loss or impairment of ecosystem services for the economic well-being of Oregon.
- Early detection and rapid response (EDRR) and prevention are among the most cost efficient and effective ways reducing the costs of invasive species. Education is a primary process driving EDRR and prevention. Enhanced education of both the

public, government agencies, industry and non-governmental organizations, is needed to strengthen all links in the IS management chain.

Introduction

Approximately 50,000¹ non-indigenous species (NIS) have been introduced into the country as a result of human commerce, trade and movement. Some have been introduced intentionally, such as those used as livestock, pets, food crops, and ornamental plants. Other species have been introduced unintentionally, such as the zebra mussel, which hitchhikes in the ballast water of ocean-going ships.

Once introduced, many NIS fail to thrive in their new environment. Other species thrive and have positive or at least no adverse effects on the ecosystem into which they are introduced. Indeed, NIS provide more than 98% of the U.S. food system generating a value of over \$874 billion per year¹. However, some NIS become “invasive species” (IS), which- according to the Convention on Biological Diversity² (CBD), are: “alien species whose introduction and spread threaten ecosystems, habitats, or species with socio-cultural, economic and/or environmental harm and/or harm to human health”. According to the CBD, invasive species are one of the leading causes of loss of natural biodiversity.

The means or routes by which species are introduced into new ecosystems are “pathways” or “vectors”. Examples of these vectors are the intentional release of species (such as brook trout introduced into Cascade lakes to augment fishing opportunities), organisms which arrive lodged in the bodies of their hosts, such as livestock or fresh fruit and vegetable produce, species that arrive in packing material and unintentionally introduced species such as the Zebra mussel, which are transported in the ballast water of ocean-going ships. What all these pathways have in common is that they are the direct result of the global and regional trade, transport of goods and people and the cultural needs associated with people. With increasingly open national economies, and a large increase in the volume of global trade in the last 50 years, the numbers of IS in the U.S. are rising.

While the global transport of goods and people is the primary vector for the introduction of IS, and ecological factors such as a lack of controlling natural enemies and a lack of effective predators explain their propagation in new ecosystems, the factors that allow them to become established and thrive in new environments is also readily explained by economics. Property rights, trade rules, and prices affect people’s decisions on land use, on the use of certain species in consumption and production, and on the global and regional movement of goods and people³. While global trade is the main vector for

¹ Pimentel D, Zuniga R, Morrison D. (2005). Update on the environmental and economic costs associated with alien-invasive species in the United States. *Ecological Economics* 52 pp. 273-288.

² online at <http://www.cbd.int/>

³ Lovell S, Stone, S, Fernandez L. (2006). The economic impacts of aquatic invasive species: A review of the literature. *Agricultural and Resource Economics Review* 35(1) pp. 195-208.

biological invasions, regional trade (such as between the U.S., Mexico and Canada, or between states in the U.S.) exacerbates these effects.

Biological invasions are a classic “Econ 101” example of a negative externality arising from people’s economic decisions. Negative externalities are simply the uncompensated third party costs arising from a particular decision or action. The risks of biological invasions are endogenous, in that they are affected by how countries protect themselves from IS, and how they react to them after they occur⁴. In these respects, IS management is more of an economic and management problem than a biological or ecological one. Indeed, economic studies are increasingly being used to justify measures against IS.

“Economics is much more than just a method for calculating costs. It is a framework for understanding the complex causal interactions between human behavior and natural processes, and for finding institutional and behavioral solutions to seemingly intractable environmental problems⁵.”

Invasive species management is also a “weakest link” public good. It is non-exclusive, meaning incentives exist to take a “free ride” on the efforts of others and shoulder less than a fair share of the costs of control. Also the collective benefits of IS management are orders of magnitude above what they are to the individuals or regions receiving them further reducing the incentive for individual action. IS management is only as effective as the weakest link in the chain. For example, five ports on the west coast may have best practice biosecurity measures in place, but a sixth port may put in place the minimum biosecurity practices required by law. This “weakest link” can result in IS introductions into the region despite the very best effort of the other five ports.

Invasive Species Management and Economics

A common management goal for IS, such as that outlined by Bio-Security New Zealand⁶ is: “the exclusion, eradication, or effective management of risks posed by weeds, pests, and diseases to the economy, environment, and human health”. Economics can be used to help meet this goal by providing:

- Before the fact evaluation, prioritization, and selection of prevention, eradication, and control measures.
- After the fact evaluation of measures to assess their efficiency and effectiveness.
- Impact assessments such as an evaluation of the costs of damage from IS, and the costs of measures employed to prevent, controlling or managing the damage.
- An understanding of the relationship between human behavior and the prevention, eradication and control of invasive species.

⁴ Jensen R. “Economic policy for invasive species” online at:<http://www.nd.edu/~rjensen1/workingpapers/InvasiveSpecies.pdf>

⁵ Perrings C, Williamson M, Barbier E, DeFlino D, Dalmazzone S, Shogren J, Simmons P, and Wtkinson A. (2002) Biological invasion risks and the public good: an economic perspective. *Conservation Ecology* 6(1): 1.

⁶ Online at: <http://www.biosecurity.govt.nz/>

The goal of Oregon’s invasive species action plan⁷ is to “facilitate efforts to keep invasive species out of the state, find invasions before they establish permanent footholds and do whatever it takes to eradicate incipient populations of undesirable species”. This focus on early detection and rapid response has paid dividends and is likely to continue to do so. The costs of controlling invasive species rise rapidly as the species gains a stronger foothold in the ecosystem. After the establishment phase, eradication may no longer be a possibility, and damage mitigation and control may be the only feasible policy responses.

Case I: eBay and Gypsy Moths in Oregon

Gypsy moths (*Lymantria dispar*) are one of North America’s most devastating pests. When they reach high population densities they can cause extensive defoliation of trees and shrubs. They were originally introduced into the eastern U.S. in 1869 as part of research for the silk-producing industry; they subsequently escaped, and wide-spread eradication efforts were made beginning as early as 1890. Millions of acres in the eastern U.S. have been defoliated by these creatures to date.

Gypsy moths were largely confined to the eastern U.S., but in 1983, 3 gypsy moths were discovered near the town of Lowell, Oregon. An extensive trapping program was implemented and over 1,900 were caught in the area in 1984. The Oregon Department of Agriculture (ODA) implemented aerial spraying of a biological insecticide in 1985 in an effort to eradicate the moth. Nearly a quarter of a million acres were treated, and spraying continued in 1986. In 1987, extensive trapping revealed no gypsy moths in the area and the pest was deemed eradicated. Since that time ODA has continued monitoring for the moths, deploying over 18,000 traps statewide. Although a few have been caught every year, and limited spraying continues to be carried out, the species has been effectively controlled.

Interestingly, in 2006, 66 moths were caught in Oregon, most of them in Bend, in central Oregon. Further investigation found that this new infestation arrived from Connecticut in a 1967 Chevy purchased through the internet auction site eBay! This illustrates the difficult task that faces policy makers trying to control invasive species. Control of an IS does not end with its eradication. Constant monitoring is required, which has become a routine, albeit challenging task for state agencies dealing with the problem.

Oregon Department of Agriculture http://www.oregon.gov/ODA/PLANT/plant_ann_rep06_ippm_part2.shtml

Economic Impacts of Invasive Species

Ecosystems provide humans with goods and services, each of which can be assigned (often arbitrarily) a value. Many studies have been carried out which highlight the detrimental effect of IS on natural ecosystems, and therefore their value. Use-values (such as the value of food production or the value of recreation activities in natural areas) can be measured and form the basis for the vast majority of studies. Non-use values (such as existence value i.e. the value of knowing that natural ecosystem exist is there, or

⁷ Online at: http://www.oregon.gov/OISC/docs/pdf/oisc_plan6_05.pdf

bequest value i.e. the value of leaving a natural and functional ecosystem to future generations) go beyond financial analyses and are therefore more difficult to quantify. A loss of these values does, however, impose a loss of wellbeing to individuals and society and should be taken into account when making policy decisions. The concept of total economic value and examples of ecosystem services are shown in Figure 1 and Table 1.

Figure 1: Components of Total Economic Value⁸

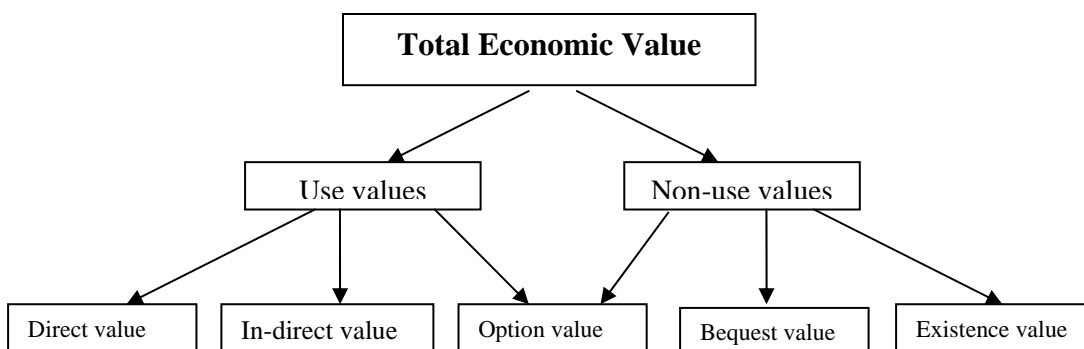


Table 1: Examples of various ecosystem services, and types of values provided

Service	Examples	Type of value provided
Provisioning	Food production	direct-use value
	Ingredients for pharmaceutical and industrial manufacturing	direct-use value, option value (use value)
Regulating	Climate regulation	indirect-use value
	Carbon sequestration	indirect-use value
	Waste decomposition	indirect-use value
	Nutrient dispersal and cycling	indirect-use value
Supporting	Habitat for endangered species	existence value
Cultural	Intellectual and spiritual inspiration	non-use value
	Recreation	direct-use value, non-use value
	Scientific discovery	direct-use value, option value
Preserving	Genetic diversity for future options, insurance	option value, bequest value, existence value

⁸ Modified from: Born W, Rauschmayer F, Brauer I. (2005). Economic evaluation of biological invasions- a survey. *Ecological Economics* 55 pp. 321-336.

Subsidies to producers and the inclusion of IS control costs in the calculation of economic growth (and hence total economic well-being) may distort the accounting of true costs of dealing with invasive species. However, attempts have been made to quantify these impacts at both a state and national level.

To date there have been two major nationwide studies of the costs of impacts from invasive species:

- The first, from the office of technology assessment⁹ found that costs associated with 79 harmful species over an 85-year time period amounted to over \$137 billion.
- A more recent study¹ estimated the costs associated with a much wider group of IS to be in the region of \$140 billion per year. Both of these estimates were based on direct and indirect-use values (such as damage and costs of control) but did not take into account non-use values.

There were significant differences in the way the two studies were conducted but they both illustrate the difficulty in quantifying the impacts of IS at a national level. These studies also suggest that the overall magnitude of annual economic effects exceeds the federally-defined threshold of \$100 million per year for “major” economic impacts.

Case II: Benefits of Biological Control of Tansy Ragwort in Oregon

Tansy ragwort (*Senecio jacobaea*) was introduced into the U.S. from Europe for its medicinal qualities. It has become widely distributed throughout Oregon and other Western States, achieving high densities on valuable pastures. The plant produces pyrrolizidine alkaloids that are toxic to cattle and other livestock, causing millions of dollars of losses from livestock deaths per year along with reducing pastureland productivity.

The state of Oregon designates the tansy ragwort as “noxious” and has implemented a biological control program for it. Cinnabar moths and ragwort flea beetles, which effectively attack the seeds, leaves, and roots of the tansy ragwort, were released. The biological control program provides an estimated annual benefit of \$6 million, with a minimum benefit to cost ratio of 13:1. The annual benefit includes \$4.4 million in reduced livestock deaths, \$1.52 million in increased productivity of pastures, and \$1.02 million in reduced herbicide use.

Radtke H and Davis S. (2000). Economic analysis of containment programs, damages, and production losses from noxious weeds in Oregon. Report prepared for Oregon Department of Agriculture, plant division, noxious weed control program.

There have been many studies on the impacts of individual invasive species in localized settings (Table 2). Most of these studies attempt to value existing invasions, and disregard the value of preventing future invasions, which might be the most effective

⁹ OTA (1993) Harmful non-indigenous species in the United States. OTA F-565, Washington, D.C.: U.S. Congress Office of Technology Assessment, U.S. Government Printing Office.

policy tool available. They also focus on the loss of provisioning services, and the corresponding direct-use economic impacts, which are reflected in business or financial

Case III: Potential Cost of Zebra Mussels to Hydropower Facilities on the Columbia

The Zebra mussel (*Dreissena polymorpha*) was introduced into the great lakes via ballast water discharged by ships arriving from Europe. Zebra mussels form large, dense populations that may reduce available food and oxygen for native species, along with completely choking out native mussel and clam species. They colonize and clog water intake pipes, water filtration equipment, and power generating facilities, causing negative financial impacts of over \$1 billion per year¹.

They have since spread into most of the aquatic ecosystems in the eastern U.S., and are expected to invade most freshwater ecosystems in the country. Because this species has gained a strong foothold over such a wide geographic area, eradication of this species is now thought to be impossible. They have not yet been detected in Oregon, but, state agencies are on high alert, and studies on the potential impacts of this species have been carried out. One such study estimated the potential control costs maintenance and turbine cleaning) for 13 hydropower facilities on the Columbia river for Zebra mussels to be in the region of \$27 million annually.

Phillips S. (2005) Potential economic impacts of zebra mussels on the hydropower facilities in the Columbia river basin. Report prepared for the Bonneville power administration February 2005.

Case IV: Eradication of Invasive Plants in Portland, Oregon

In November 2005, the City of Portland held a Town Hall on Invasive Species. The meeting established the need for a long- term strategy for managing invasive plants. As a follow up to this meeting, the City Council passed Resolution 36360 which requires the City to develop a 3 year work plan and 10 year goals to reduce noxious weeds.

In response to resolution 36360, the City has estimated the cost of the complete eradication of invasive plants that are estimated to cover between 4,181 – 12,865 acres of vegetated land within city limits. This is between 13% and 40% of all vegetated land in the City

The estimated cost of invasive plant removal and revegetation with native plants is some \$12,000 per acre over a 5-year period. Over the five years, the City would spend \$50-\$154 million on invasive plant control and revegetation. There would also need to be an ongoing maintenance program, at slightly lower cost, to maintain invasive species-free conditions in our natural areas. The City generated this cost estimate to justify the need for establishing management priorities and securing funds to implement the highest priority management actions.

City of Portland (2008) *City of Portland Invasive Plant Strategy In Response to Resolution 36360*, June 18, 2008 Draft <http://www.portlandonline.com/shared/cfm/image.cfm?id=201474>

data. Only a few take into account non-use impacts of invasive species. This might be due to the difficulty in preparing estimates of these non-use values, and the controversy over the available methods (such as contingent valuation) used to quantify these effects. Economic analyses are hindered by the lack of uniformity in methodologies used, by uncertainty about what constitutes an adverse ecological impact, and by the difficulties in predicting the nature and magnitude of impacts. Using a “standard” methodology for what impacts to include in the assessment, what measurement methods to employ, and what discount rates and multipliers to use, will greatly improve the usability and comparability of these results in making policy decisions.

Table 2: Economic impacts of selected invasive species¹⁰

Species	Description of economic impact	Annual cost (adjusted to 2007 \$)
USA general estimate	Total direct, indirect use impacts	\$140 billion
Aquatic weeds (U.S.)	Losses, damages, control costs	\$120 million
Purple loosestrife (U.S.)	Control costs, forage losses	\$49 million
Weeds (U.S.)	Control costs, production losses	\$30 billion
Introduced rats (U.S.)	Consumption of stored grains, other materials	\$21 million
Invasive fish species (U.S.)	Depletion of natural stocks, other effects	\$6 million
Fire ants (Texas)	Damage to livestock, public health	\$328 million
Zebra mussels (U.S.)	Damage to infrastructure, control costs	\$1,093 million
Noxious weeds (21 species in Oregon)	Production losses, fire damage, control costs	\$120 million
Zebra mussels (Oregon) (projected)	Projected control costs to 13 hydropower facilities	\$25 million
Sudden Oak Death (Oregon)	Nursery production losses if established Control cost of current outbreak	\$79-\$304 million \$7 million
Invasive Plants (Portland, Oregon)	Complete removal and native species revegetation over five year period	\$10-31 million

Conclusion

An economic approach to invasive species management can provide policymakers at all levels with useful information to make important decisions about prevention, eradication

¹⁰ Pimentel D, Zuniga R, Morrison D. (2005). Update on the environmental and economic costs associated with alien-invasive species in the United States. *Ecological Economics* 52 pp. 273-288.

Lovell S, Stone, S, Fernandez L. (2006). The economic impacts of aquatic invasive species: A review of the literature. *Agricultural and Resource Economics Review* 35(1) pp. 195-208.

Local estimates are derived from the papers cited in the text boxes. All figures were converted to 2007 \$ for consistency.

and control. However, the management of IS will remain piecemeal, under-resourced and in aggregate largely ineffectual until:

- We have much greater awareness of the local, national, and international role that economic forces play in driving the IS crisis.
- We embrace a much wider role for economics that goes far beyond financial analyses in the search for solutions to the IS challenge. The use of a standard or common approach to performing economic analyses will improve the usability and comparability of the results within states and nationally.
- A greater level of coordination between local, state, national, and international agencies is achieved. In this respect, a comprehensive bio-security framework is the only way to avoid, remedy and mitigate the economic and ecological risks posed by IS.
- A higher level of education of both the public, government agencies, industry and non-governmental organizations, is achieved thereby strengthening all links in the IS management chain.

Case V: Controlling Sudden Oak Death in Southwest Oregon

Phytophthora ramorum, the cause of sudden oak death (SOD), is a recently introduced, invasive pathogen that kills oaks, wild rhododendron, and damages many other plants in western forests and horticultural nurseries. It is a threat to similar forests around the world, and is subject to state, national, and international quarantines. If allowed to spread unchecked in Oregon it would seriously impact southwest Oregon forests, and the resulting quarantine regulations would disrupt domestic and international trade of many forest and agricultural products.

The potential loss to nursery industry from SOD is estimated to be between \$79 million and \$304 million per year (direct management and regulatory compliance costs plus loss of markets). The annual timber harvest value of the four southwest Oregon counties (Josephine, Coos, Curry, and Douglas) is \$1.6 billion per year (based on 2006 data) and this would be severely impacted by quarantine regulations.

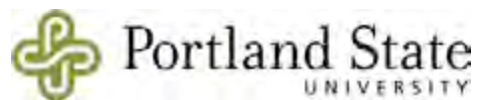
Since the first finding of SOD in Oregon in 2001, eradication of the disease by cutting and burning host plants has eliminated SOD from some treatment areas, but it continues to appear in new locations in and near the regulated area in Curry County. In 2006 and 2007 the disease expanded considerably. As a result of this expansion, Oregon's Curry County quarantine area was increased to 162 square miles in early 2008.

The current management program of early detection and eradication has cost approximately \$1.8 million per year. The cost of complete eradication is estimated to be a minimum of \$7 million per year for a period of three to five years. This cost has to be set against potential losses of at least \$100 million per year should SOD continue to spread uncontrolled in southwest Oregon.

Kanaskie A, Hansen, E., Goheen, E., Osterbauer N. (2008) Sudden Oak Death Eradication in Oregon Forests: The Final Phase. Oregon Department of Forestry, Oregon State University, US Forest Service, and OSU Oregon Department of Agriculture,. 5-27-2008

Oregon's focus on early detection and rapid response is an integral part of a comprehensive biosecurity framework. However, if resource managers are inattentive to the underlying economic drivers of trade, commerce, movement of people and cultural demand for many NIS, the IS problem will continue, with ever greater resources required to control newly established IS and significant losses to the economic wellbeing of the state of Oregon and the nation. Greater appreciation of economics will expand the tools we need to address the invasive species problem at all levels of management.

Feral Swine Action Plan for Oregon



Center for Lakes and Reservoirs
Environmental Science & Resources

Feral Swine Action Plan for Oregon

Prepared for the
Oregon Invasive Species Council

by
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January 2007

Feral Swine Action Plan

Executive Summary

Feral swine are defined as free roaming animals of the genus *Sus* that are not being held under domestic management or confinement. Swine have spread from Europe and Russia to habitats around the world via human introduction. Currently, feral swine populations are established on every continent except Antarctica. Unlike other large mammal invaders, swine have a high reproductive capacity and are omnivorous, which allows for a quick assimilation into most habitats. Once a breeding population is established in an area, the population can quickly increase and negatively impact the ecosystem. A successful invasion of feral swine is difficult, and sometimes impossible, to reverse.

A feral swine pest risk assessment for Oregon, released in 2004, designated feral swine as a very high-risk species due to high potential for establishment, environmental and economic impacts, and disease transmission to wildlife, livestock and humans. Economic impacts on ecosystems and disease transmission to wildlife are difficult to assess, but restoration of ecosystems and losses to agriculture and livestock have been estimated to exceed US\$800 million in the United States each year. Environmental impacts include facilitation of noxious weed invasions, shifts in dominant plant species, reduction of forest regeneration, and soil erosion. Facilitation of noxious weeds and erosion due to feral swine rooting are documented in Oregon. Feral swine in Oregon have not been implicated in disease transmission to humans, but the recent *E. coli* outbreak from spinach grown on a California farm that caused three deaths has been genetically traced to feral swine excrement deposited in spinach fields.

The feral swine population in Oregon is currently small and dispersed. Few disturbances have been documented but state and federal biologists report regular occurrence of disturbances due to feral swine. Actions to prevent the effects of an invasion fall into three categories: management, control or eradication. Of the three categories, only eradication efforts have successfully slowed or reversed the effects of swine invasions. Case studies from California, Australia, Hawaii, the Galapagos Islands and the Channel Islands off the coast of California show that management and control

Feral Swine Action Plan

efforts, while effective in the short term, have not successfully kept small feral swine populations from increasing to levels that are unmanageable and uncontrollable.

A four-year feral swine eradication plan is proposed. The Plan includes recommended legislative changes to facilitate eradication, outreach and education, population assessment, rapid response, and eradication elements. A 0.5 FTE position is required at the Oregon Department of Fish and Wildlife to implement the plan.

Specifically, the Plan includes:

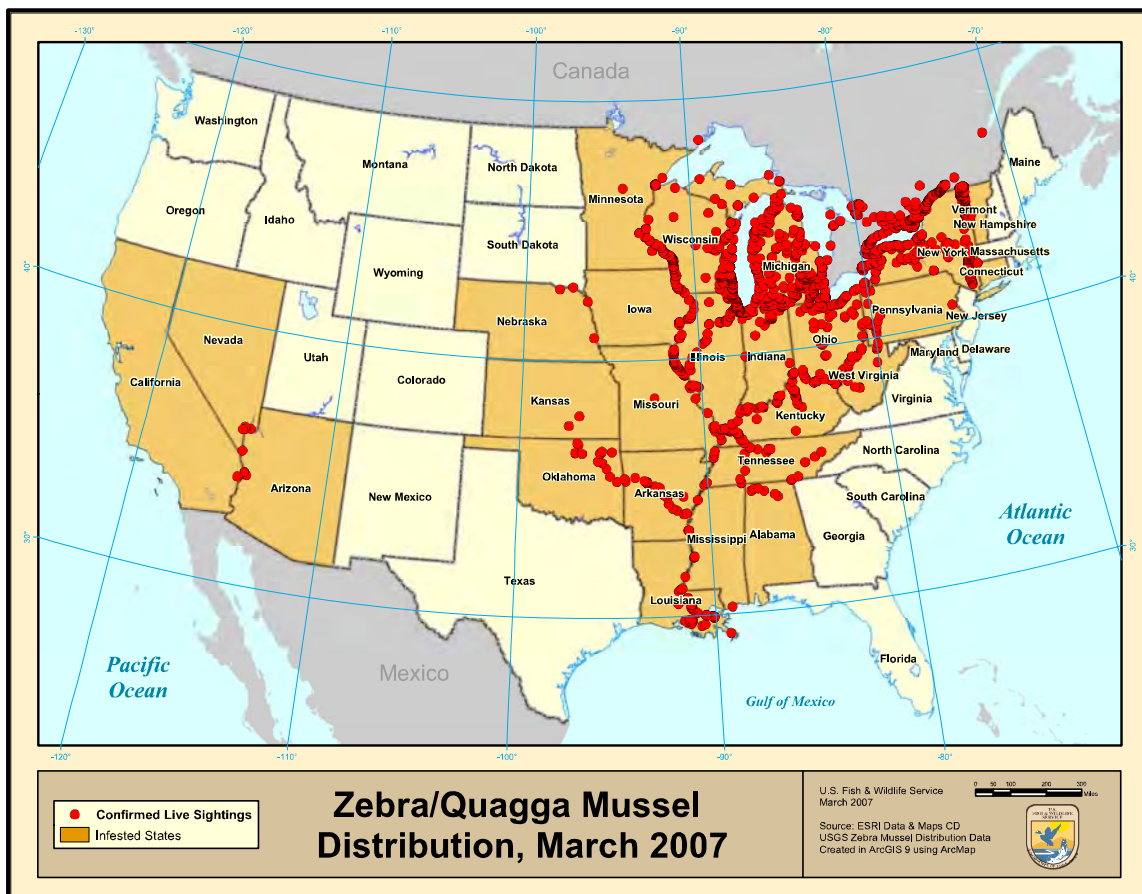
- Source Control (Task 1)
 - Legislation to halt the release or escape of domestic swine
 - Legislation to facilitate the removal of feral swine from private and public land
 - Ear tags for all domestic swine for identification of feral swine and escaped domestic swine
- Population Assessment and Public Education (Task 2)
 - Survey to estimate population locations and size
 - A database of locations and control efforts
 - Education of public to facilitate citizen reports of swine disturbances
- Eradication (Task 3)
 - Planned eradication of the known populations
 - Rapid response system for swift removal of new sightings and introductions of swine
- Monitoring and Assessment (Task 4)
 - Monitoring of each eradication area for two years.
 - Lack of disturbance after two years will lead to a designation of eradication success for each site.

Eradication of feral swine in Oregon is estimated to require a four-year, \$1.29 million effort. Follow-up control of new releases and escapes will require a maintenance effort estimated at less than \$50,000 per year (excluding contingency funds for emergency response). These costs are small relative to the value of the \$3.6 billion Oregon agriculture and livestock industries and the investment Oregon has made in riparian restoration efforts. Sustained control of feral swine in Oregon will require a long-term commitment that will include annual domestic swine marking, education, and monitoring.

Western Quagga Mussels

Background Information

- Quagga Mussels were found in early January 2007 in Lake Mead National Recreation Area¹
 - Populations have subsequently been found throughout the Boulder Basin of Lake Mead
 - Also in other Lower Colorado River lakes
 - Lake Mohave, AZ/NV²
 - Lake Havasu, AZ/CA
 - Copper Basin Reservoir, CA³
 - These lakes supply irrigation and drinking water to Southern Nevada, Southern California, and Southern Arizona
 - Also Found in Fish Hatcheries
 - Nevada State Fish Hatchery on Lake Mead
 - Willow Beach National Fish Hatchery



General Biology

- **Species Names**
 - Zebra mussels, *Dreissena polymorpha*
 - Quagga mussels, *Dreissena rostriformis bugensis*
- **Size**
 - Microscopic to about two inches long
- **Lifespan**
 - Typically up to 5 years
- **Reproductive potential**
 - May spawn all year if conditions are favorable
 - Peak spawning typically occurs in Spring and Fall
 - A few individuals can produce millions of eggs and sperm
- **Life Cycle**
 - Embryos are microscopic (< 100 microns)
 - Larval stage is planktonic (free floating), carried with currents
 - Adult stage attaches to hard surfaces with threads (like marine mussels), but can detach and move to new habitat
- **Impacts**
 - *Ecological*
 - As filter feeders, these species remove food and nutrients from the water column very efficiently, leaving less or nothing for native aquatic species
 - They have the potential of collapsing entire food webs
 - *Economic*
 - These species clog pipes, ruin boat motors, and damage aquatic recreational equipment
 - Once established in a lake, routine maintenance is necessary and perpetual
 - Management costs are enormous, particularly for industrial raw water users like power stations and water supply agencies

Frequently Asked Questions

- **What's the difference between Quagga Mussels and Zebra Mussels?**
 - *Short Answer: Not Much*
 - These are two species within the same genus *Dreissena*
 - Zebra Mussels invaded North America First (in mid-1980s)⁴
 - Quagga Mussels invaded a few years later (1989)⁵
 - There are morphological differences, but they are subtle
 - There are ecological differences, but more research is needed on North American quagga mussels to assess these differences
 - The practical implications of zebra and quagga mussels are essentially identical
- **Where did they come from?**
 - *Short Answer: Eurasia*
 - Zebra Mussels came from the Black and Caspian Sea Drainages
 - Quagga Mussels came from the Dneiper River Drainage in the Ukraine
- **What temperatures can zebra mussels and quagga mussels tolerate?**
 - *Short Answer: Between 1-30°C (33-86°F)*
 - **Heat Tolerance**⁶
 - Zebra Mussels can survive in waters as warm as 30°C (86°F)
 - Quagga Mussels may be able to survive in waters as warm (need more research)
 - **Cold Tolerance**⁶
 - Both zebra mussels and quagga mussels can survive cold waters near freezing, but cannot tolerate freezing.
 - Zebras need waters above 12°C (54°F) in order to reproduce
 - Quaggas need waters above 9°C (48°F) in order to reproduce
 - **Temperature Preference**⁶
 - Zebra Mussels survive and reproduce best in waters near approximately 18°C (64°F)
 - Quagga Mussels survive and reproduce best in waters slightly cooler, approximately 16°C (61°F)

- **What other physiological tolerances do zebra and quagga mussels have?**⁶
 - **Salinity:** needs to be low (< 5 PPT)
 - **Calcium:** needs to be high (> 25mg/liter)
 - **pH:** needs to be high (in the range of 7.4 – 9.5)
 - **Oxygen:** both species can temporarily survive low oxygen concentrations
 - Zebra mussels need > 25% of full oxygen saturation to grow and reproduce
 - Quagga mussels are more tolerant of low oxygen concentrations than zebra mussels
 - **Water Velocity:** needs to be low (< 2 m/sec)⁷
 - **Substrate:** both species prefer hard surfaces
 - Quagga mussels can tolerate living in soft sediments, but zebra mussels seldom do
- **What do they eat?**
 - *Short Answer: Algae and bacteria in the water column*
 - Both species are filter feeders
 - Quagga mussels are more efficient filter feeders than zebra mussels
- **What eats zebra mussels and quagga mussels?**
 - *Short Answer: No natural predators in North America*
 - Many species do eat these mussels, including diving ducks, red-eared sunfish and some catfish, but predators cannot keep up with the explosive reproductive potential of these invasive mussels
- **What Depths can you find zebra and quagga mussels?**
 - *Short Answer: At any depth, but quaggas mussels can be found deeper*
 - Zebra mussels are typically found from just below the surface to about 12 meters (40 feet)
 - Quagga mussels are typically found at any depth as long as oxygen is present
 - Both species prefer to avoid light and are usually found in shaded areas or below the depth that light penetrates water
- **Why aren't they a problem in Europe?**
 - *Short Answer: They are, but most Europeans have been dealing with them for over 200 years. Their industrial facilities were designed with these in mind.*

- **How do they spread?**
 - *Short Answer: Larvae flow downstream. Adults attach to recreational boats and equipment (anchors, bait buckets, etc).*
 - Eggs and larvae will naturally flow downstream of established populations.
 - Larvae can also be transported in water carried by recreational boats, trailers, and other aquatic equipment.
 - Adults can also be spread by recreational boats, trailers, and aquatic equipment.
 - Adults can survive out of water for weeks if temperatures remain cool and humidity remains high.
 - Quagga mussels were probably transported overland at least 1000 miles from their source population (most likely the Great Lakes)
 - Resident boats (those boats that are moored or held in a slip) are much more likely to harbor zebra and quagga mussels than day boats (boats that are removed from the water after each use).
- **How can we prevent additional spread?**
 - *Short Answer: Educate boaters.*
 - Preventing downstream invasions is practically impossible.
 - Convincing recreational boaters to clean their boats and equipment before transporting them to new waters is essential.
 - Simple steps are necessary every time a boat is retrieved from a lake or other water body:
 - Remove all aquatic plants, animals, and mud from everything that came in contact with water.
 - Drain all water, including bilges, live-wells, cooling water from the motor.
 - Clean and dry everything that came in contact with water
 - Dispose of any live bait.
 - If mussels are seen attached to a boat or other recreational equipment, it must be decontaminated using more stringent guidelines.
 - A decontamination protocol is attached.
- **Where can I learn more?**
 - www.100thMeridian.org
 - The 100th Meridian Initiative is a cooperative effort between state, provincial, and federal agencies to prevent the westward spread of zebra mussels and other aquatic nuisance species in North America. The associated website is the official coordination point for information regarding zebra and quagga mussel spread to the western United States.

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Decontamination Protocol

For Boats and other Recreational Equipment Potentially Contaminated with Zebra/Quagga Mussels

Step 1: DRAIN

Bilges, wet wells, live wells, and any other compartments that could hold water from an infested field collection site should be drained of water at the boat ramp before leaving the area. If a boat has carried water from another location, remove all water and treat it with household bleach (> 5% sodium hypochlorite) at a concentration of 3 oz of bleach per 5 gallons of water for a minimum of 1 hour before disposing in wastewater drain. Never dump water to the ground.

Step 2: PURGE

In order to kill and purge larvae that may be in the engine's cooling system, run disinfecting water through the motor for at least 1 minute. Disinfecting water should be either 1) a bleach solution using household bleach (> 5% sodium hypochlorite) at a concentration of 3 oz of bleach per 5 gallons of water, or 2) tap water heated to > 140 °F. Running bleach through an engine may violate the terms of the engine's warranty, so hot water is recommended.

Step 2: SCRUB

Scrub all surfaces with soapy water to remove any clinging material (plants, animals, mud, etc.), then visually inspect and remove anything remaining. Pay special attention to cracks and crevices in which mussels may become trapped, and aquatic plants harboring juvenile mussels that may be present on trailers or propellers. Since adult zebra/quagga mussels can close up and survive for extended periods of time under toxic external conditions, chemical disinfecting as a means to kill adult mussels may require a contact time of several days. Thus, chemical disinfectants are not recommended for killing adult mussels. At this step, the goal is to remove any and all living organisms as well as mud and other debris.

Step 3: WASH

Hose down everything with hot high pressure water, including boat, anchors, trailer, and anything else that came in contact with the water. Pay particular attention to trailer pads made of carpet and foam rubber, which could trap tiny mussels. Temperature and exposure time determine the effectiveness of temperature treatments. Live steam, boiling, and hot (> 140 °F) power washing are all believed to be effective against all zebra/quagga mussel life stages. Work a small section at a time with a minimum exposure of 3 min at full heat for each area.

Step 4: DRY

After thorough scrubbing, power washing and visual inspection, dry the boat and all equipment and keep everything out of the water for at least 2 weeks if temperature is below 70 °F or 1 week if weather is warm (> 70 °F) and dry (< 40% relative humidity). In winter, freezing may be used as an effective tool. Adult zebra/quagga mussels have a relatively low tolerance to freezing. Exposing boats and equipment to continually freezing temperatures for a recommended period of three days should produce 100% mortality.

Information Sources

¹National Park Service Press Release 1-07, January 10, 2007

²Invasive Mussel Update, NPS Digest, National Park Service, January 23, 2007

³USGS Nonindigenous Aquatic Species Database, Collection ID 237660

⁴Zebra Mussel Fact Sheet, USGS Nonindigenous Aquatic Species Program

⁵Quagga Mussel Fact Sheet, USGS Nonindigenous Aquatic Species Program

⁶McMahon, R.F. 1996. The Physiological Ecology of the Zebra Mussel, *Dreissena polymorpha*, in North America and Europe. *American Zoologist* 36:339-363

⁷O'Neill, C.R. 1993. Control of Zebra Mussels in Residential Water Systems. Sea Grant: Coastal Resources Fact Sheet

Sudden Oak Death *Phytophthora ramorum*

D. Shaw

What is it?

Sudden Oak Death (SOD) is a plant disease caused by the water mold *Phytophthora ramorum*. This organism causes disease in more than 100 species of trees, shrubs, herbs, and ferns.

P. ramorum can infect oak and tanoak directly through the bark, causing an area of dead tissue, a canker, often indicated by bleeding on the bark surface (Figure 1). The tree eventually is compromised and dies. It may look as if the tree dies suddenly, but actually it's been infected much longer.

P. ramorum causes leaf blight and twig dieback in most host species, especially in rhododendron, camellia, and huckleberry. The disease is called ramorum



Figure 1.—Bleeding on bark surface of tanoak. Photos: Alan Kanaskie, Oregon Department of Forestry.

leaf and shoot blight in these hosts. Common plants in Oregon that are known hosts for *P. ramorum*, and the diseases in those hosts, are shown in Table 1. For a complete host list, see the California Oak Mortality Task Forest website <http://nature.berkeley.edu/comtf/>

What is at risk?

Phytophthora ramorum is an internationally quarantined plant pathogen, and strict restrictions aim to prevent its spread. Quarantines and regulatory compliance impact the economics of growing wood and plants in Oregon. We must do all we can to prevent the spread of this disease.

The disease threatens timber trade, the floral-greens industry, Christmas tree production, and plant nurseries throughout Oregon. It has the potential to increase fuel loads in forests, thus increasing fire risk. In forests, it also could affect slope stability, harm wild mushroom populations, and alter forage and structural components of wildlife habitat. The cost to forests and nurseries in Oregon of eradication and compliance work already is more than \$10 million.

How is it spread?

Sudden Oak Death and the other diseases caused by *P. ramorum* are so



Figure 2.—Shoot dieback symptoms of *P. ramorum* on rhododendron. Photos: Alan Kanaskie, Oregon Department of Forestry.

new that information is only now accumulating rapidly. Observations from California, where the disease is widespread, suggest it may be limited to warmer, wetter coastal and near-coastal environments. In California, disease behavior is linked closely to forest composition and structure, spreading on California bay laurel (called myrtlewood in Oregon) and killing tanoak. In Oregon, tanoak and rhododendron are the primary hosts on which we know the disease can spread (Figure 2). So far, Oregon myrtle has not become widely infected, as in California (Figure 3, next page).

Local spread of *P. ramorum* is well documented, but its long-distance dispersal is less well understood. Populations of *P. ramorum* in California and

Table 1.—*P. ramorum* hosts and diseases.

Disease	Host
Sudden Oak Death	Tanoak California black oak
Ramorum leaf blight	Oregon myrtle Bigleaf maple
Ramorum shoot dieback	Evergreen huckleberry Rhododendron Pacific madrone

David Shaw,
Extension forest
health specialist,
Oregon State
University.



Figure 3.—Symptoms of *P. ramorum* on Oregon myrtlewood (California bay laurel).

Oregon woodlands belong to a single clone that has reproduced asexually. This occurs via the prolific production of spore packets, called sporangia, that can easily break off in rain and

flowing water. Sporangia release spores that can swim through films of water to infect leaves and bark. *P. ramorum* also can form a resting spore (chlamydospore) that stays in plant material or soil a long time, perhaps more than 1 year, and germinates only under the proper conditions.

People are the best means for long-distance spread of *P. ramorum*, by transporting potted plants or infected wood, leaves, and stems. *P. ramorum* spores also can survive in soil on bike and vehicle tires and on shoes and tools. If you have been in an infested area in California, remove the soil from these items before you return to Oregon. Do not transport plant material from coastal California to Oregon!

Where did it come from, and where is it now?

The origin of *P. ramorum* is unknown. It also is in Europe, in a population genetically distinct from the one in North America. It appears that both the European and North American types of *P. ramorum* were introduced from an unknown location.

In the urban-woodland interface and in forests, Sudden Oak Death is known only in 14 counties in California and in a 26-square-mile area near Brookings, OR (Figure 4). How SOD came to the Brookings area is not known. No other locations in the wild are known in North America.



Figure 4.—In the wild in Oregon, SOD currently is limited to an area around Brookings (star).

Sudden Oak Death has been found in several plant nurseries in Oregon and other states, and these nurseries are under strict inspection and eradication protocols. Each year, new outbreaks are detected, and much effort is spent suppressing the disease.

What is being done?

Phytophthora ramorum is being eradicated in Oregon forests (Figure 5) through the cooperation of the Oregon Departments of Forestry and Agriculture, the USDA Forest Service, the USDI Bureau of Land Management, and Oregon State University.

Surveys for the disease are done by air and ground and in streams throughout the year. In nurseries, inspections for diseased plants are routine. Whenever infected plants are discovered, they and neighboring plants are destroyed.

What you can do

- Do not transport plant material or firewood from affected areas in California to Oregon.
- Before returning to Oregon from affected areas in California, wash mud and soil off your vehicle, equipment, clothing, and footwear. If possible, use a 10-percent bleach solution for washing.
- Familiarize yourself with host plants and symptoms of the diseases caused by *P. ramorum*. This can be tricky! The host list is long, and many other plant pathogens cause diseases with similar symptoms. See below for some sources that can help.
- Keep on the lookout for infected plants in south coastal Oregon.

- Report to OSU Extension foresters or state or federal forestry officials if you think you have seen Sudden Oak Death.
- Do not move host materials or soil from the quarantine zone near Brookings, OR.
- When purchasing host plants from nurseries, ask nursery management about the origin of the plants and whether they have been inspected.

For more information

Sudden Oak Death and Phytophthora ramorum. A guide for forest managers, Christmas tree growers, and forest-tree nursery operators in Oregon and Washington, EM 8877. 2006. E.M. Goheen, E. Hansen, A. Kanaskie, N. Osterbauer, J. Parke, J. Pscheidt, and G. Chastagner. <http://extension.oregonstate.edu/catalog/pdf/em/em8877.pdf>

The California Oak Mortality Task Force
<http://nature.berkeley.edu/comtf/>

USDA Agricultural and Plant Health Inspection Service (APHIS)
http://www.aphis.usda.gov/plant_health/plant_pest_info/pram/regulations.shtml

OSU Extension Service
http://extension.oregonstate.edu/emergency/oak_death.php



Figure 5.—Symptoms of *P. ramorum* infection on a Douglas-fir shoot tip (left) and on a grand fir. Photos: (left) Alan Kanaskie, Oregon Department of Forestry; (right) Santa Clara County (CA) Agriculture Department.

2009 Invasive Species Legislation Overview

Key legislative concepts and policy option packages addressing invasive species are currently proposed for the 2009 legislative session. These proposals cover a variety of issues, from basic funding to law enforcement authority to programmatic clarification. This document is a summary of the primary legislative concepts now proposed.

Quagga & Zebra Mussel Inspection Stations, Enforcement Authority

The Oregon Department of Fish and Wildlife is proposing this policy option package to establish a zebra and quagga mussel transportation monitoring program.

Since the initial discovery in January 2007 of quagga mussels in Lake Mead, Arizona, mussels have been found throughout the lower Colorado River system and connected aqueducts and reservoirs in Arizona, Nevada, Utah, and California. The economic dislocation is unfolding rapidly, with millions of dollars spent to de-water municipal water delivery systems, clean, replace, or install new screening systems, valves and other affected equipment, install control systems, monitor and control impacts at hydroelectric, irrigation, and municipal water supply facilities, implement enforcement protocols and inspection stations, close or control recreational access to lakes and reservoirs, and more. Because recreational boaters regularly tow their vessels long distances, these new invasions represent an imminent threat to Columbia Basin waters.

This damage is consistent with damage seen throughout the Midwest, where these mussels were first introduced in the mid-1980s. The mussels are responsible for half-billion dollar economic impacts annually, costing power generators an estimated \$100 million per year while decimating recreational and commercial fisheries in the Great Lakes and creating toxic conditions killing hundreds of thousands of waterfowl annually. The federal government estimates that a Columbia River infestation could cost up to \$50 million per year just for hydropower operators. An infestation would also significantly damage salmon restoration efforts and recreational opportunities.

Quagga and zebra mussel infested boats from Oregon and Washington have already been stopped at border check stations in California as they return to their home states. Several infested boats have been transported through Oregon. Border check stations are being proposed in an effort to prevent the spread of zebra and quagga mussels and other aquatic invasive species into Oregon. Under this proposal, inspection stations would be placed at primary border crossings and would be staffed by specially trained technicians. All watercraft entering Oregon would be required to stop for a brief inspection for quagga and zebra mussels and other aquatic invasive species. The current proposal requires extensive general fund support.

Washington, Idaho, and other western states are developing similar concepts. In California, multiple state agencies coordinate inspection efforts to prevent the spread of mussels to non-infested basins within the state.

In addition to the funding, enforcement authority is also required to stop vehicles that are pulling boats and related equipment. Modeled after Washington laws, the statute would require motor vehicle operators to stop for watercraft inspections, but would suspend any fines or citations if invasive species were found.

Demand for general fund will likely be high across all of state government in 2009, so finding alternative funding sources to implement this program is crucial to prevent the hundreds of millions of dollars in damage experienced in the Midwest, East Coast, and now the southwest United States.

Feral Swine Management Program

Currently feral swine are threatening to expand their range across Oregon as established populations go unchecked and new populations are reported on a regular basis. Feral swine decimate watersheds and wildlife habitat. Feral swine damage to agriculture in the United States is estimated to cost \$800 million per year. Currently many of the populations in Oregon are intentionally established on private lands by landowners who offer fee hunting for feral swine.

The Oregon Department of Fish and Wildlife has proposed this package to establish base funding for feral swine eradication while strengthening laws and rules that govern feral swine.

Feral swine are defined as free roaming animals of the genus *Sus* that are not being held under domestic management or confinement. Swine have spread from Europe and Russia to habitats around the world via introduction by humans. Currently, feral swine populations are established on every continent except Antarctica.

A feral swine pest risk assessment for Oregon, released in 2004, designated feral swine as a very high-risk species due to significant potential for establishment, environmental and economic impacts, and disease transmission to wildlife, livestock, and humans.

Environmental impacts include facilitation of noxious weed invasions, reduction of forest regeneration, soil erosion, and increased depredation of native wildlife. In addition, feral swine are opportunistic predators of ground nesting birds, turtles, frogs, and even young fawns – many species of which are identified in the Oregon Department of Fish and Wildlife’s Conservation Strategy as species important to these ecosystems. The feral swine population in Oregon is currently small and dispersed, with an estimated total population of 1,500 to 2,000 animals in four locations in Oregon. With this fact in mind, the Oregon Invasive Species Council (OISC) created and released the Feral Swine Action Plan in early 2007. The Feral Swine Action Plan includes recommended legislative changes, eradication strategies, population assessment, rapid response, and outreach and education elements.

This legislative concept will address the core cause of feral swine populations in Oregon and significantly increase the opportunity for feral swine eradication efforts to succeed.

This legislative concept is critical to give the Oregon Department of Fish and Wildlife and the Oregon Department of Agriculture the tools to control and eventually eradicate feral swine in Oregon. Feral swine will threaten the health and well-being of farmers and ranchers through crop damage and animal depredations. In addition, hunters and anglers will see direct and indirect impacts to Oregon’s natural resources.

County Weed Control Programs

Oregon's 36 counties are responsible for enforcing laws relative to noxious weeds (ORS 570); however, no dedicated funding source has been established for this service, and most counties lack weed control programs. As a result, noxious weeds go uncontrolled, damaging fish and wildlife habitats, reducing crop values, impacting public and private properties, and continually reinfesting counties that do have control programs.

In 1999, the Legislature directed the Oregon Department of Agriculture to create the Oregon Noxious Weed Strategic Plan. Within that document, "Establishing strong statewide, county and local weed control programs.. ." was listed as a top priority, but no base funding for counties was ever established.

The Legislature has made available Measure 66 Lottery Capitol Funds through the Oregon Department of Agriculture and the Oregon State Weed Board. In the current 2007–09 biennium, there is \$2.5 million available in noxious weed control grants that protect fish and wildlife habitat and watershed functions. These grants have helped support on-the-ground control projects. However, these funds cannot be used to support base programs, an essential component for maintaining viable programs and thus protecting natural resources. Most counties do not have funding for weed control programs, thus no enforcement is in place to stop new invaders from reaching Oregon soils.

The single greatest threat to healthy ecological systems is the rapid spread of noxious weeds. Ecosystem health, biodiversity, and healthy watersheds depend on properly functioning native plant communities. If the plant community is functioning well, other components of the ecosystem will also function well.

A conservative assessment documents an impact of \$83 million annually lost to personal income from just 21 of the 99 Oregon listed weeds in 2000. One weed alone, Scotch broom, has invaded more than 16 million acres, causing over \$47 million in annual economic impact to Oregon. Yellow starthistle is forming a sea of thorns in eastern Oregon and has impacted 1.8 million acres of private and public lands statewide.

To meet this challenge, county weed control districts need stable base funding. This will help sustain consistent weed control throughout the state, and support statutory requirements. To receive assistance, counties will be required to meet specific obligations and demonstrate accomplishments. Funding needs to be flexible, so counties can be staffed with weed control personnel, as well as replace equipment, and implement management actions. Base funding for each county is estimated at \$150,000, or a total of \$5.4 million per year for all 36 counties in Oregon.

However, to insure statewide coverage, a stable source of funding must be identified.

Appendix B—Summit Participants

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Appendix C—Notes from Eight Facilitated Sessions

Note: The information contained in this appendix was transcribed exactly as it was noted on the facilitated session note sheets. No changes have been made to the raw data, nor has it been summarized in any way.

ELKHORN

Responses to question #1:

1. Recognition that there is a problem - legislature
 - Economic and biologic
2. Lack of vehicle/process to provide coordination/integration
 - no one is in charge
3. Lack of common definitions
3. Proliferation of lists
4. Lack of market considerations in regulations
5. Need to work across legal ownership boundaries
 - Mechanism for local implementation
 - Balance between strategic and local approaches
6. Lack of statewide assessment (inventory) - where they are and aren't
 - What are the problems and where are they, what are the priority species to manage and areas (habitats) to protect
 - Lack of focus on pathways/vectors
 - Lack of natural history ed.
 - Lack implementation capacity of strategic outreach plan.
 - Internet sales unregulated pathway
 - Recognition of existing programs
 - Competition for grants amongst applicants
 - Lack of regional (multistate) cooperation, planning - at various levels, may be different management priorities for local, state, and federal
 - Lack of established priorities for seeking funding
 - Lack of rapid response strategy and funding

ELKHORN

Responses to question #2:

1. Distribute existing materials
 - Develop targeted information
 - Summarize economic impact
 - Distribute OPB documentary
 - Focus on pictures/bullets
 - Focus on individual legislators district
 - Invasive species day at the legislature
 - Strength of atypical partnerships i.e., TNC and Cattlemen's Association - approaching legislature
2. A policy staff position (invasive) at governor's office
 - OISC - Policy + Direction
 - Top-down support for OISC to make decisions + OISC Council establishes infrastructure, framework, priorities to be implemented by agencies, on the ground groups
 - OISC could be a fiscal agent for funneling \$ to implement actions
3. Develop regional lists - develop/document criteria for listing.

4. Include industry in listing decisions
5. CWMA's and watershed councils could be mechanism for working across boundaries, however, may need funding for coordination and how link CWMA's to regional or state - OISC Advisory Group
6. Heritage program - manage invasives inventory as part of biological inventory - look at potential habitat.
 - Build on ODFW Conservation Strategy
 - Database of invasive management actions - similar to ODFW and BLM
 - Weedmapper and wildlife viewer expanded database to map invasives
 - OISC to help integrate management priorities - get input from CWMA's and watershed councils and industry

WALLOWA

Question #1:

- Money
- Authority - \$/action
- Lack of coordination
 - Clear legislative mandate
 - Political will
- Timeliness - permits/NEPA/etc.
 - Need to pre-plan, EDRR
- Social responsibility/ed. And support (civic duty)
- Internal education and awareness
- Availability of management tools for AIS
- Priority to Act (the plate's too full)
- Hesitance to act (stages of grieving)
- Staffing
- Lack of central leadership
 - Convoluted/diluted
- Clearly communicate structure to public
- Public voluntary rapid response
 - See it, pull it, kill it
- Quantify thresholds
 - I.D. thresholds
 - Bureaucratic hurdles
 - Inconsistent information
- One-stop shopping
- Pre-planning and prep.
- Money
 - Lack thereof . . .
 - Wise use of existing funds (priorities) accurate assessment
 - Emergency fund
 - Long-term funding for stability - user pays, appropriate assessments
 - "Fire" assessment
 - Value of prevention and eradication and odds of success
- Authority
 - Fire - Incident Command Structure
 - Formalized interagency agreements to facilitate rapid response
 - Agency of authority needs fund pool to facilitate action
 - ID Holes, create statues (capacity to act)
 - Creative use of existing resources

WALLOWA

Question #2: (this group noted that items with an asterisk were key prioritized issues)

- Public awareness/empowerment
- Authority
- Funding
- EDRR
- Coordination and outreach
- Contain/control/eradicate
- New structure focuses on aquatic and unidentified issues
 - A) **Virtual Action Team** - sets priorities, creates agreements - state/federal/private partners, NGOs
 - Authority
 - Funding - emergency, permanent
 - B) Education
 - C) Strike Team EDRR

- Focused on aquatics, but emergency funding for terrestrial and aquatics
- Governor's Cabinet - Virtual Action Team (SCAAT) - OISC is Board
 - *Full-time personnel supt.
 - Works on funding/MOU agreements with agencies
 - Full management structure
- Strike Team
 - Deals with acute problems
 - Assigned by SCAAT
 - * Puget Sound Action Team (Partnership)

How to fund?
 How to create?
 Governor's order?
 Leg. Action?

- General Coordination and Outreach (see it, pull it, kill it)
- Contain control eradicate
- Pass thru funding structure

BLUE MOUNTAIN

Question #1:

- Multiple agencies have some authority, but no real leading agency/group
- Interagency coordination/cooperation leads to more effective resource utilization
- \$\$ - needs to be increased and spent strategically
- Lack of awareness - not recognized as having local, immediate impacts
- Improving interstate communications and programs
- No federal support (\$ and other resources or in coordinating efforts)
- Resource need may be overwhelming
- A need to determine where to focus - statewide and nationally
 - How do we prioritize?
 - Who does the prioritization?
- Operational challenges - time-consuming, limiting tourism, logistics
- Obtaining social acceptance of procedural activities - politics? Social paradigm shift?
- Lack of holistic approach
- Self-limiting factors - including existing laws
- Invasives not treated with same sense of urgency as wildfires
- Lack of emergency funds
- Problems may be overwhelming
- Private industry needs to be completely engaged
- Conflicting priorities and conflicting authorities
- Convince . . . everyone that prevention and EDRR are much less expensive than large scale control
- Industry may have tendency to focus on “engineering solutions” instead of natural resource prevention methodologies

BLUE MOUNTAIN

Question #2:

- Create a Plan of Action for whole state
 - Establish legislation that defined authority (defines a responsible party)
 - Different groups may be best leaders under different circumstances
- Review existing authority of existing agencies
- Gain “general fund” support for this issue that affects everyone - emphasize that prevention is cheaper than control
- Better monitor and use existing dollars through strategic action planning and coordination between agencies/groups (don’t duplicate efforts)
- Awareness can be increased through public education and concern
- Aim awareness campaigns at broad array of people - use topics of interest (\$, power availability, fishing . . . watershed health)
- Develop emergency fund - partly through legislation
- Get industry engaged and actively involved (\$)
- Strengthen existing legislation (ex: prop. Assess. For weeds at low rate)
- Additional money ideas:
 - Vanity plates (weed, mussel)
 - Lottery
 - Measure 66
 - Import tax (per container?)
 - Use cheap labor: college students, Americorps . . .for monitoring and inventory work
- Acknowledge that there is no single solution

TROUT CREEK

Question #1: (this group identified priority items with a check mark)

- Need emergency fund to deal with high impacts species. Achievable projects.
 - Assess presence and absence of threats (1°)
- Public outreach/education
 - Don't have threshold of public concern
- Entrenched constituencies for invasives (knowingly and unknowingly)
- Lack of general knowledge (**#1 priority**)
 - People don't understand liability of invasive species
 - Differences in value - some value invasive species
- No policy on dealing with invasive species. Articulate in legislative/policy direction (**#2 priority**)
 - Not clear who regulates what
 - Assess who has jurisdiction
 - Lack of state infrastructure
- Lack of legislation - defaulted to underfunded agencies
 - Lack of invasive species prioritization
- How to set IS priorities with other priorities
- Lack sense of urgency
 - Feeling overwhelmed!
- What if funding
 - Is a barrier?
 - Is not a barrier?
- Where can we make a solid economic case?
- Where are the greatest biosphere impacts?
- Individuals don't see themselves as a problem
- Lack of personal ownership as solution
- Connecting with the emergency of the moment (e.g., political leverage for a specific interest)
 - Both barrier and opportunity
- Lack of science and effective BMP's
- Collateral damage from BMP's
- Lack of state-led EDRR and database
 - Lack of forum to pose information/research needs
 - Lack (standardized) adequate monitoring systems for IS
 - Not just volunteer-based
- Need better integration among all agencies and groups
- Need (lack of) communication and databases that are integrated
- No clear risk assessment for prioritizing species
 - After the fact regulations
 - Also a reality of how things are done
- Lack authority and enforcement
 - Lack of support for IS working groups like county and boards
 - IS species interacting with G.C.
 - Dealing with uncertainty
- Accepting those invasive species that have become established over those that are new

TROUT CREEK

Question #2:

#1 No policy on invasive species and funding

- Have assessment ID Gaps → OISC → Plan → Action: Can this work?
- Create legislative committees → leads to policy
- Go to experts first to drive legislation
- Evaluate what is being done on invasive species
 - 50% resource managed by agencies
- Use available information to synthesize assessment - go to legislature
- Go to legislature to fund assessment
 - Have legislation to:
 - Recognize critical players
 - i.d. what is happening
 - i.d. unmet needs
 - how fast can we act?
- Create a framework that addresses both crises while building pro-active framework
- Develop clear policies

View #1: Is the state favoring invasive species as a priority - as a policy?
Have an invasive species “Czar”
One clear authority

View #2: Governor → Executive Order
Eradicate/prevent invasive species → agencies set aside funds, resources
short-term
Task force (OISC) by Governor’s office (long term) to come with a statewide plan
for funding and action. OISC needs funding authority.

View #3: Other models that require agencies to work together like “Oregon Plan” model
- dedicate lottery funds
Do we have enough knowledge to establish an “invasive species” plan?

- Have the right agencies in place to effectively use “emergency funds”
- Who is in charge?
- Have contingency plans that ID clear authorities
- A glossary of experts
- Connect experts → species
 - Expertise, technical, taxa, glossary of key people

#2 Lack of knowledge, outreach, education

- Good start with OPB and Salem Statesman Journal Campaign
- Fund correct OISC efforts
- ID agencies with a stake in invasive species
- Have consistent message on invasive species relevant to local level
- How to allocate resources at local priorities/regional
- Calls for action must make sense to public
 - E.g., feral pigs may not be relevant to many local groups
- Feral pigs versus false brome - what’s the priority and message?
- Be aware - help volunteers to promote citizen science
- Engage people in prevention and early detection
- Go beyond awareness to action
- Need to have social norms that invasive species prevention and control is “my” responsibility
 - a) take it local/individual

b) integrate norms into organizations/cultures

- Have transparent system and logical process for assessing risks and listing priority species
- Tie in with programs that are already working
 - “Kids in the Woods” outreach
- Meet with local groups prior to EDRR training
 - Can someone really learn more than 5 or so species for EDRR
- Think pathways - how do species get here - results in more effective prevention
- Consider systems - puts invasive species in context (e.g., watersheds, stream flow, wood, etc.)
- What can people do? Care about tidepools.
- What is possible within my abilities?
- Create a sense of urgency
- Audiences need to see urgencies reflected in their “leadership”
- If we go to people, we need to have some solutions
- OISC needs to convey who is doing what
- Who is working on certain species?
- Have a database of who/what is dealing with specific invasive species - back to glossary of the who’s (people)
- Message could also be communicated through existing agency networks
 - Use an existing network
 - Have statewide messages

PUEBLO

Question #1:

- No EDRR system in place
- No coordinator*
- No GIS/Tracking system
- No emergency response fund
- Dedicated funding from legislature
- Due to multiple agency issue, streamline of coordination, issues.
- Public Awareness* (continued concern/awareness) → changing secretive relationship / view of nature
- Avenues to compile and disseminate funding pods
- Lack of dedicated staff dedicated to invasive species issues (lack of internal coordination)
- Lack of developed checkpoints and authorities (ports, airports, highways)
- Lack of state-state coordination with checkpoint efforts
- No laws that allow for real enforcement with invasive species issues
- *Coordinating regulatory approval proactively as possible
- Lack of environmental professional trainings offered focusing on invasive species
- No shared interagency strategies (MOUs)
- Filling gap, looking at issue in broader realm - funding coordination
- How to address pathways where agencies don't/do overlap
- Engaging key agencies in response plan
- No baseline risk assessment → no interagency science committee
- No statewide legislative/regulatory framework
- Legal authority not clear → search and seizure
- Ensure appr. representation to ensure OISC assigns proper entities . . .

PUEBLO

Question #2:

- Prevention
 - Establish border checkpoints
 - Establish lead authorities (clarify)
 - Legislatures create authority (enforcement) and operations (SOPs) (ref. Inspection Station Art. In Agenda)
 - Need comprehensive interagency strategy (ODA, DEQ, etc.)
 - *EDRR → Species Priorities
 - Organization Assessment (roles and responsibilities)
 - 5-year plan
 - Policy roadmaps
 - E/O
 - Resource ID and gaps
 - Complement national standards
 - Common data standards
 - Coordinating regulatory approval
 - Approach issues (prevention) on a large scale (be involved in national efforts, neighboring states) *West Coast Governor's Agreement
 - Involve all key stakeholders and get buy-in from elected officials
 - Ensure lead agencies (ODA, USDA, DOT, Tribes, etc.) have appropriate dedicated staff
 - Point person
 - EDRR staff
 - Control crews . . .
 - Framework?
 - Get resources (\$) to county weed boards

- Figure out mechanism/authority to manage and disseminate overall funds and emergency funds (see Idaho as a template)
- To encourage monitoring and prevention, create stewardship (citizen-based) tools to alert authorities (website, exams, park information forms)
 - Boater registration and online exam
- Identify and control major pathways
 - Pet and plant trade tracking (nurseries, websites)
 - Develop strategies and regulations to address
 - Check reg. authorities/laws existing and assess needed regs.
- Establish revenue streams
 - Boater Cert. Fees
 - ATV Registration
 - Shipping fee (i.e., California)
 - Tire tax
 - Herbicide enforcement fees
 - Pet trade tax
- Crafted resolution to disseminate to counties to start local resolutions

CASCADE

(This group listed the answer to question #1 in black, made notations in red, and provided solutions in green)

- Communication
- Regulations (not scalable)
- Interagency/ownership cooperation
- 2. Efficient training - professional
- Emergency fund
- Funding restriction - limits on outreach efforts - needs common outreach and education
- 5. EDRR takes vision away from long-term research (5-10 year)
- 3. Information to become better at strategic prioritization of expending limited \$\$
- 1. STATEWIDE ASSESSMENT
- Boundary issues - inhibit regional response
- 4. Contingency planning
- No money for enforcement
- Public awareness obstacle
- Need to replace timber receipts County funding (invasive species is at bottom)
- Centralized vetted information
- Advertise existing website - Oregon - coordinate and links public vs. scientific information
 - Mixed messages
 - Confuse public
 - Lots of lists
 - Lots of terminology
- Who/how enforcement is affected at the public
- Sustained public awareness (e.g., OPB) (e.g. “Smokey” “Hitchhiking spike” - MULTIMEDIA
- Curriculum implementation - BLM’s “Alien Invasion”
- Develop local sources for biological supplies
- Statewide IS education coordinator (Steal from Forest Soc)
- Extension
- Master Gardeners
- Funding for/continue hotline website (OPB)
- Long-term stable source of flexible funding
 - E.g., capital funds vs. operational dollars
- Public service charge via electric bills to fund invasive species - rationale is that everyone uses electricity, e.g., 5 cents per month
- Tax the Vectors, e.g., containers, tires, etc.

SISKIYOU

Question #1:

- Clear statement of problem
- Lack of appropriate science to define problem
- Lack of awareness of magnitude and sense of urgency of IS for general public
- IS - not one problem - a package of problems
- Find starting point/entry point for individual/legislature/public
- Lack of legislative funding champions
- Inertia of human nature
 - Lack of understanding and identification with problem
- Issue is segmented - could be part of solution
 - Hikers, ag, boaters
- Stakeholders may feel threatened and may have conflicts
 - Cooperation among stakeholders
- Some may feel that the battle is lost
 - Failure to educate public on successes
- Lack of coordinated leadership
 - Currently have individual coalitions and organizations
- Conflict over funding priorities and where IS fits in
- Conflict over how to deal with IS - pesticides/herbicides/biocontrol/lethal
- Getting enough \$ to make a difference
- Communicate magnitude of problem
- Develop strategic comprehensive funding approach long-term
 - If you can't get comprehensive → think through approach
- Quantification of the “do nothing” alternative
- The “story” as to why we need to do something
- Economic cost → different options
 - What does it cost to act?
- Overcoming fear of the cost of action
- Who is the “who?”
 - Whose job is it?
- 1) Keep leadership interested
- 2) Keep leadership willing to fund
- 3) Education: “What is my part in this?” - make it personal
- Long-term issue - how do we lay this out so that people engage for the long haul?
- Education - how do I not make the problem worse?

Top priorities:

- 1) Coordinated Leadership
- 2) Funding
- 3) Education
- 4) R&D

Significant obstacles:

- Lack of awareness
- Large geography
- Lack of funding - large scope
 - EDRR
 - Eradication
 - Survey
- Fear of government involvement
 - Libertarian streak
- Lack of clear prioritization - where do we start?

SISKIYOU

Question #2:

- 1) Leadership and Coordination
- 2) Funding
- 3) Education/Outreach personal → legislative
- 4) Science / R&D

1) Leadership and Coordination

- Consolidate decision making
 - Prevention
 - EDRR
 - Management
 - Eradication
 - Restoration - facilitate permitting
- Legislative leadership
- Develop agency coordination
 - Summit is timely
 - Good cross section of entities
 - Need dedicated support
 - Somewhat analogous to salmon
 - OR state government lends itself to scattered funding
 - Office of state invasive species - in office of governor
 - Is there a structure in emergency services that could handle the rapid response?
 - Coordinate and track funding and statewide efforts
- Directive from Governor
 - Source of funding
 - Agencies responsible
- Legislature: Invasive Species Act specific agency authority (OAR) for invasive species
- OISC - could OISC be the board for a new office in Governor's office?

2) Funding

- Fed
- License
- Private industry
- State
- Non-profits
- Foundations

3) Education and Outreach

- Examples: Silent Invasions - Mass Media → Public service announcements
- Brochures → Targeted
 - Boaters, fishers, wood cutters
- Event outreach
- Signage
- *Get an expert on outreach
- Pamphlets
- Billboards
- School curriculum K-12 - statewide requirement
- Extension - Master Gardeners
- Plant Diagnostic Network - OSU
 - Only for diseases now
 - Should be expanded for insects, plants, aquatics, critters

- Master gardeners visit yards and identify IS

4) Science - Research and Development

- Technology Transfer - outreach?
- “New Pest Response Guidelines”
 - Bringing expert knowledge together
- Institute for Natural Resources “as facilitator for” Center of Excellence - Networks for sharing through university system
- Science-based decision making for funding
- Evaluation/development of control measures
- Predicting impacts
- Science of prevention
- Funding - sources are needed
 - Farm bill has a component
- Competitive grants from state/federal funded program
- No-cost legislative and regulatory actions (or rule) that can minimize or mitigate risk (e.g., prohibit hunts for feral swine) (e.g., weed bill - ensure funding is attached)

OCHOCO

Question #1: (Key to S-M-L: S=short-term objectives; M=mid-term objectives; L=long-term objectives)

- Establish goals - Prioritize Goals* (M)
- \$ Emergency fund at state and federal level (S)
- Revenue source: (identify) for funding (M)
- Most people don't care (M)
- Need a spokesperson (M)
- Lack of data management system (M)
 - Collection/management/access
 - Social networks
- Risk assessment and pathway identification (M)
- Priority of lands (high value) (M)
 - High threat invaders
- \$
- Public awareness/education (L)
 - *curriculum development
- Conflicting interests
 - Commerce/control (M)
 - Tools and controls - conflicts
- Baseline assessment (S)
- Lack of coordinated management system - OISC* (S)
- Lost opportunities
- Who are the contacts? Include the NGOs?
- Lack of consistent enforcement/penalty (M)

OCHOCO

Question #2:

- The Czar
 - Fully empowered
 - Funding prioritizations
 - Monitoring and follow-up
 - Reports to the Governor
 - Public entity (OWEB) with board made up of repr. From regulation, industry, NGO, etc.
 - Regional coord. (WA/OR/ID)
- ISC
 - Pick an eradication "win" and implement
 - "visible" problem
 - Use a statewide campaign with high public
 - Use a targeted "array"
 - High priority area with a risk species
- Incident command system
 - QRS - Quick Response Teams
 - Federal emergency response \$\$
 - Need to add state emergency \$
 - Funding coordinated similar to fire model
 - Regional
- Standard database - with ongoing management and operation - university??
- Funding strategies/sources
 - User fees
 - Legislation with enforcement/fines
- Assessments/risks/priorities

- Targeted communication strategy with a compelling driver - make it a personal issue
- Governor: tells schools to add it to their schools now - not later.
- OR 150-year publicity to include invasive species.
- ORS 570 - funding and authority “on the ground”; statewide

Final Discussion Comments:

- Form a committee for funding strategies
- All people to taskforce/subcommittee/advisory committee
- Funding for O/E Grants
- Clarify noxious weed listing criteria
- Regional weed lists
- Use existing organizations to educate public, ex., master gardeners
- Don't reinvent the wheel - use existing programs as model
- Clarify roles/responsibilities of agencies and organizations
- Acknowledge positive aspects of state programs

Appendix D—Additional comments and suggestions made by summit attendees post-summit

During the process of editing the document, some attendees commented on some “new ideas” that were not discussed at the summit. These comments were not incorporated into the summit document to ensure that document remains true to what occurred during the summit. These additional comments are listed below.

- One summit participant proposed that, perhaps through OSU County Extension Service Agencies, a volunteer invasive species coordinator could be hired to help the statewide invasive species coordinator. Specifically, this position could assist in county awareness, eradication, and control, if necessary, and generally give the statewide coordinator more timely access throughout the state. The participant felt this would speed up early detection-rapid response, help in a potential county by county inventory of the different invasive species present, and help in the planning for each county’s invasive species presence.
- Another suggestion was to include more volunteers and groups in the state invasive species program. Groups, such as garden clubs, youth groups, invasive volunteer groups, and other interested parties, who become interested in helping could all be included in the overall invasive species programs.
- One summit attendee commented that “normal government processes don't work” when dealing with new reports of invasive species (relative to accessible funding to immediately respond). “If a new invader hits, agencies can't wait to go to the Legislature for funding. We can't do a long environmental assessment or the problem gets out of control before we make a decision. Oregon needs some discretionary funds and the ability to push action decisions to lower levels so we can act before the problem gets more out of control and more expensive.” *[Note: The idea for discretionary funding is not new, and is included in the summit document. However, the blending of discretionary funding while giving consideration to the level of decision-making seemed to warrant listing this comment here.]*
- One attendee noted the public is not very interested in (or sympathetic to) fights between public agencies about responsibility. It’s all “the government” and “they should figure out the right thing to do and do it. That argues in favor of the high level of coordination called for in the report.”

- One of the facilitated groups discussed the need for a logo or mascot that people can rally around and that puts a face on the invasive species campaign; i.e., something like Smokey Bear, Woodsy Owl, or Hitchhiking Spike.

May 13, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item N: Conservation Reserve Enhancement Program (CREP)
Partnership Funding
June 2-3, 2009 OWEB Board Meeting**

I. Introduction

This report follows up on the Conservation Reserve Enhancement Program (CREP) Work Group presentation at the March meeting and proposes an approach to fund continuation of CREP Technical Assistance at the outset of the 2009-2011 biennium.

II. Background

Funding for CREP Technical Assistance has been acknowledged as a critical element in the promotion and successful implementation of the Oregon CREP program. OWEB has funded CREP Technical Assistance in a variety of different manners over the last four biennia. Other partners also fund CREP Technical Assistance. The Bonneville Power Administration, National Fish and Wildlife Foundation, Clean Water Services, and soil and water conservation districts (SWCDs) with tax bases all provide funds for CREP Technical Assistance. The OWEB funding is currently supporting staff at 13 SWCD offices. (See Attachment A, Annual Report to USDA.)

III. Current Status

To date, funding for the CREP technical assistance has been supported by non-capital funds. Since the state budget will not be completed at the time of the June Board meeting, and given the likelihood of reduced funding, staff do not recommend committing next biennium's funding for CREP technical assistance until we have a full understanding of our budget resources and evaluate competing needs. The funding of CREP technicians ends at the end of the biennium. There will be some funds remaining unspent in the agreement with the Oregon Department of Agriculture (ODA) that is used to fund CREP assistance. Unless the Board takes some action, the current CREP technical assistance staff will not have a source of funding until and unless OWEB has non-capital funds and allocates funds in September.

Staff have considered the costs of not funding CREP staff and believe there is a strong need for the continuing effort. CREP is a very successful program that promotes conservation within the regional community and effectively utilizes OWEB funds with an 80-20% federal/state match which has amounted to federal commitments of more than \$55 million to date. The need is underscored by the recent increase in soil rental rates that could make enrollments in CREP more competitive with commercial agricultural rates. Exploring ways to continue CREP assistance

into the coming biennium with resources allocated to the current biennium, staff have identified two actions that the Board could take: 1) use the unexpended funds (approximately \$100,000) from the current ODA contract to fund continuation of CREP assistance; and/or 2) use capital funds currently allocated for CREP payments for cost share.

For the last biennium, ODA has assisted the CREP technicians in tracking and distinguishing capital and non-capital expenses. The CREP technicians have a good idea of the difference between capital and non-capital expenses. Given the uncertainties of non-capital funding for the 2009-2011 biennium, staff propose to use non-capital funds allocated but not expended for the current biennium for SWCD support to be carried forward to be used for CREP assistance next biennium as well as funds allocated for CREP payments be allocated for assistance in the coming biennium.

Staff also propose to use up to \$500,000 of unexpended capital funds allocated to CREP to continue technical assistance staff until the OWEB budget is adopted by the Legislature. The use of capital funds for technical assistance is a low risk because the experience of the technicians in tracking capital and non-capital expenditures over the last year. OWEB and ODA staff will meet with the technicians and provide clear instructions to only bill their time to projects with signed contracts. Staff are also proposing that the agreement with Oregon Department of Agriculture be extended into the next biennium to allow the use of unexpended funds to support CREP as well.

IV. Recommendation

Staff recommend the Board authorize the use of up to \$500,000 of capital funds previously allocated for CREP payments to be used to continue CREP technical assistance during the 2009-2011 biennium. Staff also recommend the Board authorize the amendment of the interagency agreement with Oregon Department of Agriculture to carry forward the unexpended non-capital funds for SWCD assistance to be used for CREP support during the 2009-2011 biennium.

Attachment

A. CREP Annual Report

May 12, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Bev Goodreau, Grant Program Specialist

**SUBJECT: Agenda Item O: Small Grant Program
June 2-3, 2009 OWEB Board Meeting**

I. Introduction

This staff report provides information on the 2007-2009 Small Grant Program in anticipation of a staff recommendation for the 2009-2011 Small Grant Program at the September 2009 Board meeting.

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.

OWEB's 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.

For the 2001-2003 biennium, teams awarded approximately \$2.5 million for 403 projects, averaging 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, that averaged about \$6,200 each. All of those projects have been completed.

For the 2005-2007 biennium, the Board again awarded \$2.8 million for the Small Grant Program. The 28 teams awarded approximately \$2.3 million for 378 projects, again averaging about \$6,200 each. Of those projects, 34 (9%) have not yet been completed.

III. 2007-2009 Biennium

In May 2007, the Board awarded \$2.8 million in capital funds for the Small Grant Program for the 2007-2009 biennium. To date, the 28 teams have recommended and OWEB has funded 318 grants for over \$2.2 million with an average of \$7,000 per grant. Attachment B shows Small Grant funding by team to date. Currently, four teams have allocated all of their allotted \$100,000 and another six teams have awarded almost all of their funds. At this time, 101 (32%) of the funded projects have been completed. Past experience has shown that there will be a number of funding recommendations from the teams as we near the end of the biennium. Teams have been asked to submit any new applications they wish to recommend for funding as soon as possible to allow time for processing before the end of the biennium (June 30, 2009).

IV. 2009-2011 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 by fostering local collaboration.

Additionally, small grant projects often offer excellent examples of local collaboration and partnerships including work with local volunteers, non-profit organizations, city, county, state and federal agencies. The table below reflects completed project match funds/in-kind donations leveraged to achieve the on-the-ground restoration projects for the previous bienniums.

Small Grant Match Funding—Completed Projects			
Biennium	2001-03	2003-05	2005-07
OWEB Funding	\$2.5 Million	\$2.4 Million	\$2.3 Million
Match Funding/In-kind (25% required)	\$3.2 Million (128%)	\$2.4 Million (100%)	\$3.2* Million (139%)

* Reflects amounts for closed grants only

In previous biennia, when state funding was more predictable and secure, OWEB staff asked the Board to allocate funding for the Small Grant Program at the May Board meeting prior to the beginning of the new biennium. Because of the unprecedented state budget shortfalls and uncertainty about OWEB’s budget, staff plans to develop Small Grant Program recommendations as part of the overall spending plan for the Board at its September 2009 meeting.

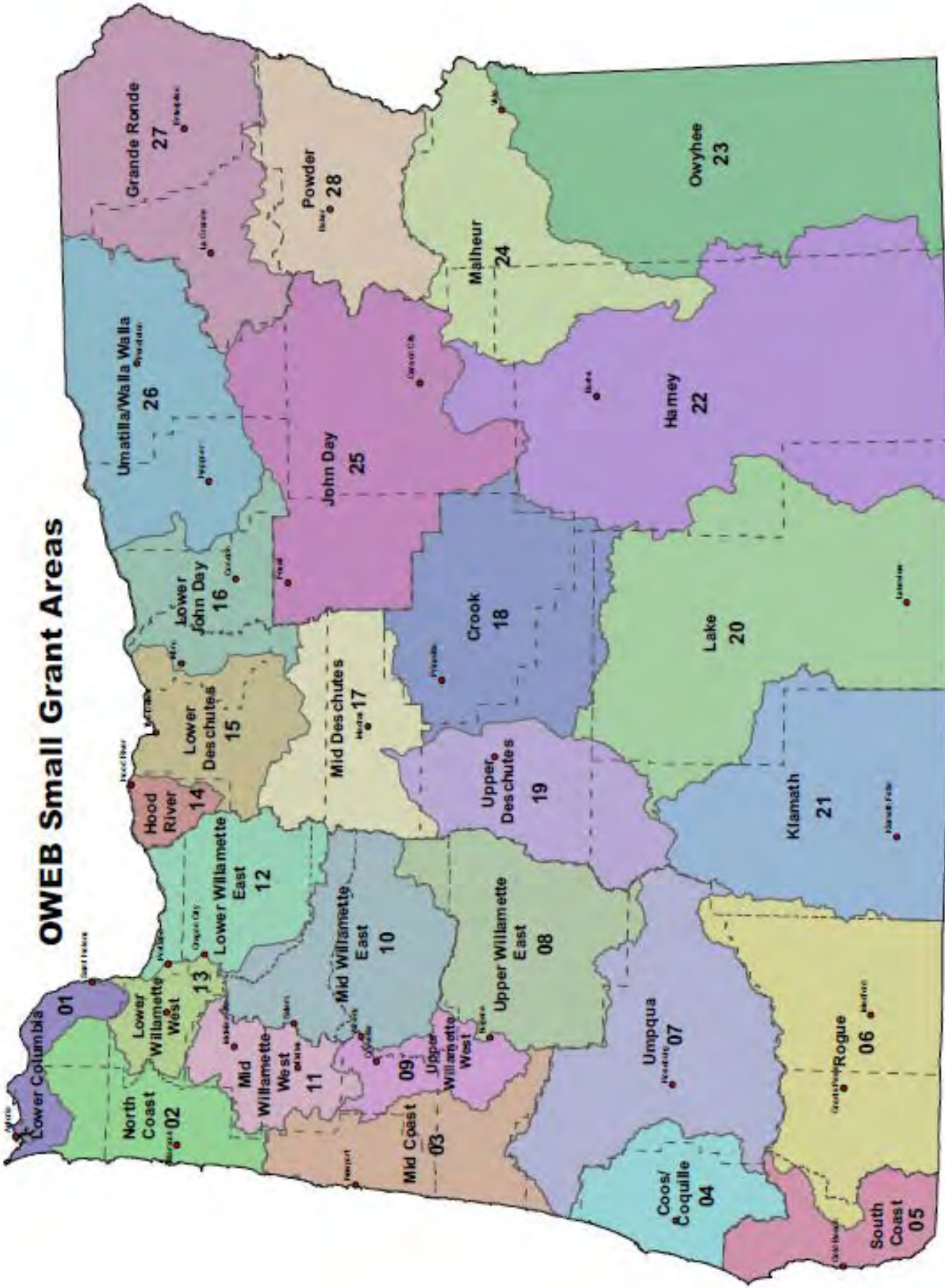
V. Recommendation




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

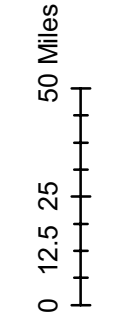
Attachments

- A. Small Grant Team Map
- B. 2007-2009 Funding to-date by Team

OWEB Small Grant Areas



-  Small Grant Areas
-  Counties
-  County Seats



Oregon Watershed Enhancement Board
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This product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

Software: ESRI ArcMap 9.2
 OWEB- A. Seim, November 2007

**Small Grant Funding by Team
2007-09 Biennium
April 27, 2009**

Team #	Name	Funded	Allocated	Remaining
01-08-000	Lower Columbia Small Grant Team	100,000.00	83,945.00	16,055.00
02-08-000	North Coast Small Grant Team	100,000.00	89,277.14	10,722.86
03-08-000	Mid Coast Small Grant Team	100,000.00	79,743.66	20,256.34
04-08-000	Coos Coquille Small Grant Team	100,000.00	47,100.00	52,900.00
05-08-000	South Coast Small Grant Team	100,000.00	76,496.84	23,503.16
06-08-000	Rogue Basin Small Grant Team	100,000.00	99,982.15	17.85
07-08-000	Umpqua Small Grant Team	100,000.00	19,943.00	80,057.00
08-08-000	Upper Willamette East Small Grant Team	100,000.00	85,087.00	14,913.00
09-08-000	Upper Willamette West Small Grant Team	100,000.00	99,820.21	179.79
10-08-000	Mid Willamette East Small Grant Team	100,000.00	100,000.00	0.00
11-08-000	Mid Willamette West Small Grant Team	100,000.00	75,465.10	24,534.90
12-08-000	Lower Willamette East Small Grant Team	100,000.00	53,888.17	46,111.83
13-08-000	Lower Willamette West Small Grant Team	100,000.00	83,401.00	16,599.00
14-08-000	Hood River Small Grant Team	100,000.00	98,589.86	1,410.14
15-08-000	Lower Deschutes Small Grant Team	100,000.00	98,207.81	1,792.19
16-08-000	Lower John Day Small Grant Team	100,000.00	87,345.10	12,654.90
17-08-000	Mid Deschutes Small Grant Team	100,000.00	77,652.00	22,348.00
18-08-000	Crook Small Grant Team	100,000.00	100,000.00	0.00
19-08-000	Upper Deschutes Small Grant Team	100,000.00	19,354.00	80,646.00
20-08-000	Lake Small Grant Team	100,000.00	99,960.00	40.00
21-08-000	Klamath Basin Small Grant Team	100,000.00	99,584.67	415.33
22-08-000	Harney Basin SGT	100,000.00	74,339.00	25,661.00
23-08-000	Owyhee Small Grant Team	100,000.00	100,000.00	0.00
24-08-000	Malheur Small Grant Team	100,000.00	78,887.00	21,113.00
25-08-000	John Day Small Grant Team	100,000.00	88,476.00	11,524.00
26-08-000	Umatilla-Walla Walla Small Grant Team	100,000.00	84,743.00	15,257.00
27-08-000	Grande Ronde Small Grant Team	100,000.00	24,820.00	75,180.00
28-08-000	Powder Basin Small Grant Team	100,000.00	100,000.00	0.00
		\$2,800,000.00	\$2,226,107.71	\$573,892.29

May 12, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager

**SUBJECT: Agenda Item P: 2009-2011 Board Meeting Dates and Grant Application Deadlines
June 2-3, 2009 OWEB Board Meeting**

I. Introduction

This report presents for Board consideration proposed Board meeting dates and grant application deadlines for the 2009-2011 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 2007-2009 biennium at the May 2007 meeting.

The OWEB Board typically meets four times a year in January, March, May or June, 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 2009-2011 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 20, 2009, cycle, as approved by the Board at the March 2009 meeting. However, at this time no other non-capital grant application type is proposed for the schedule pending final legislative approval of the OWEB 2009-2011 budget. The Board will consider options for non-capital grant types at the September meeting.

IV. 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. 2009-2011 Proposed Grant Application Deadlines and Board Meeting Dates

Attachment A

2009-2011 Biennium Grant Cycle Deadlines and Board Meetings

Application Deadline	Application Type(s)	Board Funding Decision Date
April 20, 2009	Restoration/Acquisition Technical Assistance	September 15-16, 2009 (T-W)
	N/A	January 20-21, 2010 (W-T)
October 19, 2009	Restoration/Acquisition Other types to be determined	March 17-18, 2010 (W-T)
	N/A	June 1-2, 2010 (T-W)
April 19, 2010	Restoration/Acquisition Other types to be determined	September 14-15, 2010 (T-W)
	N/A	January 19-20, 2011 (W-T)
October 18, 2010	Restoration/Acquisition Other types to be determined	March 16-17, 2011 (W-T)
January 31, 2011	Watershed Council Support	June 7-8, 2011 (T-W)
April 18, 2011	Restoration/Acquisition Other types to be determined	September 13-14, 2011 (T-W)



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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May 14, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item R: Willamette SIP Progress Report
June 2-3, 2009 OWEB Board Meeting**

I. Introduction

This report describes the challenge and the progress made in implementing a large river restoration initiative. The report is prepared to inform the Board on the status, approach and challenges involved in the Willamette Special Investment Partnership. No Board action is requested.

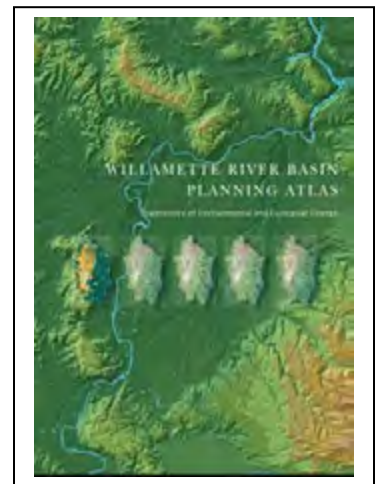
II. Background

In March of 2008, the Board approved the Willamette Special Investment Partnership (SIP). The Willamette SIP was seen as a significant opportunity to demonstrate the ability to address significant ecological outcomes with robust partnerships in an area of high visibility.

The partnership is unique in that it involves a private foundation funding partner, the Meyer Memorial Trust. The initiative was built on an extensive research program previously conducted by a consortium of Universities funded primarily by the Environmental Protection Agency (EPA). The Willamette River Basin Planning Atlas

(http://www.fsl.orst.edu/pnwerc/wrb/Atlas_web_compressed/PDFtoc.html)

provides an unprecedented context and guidance for the initiative. The Willamette SIP was organized around two ecological outcomes: 1) Reestablish channel complexity and length; and 2) Reconnect flood plains with adjacent active channels wherever feasible.



III. Willamette SIP Projects

To date, a total of six projects with a number of partners have been engaged in working with the Willamette SIP. OWEB funding has helped implement one project with the City of Portland and other partners. Two additional projects have been awarded funds and are in the process of being implemented, and three more are in the planning stages. Each project has a set of partners unique to that site and the River in the area of implementation. Several other projects are in development; we expect to receive applications related to these projects during the next 6-12 months.

A. Projects Funded and Implemented:

Stephens Creek Project: The Stephens Creek Project is in the City of Portland at the confluence of Stephens Creek and the Willamette River. The project eliminated a concrete barrier at the mouth of Stephens Creek in the Willamette floodplain and expanded the distributary of Stephens Creek where it meets the Willamette. The project was implemented by the City of Portland. The plan view (below) shows the treatment area at the mouth of Stephens Creek. Two sets of before and after photos show the changes from implementation.

Stephens Creek Restoration – City of Portland



Mouth of the Creek **Before**



Mouth of the Creek **After**



Creek Channel **Before**

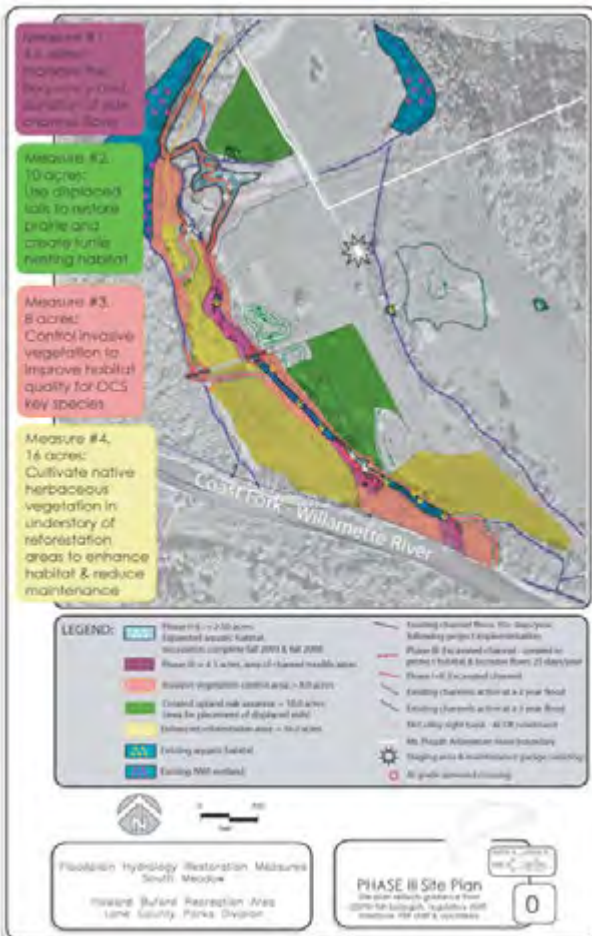


Creek Channel **After**

Two additional projects are proposed for creek mouths in the City of Portland in coming years. While it is clear that there is limited opportunity to reconnect the floodplain or restore channel complexity, these projects are significant in the urban context in which they occur.

B. Projects Funded But Not Fully Implemented

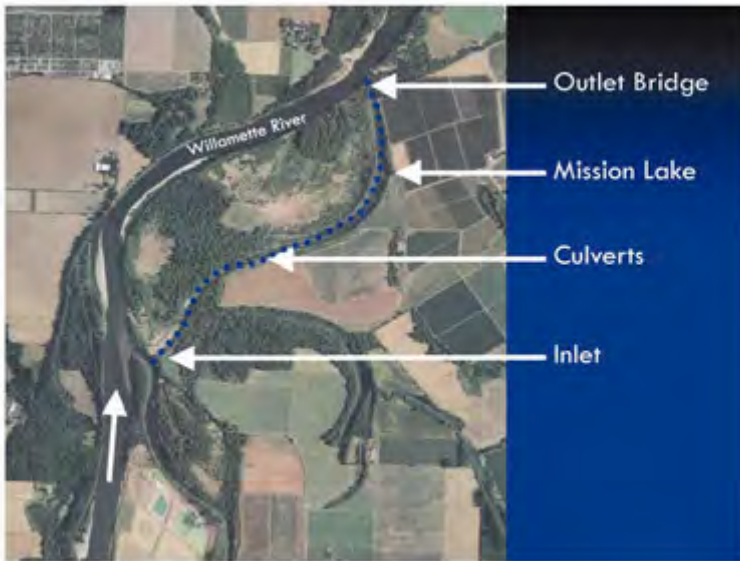
OWEB has funded two projects that have not been fully implemented. The projects have been designed and are proposed for implementation later this summer. The projects both address channel complexity in different areas of the Willamette.



South Meadows Floodplain Enhancement:

The Friends of Buford Park have been funded to reconnect a back channel to the Coast Fork of the Willamette River in the Springfield area. This project will be the subject of a field trip on June 3 following the Board meeting. The Meyer Memorial Trust (MMT) has funded the monitoring and outreach efforts associated with the project.

Willamette Mission State Park: The Willamette Riverkeeper and Oregon State Parks have been using the Willamette Mission State Park as a trial to use the Willamette SIP Technical Review Team as a guide for restoration planning. MMT has funded the project development and design for the Willamette Mission project. OWEB has funded the implementation anticipated to be started this summer. This is a new approach and appears to be working well for all involved. The project has matured from one involving significant earthwork to one eliminating human caused impediments and allowing the river to do much of the work. The primary purpose of the project will be to enhance flow through the back channel and through Mission Lake. The culverts on the crossing currently create an impediment to flow much of the year and have resulted in sediment deposition up gradient from the culverts. The project also includes removal of a plug placed at the inlet.



Mission Slough Project Elements

The phased approach will be implemented over three years but will help the team learn as implementation occurs.

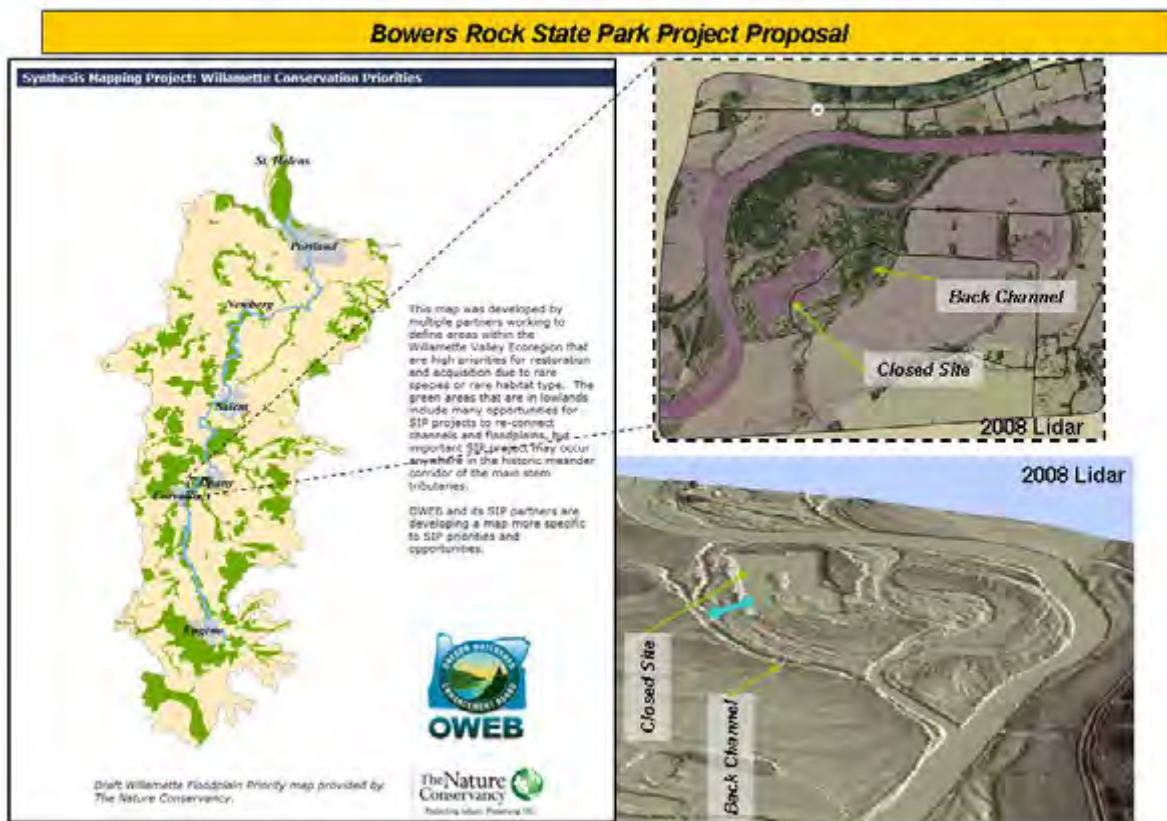


C. Projects in Development

There are four projects actively being developed for the Willamette SIP, two have been discussed with the Willamette SIP technical review team and two are being funded for development.

Bowers Rocks State Park: The reclamation of a gravel pit and restoration of hydrologic connectivity of the floodplain forest at Bowers Rocks is being evaluated by the Oregon Department of Geology and Mineral Industries (DOGMI) as a demonstration project for gravel pit reclamation and as a community asset by local community members. Project development was funded just recently by the Governor's Fund for the Environment. The evaluation of the opportunities will focus on gravel pit reconnection, back channel reconnection and elimination of peripheral berms around the gravel pit and alcove development. The involvement of the Calapooia Watershed Council, Willamette Riverkeeper, Oregon State Parks and DOGMI make this a project with great opportunity and numerous challenges.

Willamette Special Investment Partnership



OWEB and MMT are working with the Greenbelt Land Trust to develop and implement a restoration project on an adjacent parcel. The parcel is on private property being protected by a conservation easement from Bonneville Power Administration in cooperation with the Oregon Department of Fish and Wildlife.

Luckiamute Landing State Park: A partnership between the Luckiamute Watershed Council and Oregon State Parks Department has developed to evaluate the opportunities associated with restoration of floodplain forest and flood connections across the floodplain. MMT has funded project development and design by the Luckiamute Watershed Council. The recent LiDAR images (below) and discussion with the Willamette SIP review team suggest that this project will be less of a channel reconnection project than a project to enhance specific floodplain species (turtles, etc.) and habitats.



Land Surface Image

Cover Image

Tryon Creek Confluence: Similar to the Stephens Creek confluence project, the Bureau of Environmental Services is developing a project at the confluence of Tryon Creek and the Willamette River. While the project will not add significantly to channel complexity, it will address an ecologically important area within the urban area. Tryon Creek is one of the least developed watersheds in the Portland urban area. The confluence with the Willamette has been channelized and hardened in the past. This project will increase the access and use by juvenile salmonids.

Site Conditions Willamette River



Low
Water



High
Water

Scappoose Bay Reconnection:

The Governor’s Fund for the Environment funded the Scappoose Bay Watershed Council to develop a project that would connect the Multnomah Channel (Willamette River) to Scappoose Bay. The reconnection of this historic channel will allow juvenile salmon to evade high water in the winter. The LiDAR image shows a possible reconnection from the Multnomah Channel (Willamette River) to Scappoose Bay.



IV. A Developing Willamette SIP Approach

In the Willamette SIP team discussions throughout the valley, a significant number of potential actions have been identified. The challenge will be to link the potential actions to partners and interested landowners in creative ways. The approach when mapped looks like a “string of pearls” along the mainstem river. The Willamette SIP team has sponsored meetings in Eugene and Salem to inform local partners of the opportunities and concepts behind the initiative. Additional meetings will be held with partners further downstream as the spring progresses.

Opportunity maps have been developed to highlight the “string of pearls” and stimulate potential ownership of individual efforts that will lead to system change.

One product that has come from the reach meetings has been the development of Willamette SIP project criteria. The criteria were developed through interaction with the review team to help guide project development and design. The criteria attempt to capture the types of actions and outcomes desired from Willamette SIP projects.

V. Lessons Learned and Issues to Date

The Willamette SIP partners see tremendous momentum and pent up desire to move forward on Willamette restoration. The SIP has helped catalyze actions and thinking about the river and the adjacent lands. It is becoming a hope that the SIP, along with the Planning Atlas, may offer a new way to approach large scale river restoration. The clear articulation of expectations and desired outcomes helps to move the conversation in a productive direction.

An important lesson is that large river projects take time and deliberation. The MMT funding for project development has been critical to allow for considerations of alternatives and to engage project developers with the review team before a project is fully developed. That engagement has resulted in better approaches and more integrated approaches while it has taken more time.

The Willamette SIP team sees a significant opportunity to help implementation of the Biological Opinion on the Willamette system of dams. Close conversations about the actions of the Corps, critical funding by MMT, and full engagement by local partners and The Nature Conservancy will result in a number of project designs that can be implemented locally.

The evolving Willamette SIP project development process is working. Partnerships are developing around projects and coalescing around the idea of a more naturally functioning river. The integration of the technical team into project development has been a successful experiment.

The Willamette SIP partners are grappling with two significant issues: 1) an evaluation tool or approach to inform others on the value of the outcomes; and 2) the full realization that a very long-term view and commitment is necessary to make progress on a large system like the Willamette.

VI. Conclusions

Key project leads from OWEB and Meyer Memorial Trust will discuss these issues with the Board at the upcoming meeting.

**MINUTES ARE NOT FINAL UNTIL APPROVED BY THE BOARD
Oregon Watershed Enhancement Board**

**June 1, 2009
OWEB Board Meeting
Eugene, Oregon**

Minutes

OWEB Members Present

Miles Brown
Bobby Brunoe
Dan Carver
Dan Heagerty
John Jackson
Jim Johnson
Jose Linares
Meta Loftsgaarden
Jim Nakano
Dave Powers
Diane Snyder
Helen Westbrook
Ken Williamson

OWEB Staff Present

Bonnie Ashford
Lauri Aunan
Ken Bierly
Tom Byler
Greg Sieglitz
Cindy Silbernagel

Others Present

Don Harker, Strategic Planning
Consultant

Members Not Present

Skip Klarquist
Kim Kratz
Jennifer Phillippi
Patricia Smith

Don Harker, Strategic Planning Consultant, facilitated a discussion among Board members and OWEB's managers toward developing a strategic plan for the agency.

**MINUTES ARE NOT FINAL UNTIL APPROVED BY THE BOARD
Oregon Watershed Enhancement Board**

**June 2, 2009
OWEB Board Meeting
Eugene, Oregon**

Minutes

OWEB Members Present

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

OWEB Staff Present

Bonnie Ashford
Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Sue Greer
Mark Grenbemer
Wendy Hudson
Miriam Hulst
Karen Leiendecker
Tom Shafer
Courtney Shaff
Greg Sieglitz

Others Present

John Moriarty
Leslie Grimes
Cheryl McGinnis
Dan Weitz
Kay Patteson
Bill Taylor
Wayne Hoffman
Mike Mader
Thom Whittier
Judith Callens
Lee Russell
Jared Weybright
Linda Johnston
Lisa Seales
Joe Rohleder
Tom Stahl
Liz Vollmer-Buhl
Tod Heisler

Members Not Present

Kim Kratz
Jennifer Phillippi

During the afternoon break, the following outgoing Board members were honored for their contributions as an OWEB Board member:

- Bobby Brunoe, Tribal Representative from the Confederated Tribes of the Warm Springs Indian Reservation, serving on the Board for two terms (8 years);
- Jim Nakano, serving a full term (4 years) representing the Public at Large from Ontario; and
- Helen Westbrook, serving a full term (4 years) representing the Public at Large from Astoria.

A. Board Member Comments

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

B. Minutes

Minutes of the March 18-19, 2009, Board meeting in Salem were unanimously approved with one correction.

C. Executive Director Update

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

1. Mitigation Policy Guidance

Following the discussion at the March 2009 Board meeting, staff developed final language for mitigation policy guidance. As requested by the Board, the guidance document did not include the issue of ecosystem service credits, which will be discussed at a later date.

2. April 2009 Grant Cycle Update

On the April 20, 2009, grant deadline, OWEB received 170 applications requesting nearly \$24.4 million making this the largest dollar request submitted to OWEB for an April grant cycle, and the second highest number of applications. A summary of types of applications received and amounts requested was provided. The Board will make funding decisions at its September 2009 meeting.

3. Effectiveness Monitoring Program Report

Board members were updated on two effectiveness monitoring initiatives – Riparian Improvement and Fish Passage Improvement. Two Requests for Proposals were developed to select a contractor to perform the field work and analysis with a final report due to be released in January 2010.

4. Communications Strategy Update

Director Byler and Carolyn Devine, Communications Coordinator, have been working with the Board Subcommittee and Gard Communications on both the Communications Strategy and the Board's Strategic Plan. OWEB has recently contracted with Don Harker to work on strategic planning. Completion of the Communications Strategy has been delayed to coordinate with the strategic planning process.

Staff are working with the Deschutes SIP partners to develop an outreach strategy, and were asked by co-chair Heagerty to directly involve Board member Trish Smith.

D. Legislative and 2009-2011 Budget Update

Tom Byler, Executive Director, provided Board members with an update on the 2009-2011 Budget. The May 15 revenue forecast showed a \$4.2 billion shortfall statewide. Lottery projections are also down. The Legislature is hoping to conclude by June 30, so OWEB should know its 2009-2011 budget by that time.

Director Byler briefed Board members on the potential involvement of OWEB in Senate Bill 513 sponsored by Senator Devlin. The bill would create an ecosystem services work group with the Sustainability Board. OWEB would provide support and coordination for the work group.

E. Public Comment – Pending Watershed Council Support Grant Applications

Lauri Aunan, Grant Program Manager, and Courtney Shaff, Grant Program Coordinator, provided background information on the council support process before public comments were accepted.

The following watershed council representatives commented on supporting funding or additional funding for their respective councils:

- Tom Whittier, Marys River WC, supported 210-028.
- Bill Taylor and Kay Patteson, Molalla River Watch, supported 210-064.
- Jared Weybright, McKenzie WC, 210-038
- Troy Turney, Smith River WC, 210-060
- Dan Weitz, Powder Basin WC, 210-057
- Mike Mader, Tenmile Lakes Basin Partnership, commented on the value and significance of locally based support for watershed restoration.
- Leslie Grimes, Mid Willamette Watershed Alliance, 210-033
- Lee Russell, Elk Creek WC, 210-021
- Wayne Hoffman, MidCoast WC, commented on the council support process and changes he felt would be helpful to the process: 1) re-evaluating the merit-based system and how councils are ranked within the system; 2) re-evaluating how funding is distributed, specifically how much the higher ranked councils receive; and 3) the umbrella bonuses, specifically the level of funding and what incentive it provides to councils to stay together. OWEB should evaluate all aspects of the umbrella award structure and create more of a funding “incentive” for umbrella councils.

F. Board Consideration of Pending Watershed Council Support Grant Applications

Lauri Aunan, Grant Program Manager, provided Board members an overview of the Council Support process. Sixty-three applications were received by the January 30, 2009, deadline requesting \$8,746,029. Two applications were received from watershed councils that had never before applied to OWEB for council support funding; they are Molalla River Watch and Upper South Fork John Day Watershed Council. Three applications were from councils that had previously received funding from OWEB as one umbrella council, but after receiving permission from the Board in September 2008, submitted three separate applications. Those councils are the Upper Nehalem, Lower Nehalem, and Necanicum.

Ms. Aunan thanked those who were involved in the application review process, and their continuing commitment. Courtney Shaff, Grant Program Coordinator, the Council Support Advisory Committee, Greg Sieglitz, OWEB’s Regional Program Representatives, the Board Subcommittee (Helen Westbrook, Jim Nakano, Jim Johnson, and Dave Powers), and Grant Program administrative staff, Teresa Trump and Courtney Gibbs.

Ms. Aunan explained that the 2009-2011 council support process was nearly identical to the 2007-2009 process, with only a few very minor changes. She also explained how the merit categories were derived and that OWEB staff have actively asked for suggestions on how to improve the application and review process. Ms. Aunan reviewed the rules that govern council support grant awards and noted that available non-capital funding was a key factor in how the funds were distributed. She stressed that OWEB staff felt that the council support review process was consistent and equitable, treated applicants consistently within OWEB’s rules and process, and that staff were very comfortable with the merit category placements and believe that they are appropriate.

There was Board discussion related to the two new councils not receiving any funding from OWEB due to the uncertainty of available non-capital funds for 2009-2011.

Board members voted (1 opposed) to adopt the \$5 million funding level for Council Support with the individual award amounts at the \$5 million level. This funding level and the individual award amounts are contingent on OWEB's legislatively adopted budget and are subject to change depending on available funding.

Board members voted (1 opposed) to award umbrella watershed councils an additional amount of 10, five, and 15 percent of the base award for (a), (b), and (a)/(b) type umbrella watershed councils, respectively. These additional umbrella awards are contingent on OWEB's legislatively adopted budget and are subject to change depending on available funding.

G. Awards to Support Implementation of Memoranda of Understanding

Lauri Aunan, Grant Program Manager, and Courtney Shaff, Grant Program Coordinator, provided background information on the involved councils (Alsea, MidCoast, and Salmon Drift Creek) and the reason for this staff report. At its September 2008 meeting, Board members considered an application from the Alsea WC to split from the MidCoast WC due to philosophical differences. Following OWEB's rules, that request was denied; however Board members dedicated funding for a mediation to improve communications and working relationships between the councils. The mediation resulted in a Memorandum of Understanding between the Alsea and MidCoast councils. The Alsea-MidCoast MOU was based on an existing MOU between the Salmon Drift Creek and the MidCoast councils. OWEB thought that a joint council support application was an option to help to improve working relationships between the Alsea and MidCoast councils, but realized that it did not fit well within the council support rules and that this approach was a mistake.

Because OWEB did not feel that the councils should be penalized because they followed staff directions, staff wanted to follow through on OWEB's commitment to provide resources to carry out the MOUs.

The intent of the MOUs is to support improved communication, coordination, and working relationships in the watershed. This is a unique situation and is OWEB's final commitment to help rebuild trust and coordination in an important watershed. In order for the Alsea and Salmon Drift WCs to implement the MOUs, staff recommended funding for the 2009-2011 biennium. The funding will come from federal recovery planning funds, NOT watershed council support funds.

Because of their complexity, the funding recommendations as shown in the staff report follow:

A. Alsea Award

- Amount of award: \$18,700 for 2009-2011. This amount includes 10 percent for fiscal administration.
- Conditions of award: Funds are to be used to help carry out the intent and activities contemplated in the MOU and help develop the capacity of the Alsea council. Specifically, the grant will provide funding for Alsea council representatives to travel to, attend and support Alsea council meetings, and travel to and attend MidCoast council meetings and MidCoast Tech Team meetings. In year 2, the grant contemplates the Alsea working with the MidCoast to develop a joint action plan for

the Alsea watershed. Funds will also be provided to support the Alsea to develop and submit grant applications and conduct an OWEB self-evaluation to assess organizational needs.

- Funds are to be paid out quarterly based on receipts and a record of the activities over the quarter. Funding is based on activities; if activities for which the grant is provided did not occur, payment can be withheld.

B. Salmon Drift Award

- Amount of award: \$7,700 for 2009-2011. This amount includes 10 percent for fiscal administration. Together with the \$10,000 that will be passed through to the Salmon Drift under the council support award for the MidCoast, as noted in the staff report for agenda item F, the total funding received by Salmon Drift will be \$17,700.
- Conditions of award: Funds are to be used to help carry out the intent and activities contemplated in the MOU. Specifically, the grant will provide funding for a Salmon Drift council representative to meet with the MidCoast at least once a year to discuss projects of mutual interest, provide regular updates to the MidCoast on planned activities within the area of mutual interest, and coordinate on activities of mutual interest.
- Funds are to be paid out quarterly based on receipts and a record of the activities over the quarter. Funding based on activities; if activities for which the grant is provided did not occur, payment can be withheld.

Public Comment:

- Linda Johnston, Volunteer Chair, and Joe Rohleder, Board member of the Alsea WC, provided background information on the Alsea WC and requested more funding than was offered by OWEB.
- Corrina Chase, Coordinator, Salmon Drift Creek WC, commented that she was not included in discussions until the end of May, just before the Board meeting.

Board members unanimously voted to award \$18,700 of recovery planning funds to the Alsea Watershed Council and \$7,700 of recovery planning funds to the Salmon Drift Creek Watershed Council with the conditions described in Sections III.A. and III.B. of the staff report. (noted above)

H. Public Comment – General

Public comments scheduled for this time are shown under the agenda item they referred to.

I. Partnership Investments – Criteria and Standards

Ken Bierly, Deputy Director, updated Board members on the status of the Partnership Investment Subcommittee (Diane Snyder, Dan Heagerty, Ken Williamson, Jennifer Phillippi, Meta Loftsgaarden, and Dave Powers) discussions, described the criteria developed following the March Board meeting, and presented a final set of partnership investments criteria for Board consideration and approval.

The proposed final criteria to be used as guidance include:

1. A potential partnership should address a specific ecological outcome or issue and have sufficient commitment to make progress on addressing the issue. *This criterion provides explicit goals or outcomes expected from the partnership.*
2. A potential partnership should bring partners to assist in the funding and other support to address the issue of interest. *This criterion requires specific documentation of the financial commitment of partners.*
3. A potential partnership should use strong technical standards or have a review process that evaluates expenditures. *This criterion requires an assurance of quality control.*
4. A potential partnership should be administratively efficient and share administrative responsibilities. *This criterion requires a demonstration of the administrative sharing by the proposed partner and an evaluation of the OWEB workload associated with a partnership.*
5. A potential partnership should be a catalyst for meaningful restoration actions. *This criterion looks at the role of OWEB funding in stimulating additional restoration actions beyond single projects.*

Board members unanimously voted to adopt the final proposed criteria contained in Section III of the staff report (noted above), and directed staff to use them when considering funding recommendations on partnership investment proposals. (as shown above) Staff were also directed to create preface language to the criteria stating how partnership investment projects differ from OWEB's regular grants, (i.e. they are larger in scope and programmatic scale).

J. Deferred Land Acquisitions

Miriam Hulst, Acquisitions Specialist, briefed Board members on three previously deferred land acquisition projects that staff are now recommending for funding:

- A. Evergreen Creek Acquisition (208-114) submitted by Greenbelt Land Trust;
- B. Big Creek Acquisition (209-105) submitted by The Nature Conservancy; and
- C. North Nehalem Bay Wetlands Conservation Project (209-106) submitted by the Lower Nehalem Community Trust.

Board members voted unanimously to award:

- A. *\$305,000 in capital funds for the Evergreen Creek Acquisition (208-114), contingent on resolution of remaining title issues to staff's satisfaction;*
- B. *\$2 million in capital funds for the Big Creek Acquisition (209-105), contingent on TNC's continued involvement of OWEB in the development of the MOU that will guide cooperative management of the property; and*
- C. *\$240,000 in capital funds for the North Nehalem Wetland Conservation Project (209-106).*

J-1. Deferred Water Acquisition (209-4034)

Public Comment:

- Tod Heisler, Deschutes River Conservancy, and Steve Johnson, Central Oregon Irrigation District, supported 209-4034.

Ken Bierly, Deputy Director, briefed Board members on a previously deferred restoration project application that would result in legally protected conserved water submitted by the Deschutes River Conservancy. The original application requested \$3,922,352 for the project. Following the receipt of other funding, the application was modified to request a significantly reduced amount of funds from OWEB. The funding requested was to match federal stimulus funding under the American Recovery and Reinvestment Act. The revised request was for \$1 million this biennium (2007-2009) to finalize their financing package for the project. The \$1 million is a critical commitment to stabilize their funding package. The applicant indicated the possibility of requesting an additional \$1 million from the 2009-2011 biennium budget, but recognizes that funds cannot be committed for future biennia.

Due to a conflict of interest, Board members Dan Heagerty and Bobby Brunoe recused themselves from voting.

Board members voted to award \$1 million in capital funds to grant application 209-4034.

**MINUTES ARE NOT FINAL UNTIL APPROVED BY THE BOARD
Oregon Watershed Enhancement Board**

**June 3, 2009
OWEB Board Meeting
Eugene, Oregon**

Minutes

OWEB Members Present

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

OWEB Staff Present

Bonnie Ashford
Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Sue Greer
Mark Grenbemer
Karen Leiendecker
Tom Shafer
Courtney Shaff
Greg Sieglitz

Others Present

Paul Reed
Paula Burgess
Gabe Williams
Lisa Seales
Kelley Thomas
Lisa DeBruyckere
Bradley Knotts
Jenn Hoyle
Kendra Smith
Ken Diebel
David Waltz
Wayne Hoffman
Paul Hoobyar
Eric Jones

Members Not Present

Kim Kratz
Jennifer Phillippi

K. Research Program

Greg Sieglitz, Monitoring and Reporting Program Manager, provided updates on research efforts awarded at the March 2009 Board meeting.

Note: Board members voted at the conclusion of presentations on this agenda item, however for clarity, the motions are shown after each section.

III.A. Climate Change: Water Availability

Board Award: \$175,000 in research non-capital funding

Update: OWEB staff have been working with the Oregon Water Resources Department on establishing the roles of OWRD in the water availability study concept with Oregon State University. Meetings were held to establish goals for participation in the design and implementation as well as exploring additional partnership opportunities.

III.B. Climate Change: Sea-level Rise

Board Award: \$100,000 in research non-capital funding

Update: OWEB staff participated in several conference calls with representatives of Washington and California, and the Governor's Natural Resources Office, to discuss the draft proposal to the National Academy of Sciences on a sea-level rise study for the entire west

coast. Through these coordination efforts, additional resources were secured from the State of Washington. While the case-study components of the study have been removed, staff still continue the contracting process with the State of California but the agreements will be reduced to \$50,000.

IV. Climate Change at the Local Level

Funding Request: \$171,128 in research non-capital funding

Background: At the March 2009 Board meeting, staff presented work conducted in the Rogue and upper Willamette basins by the Climate Leadership Initiative (CLI) at the University of Oregon's Institute for Sustainable Environment, and proposed participating in similar work in the Umatilla, Klamath, and lower Willamette basins over the coming year. Concerns were raised by Board members in March regarding local participation and the inclusion of locally derived data that required additional staff background work before the Board wished to enter into an agreement.

Since that meeting, OWEB staff met with the CLI to address Board member concerns. The staff at CLI assured OWEB that local participation and information would be a central focus for the work in the geographic focus areas if funded.

Greg Sieglitz was joined by Bob Doppelt, Director, from the Institute for Sustainable Environments, who briefed Board members on the climate leadership initiative proposal focusing on the social science side of climate change.

Board members unanimously voted to award up to \$171,128 in Research non-capital funds to support the local planning for climate change in the Umatilla, Klamath, and Lower Willamette basins through an Interagency Agreement with the Climate Leadership Initiative at the University of Oregon.

V. Ecosystem Services Proposal

March Board Award: \$165,000 in Research non-capital funding

Update: Staff issued an RFP to solicit contractors to assist OWEB in negotiating the marketplace of ecosystem services that may have a connection to WOEB grantees and actions.

VI. Future Research Requests

Staff provided a recap of the current research priorities and effectiveness monitoring needs and an update on the remaining biennium research budget. Staff requested that the funding distribution be delegated to the Director to enter into agreements to continue the Research Program.

Board members unanimously voted to award \$253,136 of Research capital funds and \$58,320 in Research non capital funds to continue the implementation of the Research Program consistent with Sections III, IV, and V of the staff report and the revised Research Program areas adopted by the Board in March of 2009; delegate distribution authority to the Executive Director; and authorize the Executive Director to enter into appropriate grant agreements, interagency agreements, and contracts.

Greg Sieglitz also briefed Board members on new Research funding requests.

VI.B. Fish and Water Quality Monitoring

Board Reserve: \$225,000 in September 2008

Current Request: Award the \$225,000 reserve to continue the implementation of the fish and water quality monitoring projects enabling the expansion of the Grande Ronde and South Coast work to a statewide scope.

Board members unanimously voted to award \$125,000 of Research capital funds and \$100,000 in non-capital funds to implement fish and water quality effectiveness monitoring projects consistent with section VI.B. of this report, and delegate distribution authority to the Executive Director with the Board's authorization to enter into appropriate Grant Agreements, Interagency Agreements, and contracts.

VII. Effectiveness Monitoring

Board Reserve: \$375,000 in September 2008

Current Request: Award the \$375,000 reserve to continue existing and initiate new effectiveness monitoring projects.

Board members unanimously voted to award \$225,000 of Research capital funds and \$125,000 in non-capital funds to continue the implementation of the Effectiveness Monitoring Program consistent with section VII of this report; delegate distribution authority for the funds to the Executive Director; and authorize the Executive Director to enter into appropriate Grant Agreements, Interagency Agreements, and contracts.

VIII. Other. Senate Bill 513

SB 513 establishes policy regarding ecosystem services. Director Byler reported on legislative discussions regarding OWEB's involvement in SB 513. He is seeking Board authorization to award \$290,000 in 2007-2009 Research non-capital funds to cover costs associated with a position with OWEB having position authority, working group expenses, contracted services, and meeting costs.

Board members unanimously voted to award \$290,000 in Research non-capital funds for staffing and contracted services to support the ecosystem services markets working group, and for staff support for partnership programs, particularly in the Willamette Basin. This item is contingent upon final passage of Senate Bill 513 by the legislature.

L. Public Comment

- Mike McArthur, Gabe Williams, and Aaron Killgore representing the Lower John Day Working Group briefed Board members on work in their basin and the purpose of the conservation work group. Many partners are involved, but Board members encouraged them to leverage more funding before they apply to OWEB as part of the SIP.
- Paul Reed, Upper Willamette SWCD, provided Board members with the administrative process used to process a small grant, and encouraged the Board to continue funding for the program in 2009-2011 and discuss opportunities to provide additional funding to cover administrative costs.

M. Oregon Invasive Species Council Presentation

Lisa DeBruyckere, Oregon Invasive Species Council, Brad Knotts, Oregon Department of Forestry, and David Waltz, Department of Environmental Quality, gave a presentation on Oregon invasive species, and described the priorities for addressing invasive species in Oregon. They distributed the Feral Swine Action Plan for Oregon which was prepared for the Oregon Invasive Special Council by Portland State University, Center for Lakes and Reservoirs.

N. Conservation Reserve Enhancement Program (CREP)

1. CREP Effectiveness Monitoring Presentation

Ken Diebel, Oregon Department of Agriculture, presented the results of the Oregon CREP Effectiveness Evaluation study that was funded by OWEB and undertaken in 2008-2009.

2. CREP Technical Assistance Funding Request

Ken Bierly, Deputy Director, presented a funding request for CREP Technical Assistance. Due to the uncertainty of non-capital funds for 2009-2011, in order to continue CREP technical assistance in the near term, staff proposed to use \$500,000 in unexpended capital funds allocated to CREP until the OWEB budget is adopted by the Legislature. Without this funding, CREP technical assistance staff will not have a source of funding until and unless OWEB has non-capital funds and allocates funds in September.

Also due to the uncertainty of non-capital funds, OWEB staff proposed to extend the agreement with ODA to carry forward the unexpended non-capital funds for SWCD assistance to be used for CREP support during the 2009-2011 biennium.

Board members unanimously voted to award up to \$500,000 of capital funds previously allocated for CREP payments to be used to continue CREP technical assistance during the 2009-2011 biennium.

Board members also unanimously voted to authorize the amendment of the interagency agreement with Oregon Department of Agriculture to carry forward the unexpended non-capital funds for SWCD assistance to be used for CREP support during the 2009-2011 biennium.

O. Small Grant Program Report

Lauri Aunan, Grant Program Manager, and Bev Goodreau, Grant Program Specialist, updated Board members on Small Grant Program funding for the current biennium.

Staff provided background information on the Small Grant Program funding in previous biennia, the current unspent funds from 2007-2009, and in response to public comment, how administrative costs are handled. Board members discussed if unspent funds should be allocated before September, but decided to hold off based on the fact that teams have until June 30 to complete their grant funding and the limited amount of funding remaining.

They also briefed Board members on staff's recommendation to defer a total funding allocation for the Small Grant Program until the September Board meeting. The delay will allow time for the Board to complete their strategic planning effort. In addition, the legislature will have

approved OWEB's 2009-2011 budget and staff will have an overall spending plan prepared for discussion at that meeting.

This was an informational item and no Board action was required.

P. 2009-2011 Grant Cycles and Board Meeting Schedule

Lauri Aunan, Grant Program Manager, presented this item to the Board. Attached to the staff report were a proposed grant cycle schedule for Restoration/Acquisition grants and a proposed Board meeting schedule. Due to the uncertainty of funding for the 2009-2011 biennium, staff will postpone recommendations for additional grant offerings until the September board meeting.

Board members unanimously approved the grant application deadlines proposed in Attachment A of the staff report and directed staff to follow up with Board members to confirm final meeting dates.

Q. Other Business

There was none.

R. Willamette Special Investment Partnership Presentation

The following Willamette SIP partners briefed Board members on the status, approach, and challenges involved in the Willamette SIP.

- Paula Burgess, OWEB SIP Contractor
- Jim Morgan, Oregon Parks and Recreation Department
- Eric Jones, Meyer Memorial Trust
- Kendra Smith, Bonneville Environmental Foundation

At the conclusion of their presentation, the meeting was adjourned, and Board member and staff were invited to attend a tour of a local SIP restoration project site at the Buford Park.



Oregon Watershed Enhancement Board Planning Session Notice

The Oregon Watershed Enhancement Board (OWEB) will hold a planning session for Board members on June 29, 30 and July 1, 2009.

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 15-16, 2009.

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.

MINUTES ARE NOT FINAL UNTIL APPROVED BY THE BOARD
Oregon Watershed Enhancement Board
June 29-30, and July 1, 2009
Oregon Garden Resort
Silverton, Oregon

Minutes

OWEB Members Present

Dan Carver
Dan Heagerty
John Jackson
Jim Johnson
Skip Klarquist
Kim Kratz
Jose Linares
Meta Loftsgaarden
Jennifer Phillippi
Dave Powers
Eric Quaempts
Patricia Smith
Diane Snyder
Dan Thorndike
Ken Williamson

OWEB Staff Present

Bonnie Ashford
Lauri Aunan
Ken Bierly
Tom Byler
Greg Sieglitz
Cindy Silbernagel

Others Present

Don Harker

Members Not Present

Miles Brown
Skip Klarquist

On June 29, 2009, Board members convened at the Oregon Garden Resort Conference Center along with OWEB's managers to begin facilitated discussions led by Don Harker, Strategic Planning Consultant. Group roundtable discussions were held on OWEB's guiding principles and program prioritizations. Discussion outcomes will be used to provide input for OWEB's Strategic Plan. There were no action items on the agenda.

The session was adjourned on July 1, 2009.



Oregon Watershed Enhancement Board Special Meeting Notice

**July 29, 2009
1:30 p.m.**

**State Lands Building
Third Floor, Conference Room 303
775 Summer Street NE
Salem**

The Oregon Watershed Enhancement Board will meet on Wednesday, July 29, 2009, at 1:30 p.m. via telephone conference call to take action on the following:

- A. Delegate authority to the Executive Director to distribute Measure 66 Lottery funds and Pacific Coastal Salmon Recovery Funds specifically allocated by the Legislature to a particular entity or use for the 2009-2011 biennium.
- B. Approve the solicitation of non-capital grants for the October 19, 2009, grant cycle.

These action items will be presented to the Board to expedite the initial distribution of funds needed at the beginning of the 2009-2011 biennium, and to publish information on the October 19 grant cycle.

The Board will also discuss the progress of its effort to update its strategic plan.

Board members will participate in this meeting by telephone from multiple locations. The public may attend this meeting at the location listed above. Members of the public may comment only on the agenda items listed above during a public comment period at the beginning of the meeting. The Board encourages persons to limit comments to no more than five minutes.

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 as soon as possible, but no later than 5:00 p.m. on Monday, July 27, 2009.

Staff reports will be available on OWEB's web site www.oregon.gov/OWEB prior to the meeting, and Board decisions on the agenda items will be posted on the web site after the meeting.



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

775 Summer Street NE, Suite 360

Salem, OR 97301-1290

(503) 986-0178

FAX (503) 986-0199

www.oregon.gov/OWEB



July 23, 2009

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 29, 2009 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 2009 Legislature has specifically allocated to a particular entity or use. This report also requests Board action to allocate Pacific Coastal Salmon Recovery Funds (PCSRF) for similar purposes.

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 and in July 2007 for the 2007-2009 biennium. This action strengthens OWEB's oversight capabilities related to 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 and report on the uses of these funds.

III. 2000-2011 Legislative Appropriations

The 2009-2011 legislative appropriations to other entities are contained in Tables 1 and 2 below.

For the 2009-2011 biennium, the Legislature allocated separate line items of \$5 million to support the capacity of soil and water conservation districts (SWCDs) and watershed councils. The \$5 million each for SWCDs and watershed councils includes \$1.25 million in Measure 66 non-capital funds and \$3.75 million of PCSRF funds. The Board awarded the necessary funding to watershed councils as part of the \$5 million council support grant award at its June meeting. Similarly, staff propose the Board award \$3.75 million in PCSRF funds to help carry out the legislative allocation for SWCD support. For purposes of awarding and distributing these funds, and to be consistent with legislative intent, OWEB staff again 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.

The Legislature also allocated funding for the Independent Multidisciplinary Science Team (IMST) from both Measure 66 non-capital and PCSRF funds. IMST therefore appears in both appropriation tables.

Table 1. Measure 66 Legislative Appropriations

Entity/Recipient	Amount	Source of Funds
Oregon Department of Fish and Wildlife	\$4,403,869	Measure 66 capital
Oregon Department of Fish and Wildlife	\$927,570	Measure 66 non-capital
Oregon State Police	\$272,563	Measure 66 capital
Oregon State Police	\$6,325,505	Measure 66 non-capital
Department of Environmental Quality	\$5,551,244	Measure 66 non-capital
Department of Agriculture	\$5,191,094	Measure 66 capital
Department of Agriculture	\$4,705,277	Measure 66 non-capital
Dept. of Geology and Mineral Industries	\$499,223	Measure 66 capital (R&D)
Independent Multidisciplinary Science Team	\$220,000	Measure 66 non-capital
Lower Columbia River Estuary Partnership	\$242,286	Measure 66 non-capital
Soil and Water Conservation Districts	\$1,250,000	Measure 66 non-capital

Table 2. PCSRF Legislative Appropriations

Entity/Recipient	Amount	Source of Funds
Soil and Water Conservation Districts	\$3,750,000	PCSRF
OWEB – Federal Reporting Specialist	\$153,680	PCSRF
Independent Multidisciplinary Science Team	\$220,000	PCSRF
Oregon Department of Fish and Wildlife	\$5,113,455	PCSRF

IV. Recommendation

Staff recommend the Board:

- A. Delegate distribution authority to the Executive Director to enter into the agreements necessary for the Measure 66 Lottery funds that the Legislature allocated for the 2009-2011 biennium in accordance with Table 1 of Section III of this report; and
- B. Allocate PCSRF and delegate authority to the Executive Director to enter into the agreements necessary to distribute funding in accordance with Table 2 of Section III of this report.



Oregon

Theodore R. Kulongoski, Governor

Oregon Watershed Enhancement Board

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July 22, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director
Lauri Aunan, Grant Program Manager

**SUBJECT: Agenda Item B: October 19, 2009 Non-capital Grant Offerings
July 29, 2009 Special Board Meeting via Teleconference**

I. Introduction

This staff report proposes non-capital grant offerings for the October 19, 2009 grant cycle. Budget reserves for each grant type and non-capital grant offerings for the remaining 2009-2011 application deadlines will be discussed at the September 2009 Board meeting.

II. Background

OWEB offers four regular 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. A Restoration/Acquisition and Technical Assistance grant offering was made available for the April 20, 2009, cycle, as approved by the Board at the March 2009 meeting. The Board then established grant application deadlines and Restoration/Acquisition grant offerings for the remainder of the 2009-2011 biennium at the June 2009 meeting. No non-capital grant application types, other than Watershed Council Support, were proposed pending final legislative approval of the OWEB 2009-2011 budget.

OWEB has typically solicited for Technical Assistance, Education/Outreach, and Monitoring grants in the October grant cycle. In the 2007-2009 biennium, the Board reserved non-capital funds totaling \$2.5 million for the October 2007 cycle and \$2.8 million for the October 2008 cycle. Watershed Assessment grants have not typically been solicited in the October grant cycle; in the 2007-2009 biennium they were only offered in April of 2008.

III. Proposed Non-Capital Grant Offerings

Staff would like to be able to give grant applicants more advance notice of the October non-capital grant offerings than they would have if the decision were delayed until the September 15-16, 2009, Board meeting. Staff propose the Board approve Technical Assistance, Education/Outreach, and Monitoring offerings for the October 19, 2009, grant cycle at this time. Staff will then propose budget reserves for these offerings for the Board to consider at the September meeting.

IV. Recommendation

Staff recommend the Board approve the solicitation of Technical Assistance, Education/Outreach, and Monitoring grants for the October 19, 2009, grant cycle.

**MINUTES ARE NOT FINAL UNTIL APPROVED BY THE BOARD
Oregon Watershed Enhancement Board**

**July 29, 2009
Special Meeting
State Lands Building
Salem, Oregon**

Minutes

OWEB Members Present

Miles Brown
Dan Heagerty
Skip Klarquist
Kim Kratz
Jennifer Phillippi
Eric Quaempts
Patricia Smith
Diane Snyder
Dan Thorndike
Ken Williamson

OWEB Staff Present

Bonnie Ashford
Lauri Aunan
Ken Bierly
Tom Byler
Mark Grenbemer
Melissa Leoni
Greg Sieglitz

Others Present

Don Harker

Members Not Present

Dan Carver
John Jackson
Jim Johnson
Jose Linares
Meta Loftsgaarden
Dave Powers

A special meeting via telephone conference call was held on Wednesday, July 29, at 1:30 p.m. The purpose of the meeting was for Board members to consider action items to expedite the initial distribution of funds needed at the beginning of the 2009-2011 biennium.

The telephone conference call meeting included a quorum of the Board.

Board Co-Chair Diane Snyder presided over the meeting.

Item A: Delegation of Distribution Authority and Grant Award for Legislative Allocations of Measure 66 Lottery Funds and Pacific Coastal Salmon Recovery Funds

Board members voted unanimously to delegate distribution authority to the Executive Director to enter into the agreements necessary for the Measure 66 Lottery funds that the Legislature allocated for the 2009-2011 biennium in accordance with Table 1 of Section III of the staff report; and allocate \$9,237,135 of PCSRF and delegate authority to the Executive Director to enter into the agreements necessary to distribute funding in accordance with Table 2 of Section III of the staff report. (Legislative appropriation tables as shown in the staff report are listed below.) Board members directed staff to include a reporting requirement in the agreements with

other state agencies receiving Measure 66 and PCSRF funds to report at a Board during the biennium.

Table 1. Measure 66 Legislative Appropriations

Entity/Recipient	Amount	Source of Funds
Oregon Department of Fish and Wildlife	\$4,403,869	Measure 66 capital
Oregon Department of Fish and Wildlife	\$927,570	Measure 66 non-capital
Oregon State Police	\$272,563	Measure 66 capital
Oregon State Police	\$6,325,505	Measure 66 non-capital
Department of Environmental Quality	\$5,551,244	Measure 66 non-capital
Department of Agriculture	\$5,191,094	Measure 66 capital
Department of Agriculture	\$4,705,277	Measure 66 non-capital
Dept. of Geology and Mineral Industries	\$499,223	Measure 66 capital (R&D)
Independent Multidisciplinary Science Team	\$220,000	Measure 66 non-capital
Lower Columbia River Estuary Partnership	\$242,286	Measure 66 non-capital
Soil and Water Conservation Districts	\$1,250,000	Measure 66 non-capital

Table 2. PCSRF Legislative Appropriations

Entity/Recipient	Amount	Source of Funds
Soil and Water Conservation Districts	\$3,750,000	PCSRF
OWEB – Federal Reporting Specialist	\$153,680	PCSRF
Independent Multidisciplinary Science Team	\$220,000	PCSRF
Oregon Department of Fish and Wildlife	\$5,113,455	PCSRF

Item B: October 19, 2009, Non-capital Grant Offerings

Board members voted unanimously to approve the solicitation of Technical Assistance, Education/Outreach, and Monitoring grants for the October 19, 2009, grant cycle. The Board will consider the budget reserves for each grant offering at the September Board meeting as part of the spending plan agenda item.

Strategic Planning

Don Harker, Consultant, briefly updated Board members on the strategic planning process.

The meeting was adjourned.



Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board
September 15-16, 2009

RV Conference Room
“Park at the River”
59879 Wallowa Lake Hwy, Joseph

Directions: I-84 to exit 264 @ LaGrande, then Hwy 82 to Joseph and Wallowa Lake.

Tuesday, September 15, 2009

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items F, J, 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 following meetings will be presented for Board approval. *Action item.*

June 1-3, 2009, Board meeting in Eugene;

June 29-30, July 1, 2009, strategic planning session in Silverton; and

July 29, 2009, special meeting via telephone conference call.

C. Executive Director Update

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

D. Strategic Plan

The Board Co-Chairs, Executive Director, and Don Harker, consultant, will lead a Board discussion about the goals, strategies, and implementation actions contained in a proposed OWEB Strategic Plan. *Information item.*

E. Communications Strategy

Carolyn Devine, Communications Coordinator, and Scott Sparling, Gard Communications, will present the final draft of the OWEB Strategic Communications Implementation Plan. The Plan includes proposed goals, objectives, key messages, target audiences, strategy and tactics, accountabilities, priorities, a timeline, and a budget. *Information item.*

F. Public Comment [approximately 11:30 a.m.]

This time is reserved for public comment on any matter before the Board.

G. Strategic Plan and Communications Strategy Adoption

The Board will consider adoption of the proposed OWEB Strategic Plan and the Strategic Communications Implementation Plan. *Action item.*

H. Ecosystem Services Report and Board Discussion

Renee Davis-Born, Ecosystem Services Coordinator, will report to the Board on OWEB's engagement in Ecosystem Services efforts this biennium, including implementation of a research grant and support of the ecosystem services markets working group of the Oregon Sustainability Board. *Information item.*

Tour – 2:00 p.m.

The Board will visit one or more restoration projects and engage in a discussion on site with local partners on the challenges, opportunities, and results of conservation work in Wallowa County.

Transportation will be provided for OWEB Board members and staff. Anyone is welcome to join the tour, but please be prepared to provide your own transportation.

Informal Reception – 5:30 - 6:30 p.m.

The public is invited to join the OWEB Board and staff at a reception honoring local conservation efforts. The reception is being sponsored by the Board's Co-Chair Diane Snyder who is pleased to welcome the Board, staff, and visitors to Wallowa County.

*"Park at the River" RV Conference Room
59879 Wallowa Lake Hwy, Joseph*



Wednesday, September 16, 2009**Business Meeting - 8:00 a.m.**

During the public comment periods (Agenda Items F, J, 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. 2009-2011 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 2009-2011 biennium. The Board will also consider specific allocations and reserves for local capacity (watershed councils and soil and water conservation districts), partnerships, and Small Grants. *Action item.*

J. Public Comment [approximately 9:30 a.m.]

This time is reserved for public comment on any matter before the Board.

K. Public Comment – Pending Grant Applications [approximately 10:00 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 4, 2009, deadline. The Board encourages persons to limit comments to no more than five minutes.

L. Board Consideration of Pending Grant Applications

The Board will consider grant applications submitted by the April 20, 2009, application deadline. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *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 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 Wednesday, September 16, at 10:00 a.m. 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 4, 2009, 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 Tuesday, September 15 at 11:30 a.m., and Wednesday, September 16 at 9:30 a.m. 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

Board of Agriculture member: *Dan Carver*
Environmental Quality Commission member: *Ken Williamson*
Fish and Wildlife Commission member: *Skip Klarquist*
Board of Forestry member: *Jennifer Phillippi*
Water Resources Commission member: *John Jackson*
Public member (tribal): *Eric Quaempts*
Public member: *Daniel Heagerty, Board Co-Chair*
Public member: *Dan Thorndike*
Public member: *Patricia Smith*
Public member: *Diane Snyder, Board Co-Chair*
Public member: *Vacant*

Non-voting Members

Representative of NMFS: *Kim Kratz*
Representative of Oregon State University Extension Service: *James Johnson*
Representative of U.S. Forest Service: *Jose Linares*
Representative of U.S. BLM: *Miles Brown*
Representative of U.S. NRCS: *Meta Loftsgaarden*
Representative of U.S. EPA: *Dave Powers*

Contact Information

Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, Oregon 97301-1290
503-986-0178
Fax: 503-986-0199
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

2010-2011 Board Meeting Schedule Locations to be determined

January 20-21, 2010	January 19-20, 2011
March 17-18, 2010	March 16-17, 2011
June 1-2, 2010	June 7-8, 2011
September 14-15, 2010	September 13-14, 2011

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

September 15-16, 2009 OWEB Board Meeting
Executive Director Update #C-1: Information Security Plan

Background

Information security is the protection of information from a wide range of threats in order to ensure business continuity, ensure privacy of information, and minimize business risk. Information security is achieved by implementing a set of controls, including policies, plans, processes, procedures, structures, and functions.

The statewide Information Security policy (#107-004-052) effective as of July 30, 2007, directs each state agency to establish a plan to initiate and control the implementation of information security within the agency and manage risk associated with information assets. Plans must include processes to identify and classify information assets, applicable state directives and legal regulatory requirements, information security roles and responsibilities, employee security awareness and training elements, and policies that govern agency information security activities. Each agency should develop a plan that supports its mission and business goals while considering the information assets it holds, their value to the organization, and the steps necessary to protect the information.

Oregon Administrative Rule 125-800-0005(20) requires all agencies to complete information security plans and submit them to the Department of Administrative Services (DAS) for approval. Plans were due by July 30, 2009.

OWEB Information Security Plan

Staff attended DAS-sponsored training on developing information security plans in October of 2008. Staff have begun developing the foundational policies and plans necessary to develop and implement an OWEB Information Security Plan, however, because of limited staff resources and the focus on strategic planning, OWEB’s plan was not completed prior to the deadline. The table below describes the current status of OWEB’s efforts as of August 10, 2009.

Required Information Policies or Plans	Status
Acceptable Use of State Information Assets Policy	Complete (2008)
Controlling Portable and Removable Storage Devices Policy	Draft August 2009
Employee Security Policy and Plan	Draft August 2009
Information Assets Classification Plan	Draft April 2009
Information Security Incident Response Policy	Complete (2009)
Transporting Information Assets Policy	Draft July 2009
Business Continuity Plan	Need to Complete

The policies and plans described above will then be incorporated into the OWEB Information Security Plan by December 31, 2009.

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 15-16, 2009 OWEB Board Meeting Executive Director Update #C-2: 2009 Legislative Session

Background

The Oregon State Legislative Assembly adjourned on Monday, June 29, 2009. Below is a summary of the OWEB policy impacts. Budget and staff position impacts are described in Agenda Item I, 2009-2011 Spending Plan.

Policy Bills

No bills approved by the 2009 Legislature amended the Watershed Management and Enhancement statutes contained in Chapter 541 of Oregon Laws. OWEB was specifically mentioned in only three bills:

- HB 3369 Authorizes the Water Resources Department to develop an integrated state water resources strategy that will identify OWEB's functions and roles in the strategy.

- SB 30 Update to the government ethics law; adds the OWEB Director to the list of public officials who are subject to reporting requirements.

- SB 513 Establishes a state ecosystem services policy and authorizes the Sustainability Board to convene an ecosystem services markets working group. OWEB is identified as providing staff support to the working group. More information is provided in Agenda Item H, Ecosystem Services.

OWEB, as a state agency, will be affected by a few bills, including those designed to improve services to veterans, require only executive summaries of written reports to the legislature, improve contracting outcomes, and coordinate land use decision-making between state agencies and local governments. The staffing needed to implement these measures should be minimal.

Interim Committees and 2010 Session

Between September of 2009 and January of 2010, the Legislature has identified "legislative days" when the entire Legislature will come to Salem for committee meetings. During the interim, staff will track the work of the House Agriculture, Natural Resources and Rural Communities, House Environment and Water, and Senate Environment and Natural Resources committees. These committees will be drafting legislation and holding hearings in advance of the month-long session scheduled for February of 2010. At this time, staff do not anticipate much involvement in the development of legislation for the 2010 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 15-16, 2009 OWEB Board Meeting Executive Director Update #C-3: Working Lands Easements

Background

Article XV, Section 4b of the Oregon Constitution states that “(m)oneys disbursed for the public purpose of financing the restoration and protection of wild salmonid populations, watersheds, fish and wildlife habitats and water quality” shall be used for purposes, including “(e)ntering into agreements to obtain from willing owners determinate interests in lands and waters that protect watershed resources, including but not limited to fee simple interests in land, leases of land or conservation easements.”

ORS 541.375 states that the “Oregon Watershed Enhancement Board may fund projects involving the acquisition of lands and waters, or interests therein from willing sellers, for the purpose of maintaining or restoring watersheds, habitat and native salmonids...as long as the entity continues to use the land or water for the purposes specified under section 4b, Article XV of the Oregon Constitution.”

In OWEB’s administrative rules contained in Division 45, a “Land Acquisition Project” is defined as “a project that proposes to acquire an interest in land from a willing seller for the purpose of addressing the conservation needs of priority habitat and species consistent with conservation principles identified by the Board. Interests in land may include a lease, purchase of a conservation easement, or purchase of fee simple title.” The Board has adopted priorities in rule for land acquisition projects that focus on ecological priorities defined in terms of specific habitat, plant communities, and species, and whether the land acquisition project meets one or more of the adopted conservation principles related to the protection of those priorities.

Applicants and reviewers have raised questions about how working lands conservation easement projects are evaluated for funding under OWEB’s statutes and rules. A number of working lands easement proponents feel that protection from land division and intensification of agricultural use, or protection from conversion to urban or residential uses, should be one of the criteria for OWEB funding.

Working Lands Easement Work Group

Staff anticipate scheduling a discussion with the Land Acquisition Subcommittee this fall, contingent upon the strategic planning outcomes, to frame working lands easement issues and develop a set of questions to be addressed by a work group. If identified as priority by the Board and Subcommittee, staff would convene the work group before the end of the year and report progress at the January and March 2010 meetings. Any proposed changes to the acquisition grant rules or application and evaluation materials would not be in effect until the October 2010 grant cycle.

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 15-16, 2009 OWEB Board Meeting
Executive Director Update #C-4: Flow Conservation Work Group

Background

In January of 2009 staff reported on the deliberations of the Flow Conservation Work Group. The Work Group was pulled together to discuss ways to better integrate flow restoration into the suite of habitat and land conservation efforts that OWEB funds. The Work Group members are listed in the following table:

Flow Conservation Work Group

Name	Affiliation
Rich Adams	Oregon State University
Debbie Colbert	Oregon Water Resources Department
Clay Landry	Consultant
Janet Neuman	Lewis & Clark College
Martha Pagel	Attorney
Andrew Purkey	National Fish and Wildlife Foundation
Adam Sussman	Consultant

The members have been extremely helpful in developing suggested approaches to increase the opportunity for funding to effectively facilitate flow restoration. The Work Group met three times between December 2008 and July 2009.

Policy Discussions

The Work Group discussed the approach OWEB currently uses to evaluate and solicit flow conservation grant applications. They compared the activities of OWEB with other groups conducting flow conservation funding in the region. Based on the recognized significance of protecting and enhancing flow regimes, especially in the current climate regime change, the Work Group strongly recommended that continued funding of flow restoration be a priority for the Board. At the last Work Group meeting Board recommendations were discussed and additional staff work was suggested.

The Work Group identified the following for further consideration:

1. Explore the potential of cooperating with the Columbia Basin Water Transactions Program (CBWTP) and the National Fish and Wildlife Foundation (NFWF) to cost share and review transactions;
2. Budgeting for water conservation for the Biennium; and
3. Only accept water conservation applications in the regular grant program if they clearly do not fit the NFWF program and provide a clear ecological benefit.

Staff will present the final recommendations to the Board with Work Group members at a future meeting.

Staff Contact

If you have questions or need additional information, please contact Ken Bierly, Deputy Director, at ken.bierly@state.or.us or 503-986-0182.

September 15-16, 2009 OWEB Board Meeting

Executive Director Update #C-5: Effectiveness Monitoring Program

Background

During the September 2008 Board meeting, a reserve of \$375,000 was established for the continuation of the OWEB Effectiveness Monitoring Program. In the last three years, the program has completed effectiveness monitoring on seven large categories of OWEB restoration project investments. These are:

1. Livestock exclusion riparian work (three seasons of monitoring);
2. Western juniper removal (two years of monitoring);
3. Small dam removal (entering second year of monitoring);
4. Irrigation efficiency improvements (three seasons of monitoring in the Malheur Basin and two seasons in the Deschutes Basin);
5. Conservation Reserve Enhancement Program (CREP) evaluation (two years of monitoring);
6. Intensively Monitored Watersheds (entering third year of monitoring in the John Day Basin); and
7. Wetland restoration (entering first year of monitoring).

Staff also recently initiated work on both riparian planting and fencing projects in the Grande Ronde, Rogue, and South Coast basins to evaluate the status, condition, and performance of projects initiated more than eight years ago. Significant work remains to be done to continue existing program efforts and initiate new projects. Additional effectiveness monitoring efforts include:

1. Small dam removal monitoring continues at Marmot Dam on the Sandy River, Savage Rapids Dam on the Rogue River, and Brownsville Dam on the Calapooia River. Future monitoring will include Gold Ray dam on the Rogue River and Sodom Dam on the Calapooia River.
2. Western juniper removal continues to be a major area of project growth east of the Cascades in central and eastern Oregon, particularly as planning grows associated with climate change and forest and rangeland fires.
3. Intensively Monitored Watersheds (IMWs) continue in the coast range, southern Oregon, and eastern Oregon in the Trask and Hinkle Creek watersheds and Middle Fork John Day Basin funded through OWEB research awards and NOAA funding secured through the Pacific States Marine Fisheries Service. IMW needs remain in central and northeastern Oregon to establish a complete representation of Oregon's regions and ecosystems.
4. Continued wetland restoration effectiveness monitoring to complement the work supported by the Environmental Protection Agency (EPA) grant for the Willamette Valley (described below) as the work expands to other areas within the state where wetland restoration has occurred.

Wetland Project-Willamette Basin

OWEB and its partners, the Department of State Lands (DSL) and The Xerces Society for Invertebrate Conservation (Xerces), are wrapping up the first year of field work for the EPA Wetland Program Development Grant. Xerces, which took the lead on macroinvertebrate and water quality monitoring, completed its sampling at 50 Willamette Valley wetland sites in late May. OWEB hired a contractor who is conducting a rapid assessment and detailed effectiveness monitoring at the same 50 sites and will complete this work by early September. In addition, the contractor is completing pre-implementation monitoring at nine OWEB and DSL sites where restoration and enhancement work will occur in the near future. The project partners will convene in early fall to debrief from the field season, discuss necessary refinements, and develop a plan for data analysis and interpretation from Year 1 monitoring.

In addition to the planned monitoring, the project partners agreed to assist EPA by testing components of a Draft Field Operations Manual that has been developed for use during the 2011 National Wetland Condition Assessment. In September, OWEB and DSL will provide feedback to EPA about the proposed methods.

Other components of the project are progressing on schedule and on time as well. DSL staff completed Phases 1 and 2 of the mitigation-site mapping work, including all sites permitted by DSL between 2000 and mid-2008. Phase 3 of the compensatory wetland mitigation project mapping work focuses on projects implemented between mid-2008 and June 30, 2009 and will be completed by September 15, 2009. OWEB and DSL staff have evaluated DSL's database for mitigation projects and outlined several improvement needs to better track information about wetlands gained and lost through time. Staff are developing specifications for implementation of the database modifications and anticipate work to begin later this fall.

Other Fish Barrier Removal

OWEB staff selected Duck Creek Associates in May 2009 to sample 90 fish barrier removal projects completed in the South Coast basin between 1995 and 1998. The contractor began working with OWEB staff and grantees in early June to acquire location information on all sites and to receive permission from all project landowners to access the projects. The contractor began sampling sites in July and will complete field work by the end of September 2009. Preliminary results show that all fish passage projects are successful at providing passage for the species of concern listed in the application. A final report is scheduled to be released in January 2010.

Riparian Enhancement

OWEB staff selected Demeter Design in May 2009 to sample riparian fencing and planting projects in the South Coast and Grande Ronde basins that were completed between 1995 and 1998. The contractor began working with OWEB staff and grantees in early June to acquire location information on all sites and to receive permission from all landowners to access the projects. The contractor began sampling sites in July and will complete field work by the end of September. OWEB, in coordination with the contractor, developed a Riparian Project Landowner Survey that has been sent to all landowners whose sites are being sampled. This survey will help provide context to the contractor on the level of maintenance the site has received, whether there has been a change in landowner, and whether or not the landowner sees the project as meeting the original objectives. A final report is scheduled to be released in January 2010.

OWEB had a Portland State University intern who worked on the protocols and gathered information about historic projects. He recently developed a draft final report for his Masters Degree in Environmental Management and is expected to graduate this fall. The materials developed during this internship program proved invaluable for OWEB staff in developing the riparian monitoring program.

Staff Contact

If you have questions or need additional information, please contact Greg Sieglitz, Monitoring and Reporting Program Manager, at greg.sieglitz@state.or.us or 503-986-0194.

September 15-16, 2009 OWEB Board Meeting Executive Director Update #C-6: Research Program

Background

OWEB's Research Program has evolved over the past several years and at recent Board meetings staff have provided updates and requested approval of funding priority climate change and other research. The status of those recent research projects is described in detail below.

Update on Climate Change Research Awards

A. Sea-level Rise

In March of this year, the Board allocated \$100,000 in research non-capital funding, pending additional staff work, for climate change and sea-level rise research. OWEB staff participated in several conference calls with representatives from the states of Washington and California as well as the Oregon Governor's Natural Resources Office to discuss the draft proposal to the National Academy of Sciences (NAS) on a sea-level rise study for the entire west coast of the conterminous U.S. The State of California has been leading this effort under an Executive Order by Governor Schwarzenegger signed in November of 2008. Subsequent to the OWEB Board meeting in March, California met with the NAS and secured the necessary \$500,000 to conduct a study with a reduced scope, including the elimination of the concept of case studies. The case studies were an important aspect of the work presented to the Board.

OWEB staff participated in several conference calls with representatives of Washington and California and the Governor's Natural Resources Office, to discuss the draft proposal. Through these coordination efforts, additional resources were secured from the State of Washington. While the case-study components of the study have been removed, staff suggested and the Board agreed that participating in the west coast wide evaluation, but at a reduced rate, is likely to yield valuable information for the State of Oregon. OWEB has been working on the contracting process with the State of California, but the agreement has been delayed largely due to significant budgetary related furloughs in that state. Staff continue to exchange contract drafts with staff in California.

B. At the Local Level

At the June Board meeting, staff presented work conducted by the Climate Leadership Initiative (CLI) at the University of Oregon in the Rogue and upper Willamette basins. Staff proposed supporting similar work in the Umatilla, Klamath, and lower Willamette basins over the coming year through the support of a research grant to the CLI. The discussion at the Board meeting included resolving concerns raised about two factors that required additional information. The Board allocated \$171,128 to enter into an agreement to initiate this work in the basins named above. Staff worked with the CLI staff to finalize the agreement and at the time of writing this staff report, final draft materials were being prepared.

In addition to the program described above, staff learned of two efforts in their formative stages based out of Oregon State University, the University of Oregon, and other northwest universities. The first is an attempt to establish the Pacific Northwest Center for Long-Term

Environmental Decision-making (Center) which would offer services to analyze and develop alternatives to societal and environmental challenges associated with global climate change. The proposal, if funded by the National Science Foundation, includes the establishment of Research, Education, and Human Resource Development, and Outreach and Engagement programs to comprise the Center. The second is a proposal to the National Oceanic and Atmospheric Administrations, Regional Integrated Sciences and Assessments (RISA) program to develop the type of program that the University of Washington has with the Climate Impacts Group here in Oregon. The Climate Impacts Group is currently funded through NOAA's RISA program. The Oregon model is designed to be built with input from local stakeholders in landscape and watershed management. The effort includes building new models based on localized climate predictions and establishing hydrologic changes due to changes in weather patterns. Staff provided letters of support for both project proposals.

C. Water Availability

At the March 2009 Board meeting, the Board allocated \$175,000 in research non-capital funding to a water availability and climate change project pending due diligence work to be conducted by staff. OWEB staff spoke to and met with the Oregon Water Resources Department (OWRD) staff on several occasions following the March Board meeting. The purpose of those discussions was to ground-truth the draft water availability study, coordinate with OWRD on related studies, establish OWRD participation in the design and implementation, and to explore additional partnership opportunities. The primary researcher considered for this work had extensive surgery and was out of the state for an extended period of time, so discussions have been delayed. At the time of writing this report, efforts were underway to reschedule meetings between the researcher and OWRD.

D. Soil Carbon Storage in Juniper Ecosystems

Following the June Board meeting, staff initiated an agreement with Yale University to assist in funding a graduate research project in southeastern Oregon focusing on the carbon storage potential and budget in juniper landscapes with different management treatments. The Monitoring and Research Board Subcommittee was consulted and agreed to provide \$4,430 in Research non-capital to assist with the completion of this project which is scheduled for early next summer. The findings will provide an indication of the value and capability of nearly five million acres currently in range of western juniper in Oregon. This project will be one means of better understanding both OWEB investments in western juniper restoration and ecosystem services provided in an under-studied segment of the state.

Other Research Projects

A. LiDAR – Research Capital Funding

During the 2007-2009 biennium, OWEB experienced an increase in the number of local groups requesting funding for Light Detection and Ranging (LiDAR) remote sensing applications for the purpose of project planning, design, and implementation. In 2008 and 2009, the Department of Geology and Mineral Industries (DOGAMI) led efforts around the state to acquire LiDAR imagery, in part, through \$1.5 million of Measure 66 Research capital funding provided by the Legislature. As grant request for LiDAR were received by OWEB from local entities, staff put them in contact with DOGAMI efforts which lead to increased efficiencies, lower cost projects, higher quality products, and larger areas flown.

Since the June 2009 Board meeting, OWEB staff met with DOGAMI and solicited ideas from key stakeholders to inform the selection of the areas of highest priority for acquiring LiDAR imagery in Oregon. In priority order, the Deschutes SIP area (Upper Deschutes and Crooked River basins), Klamath Basin, portions of the Willamette Valley (without current imagery), and Willow Creek (tributary to the Malheur River) were selected. The \$500,000 provided to DOGAMI by the Legislature will not be sufficient to pay for all of the priority areas, but DOGAMI and OWEB have been rounding up other funding to stretch the dollars further. Pending large funding opportunities include possible contributions from the Bureau of Reclamation, U.S. Forest Services, and Bureau of Land Management. Current plans include initiating flights in the Deschutes Basin in September if possible.

B. Ecosystem Workforce Evaluation

At the January 2009 Board meeting, OWEB staff requested Board approval to contract with the University of Oregon (UO) to prepare an estimate of the economic impact and job creation from OWEB's restoration investments. Work with the UO Ecosystem Workforce Program occurred over the spring and summer to enter into an agreement and to conduct this study. Results from the preliminary analysis were provided to the Board at the March and June meetings.

The work to date includes research, analysis, and development of a model to demonstrate the relationship between watershed restoration investments and local economic impacts and job creation. Recently, watershed councils and soil and water conservation districts were polled by UO students and staff about their use of contractors and other job creating activities. Representatives from UO will be mining the OWEB grant files to generate additional information following the polling of local stakeholders. Future Board updates will include a presentation by the researchers summarizing their findings and recommendations.

C. Ecosystem Services

An update for this work is provided under Agenda Item H at this meeting.

Staff Contact

If you have questions or need additional information, please contact Greg Sieglitz, Monitoring and Reporting Program Manager, at greg.sieglitz@state.or.us or 503-986-0194.

September 15-16, 2009 OWEB Board Meeting Executive Director Update #C-7: Deschutes SIP Progress Report

Background

In January of 2008, the Board approved the allocation of \$4 million for the Deschutes Special Investment Partnership (SIP). The Deschutes SIP came from the collaboration around reintroduction of anadromous fish above the Pelton-Round Butte dam complex. The integration of land, water, and habitat conservation interests is well developed in the Deschutes Basin. The settlement to reintroduce steelhead and salmon above the dams provided an opportunity to develop a shared vision for the upper basin.

The Deschutes SIP partners include:

- Crooked River Watershed Council
- Deschutes Land Trust
- Deschutes River Conservancy
- Upper Deschutes Watershed Council

The partners, in cooperation with the natural resource agencies, developed a list of projects that would ensure that reintroduction of anadromous fish could be successful. The advisors to the partners include the Oregon Department of Fish and Wildlife, National Marine Fisheries Service, U.S. Fish and Wildlife Service, Confederated Tribes of the Warm Springs Reservation, and staff from the U.S. Forest Service. This group of advisors provides oversight to the program.

Progress to Date

The Deschutes SIP partners have initiated significant work in the Upper Deschutes. They have been able to utilize all of the funding available from OWEB in the year and a half since approval of the program. Major accomplishments are highlighted in a report to the Board that has been prepared as a separate document and that will be made available at the Board meeting. The report indicates that significant progress has been made and additional efforts are sufficiently planned to advance the partnership objectives in the coming years. The partners have been able to focus their efforts and have shown the ability to implement restoration and habitat protection projects on an accelerated schedule.

Lessons Learned

In discussions with the partners and their advisors, the Deschutes SIP process appears to work well as it is currently structured. The following lessons have emerged from the experience of the previous year and a half:

1. It is important to have a mix of funding (capital and non-capital) to ensure project development and design is able to support implementation.
2. OWEB has discussed the partnership with two private foundations, encouraging them to participate in a formal manner. To date they have participated through the support of the partners. Additional efforts to engage private foundations in a programmatic relationship will be important.
3. Development of a coordinated outreach program will be very important for the continuation of the SIP.

Staff will present the Deschutes SIP Biennial Report to the Board at the meeting. A presentation by the Deschutes partners could be arranged in the future.

Staff Contact

If you have questions or need additional information, please contact Ken Bierly, Deputy Director, at ken.bierly@state.or.us or 503-986-0182.

September 15-16, 2009 OWEB Board Meeting Executive Director Update #C-8: Partnership Report

Background

Over the years, OWEB has developed a number of partnerships to invest in specific ecological outcomes and effectively leverage OWEB funding. Because the partnership projects undergo different review processes, the Board last year formed the Partnership Investment Subcommittee to provide greater focus on these investment areas. The Subcommittee meets periodically to review the status of existing partnership projects and to review potential new ideas and proposals before they are introduced to the full Board. This report lists the current partnerships and identifies the issues facing the Subcommittee.

Current Partnerships

OWEB currently supports three active partnerships and two active Special Investment Partnerships (SIP). While similar, the Subcommittee views partnerships differently than SIP. The primary characteristics of partnership investments are that they include specific ecological objectives, specific partner roles and responsibilities, significant matching of OWEB funds, and alternative solicitation and review processes. All partnership investments maintain OWEB fiscal controls, strong technical review criteria, and enforceable agreements. A 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 a different staff interaction or funding mechanism.

The partnership investments, partners, and 2007-2009 funding from OWEB are listed in the following table:

Partnership	Partner(s)	OWEB funding 2007-2009	Ecological Objective	Status
Conservation Reserve Enhancement Program (CREP)	Farm Service Agency ODF and WRD NRCS SWCDs others	\$4,500,000	Riparian restoration in agricultural landscapes	ongoing
Whole Watershed Restoration Initiative	U.S. Forest Service National Marine Fisheries Service Ecotrust	\$500,000	Restore "focus watersheds" within "priority basins"	ongoing
Oregon 150	Oregon Department of Fish and Wildlife	\$1,000,000	Enhance Oregon symbolic species	completed
Deschutes SIP	Upper Deschutes WC Crooked River WC Deschutes River Conservancy Deschutes Land Conservancy others	\$4,000,000	Restore flows and habitat for the reintroduction of anadromous fish above the Pelton-Round Butte dam complex on the Deschutes River.	ongoing
Willamette SIP	Meyer Memorial Trust others	\$6,000,000	Restore channel complexity and floodplain connection to the mainstem Willamette River.	ongoing

Additional Interest

There is broad interest and excitement about the targeted approach of the Special Investment Partnership efforts of OWEB. Staff have been approached to discuss potential new partnerships in the Lower John Day, Sandy River, Siuslaw River, and Klamath River basins. The Flow Conservation Work Group (see Agenda Item #C-4) has recommended that staff consider a partnership with the National Fish and Wildlife Foundation to evaluate and fund water conservation projects.

Partnership Issues

The Partnership Subcommittee will meet August 26, 2009, to consider OWEB's existing partnerships and potential partnerships. The primary issue raised by the increased level of interest in new partnerships is financial with a 25 percent reduction in the 2009-2011 capital budget compared to the previous biennium. The Subcommittee and Board will be faced with the challenge of determining its partnership priorities as well as balancing its investment portfolio between regular grants and partnerships. The results of the Subcommittee's meeting will be presented and discussed in the context of the 2009-2011 Spending Plan (Agenda Item I).

Staff Contact

If you have questions or need additional information, please contact Ken Bierly, Deputy Director, at ken.bierly@state.or.us or 503-986-0182.

September 15-16, 2009 OWEB Board Meeting
Executive Director Update #C-9: Small Grant Program Review

Background

Oregon Administrative Rule 695-35-0070 directs OWEB to review reports submitted by the Small Grant Teams and evaluate the need for program improvements and administrative rule changes once a biennium. As previously reported to the Board, staff committed to conducting a review of the Small Grant Program following the end of the 2009 legislative session. For additional detail about how the Small Grant Program works, staff has provided an overview (Attachment A) which steps through the program from the beginning of a biennium to the end.

Staff have begun to review the program by scheduling several “listening” tours, which combine visits to completed small grant project sites and discussion with small grant team members. Staff is also reviewing the biennial reports submitted by Small Grant Teams as they come in (the report due date is August 30, 2009). The table below outlines the tentative timeline for the program review.

Small Grant Program Review Timeline

Timing	Activity
July 1-September 30	Review Small Grant Team Biennial Reports; summarize comments; develop list of issues and OWEB proposals on how to respond/address
July-October	Site/Listening Tours with Small Grant Teams (4 around the state)
October-December	Meet with Small Grant Teams around the state (6-8 meetings) to discuss list of issues compiled from reports and discussions; discuss OWEB proposals to address or respond to issues.
January	Update Board Determine whether rule changes are needed
February	If rule changes needed, convene Rules Advisory Committee
June	Placeholder for Board adoption of any needed rule changes

Staff have also reviewed reports written by Hugh Barrett regarding the relative success of OWEB juniper treatment projects he visited. Bev Goodreau, Grant Program Specialist, and Courtney Shaff, Grant Program Coordinator, developed a small grant juniper project checklist based on Mr. Barrett’s juniper project guidance materials, together with input from several Small Grant Teams. The checklist (Attachment B) outlines key elements of a successful juniper project, providing guidance for Small Grant applicants and Small Grant Team application review committees.

Staff Contact

If you have questions or need additional information, please contact Bev Goodreau, Grant Program Specialist, at bev.goodreau@state.or.us or 503-986-0187.

Attachments:

- A. Small Grant Program Overview
- B. Guidance for the Planning and Review of Small Grant Juniper Projects

Small Grant Program Overview

- There are 28 Small Grant areas around the state.
- Each team is made up of watershed councils (WSCs), soil and water conservation districts (SWCDs) and tribes in that area. At least one WSC and one SWCD are required to make up a team.
- The OWEB Board has funded the Small Grant Program at \$2.8 million (\$100,000 per team) every biennium since its inception in the 2001-2003 biennium.
- Each biennium, teams develop new bylaws and select priority watershed concerns using an OWEB boilerplate document.
- Once a team's bylaws and priority watershed concerns have been approved and it is determined there are no outstanding OWEB reports/advances for which a team member is the grantee, a team grant agreement for \$100,000 is written by OWEB and signed by OWEB and the team.
- Projects recommended by the team may be funded for a maximum of \$10,000.
- OWEB Small Grant rules list the acceptable project types, which are fairly prescriptive.
- Small Grant Teams develop their own application deadlines and review dates. Teams must evaluate applications, deciding whether to recommend projects to OWEB for funding.
- Teams also develop their own outreach methods to let landowners know about the program—such as newsletters, meetings, Web sites, county fairs and word-of-mouth.
- Once an application has been recommended by the team it is sent with a signed project grant agreement and supporting documents to OWEB for review.
- If the application meets OWEB's criteria and the grantee has no outstanding OWEB reports or advances, the grant agreement is signed by OWEB and entered into the database.
- Small Grants must have 25% match funding
- Small Grants must be completed within 2 years after being recommended for funding.
- A completion report including the OWRI (Restoration) reporting form, map, and photos are required 60 days after the project completion.
- A Year-Two Status Report and photos are required two years after project completion.
- Small Grant Program funding may only be used during the current biennium and cannot be carried over into the next biennium
- Each Small Grant Team is required to submit a Biennial Report 60 days after the end of the biennium

Guidance for the Planning and Review of Small Grant Juniper Projects

When planning and/or evaluating juniper projects under OWEB's small grant program it is important to consider the long-term success and maintenance of the project and its ecological benefit. Applicants should answer these questions as part of the *Problem* or *Solution* narrative portion of the application. These questions are intended to help both the applicant and the reviewers evaluate whether the benefits from the juniper project are proportionate to the site potential, the degree of encroachment, and the length of time the site has been subject to the effects of occupation. If the questions are not answered, reviewers may ask applicants for additional information via email. This form is required to be sent in to OWEB with every small grant application for juniper management projects along with any additional information the applicant may have been asked to provide.

OWEB has published several guidance documents related to juniper management. We recommend reading the references listed below prior to planning and implementing any juniper management projects.

Western Juniper Management: A Field Guide

<http://oregon.gov/OWEB/MONITOR/docs/WesternJuniperManagementFieldGuide.pdf>

Juniper Management in the Crooked River Watershed

http://oregon.gov/OWEB/MONITOR/docs/ContrastingJuniperManagement_CrookedRiver.pdf

Juniper Removal Evaluation: Phase I and II Final Reports

http://oregon.gov/OWEB/MONITOR/docs/juniper_report.pdf

http://oregon.gov/OWEB/MONITOR/docs/Juniper_PhaseII_report.pdf

1) What is the phase of juniper woodland succession? (*see attached sheet*)

- Phase I Phase II Phase III

2) Has the existing vegetation structure, aspect and slope of the site been described? Has the applicant addressed whether or not seeding is needed?

- Yes No

3) Is there a grazing strategy for the site?

- Yes No

If not, the applicant has clearly explained why it is unnecessary.

- Yes No

4) Has a long-term management plan for the juniper site been discussed and identified? (*Using chainsaws and loppers to maintain in the long-term, Burning in 10 year*)

- Yes No

5) Is the project located near any other juniper treatment projects either completed or planned? (*Does not have to be OWEB funded*)

- Yes No Unknown

If yes, how do they relate? (*Examples: adjacent to other juniper or rangeland health projects, part of CREP or a watershed restoration plan*)

6) Is the ecological benefit of the juniper project clearly articulated?

- Yes No

Woodland Succession of Juniper

The full gradient of juniper encroachment extends from the period of seed introduction and germination, through stand maturation, to the full occupation of a site by juniper trees. The following phases of woodland succession described in Miller et al. (2005) serve as useful benchmarks along this gradient.

Phase I. This early stage of juniper encroachment involves an actively-expanding, open canopy of young trees (usually 40 years old or younger), exhibiting no die-off of lower limbs. The trees are a subordinate component of the plant community. Active recruitment is taking place (tree seedlings in the shrub layer). Grasses, forbs, and shrubs are able to express their full productive potential, apparently uninhibited by competition from juniper. In this stage, little or no observable change in plant community composition or in soil cover and overland flow can be attributed to juniper. Sometimes, however, excessive shrub canopy closure or heavy, long-term grazing use causes perennial grasses and forbs to be sparse or absent. In this phase, a number of treatment options are available for preventing further site degradation.



Phase I of Woodland Succession

Phase II. This mid-successional stage of juniper encroachment also entails an actively expanding canopy of trees now co-dominant in the plant community. In this phase, the maturing juniper may produce berries at moderate to high levels. Depending on several site factors including slope, soil depth, soil texture, and available water capacity of the soil profile, shrubs may die off as the network of shallow juniper roots begins to extend its occupation of the upper soil profile. On moisture-limited sites (those with shallow soils) or on steep slopes with high rates of overland flow (low infiltration rates), shrubs may exhibit stress or die-off as a result of competition. Moderately deep and deep soil sites may retain their shrub, grass, and forb components and exhibit few biotic or abiotic effects. As the site progresses into the later stages of Phase II, shrubs may die off on shallow and moderately deep soils while grasses persist. In the mid to late-stage of succession, fewer treatment options will be effective in preventing further site degradation. Late Phase II and early Phase III constitute the period of transition when biotic and, in many cases, abiotic conditions worsen and the focus of treatment options changes from prevention to restoration and repair.



Phase II of Woodland Succession. Note shrub die-off.

Phase III. At this stage, occupation of the site by juniper is complete, and juniper and its effects dominate the site. Full grow-out of the surface root network concludes; the tree's leader growth has slowed; berry production has declined and tree recruitment is limited. Biotic and abiotic conditions on the site are visibly degraded. Shrub die-off will likely exceed 75 percent. Understory plant production declines, as do species richness and diversity. In the tree interspaces, the loss of understory plant cover exposes bare soil, particularly on drier, harsher sites and those with an effective rooting depth of less than 20 inches. Soil organic matter declines, and raindrop impact promotes physical crusting of the soil surface, reducing infiltration rates and, on sloping sites, overland flow and soil erosion increase. Grasses like Idaho fescue (*Festuca idahoensis*), squirreltail (*Sitanion hystrix* syn. *Elymus elymoides*), bluebunch wheatgrass (*Agropyron spicatum* syn. *Pseudoroegneria spicata*), Thurber needlegrass (*Stipa thurberiana* syn. *Achantherum thurberianum*), and others may persist on moderately deep and deep soils, especially on east- and north-facing slopes or high-elevation terraces and sites with higher precipitation (average annual precipitation over 14 inches). On slopes with southern and western exposures (harsh sites) throughout the range of juniper, the loss of understory vegetation is often most pronounced. Note, however, that under certain soil and site conditions, Idaho fescue may persist and in some cases increase in the northeast quadrant of the canopy of individual trees on some otherwise-harsh sites at mid-elevation. This phenomenon is believed to be a response by Idaho fescue to a favorable microclimate created in the shade cast by the tree.



September 11, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

**SUBJECT: Agenda Item D: Strategic Plan
September 15-16, 2009 OWEB Board Meeting**

I. Introduction

In this report, staff update the Board on the progress of the strategic planning effort since June 2009. Staff recommend the Board approve the final draft strategic plan that will then be distributed for public review and comment.

II. Background

At the March 2009 meeting, the Board decided to initiate a strategic planning exercise that would involve Board members, staff, and stakeholders. The goal of the exercise was to identify, discuss, and determine OWEB program priorities and actions to focus on between 2009 and 2014. Don Harker was hired in May to facilitate the strategic planning process, interview staff and stakeholders, and help write the plan.

The Board met with management staff for facilitated planning sessions in Eugene on June 1, and in Silverton on June 30 and July 1. Drafts were then circulated among Board members and staff during the month of August. The Board Planning Subcommittee met on August 27, 2009, to discuss the draft.

Attachment A contains a report from Don Harker on the strategic planning process. The report includes the Board and staff shared understandings, OWEB models, driving forces and future scenarios, OWEB mission and vision, strategic planning facilitated session, subcommittee report on adaptive investment, and appendices on the staff and stakeholder interview process.

Attachment B contains the proposed strategic plan final draft. This draft has been reviewed and edited by the Board Planning Subcommittee and OWEB staff.

III. Proposed Public Comment Process

Staff recommend the Board approve the final draft of the strategic plan and direct staff to make the draft available for public review this fall. Staff and our consultant will compile, review, and propose potential revisions to the draft for initial review by the Planning Subcommittee followed by final consideration by the full Board at its January 2010 meeting. A staff proposal and timeline for distributing the draft plan for comment is found in Attachment C.

IV. Proposed Implementation Plan—Early Action Items

Despite the fact that the Board won't act on the final plan until January, staff recently worked through the five goals, nine strategies, and 33 actions to identify any proposed actions that need immediate attention. Staff also identified the actions that can be carried forward, in whole or part, under ongoing programs, resources and staffing. A list of the 33 actions that denote staff recommendations on whether they are immediate action items is included in Attachment D. The list further indicates whether the immediate action items are proposed to be funded with new resources as part of the spending plan in Agenda Item I. The list also shows if the action will require staff resources. If an action only lists staff resources with no reference to the spending plan, then some immediate action can be carried out by ongoing program activities.

V. Recommendation

Staff recommend the Board approve the draft strategic plan contained in Attachment B as a final draft plan and direct staff to conduct a public review process on the final draft as outlined in this report.

Attachments

- A. Consultant Report
- B. Final Draft Strategic Plan
- C. Stakeholder Process Proposal
- D. Implementation Action Table

OWEB Strategic Planning Process Summary Report

**Strategic Planning Consultant
Don Harker**

Oregon Watershed Enhancement Board
775 Summer Street NE #360
Salem, Oregon 97301

OWEB Strategic Planning Process

The OWEB Board pursued an accelerated strategic planning process to coordinate with a communication strategy that was underway. The process included the following steps.

- Planning meetings with co-chairs and senior staff
- Staff interviews
- Stakeholder interviews
- Two facilitated board and senior staff sessions
- Planning subcommittee and senior staff session
- Intervening meetings and draft documents reviewed by co-chairs, board and senior staff

The outcome of the process is a high level strategic guidance plan for the board, stakeholders and public to consider. The board will review the plan at their September meeting and a final plan will be considered at the January meeting after public review. The intent of this report is to capture key information about the process as it may be useful in future board and staff deliberations.

The overall process included staff and stakeholder interview information (See Appendix A and Appendix B) provided as input to the discussions of board and senior staff. Considerable source material was reviewed and consulted especially staff reports and investment strategies currently in process or in place. Appendix C is example of outside source material.

The first facilitated session began with a discussion of how we all hold a set of mental models or beliefs about the world. These mental models are used to screen information that comes to us. When looking into the future, it is productive to challenge or at least suspend our own and others mental models. Many system thinkers say you only learn when your mental model changes. Challenging and developing our mental models is an important skill for leadership.

When confronting our own mental models we need to 1) surface or reveal our own mental model, 2) inquire rather than defend, 3) seek deep understanding of issue at hand, 4) be aware and responsible for one's own role in any issue.

Shared Understandings

The following shared understandings (mental models) emerged from the interviews and deliberations of board and senior staff.

Oregonian's deep conservation values – Oregonians hold a deep set of conservation values and enjoy a multi-generational love for Oregon's land and water. These values support a non-regulatory approach to conservation that engages farmers, ranchers, tribes, environmentalists, fishers, hunters, businesses, public officials and other interested parties in addressing land use, stewardship, and conservation issues.

Local infrastructure – A local infrastructure of conservation organizations (currently watershed councils, soil and water conservation districts, and a variety of nonprofits) is a critical part of the watershed enhancement structure and should have enduring local capacity.

Partnerships – Success in achieving healthy watersheds depends on strong partnerships. Watershed councils, soil and water conservation districts, statewide conservation organizations, tribal governments, local governments, federal and state natural resource agencies, and Oregonians who volunteer their time are critical to success. Partnership development and enhancement to leverage resources, share critical expertise, support important policies, and distribute OWEB’s message are important for OWEB.

Focus on watershed function – Watersheds function to capture, store and release water. These functions are impacted by stewardship practices from ridgetop to river mouth. Projects and programs should be selected strategically, with an understanding of the ecological context and relationship to other projects and management activities, to insure sustainable watershed function and resilience in the face of the driving forces impacting watershed health.

Monitoring, awareness and adaptive management – Scientific evaluation of the effectiveness of OWEB’s investments can inform future investment strategies. Monitoring, with robust and timely feedback, is the foundation for adaptive management. OWEB needs to translate its accomplishments into a powerful story; told in a way that lets people know how it impacts their lives. Returning to the first shared understanding the messages should also allow Oregonians to celebrate the successes of OWEB as part of their own legacy of conservation.

Dedicated staff and board – OWEB enjoys a dedicated, passionate, smart, hard working staff and board.

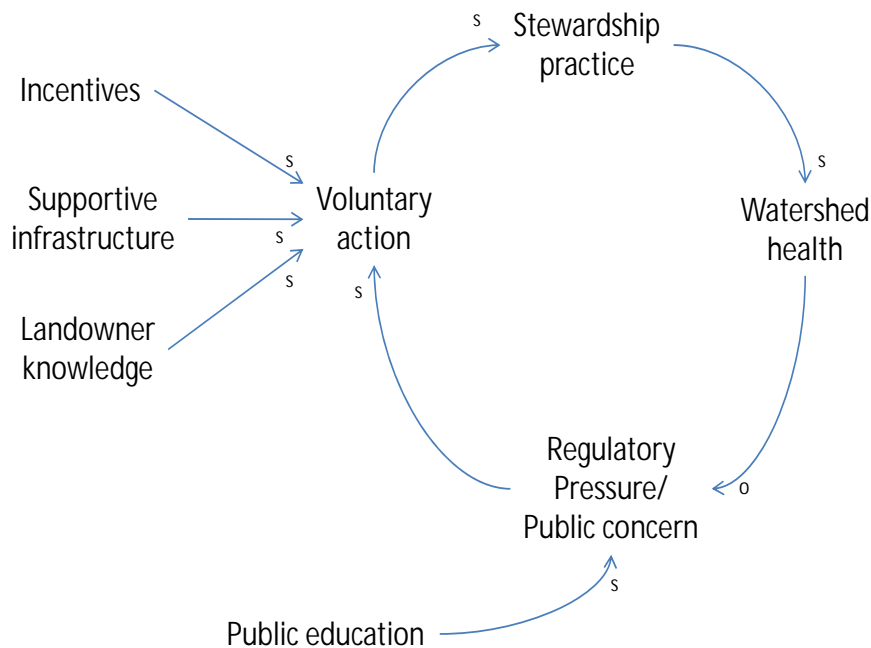
Measure 66 – Dedicated funding for watershed restoration and protection has proven to be a critical asset in the holistic management of natural resources in Oregon. Continuing funding beyond 2014 is critical to address future restoration and protection needs and continue the essential work of improving watershed health.

OWEB Models

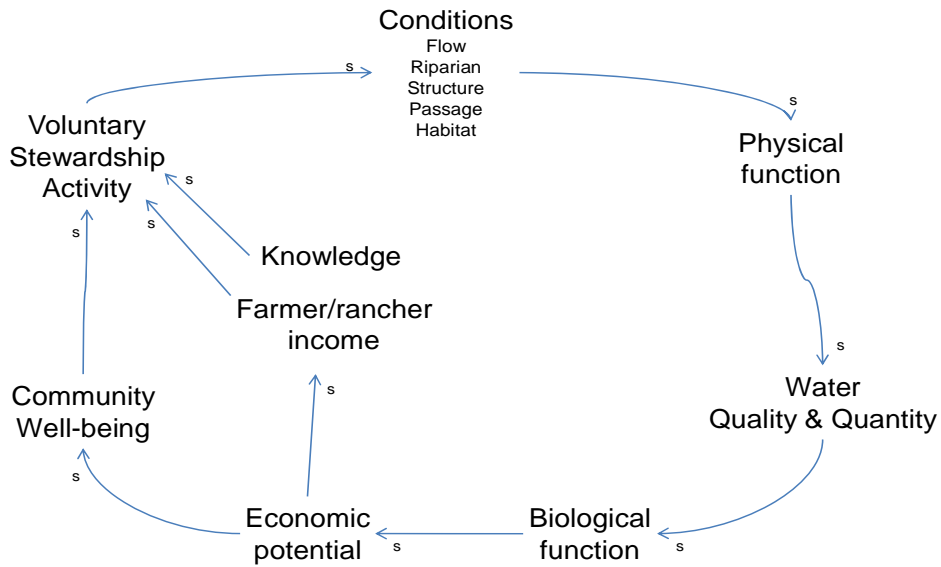
W. Edwards Deming, the father of the Quality movement in business, said “All models are wrong, some models are useful.” That is because models are representations of the real world. They are pieced together from acquired knowledge, culture, belief systems and experience. Thinking, communicating and learning are a self-reinforcing system. The more we do of any one of these, the more learning occurs. OWEB board and staff considered some models as ways to prompt their thinking about OWEB, its structures and the system of which it is part. There was no attempt to develop any final consensus models.

If you do not know how to read a Causal Loop Diagram (CLD) see Appendix D.

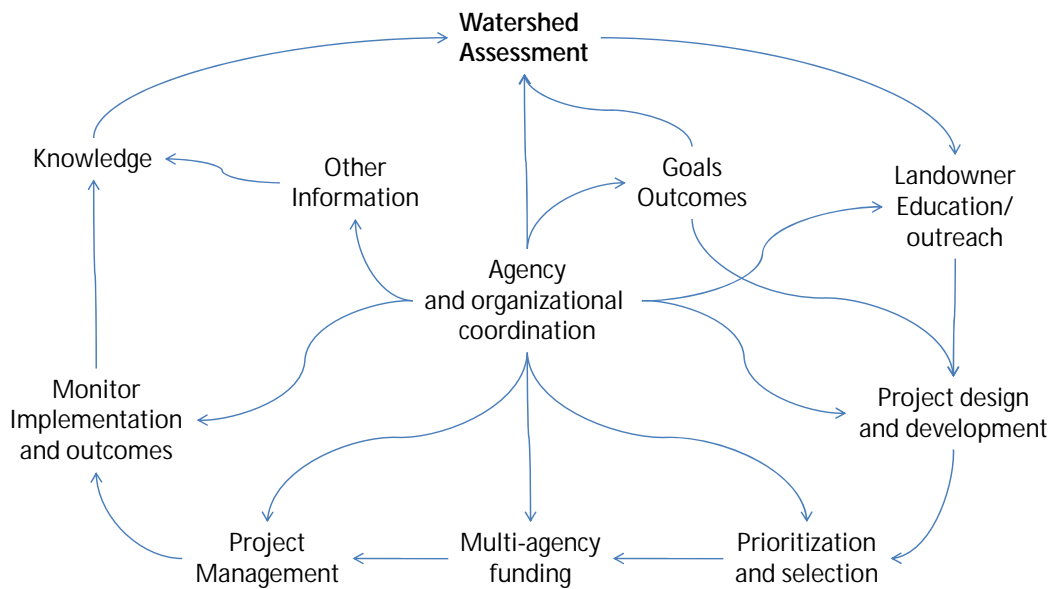
OWEB Model



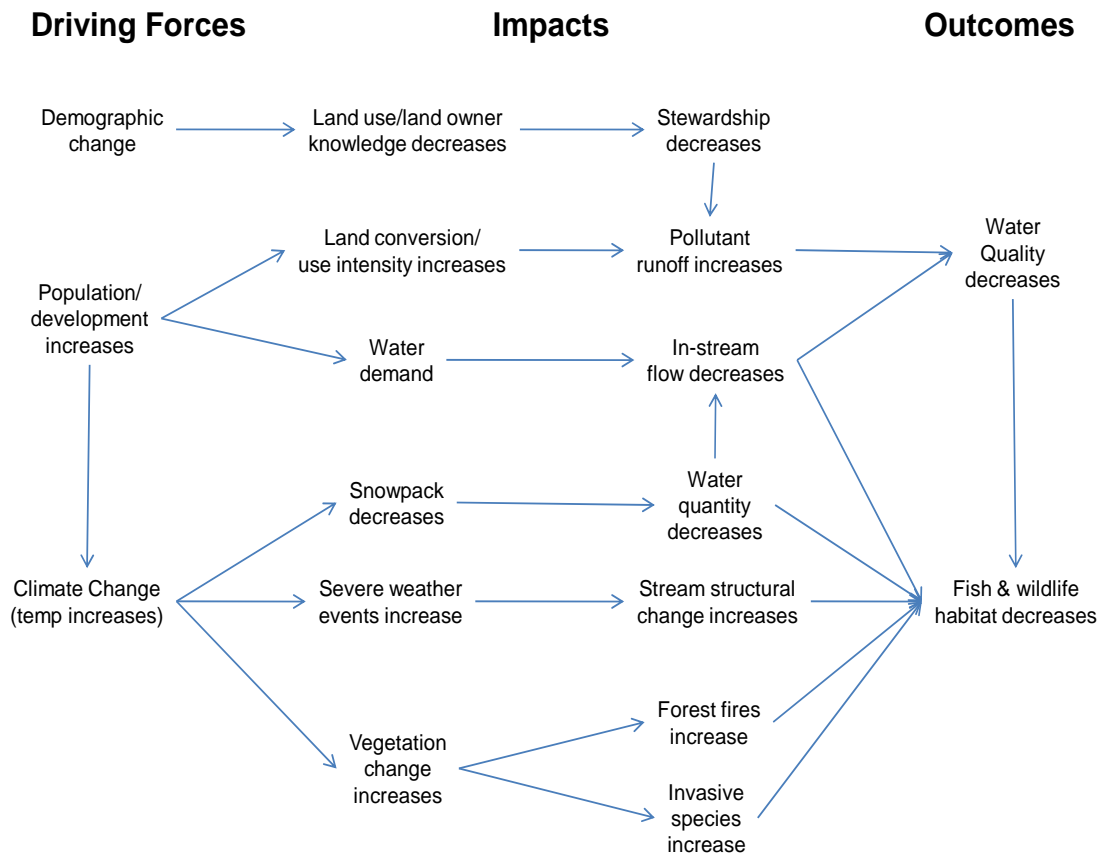
Path to Watershed Health



OWEB's Stewardship Coordination Model



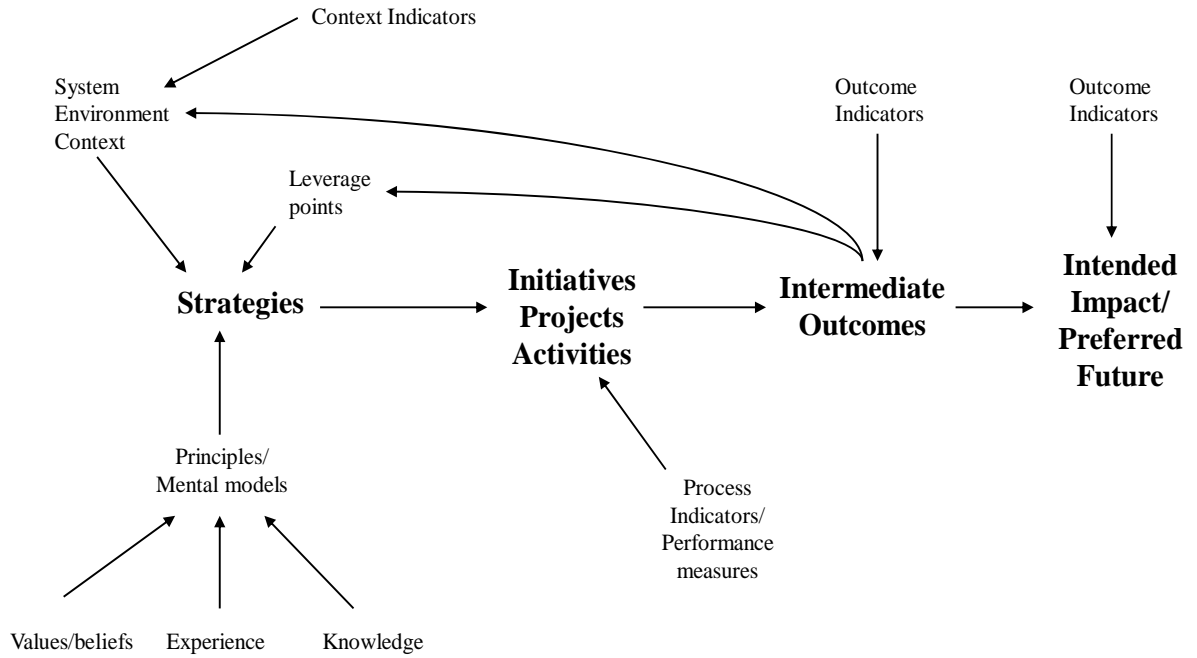
Dynamic Nature of Watersheds



In addition models the board and senior staff reviewed the following Theory of Change model as a way to think about how change occurs and the role of strategies and actions in achieving outcomes.

Theory of Change

How implementing a particular set of strategies will lead to an intended impact



Driving Forces and Future Scenarios

An understanding of the future can be derived from looking at the certain and uncertain forces impacting an organization, the watershed, a community, region, state, or nation. OWEB staff, board and stakeholder's all contributed to a review of driving forces in the STEEP categories (social, technological, environmental, economic and political). Following is a list of the key driving forces that are most likely to impact OWEB's performance and ability to achieve it's Vision. The reason to look at drivers is to get a "hard vision" of how the future might unfold, think about critical uncertainties that will impact the future and craft robust strategies that will perform in all futures. By looking at a variety of drivers an organization can identify holistic approaches to changing or impacting a system. In addition, by crafting a preferred future an organization can implement strategies that help that future become reality.

Driving forces impacting OWEB's performance

- Availability of volunteers
- Value of land
- Cost of increasingly technical projects
- Ability to act as a team
- Strength and value of partnerships
- Leadership in executive and legislature branches of state government
- Capacity and effectiveness of watershed councils and Soil and Water Conservation Districts
- Landowner and land manager relationships
- Staff capacity
- Integration of projects for measureable impact
- Public attitudes and understanding of watershed functions and processes
- Agreement on priorities and understanding of time commitment to achieve desired outcomes
- Technology advances
- Monitoring and feedback on what works to support adaptive management

Driving Forces impacting Watershed Health

- Attitudes of industry and conservation interests
- Technological/geospatial ability to identify/prioritize areas that will bring key changes
- Capacity of watershed councils and Soil and Water Conservation Districts
- Resources available to fund watershed work
- Ecosystem services understanding and payments to landowners
- Climate change
- Water availability
- Invasive species
- Regulation pressures especially related to nonpoint pollution and land use
- Green economy
- Forest health/increased large wildfires
- National and state economy
- Land use and development

- Population growth and changing demographics

The board identified two critical uncertain forces that are most likely to impact OWEB and watershed health. One of those is climate change and the various impacts of a warming climate (including precipitation changes, water availability and seasonal flow changes, water quality, vegetation impacts [wildfire, invasives] and habitat shifts). The second critical uncertain force is the availability of resources. The following Four scenarios for how the future might unfold were identified for these two critical uncertainties.

Strategies are informed by scenarios and are robust if they perform in all futures. Generally one of the futures is a preferred future and can be a goal of an organization. Actions can be identified that will most likely cause that future to happen.

Four Futures

Driving forces that are certain and impact all four scenarios include population growth, land use changes, and demographic changes in parts of Oregon. These certain forces lead to land changes that impact water and upland habitats.

Well stewarded landscape

Uncertain conditions: high public support and resources and mild climate change impacts

- Measure 66 revote passes
- Federal funds for conservation continue
- Watershed priorities remain same
- Increased coordination leads to significant achievements
- Strong WSCs and SWCDs

Voluntary Watershed Management

Uncertain conditions: high public support and resources and severe climate change impacts

- Measure 66 revote passes
- Federal funds for conservation continue
- Dam building to store water booms
- New watershed priorities emerge
- Irrigation efficiency incentives implemented
- Significant buying and selling of water rights
- Northwest population booms from in-migration
- Water availability and flow timing shift
- Salmon fishery devastated
- Water conservation incentives implemented
- Land use regulation increases
- Forest degradation from fire and insects
- Strong WSCs and SWCDs

Creeping degradation

Uncertain conditions: low public support and resources and mild climate change impacts

- Measure 66 revote fails

- Federal funds for conservation diminish
- Population in-migration slow
- High landowner turnover
- Diminished voluntary landowner stewardship activity
- WSCs disband, SWCDs locally funded only
- Land values decline, nonprofit purchasing increases

Water Wars

Uncertain conditions: low public support and severe climate change impacts.

- Measure 66 revote fails
- Federal funds for conservation diminish
- Dam building to store water booms
- New watershed priorities emerge
- Irrigation efficiency regulated
- Significant buying and selling of water rights
- Northwest population booms from in-migration
- Water availability and flow timing shift
- Salmon fishery devastated
- Water conservation mandated
- Land use regulation increases
- Forest degradation from fire and insects
- WSCs disband, SWCDs locally funded only
- Water related litigation significantly increases

No one can predict the future. How the future will unfold is a complex interaction of numerous driving forces. Identifying and considering various driving forces and adaptively managing is the most robust and systematic approach for improving natural resource management.

OWEB's Mission and Vision

Mission Statement

A mission statement is a brief description of an organization's fundamental purpose. A mission statement answers the question, "Why do we exist?"

The mission statement articulates the organization's purpose both for those in the organization and for the public.

Current Status

OWEB currently has a statement that is used as a vision and a mission statement at different times. It is probably closest to a mission statement. The current mission statement was revised to align with statutory language.

OWEB's current mission statement

To help create and maintain healthy watersheds and natural habitats that support thriving communities and strong economies.

OWEB's revised mission statement

To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

An important nuance is in using the word "that" after habitats. OWEB's direct work is healthy watersheds that support communities and economies rather than OWEB working directly on communities and economy.

Alternative Mission Statements Considered

Alternative mission statement one

To leverage and invest with partners lottery dollars dedicated by Oregonians to help create and maintain healthy watersheds and natural habitats that support thriving communities and strong economies.

Alternative mission statement two

To leverage and invest with partners lottery dollars dedicated by Oregonians to create sustainable ecological functions and processes of watersheds and maintain the ecosystem services upon which all Oregonians and their communities depend (including water quality and quantity, soil building and protection, fish and wildlife habitat, carbon storage and food).

Vision Statement

A vision is a statement about what your organization wants to become. It should resonate with all members of the organization and help them feel proud, excited, and part of something much bigger than themselves. A vision should stretch the organization's capabilities and image of itself. It gives shape and direction to the organization's future. Visions range in length from a couple of words to several pages.

A vision statement may apply to an entire organization or to a single division of that organization. Whether for all or part of an organization, the vision statement answers the question, “Where do we want to go?” or “What do we want to become?”. What you are doing when creating a vision statement is articulating your dreams and hopes for your organization. It reminds you of what you are trying to build. You can start the process or even use the word “imagine” in the statement. So imagine in 2015 OWEB will be.....then fill in the blank. Martin Luther King’s “I have a dream” speech is one of the great vision statements.

A vision statement is sometimes called a picture of your organization in the future but it’s much more than that. Your vision statement is your inspiration, the framework for all your strategic planning.

Final vision statement proposed:

OWEB, with its partners, enjoys strong public support and is a recognized leader in the conservation of Oregon’s vast natural resources through investments in local communities that protect and restore sustainable watersheds and ecosystem functions and processes.

Alternative Vision Statements Considered

Vision statement one

OWEB is a public investment organization focused on restoring and protecting sustainable watershed and ecosystem functions and processes, by supporting sustainable working landscapes and community-based conservation to achieve economic, social and environmental health.

Vision statement two

OWEB is a nationally respected, efficiently operated, innovative public investment organization partnered with a high capacity network of local organizations focused on restoring and protecting sustainable watershed and ecosystem functions and processes.

Vision statement three

OWEB invests in local capacity and stewardship projects that reflect Oregonians deep conservation values.

Strategic Planning Facilitated Session

The OWEB board and senior managers met and discussed a variety of issues and driving forces that will likely impact watershed health and OWEB in the future. The retreat was structured and designed to identify high-level strategies for OWEB that would strengthen the organization and create the greatest, most enduring impact on watershed health.

The strategic planning retreat was organized around eight questions derived from issues and driving forces identified in interviews with OWEB staff and stakeholders.

Key Questions

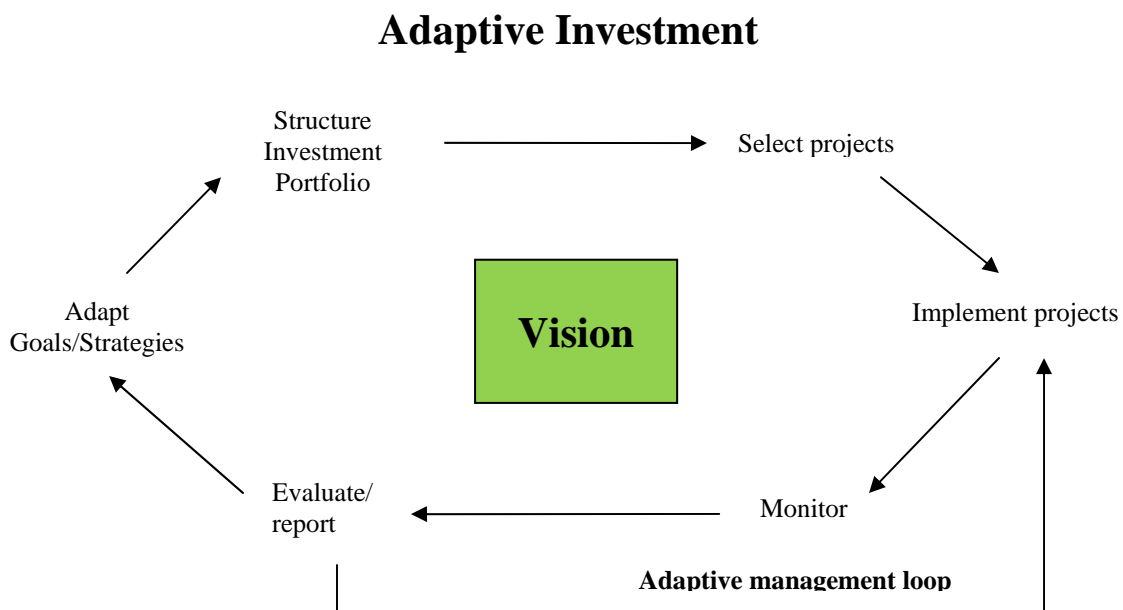
The following list of strategic questions came from looking at the driving forces impacting watershed health and OWEB performance. The board and senior staff considered these questions at a 2 day facilitated session. The participants broke into small groups and identified strategies for addressing each of the questions above. The following strategic areas and strategies were identified and will be the basis of further work as part of crafting a high-level strategic plan.

1. How can OWEB assist in building an enduring local infrastructure to perpetually work on watershed health.
2. How can OWEB best identify, secure and advance strategic partnerships.
3. How can OWEB best prioritize its work across programs and within programs?
4. How can OWEB best achieve effective (scale and impact), efficient (maximum ease and shortest grant cycle time for grantees and landowners) and accountable investment in watershed health?
5. How can OWEB best structure itself and adjust its decisions to adaptively manage in the face of drivers like climate change and demographic and land use changes and the impacts from them like water availability, quality and temperature shifts, new publics needing education, and land cover changes?
6. How can OWEB increase public awareness and understanding of watershed issues?
7. How can OWEB staff maintain capacity and work effectively and efficiently?
8. How can OWEB strengthen partnerships, enhance coordination, and diversify funding sources for watershed restoration?

Sub-committee report on Adaptive Investment (edited)

An ad hoc sub-committee was assigned to further describe issues related to investment strategies that restore or maintain watershed processes and ecological function (Goal 1 in strategic plan). The driving forces affecting OWEB as an organization and the watersheds and landscapes of Oregon are significant and uncertain. In addition to the driving forces OWEB faces the challenge of funding an impactful mix of programs and projects that allows a geographic and organizational distribution of funds that builds a broad restoration infrastructure across Oregon. Key to successful progress achieving OWEB's vision is an adaptive, principled and well structured portfolio with an outcome-based project selection process. OWEB uses a bi-level adaptive investment approach to drive watershed protection and enhancement and act with confidence in the face of uncertainty.

OWEB's adaptive investment approach (see figure below) revolves around its vision for watershed health and operates at two levels. One level is the portfolio structure. The current portfolio includes capital restoration grants, small restoration grants, special investment partnerships, partnership investments, Oregon Plan projects, watershed council support, soil and water conservation district support, CREP support, monitoring grants, and education and outreach grants. The second level of adaptive investment is the selection of projects within each area of the portfolio.



OWEB uses monitoring, evaluation and learning to drive its own adaptive investment learning and to drive an adaptive management approach for project implementation. As conditions

change, technologies and innovations come into practice, new restoration techniques are attempted OWEB and its partners must be learning, sharing and adapting.

The National Research Council defines adaptive management as a decision process that promotes flexible decision making that can be adjusted in the face of uncertainties as outcomes from management actions and other events become better understood. Careful monitoring of outcomes advances scientific understanding and informs policies and operations as part of an iterative learning process. Adaptive management also recognizes the importance of natural variability in contributing to ecological resilience and productivity. It is not a ‘trial and error’ process, but rather emphasizes learning while doing. Adaptive management does not represent an end in itself, but rather a means to more effective decisions and enhanced benefits. Its true measure is in how well it helps meet environmental, social, and economic goals, increases scientific knowledge, and reduces tensions among stakeholders.

Adaptive Management of Natural Resources

Adaptive management focuses on learning and adapting, through partnerships of managers, scientists, and other stakeholders who learn together.

Adaptive management:

- helps managers maintain **FLEXIBILITY** in their decisions, knowing that uncertainties exist and provides managers the latitude to change direction
- will improve **UNDERSTANDING** of ecological systems to achieve management objectives
- is about taking **ACTION** to improve progress towards desired outcomes.

Prioritization of project funding

OWEB’s prioritization of restoration, acquisition and non-capital investments must focus on Outcomes that support the vision. The following key dimensions of project selection should be incorporated into the decision process.

Projects must be integrated and clustered to achieve sustainable watershed and ecosystem functions and processes. By necessity and facing the driving forces described above, OWEB must look at the context of a given project or action and how it will sustainably improve or protect the key functions and processes of that system (ecosystem). How will the investment be resilient to climate change, demographic changes, land use changes, physical change and other adverse influences?

Projects must support sustainable working landscapes that achieve watershed function (i.e. the management of the lands by the landowners/managers is sustainable, and the outcome is a resilient watershed/ecosystem).

Projects must be informed by science and local knowledge. Local, state and federal participants have made significant progress in completing conservation and recovery plans, sub-basin plans, water quality plans, and restoration priorities. Oregon Department of Fish and Wildlife has developed the Oregon Conservation Strategy. The key for OWEB and its partners is to have an integrated approach that considers these plans in the context of OWEB’s vision.

Appendix A

OWEB Staff Questions

What is the mission or ultimate goal of OWEB or stated another way what is OWEB trying to accomplish?

What is your job at OWEB?

What is the role of OWEB staff overall? Complete sentence – The role of OWEB staff is to ____

What are OWEB's key strategies and initiatives?

Is OWEB funding the right projects?

What issues are of greatest concern for this organization?

Does OWEB need a strategic plan?

What is working well at OWEB?

What is not working very well at OWEB?

Which driving forces are most likely going to affect watershed health? (Think STEEP forces – social, technological, environmental, economic and political)

Which driving forces are most likely to affect OWEB's performance? (Think STEEP forces)
Whom must OWEB work with to be successful?

Which partners/agencies/organizations are most critical to OWEB's success now? In the future?

How will you know when OWEB is successful?

What should I have asked that I didn't?

OWEB Staff Interview Summary

All staff members of OWEB were asked a series of questions. A summary of their responses is included below. This information is meant to provide input for the strategic planning process. At the June 1 session with the board and managers the questions of issues and drivers will be explored. The questions directly and indirectly get at many of the same things. The answers are not quantified since the facilitated session will prioritize.

What is OWEB trying to accomplish?

This question elicited two types of responses. One set of responses generally refers to process and the other to various types of outcomes.

Process answers were generally around investing in communities and watersheds or providing grants to people on the ground to do watershed improvement work. The other process answer was to implement the Oregon Plan for Salmon. Engaging local people was often mentioned as a primary consideration. “Getting grants out the door” was the most often used phrase. Building and maintaining partnerships with other agencies and being a hub for collaboration including data management was mentioned by some. A number of staff called OWEB an integrator, working with multiple partners to improve watersheds. Stated by one staff “as building partnerships and trust that will keep resource management moving forward in a collaborative and non-divisive way.”

Outcome answers generally referred to improved watershed health and function, maintaining habitat for Salmon, restoring streams and building local capacity. Get Measure 66 funds out in an equitable way and get results. Improve the local economy was also mentioned.

A few people talked about changing people’s hearts and minds and their basic habits and lifestyles to improve watershed health. Also, instilling an ethic toward the land.

What is the role of OWEB staff overall?

OWEB staff members were asked to think about the collective staff and complete the following sentence: The role of OWEB staff is to:

Solicit, review, award and administer grants that promote watershed health, strengthen partnerships in communities, and build awareness among the public of the need for healthy watersheds.

Build collaboration in communities and get funds out fairly and strategically.

Help OWEB succeed in its priorities and mission.

Keep board in touch with watershed councils and communities.

Represent OWEB in positive and proactive manner.

Ensure OWEB funds are properly and productively spent.

Operate a grant program.

Provide information about improvements to Oregon’s watersheds.

Oversee and administer money allocated to projects.

Provide guidance, be a sounding board and give direction to watershed councils, soil and water conservation districts and landowners and provide funding to get projects done.

Provide money and assistance to qualified applicants and manage grants on behalf of taxpayers.

Help grantees get their projects done.

Administer M66 and federal salmon funds for projects.

Facilitate the dispersal of funds for watershed health and restoration of salmonid populations.

Facilitate the organization and continuation of Watershed councils.

Administer grants and public money toward watershed benefit work with federal and state partners.

Provide service to applicants and grantees.

Keep the organization running efficiently and productively and communicate effectively.
Help others get money to do projects.
Make sure people do what they say and spend money wisely.
Help grantees and public get the information they need about projects.
Get grants out the door and enable project implementation.
Track grant dollars and monitor results.
Facilitate the distribution of lottery funds for restoration work, monitoring, fiscal responsibility and data management.
Work effectively and efficiently as a team to support partners and grantees watershed work and building strong economies and communities.
Handle money and efficiently get it out to fix watersheds.
Fulfill mission statement, meet needs of grassroots groups, implement projects and gather data to live past 2014.
Develop and implement agency programs and policies.
Ensure financial accountability and determine the impact of projects.
Provide service to local clients.
Advance the intent of the Oregon Plan.
Facilitate the Oregon Plan and help people become better stewards.
Provide watershed enhancement opportunities to groups across the state equitably.
Achieve the most impact we can with the public dollars we have to invest.

What is working well at OWEB?

Grant program
Dedicated, thoughtful and productive staff
Watershed councils
OWEB reputation among those who know OWEB
Good communication with management
Active and dedicated board
Integrator and collaborator with many groups and agencies
Good fiscal accounting
Communication within agency and with field staff
Executive director is good leader, communicator, trustworthy
Monitoring program
Lots of good projects on the ground
Culvert replacements
OWRI (Oregon Watershed Restoration Inventory) and Oregon Explorer (tools for getting resources online)
OGMIS (Oregon grant management information system)
Regional review teams
Good teams within sections
Very strong local relationships

What is not working well or can be improved at OWEB?

Need to streamline processes
Build relationships with more funders
Outreach

Information technology
Salem staff need more field time
Over-worked staff (some bottlenecks especially if key staff people are out)
Inability to stop funding groups who are not performing
Systemic infrastructure problems
Poor ecological accounting
Project management, field reps carrying up to 160 active projects
Need to focus on competitive grants
Need to improve inter-sectoral collaboration and communication
Communicating the vision of OWEB
Meet bigger objectives in whole watersheds
Projects need more thought and preparation
Funding level for watershed councils
Too many sub-basin watershed councils
Amount of field staff travel
Use of computer technology for applications, reporting, sharing proposals and teleconferencing
Need outside review of life cycle of grants to look for efficiencies
No opportunity for staff to telecommute
Two grant cycles make for huge workload (200 applications come in on last day)
Data standards and reporting
Process for funding watershed councils
Distribution of non-capital funds
Education and outreach (needs consistent approach)
Not much cross learning of jobs
IT position is not permanent
Communication between monitoring and grants
Program silos at OWEB
Communication between watershed councils
Some resistance to change and automation of systems
Managers do not communicate well, learn things at board meetings
Identity crisis (is OWEB just about grant making?)

What are or should be the work priorities of OWEB.

Manage grant program
Effectiveness monitoring
Developing a monitoring plan
Educating the public
Support watershed councils and soil and water conservation districts
Diversify funding streams
Manage partnerships
Provide technical assistance
Internal and external communications

Is OWEB funding the right projects?

For the most part staff members believe that OWEB is funding the right projects. The biggest questions are around acquisitions and the large projects, especially the irrigation district piping

projects. Some staff members are seriously concerned about how to better fund the watershed councils and build their capacity and the overall infrastructure that puts projects on the ground and educates landowners about stewardship. More uniformity in selecting the best projects is needed while understanding the necessary differences across the state. Watershed assessments and working on water quality issues might need more focus. Mixed feelings about the utility of the small grants program, some feel it builds relationships while others feel it has questionable impact. Need a better way to judge the performance of watershed councils who receive continued funding. Some questioned funding Parks since they get their own money from M66. OWEB still needs to answer the “so what” question. Need to create basin priorities from assessment work.

There seemed to be a high level of confidence in the review teams supporting the selection of restoration projects. However the project prioritization process is weaker. Also the process is opportunity driven by watershed councils and soil and water conservation districts working with willing landowners. Applications do not usually reflect strategic priorities outlined in a watershed assessment or other plan like the Mid Columbia Steelhead Recovery Plan. This does not mean that good work is not being done, it is just not strategic.

Quite a few questions about adding new initiatives related to climate change and ecosystem services without adding staff resources. Some questions concerning whether the board is too susceptible to lobbying from influential organizations.

What are the issues of greatest concern for OWEB?

Not enough thinking time on strategic issues and priorities
Need clear goals on education and monitoring programs
watershed councils funding and performance
Clear regional restoration priorities
Better project prioritization process
Over-worked staff. Field reps have large areas with many projects to manage
What is OWEBs focus and what will it be in the future
2014 and the reauthorization of M66 was the most frequent issue mentioned
Public does not know or understand OWEB.
Sister agencies do not understand OWEB
Mission drift away from restoration and Oregon Plan to economic development and jobs
Monitoring and data management to show results
Electronic permitting and reporting to increase agency efficiency
Field reps have difficult job interfacing between grantees and main office
Shifting role of board, becoming more involved in staff level work
Acquisition projects take a lot of money from restoration and are of questionable value to protection watershed health
Large projects have less scrutiny then smaller restoration projects
Acquisition projects need early management plan to evaluate importance and follow-up
Some regional reps have own agenda and favorite projects and groups
Some staff members resist electronic process upgrades
Develop more outcome measures
Allocation of non-capital funds

Finding appropriate balance between top down and locally driven
Restoration needs to be scientifically and effectiveness driven
The economy and its impact on lottery funds
Legislative apportionment of non-capital funds
Need criteria for investing in acquisition of working lands and other lands
Internal and external communications
Turnover in watershed councils and soil and water conservation districts requires re-training
Difficult to measure net gains in a watershed
Use of monitoring information to drive project selection
Need stronger staff team and mutual problem solving
Budget reductions this biennium

Which driving forces will most likely impact Watershed Health?

This question was asked in the context of the STEEP categories – social, technological, environmental, economic and political.

Water availability and in-stream flow maintenance
Maintaining highly talented and dedicated staff
Climate change
Energy policy
Ecosystem services market
Land use policy
Salmon fatigue at state and national levels
Impact of green economy
Ability of OWEB to demonstrate success or impact for investment made
Urbanization
Population growth
Ag and forestry practices
Mission creep (taking on too many roles)
Lack of focus
Upland land use activity
Technological improvements such as drip irrigation
Staff training
Education of public and landowners
Public awareness and attitudes toward the environment
City and county planning departments playing a role in protecting watersheds
Economic condition of landowners
Connection to younger generation
Invasive species
Natural disasters
Water quality and availability
Effectiveness of fishery limitations
Markets for small diameter wood
Strategies for keeping water high in the system
Farm bill programs moving toward conservation
Existence and Capacity of watershed councils

Scale of projects large enough for impact
Development activity in watersheds

Which driving forces will most likely affect OWEBs performance?

This question was asked in the context of the STEEP categories – social, technological, environmental, economic and political.

State and National Economy
State and Federal budget
Governor and legislature
Budget backfilling for other agencies
Ecosystem services valuation may raise cost of acquisitions
Stakeholder politics (making as many people happy as possible)
Matching staff to expectations and board directives
Organizational culture
2014 reauthorization of M66
Land ownership changes
watershed councils connecting with enough land owners
Stimulus funds
Lottery sales
Accountability – are we making a difference
Confounded nature of proving ecosystem impact (Salmon recovery may be impacted by non OWEB activity such as ocean changes)
Making the right decisions on projects funded
Sister agency staff resources for OWEB technical assistance
Active, engaged board

Which partners are critical to OWEB’s success now and in the future?

It is broadly accepted that the watershed councils and soil and water conservation districts are OWEB’s most critical partners for the development and review of projects and deployment of grants. They function differently around the state and some seem to work better than others, but they are the critical infrastructure and connection to local communities.

Another group of critical partners are the sister agencies involved in technical review of applications. They also participate in funding for projects. They include numerous federal and state natural resource agencies including Oregon Department of Fish and Wildlife, Oregon Department of Forestry, federal and state Departments of Agriculture, NOAA Fisheries, US Forest Service, and the Bureau of Land Management.

Nonprofit organizations are important partners that implement projects and support OWEB. The Nature Conservancy, Defenders of Wildlife, various land trusts, Wallowa Resources, model watershed programs and the Trust for Public Lands were mentioned.

Future partners might include businesses that are part of the restoration economy. Also OWEB might interface with “green” interest such as Natural Country Beef. The strongest recommendation from a couple of sources was to work on making planning departments’ part of

the process or partners some way in the future. The wrong land use policies or development policies can undo a lot of good work in a watershed.

How will you know when OWEB is successful, or if you think OWEB is successful, how do you know?

Water quality

Water quantity

Health of riparian systems

Conversion of general public to watershed health ethic

Continuation of watershed councils

When watershed health is considered in everyday decisions

When next generation holds watershed health values

When the salmon come home

When people know who OWEB is (and are excited about it)

When we clearly know where we are going and how we are going to get there

Better, healthier streams

Restored salmon runs

Good salmon runs in historically producing streams

When OWEB is no longer needed

Visible changes in areas where work has been done

Number of projects

Good staff

When city/county governments put long-term conservation and watershed health measures in local plans

When we can see results of projects

When watershed councils work strategically (watershed assessment, identification of limiting factors and prioritized actions)

Lower stream temperatures

Continuity of OWEB past 2014

Landowners are excited about improving their land and water

When monitoring information shows projects are having a good impact

Public money is spent wisely and well accounted for

Number of good or excellent watershed councils

Number of projects and partners

Recovery numbers of streams and salmon

Watershed level indicators like those in John Day

Local pride in projects

When adaptively managing watersheds using feedback from monitoring

Partner and client satisfaction

Number of applications to conduct restoration work

Appendix B

OWEB Stakeholder Questions

1. What is the mission or ultimate goal of OWEB or stated another way what is OWEB trying to accomplish?
2. How does your organization partner with OWEB?
3. How can OWEB strengthen its partnership with yours?
4. Do you consider OWEB essential, important or unnecessary to advance watershed health?
5. Is OWEB focused on the right priorities and funding the right projects?
6. What issues are of greatest concern for OWEB?
7. What is working well at OWEB?
8. What is not working very well at OWEB or what can be improved?
9. Which driving forces are most likely going to affect watershed health in the future?
(Think STEEP forces – social, technological, environmental, economic and political)
10. Which driving forces are most likely to affect OWEB’s performance in the future?
(Think STEEP forces)
11. Which partners/agencies/organizations are most critical to OWEB’s success now? In the future?
12. If watershed councils are critical, what approaches could or should be used to build and sustain watershed councils?
13. How will you know when OWEB is successful, or if you think it is how do you know?
14. What should I have asked that I didn’t with regard to strategic issues?

OWEB Stakeholder Interview Summary

1. What is the mission or ultimate goal of OWEB or stated another way what is OWEB trying to accomplish?

The dominant view is that OWEB is about implementing the Oregon Plan and doing restoration on the corridors. Most people mention local or “real” community building or collaboration.

There are two dominant views for what OWEB should be about. One is that OWEB is about implementing the Oregon Plan and is appropriately salmon centric. The alternative view is much broader; OWEB should be working broadly on conservation efforts that include uplands and land management, working in salmon and non-salmon streams.

One interviewee said “OWEB is supporting the protection, restoration and local capacity aimed at improving watershed and species health and resilience with a strong emphasis on anadromous fish.” Another said “to implement the Oregon Plan”. Another said “improve the health of watersheds, fish habitat and water quality.”

There is certainly not clarity on what OWEB should be. This also taints question 5 below, if OWEB is interpreting its mission too narrowly then some important projects are obviously not being funded. OWEB needs to define itself to keep from being defined by others.

2. How does your organization partner with OWEB?

For the most part OWEB is seen as a critical funding partner, catalyst and supporter of local initiatives to improve watershed health. Depending upon the agency or organization the partnering is technical assistance, policy, project review, project management, funding partner or grantee. OWEB clearly serves an important coordination and collaboration function among a number of agencies and organizations.

3. How can OWEB strengthen its partnership with yours?

OWEB needs to be more flexible and nimble in dealing with grant requests. An organization can have several grants, one cannot get an amendment or payment if something is outstanding on another grant with the same organization. It is reported that approvals were held up on active road projects (where roads were closed) for administrative trivia, from the grantees point of view. All agree that accountability is important but someone needs the authority to override the system when necessary to make critical decisions. There is a sense that the accounting functions are more critical than the work of people on the ground trying to get a project completed and the fiscal group does not understand that point of view.

OWEB staff needs time to think and talk about strategy and impact with partners. Communication, especially among leadership and from leadership to local level, was identified by a few as critically missing.

OWEB will need powerful advocates over the next few years. OWEB needs to reach out and cultivate relationships with those who will be powerful advocates over the next few years including the Governor, legislative advocates, Oregon Business Council, Oregon

Education Association, League of Cities, Oregon Conservation League, Association of Counties, and Oregon Environmental Council. Basically OWEB needs friends who move policy.

4. Do you consider OWEB essential, important or unnecessary to advance watershed health?

OWEB is almost universally seen as essential with some suggesting the funding and functions are essential but other organizational models might work as well or better. The organization needs focus, granting skills and good collaboration skills. The two key elements of what is needed are community-based groups interfacing with landowners to provide assistance to develop projects and a dedicated source of substantial funds.

5. Is OWEB focused on the right priorities and funding the right projects?

The simple general response is “mostly.” The two other responses are “yes, in our watershed” and “No, they are too salmon centric.” A majority of stakeholders interviewed believe a more strategic approach is needed. Various interviewees suggested the Conservation Strategy, Oregon Salmon Plan, ODFW near shore plan and various watershed assessments should be used to guide the work of OWEB. One interviewee believed the Conservation Strategy is part of a broad and long-term plan and needs to have national legislation to fund it. Funding it will dilute OWEBs impact.

The SIP is viewed by some as a possible model for attaining important scale and impact. Most interviewees believe there are too many WSCs to sustain, at least on the west side. There are clearly differences between the east and west sides.

Main grant program:

- The Regional Review Teams are not using updated regionally-specific priorities developed in 2005-7. Training of Regional Review Teams is overdue. The RRT need more guidance.
- OWEB seems to have some confusion about whether or not uplands are in a watershed, which of course they are. The focus on aquatic and hydrologic components does not complete the watershed picture and is not in line with ODFW and USFWS conservation strategies. OWEB should be aligned with Conservation Plan. Their message is no upland projects if no hydrologic component. OWEB should define their relationship to Conservation Strategy.

Willamette SIP – Seems like too many projects on public land and/or not any seeding for floodplain projects on private land. Not a strategic approach. Not providing seed money to identify and reach out to landowners. Doesn't matter who the partners are. Came out of having too much money to spend and trying to show impact as fast as possible.

Deschutes SIP was well done. They have had a smart, sophisticated conversation. Use as a model, get involved on the ground early and help move other SIPs.

One interviewee said OWEB should ask the question “are the interventions we are funding for a watershed going to add up to the change we want to see especially in the face of other environmental changes going on in that watershed”. How much intervention does it take to see an environmental response?

One interviewee believed OWEB has been evolving from simple restoration, to acquisition, to multi-year complex projects and this is all appropriate.

6. What issues are of greatest concern for OWEB?

- Funding and revote on M66.
- Maintaining the local institutional infrastructure (WSCs and SWCD)
- State and Federal economy
- People do not know who OWEB is?
- Proof the investments have done something or stated another way building public support for dedicating lottery or other funds to this work.
- Competing demand for the dollars
- Articulating how OWEB investments have been good for improving people’s lives and providing a clear message about how they will impact their lives in the future – “hope sells”
- OWEB and WSCs must deal with staff turnover in WSCs
- How to prioritize projects in diminishing dollars environment
- Make the project review process through but not bureaucratic

One interesting story was about trying to increase funds for riparian buffers and the members of the legislative committee did not know what a riparian buffer was. Another awareness issue is around the public being clueless about what a watershed is.

7. What is working well at OWEB?

Staff get high marks as helpful, responsive, knowledgeable and friendly. Field reps viewed as hard working and heavily involved in community.

Thoughtful, competent board.

Funding decisions seem overall, considering political constraints, well considered.

8. What is not working very well at OWEB or what can be improved?

Prioritization process

Acquisition process and requirements

Need more in-depth communication

Too many hoops for small grants, OWEB needs to think about the grantee more not just what makes central staff comfortable

Need clarity and guidance on education programs, what are they about?

Monitoring is invisible to many folks. It is not on a scale useful to most folks.

Board packets are very extensive. Structure needs to include some type of summary or overview approach.

Need guidance on projects like pre-commercial thinning and other activities.

Need more outreach to agriculture on the West side.

Discuss potential policies with stakeholders early. When OWEB adds a rule or procedure they need to remember the time required to fulfill that requirement is multiplied by as many grant holders and councils and districts as there are across the state so a 15 minute requirement turns into hundreds of hours of staff time (lost in the view of some). For efficiency to improve every keystroke required should be essential. Fiscal manager needs to go on a listening tour in the field.

Manager and director level needs to interface with NRCS and CREP on how to overcome the cultural differences between them and OWEB andWSCs.

9. Which driving forces are most likely going to affect watershed health in the future? (Think STEEP forces – social, technological, environmental, economic and political)

- National and state economy (conservation ranks low in hierarchy of needs and concerns)
- Climate change (sea level rise, higher temps, changing precipitation patterns, water availability, human migrations, changes in geographic distribution of species)
- Population growth and development
- Technology including precision agriculture and irrigation efficiency
- Forestry practices
- Water allocation
- Land use policy
- Demographic changes
- Pace of change can be hard to keep up with
- Non-point source pollution regulation
- Ag land conversion to rural residential
- Resources to support voluntary restoration efforts (M66)
- Global dietary change (increasing meat diet takes more water)
- Political will
- Fish management
- Laws about water rights and use and enforcement of water rights

Several people made the point that watershed restoration will significantly mitigate the impact of climate change.

10. Which driving forces are most likely to affect OWEB's performance in the future? (Think STEEP forces)

- M66 revote
- State budget
- OWEB staffing
- Tension between restoration and acquisition
- Political involvement in projects
- Public support (urban/rural disconnect)
- Ability to demonstrate value of investments
- Development of diverse funding sources including ecosystem services markets
- Capacity of local infrastructure (too many WSCs)
- Quality of partnerships
- Degree to which OWEB remains locally driven
- Volunteer burnout for WSCs and SWCDs

11. Which partners/agencies/organizations are most critical to OWEB's success now? In the future?

Same long list of state and federal natural resource agencies from staff and stakeholders. WSCs and SWCDs are generally viewed as critical infrastructure along with a variety of nonprofits. Federal and state natural resource agencies are critical.

12. If watershed councils are critical, what approaches could or should be used to build and sustain watershed councils?

Most stakeholder's think there are too many WSCs. Oregon needs fewer, larger, stronger councils. One thought was to regionalize functions while keeping as much local structure as possible. Possibly a modified SIP structure could solve both the project prioritization problem and the too many WSCs problem. Also suggested taking a look at the BEF model watersheds and see if more could be learned from them about structure.

Training was a frequent and key suggestion. Coordinate it through the council and district associations and do joint training. Increase networking of WSCs.

Need new, expanded technical services and support. Either engineers on retainer or technical assistance employees could save 8 months on a project where now you have to go for TA grant for assistance to prepare a grant and go through at least two cycles.

Change the competitive approach to WSC funding. Decide who to fund and fund them adequately. If you do not have salmon you lose points, is that fair? Rural WSCs just can't measure up even if they are doing good work. Need to get funding to 130k per year to retain high capacity coordinators and basic operations as many key community partners disengage with repeated turnover and frequent interruption of trusted relationships. The research on turnover indicates coordinators leave because of salary and benefits. OWEB should do whatever they can to deal with this. One person felt there were too many SWCDs, but Harder for OWEB to deal with than WSCs.

OWEB should look statewide and make a judgement about WSC structure. Test some new models of support. Maybe some of the work in the Willamette SIP will show the way. Break the mould and focus on the long-term and be strategic.

13. How will you know when OWEB is successful, or if you think it is how do you know?

There is a general sense that OWEB is successful what how do you convey it is the issue.

- When they are doing 10 times more projects with the same resources
- When local infrastructure is effective and self-sustaining
- Strong local collaborative groups
- Contiguous miles of restoration activity
- By the projects completed (some places have achieved 90% no till wheat farming)
- When they get their message out
- Water quality improves
- When fish populations improve
- When projects identified in watershed assessments have been addressed
- Must be defined in a way that is meaningful ecologically and politically
- When people call their legislator and ask OWEBs funding to be increased
- OWEB is success when their partners and clients are successful and think OWEB is successful.

A key point of several is that OWEB has never identified or articulated their goals. Goals should be outcome based including a statement that all or some % of watersheds will be healthy ecological systems by some date. A few suggested that guidance on project priorities would be useful and save efforts developing projects that OWEB has no intention of funding. The monitoring program should offer clear feedback and guidance but at this point no one seems to know much about the monitoring program.

One person made an interesting analogy between the watershed and the human body. When are you done with your health. Things change and must be addressed, you might get to a healthy state and then pine beetles kill all the trees in the watershed. Watershed health is perpetual work.

There are no measurable objectives or outcomes for projects or SIPs. The trick is measuring cumulative impact.

OWEB needs a strong, well-designed monitoring program and adaptive management approach to watershed restoration.

Fish numbers are beyond what OWEB can impact. Fish-ready habitat can be quantified.

Key is to communicate how you intend to keep being successful. Making promises and commitments and holding on to success.

OWEB needs a marketing plan about how they are good for fishermen, bird watchers, recreation, salmon, etc.

14. What should I have asked that I didn't with regard to strategic issues?

The following responses generally reflect one or a couple of interviewees.

How would you re-invent the process?

- Look at Oregon Forestry Institute for model insulated from politics

- Work from strategic framework like SIPs

- Broaden scope of what gets funded including assessment, project design and engineering

- Need to develop guidance for restoration like acquisition priorities guidance

- Need to be less driven by who comes through the door

Who are OWEBs champions? Including legislative champions, opinion leader champions. OWEB has not cultivated them.

What is OWEB doing to explore and experiment with new market tools like transferable development credits and ecosystem services.

Is OWEB's interest perpetuating itself or solving the problem as fast as possible?

How can OWEB play a more proactive role in bringing funders together. They should join the funding community (foundations).

Can OWEB be assessment and scientifically driven and strategic?

Who are the partners to get M66 passed? How do we put differences aside and band together to renew M66?

How does OWEB become nimble, efficient and simpler organization?

What is the best approach for the education program?

Has OWEB been more political or strategic in projects? How would you evaluate that?

What pressures are limiting OWEB from being more innovative in approach?

Is structure and skills of staff and board right?

Appendix C

Cooperation, Coordination, & Collaboration

A Table Describing the Elements of Each ²

<i>Essential Elements</i>	Cooperation	Coordination	Collaboration
Vision and Relationships	<ul style="list-style-type: none"> • basis for cooperation is usually between individuals but may be mandated by a third party • organizational missions and goals are not taken into account • interaction is on an as needed basis, may last indefinitely 	<ul style="list-style-type: none"> • individual relationships are supported by the organizations they represent • missions and goals of the individual organizations are reviewed for compatibility • interaction is usually around one specific project or task of definable length 	<ul style="list-style-type: none"> • commitment of the organizations and their leaders is fully behind their representatives • common, new mission and goals are created • one or more projects are undertaken for longer term results
Structure, Responsibilities & Communication	<ul style="list-style-type: none"> • relationships are informal; each organization functions separately • no joint planning is required • information is conveyed as needed 	<ul style="list-style-type: none"> • organizations involved take on needed roles, but function relatively independently of each other • some project-specific planning is required • communication roles are established and definite channels are created for interaction 	<ul style="list-style-type: none"> • new organizational structure and/or clearly defined and interrelated roles that constitute a formal division of labor are created • more comprehensive planning is required that includes developing joint strategies and measuring success in terms of impact on the needs of those served • beyond communication roles and channels for interaction, many 'levels' of communication are created as clear information is a keystone of success
Authority & Accountability	<ul style="list-style-type: none"> • authority rests solely with individual organizations • leadership is unilateral and control is central • all authority and accountability rests with the individual organization which acts independently 	<ul style="list-style-type: none"> • authority rests with the individual organizations but there is coordination among participants • some sharing of leadership and control • there is some shared risk, but most of the authority and accountability falls to the individual organizations 	<ul style="list-style-type: none"> • authority is determined by the collaboration to balance ownership by the individual organizations with expediency to accomplish purpose • leadership is dispersed, and control is shared and mutual • equal risk is shared by all organizations in the collaboration
Resources and Rewards	<ul style="list-style-type: none"> • resources (staff time, dollars and capabilities) are separate, serving the individual organizations' needs 	<ul style="list-style-type: none"> • resources are acknowledged and can be made available to others for a specific project • rewards are mutually acknowledged 	<ul style="list-style-type: none"> • resources are pooled or jointly secured for a longer-term effort that is managed by the collaborative structure • organizations share in the products; more is accomplished jointly than could have been individually

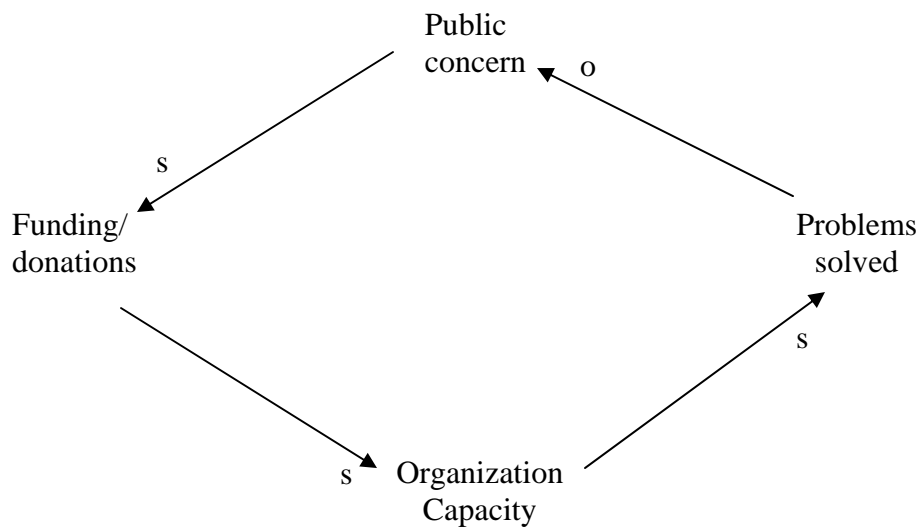
² Adapted from the works of Marun Blank, Situran Kagan, Ateia Melannie and Karen Ray

Source: **Collaboration: What Makes It Work** Amherst H. Wilder Foundation

Appendix D

How to Read a Causal Loop Diagram (CLD)

To read the cycles remember “s” means that a change in that element in the cycle is the same as the one before it. An “o” means it is opposite. So looking at the simple CLD below “Public concern” has an arrow going to “Funding/donations” with an “s” by the arrow. This means as Public concern goes up, Funding and donations also go up or if public concern goes down then funding and donations go down. The same thing happens to both elements. The arrow connecting “Problems solved” with “Public concern” has an “o” by the arrow. This means that as problems are solved public concern goes down, it also means that as problems solved goes down, public concern goes up. The relationship between the two elements is opposite.



Oregon Watershed Enhancement Board

Strategic Plan

DRAFT

September 2009

Oregon Watershed Enhancement Board
775 Summer Street NE #360
Salem, Oregon 97301

Invitation from Executive Director and Board

Dear Citizens, Stakeholders and Partners,

The Oregon Watershed Enhancement Board (OWEB) strives to leverage and invest the Measure 66 lottery dollars entrusted to it as efficiently and productively as possible. OWEB is an adaptive and maturing agency that partners with many organizations and agencies at the local, state, and national levels.

OWEB is proud of its 10 years of restoration and conservation work on behalf of current and future Oregonians and has developed a hopeful and ambitious strategic plan to take us forward. This strategic plan was developed with input from staff, stakeholders and the board. It is designed to provide high level strategic guidance and direction to help reduce impacts on Oregon's natural resources from significant driving forces like human use, population growth, urbanization and climate change. The five goals and nine strategies that follow represent our best thoughts for how to continue our work on behalf of Oregon citizens, but do not capture all of OWEB's responsibilities and programs.

Using input from stakeholders, staff and board members, the board and senior staff share an understanding that:

- 1) Oregonians hold a deep set of conservation values,
- 2) Building a high capacity local infrastructure to implement projects is essential,
- 3) Significant ongoing resources will be needed for watershed restoration and conservation,
- 4) Partnerships are essential to OWEB's work,
- 5) Monitoring and feedback will inform and improve our work, and
- 6) Public awareness will ensure continuing public support.

No one can predict the future. How the future will unfold is a complex interaction of numerous driving forces. OWEB must be adaptive and innovative to achieve ongoing success in the face of an uncertain future.

OWEB is proud to be part of an ongoing Oregon conservation legacy. We invite your thoughts, comments and support in the restoration and conservation of Oregon's natural resources.

Tom Byler
Executive Director

Diane Snyder
Co-chair

Daniel Heagerty
Co-Chair

Oregon's Conservation Legacy

People have a deep and enduring connection to Oregon's natural environment—the cool and clean water of its rivers and lakes, the rich diversity of its fish and wildlife, and the inspiring beauty and variety of its landscapes. Generations of Native Americans have been sustained by the land's abundant natural resources. In the nineteenth century trappers, settlers, farmers and ranchers made the arduous trek to Oregon attracted by the special qualities of Oregon's lands and waters. Oregonians continue to deepen their tie to the lands and waters on which they live, work, and play.

This collective care and appreciation for the state's natural places and working landscapes has created a strong and enduring legacy of conservation in Oregon. Looking back, Oregon's conservation legacy is embodied in milestone actions involving incentives for recycling (the bottle bill), protecting unique and special places for the public to enjoy (the beach bill), and the development of land use planning laws to protect important land uses and prevent unchecked urban sprawl.

The most recent expression of Oregon's conservation legacy has been quietly and effectively taking place in communities around the state for ten years. Local groups—primarily watershed councils and soil and water conservation districts—are engaging farmers, ranchers, foresters, and other landowners to voluntarily work with other partners to take actions on their properties that help restore and protect our natural environment. Together, these local, cooperative actions are writing the most recent chapter to Oregon's conservation legacy.

These actions are possible because Oregon voters decided in 1998 to dedicate Lottery Fund dollars to support grants for clean water and to improve and protect habitat for fish and wildlife. The Oregon Watershed Enhancement Board (OWEB) is the state agency responsible for administering these grants.

The Oregon Watershed Enhancement Board (OWEB) is a non-regulatory public investment board that employs a locally-driven, collaborative conservation approach to watershed enhancement. OWEB solicits and awards grants to improve and protect watershed health and monitors project effectiveness so all partners can adaptively manage the resource. OWEB is led by a policy oversight board that represents state, tribal, and federal interests, as well as the public at large.

OWEB's grant programs support voluntary efforts that result in:

- Projects that restore and protect natural processes and functions of watersheds;
- A statewide network of councils, districts and other local groups that develop and implement restoration projects;
- Citizen awareness of watershed issues and participation in restoration and protection actions;
- Strong and lasting partnerships to address complex natural resources issues;
- Jobs and the purchase of goods and services in local communities.

Mission and Vision

OWEB has been working from a mission statement since 2001. This strategic plan aligns that mission statement with statutory language and expands that mission statement with a vision statement. The vision statement was developed from discussions between Board members and management staff, input from staff and stakeholders, and OWEB's experience in implementing its mission over the past 10 years.

Mission Statement

A mission statement is a brief description of an organization's fundamental purpose. OWEB's mission is:

To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Vision Statement

A vision statement articulates the dreams and hopes for an organization. OWEB's vision is:

OWEB, with its partners, enjoys strong public support and is a recognized leader in the conservation of Oregon's vast natural resources through investments in local communities that protect and restore sustainable watersheds and ecosystem functions and processes.

The vision calls for Oregon's watersheds to include healthy river systems and well managed upland landscapes capable of sustaining and enriching Oregon's biological diversity, ecosystems, fish and wildlife habitat, and agricultural, forest and human communities.

Watersheds have three primary functions with regard to water. They capture, store and release water. The entire watershed, ridgetop to ridgetop, is essential to these processes. Floodplains of rivers are complex systems that evolved over time, shaped by the soils, topography, vegetation and other natural forces. In addition to water related functions, watersheds are also landscapes that create fish and wildlife habitats essential to the natural functioning of entire ecosystems.

OWEB's vision will guide future decisions about programs and funding priorities. This vision requires:

- *Integrated investments in projects that emphasize protection and/or restoration of watershed processes and ecosystem function required by Oregon's native fish and wildlife;*
- *A ridgetop to ridgetop approach to achieving healthy watersheds;*
- *Dynamic river and floodplain systems that interact with physical and ecological processes;*
- *High water quality that supports Oregon's native fish and wildlife species and human requirements;*
- *Involved community members including both public and private interests that build and sustain a watershed stewardship ethic;*
- *Monitoring to support adaptive management and investment efficiencies of the resource.*

Goals, Strategies and Implementation Actions

The OWEB Board has established the following goals, strategies and actions in support of OWEB's vision. In order to effectively consider and implement the strategies and actions identified below OWEB staff will develop work plans and realign staff workload to achieve vision-driven priorities. Measures of progress and success will be developed and aligned with currently required reporting measures.

Goals

OWEB's goals are to:

- Goal 1: Restore and sustain resilient ecosystems through program and project investments that incorporate watershed and ecosystem functions and processes and community needs.**
- Goal 2: Support an enduring, high capacity local infrastructure for conducting watershed restoration and conservation.**
- Goal 3: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.**
- Goal 4: Build and maintain strong partnerships with local, state, tribal and federal agencies, nonprofit organizations and private landowners for watershed health.**
- Goal 5: Ensure highly efficient and accountable administration of all investments.**

These goals are further described below, including strategies and actions.

Strategies and Actions

Adaptive Investment

- Goal 1: Restore and sustain resilient ecosystems through program and project investments that incorporate watershed and ecosystem functions and processes and community needs.**

OWEB faces the challenge of funding a mix of programs and projects across the state with many partners to build a broad restoration and monitoring infrastructure. Population growth and climate change will affect communities around the state and the watershed processes and functions upon which those communities and fish and wildlife depend. These driving forces are significant and their impact is uncertain. The key to achieving OWEB's vision is an adaptive, principled, and well structured investment strategy that incorporates monitoring and evaluation into local project development and program evaluation. Monitoring information is the basis for adapting investment and management activities to achieve the most effective and resilient outcomes.

Strategy 1: Maintain and enhance restoration and protection programs that focus on watershed and ecosystem functions and processes, support sustainable working landscapes, and empower community-based conservation to address economic, social and environmental health.

Where are we now?

OWEB has worked for 10 years to enhance and maintain healthy watersheds and natural habitats that support thriving communities and strong economies. OWEB achieves this by working closely with local partners to provide watershed enhancement grants; providing funding to support the capacity of watershed councils and soil and water conservation districts; partnering with other agencies and organizations; monitoring and managing information; and reporting on implementation of the Oregon Plan for Salmon and Watersheds. OWEB's mission and work also support and complement governmental climate change policy and priorities through locally based, on-the-ground work to improve watershed health and resilience, which will become increasingly important to address the effects of climate change.

OWEB has developed tools to assist partners in the strategic development of restoration or conservation projects. OWEB adopted priorities for land acquisition grants in 2004. OWEB has also developed and begun to implement a framework, known as Restoration Priorities, that establishes priorities at regional geographic scales to assist in the evaluation of proposed improvement projects at the local watershed level. The framework was developed to categorize actions by the effect they will have on ecosystem function and process. Five general types of activities have been identified to address watershed function improvement:

- Actions that restore habitat connectivity;
- Actions that address impaired watershed processes that affect the aquatic system or water quality;
- Actions that address key habitats and water quality for at-risk and ESA-listed species;
- Actions that reduce human impacts and inputs to the watershed; and,
- Actions that address symptoms of impaired watershed processes that impact fish habitat or water quality, or affect specific wildlife concerns.

OWEB's Restoration grant applications require applicants to address how their proposal fits with the Restoration Priorities; this is one of the factors evaluated by OWEB's Regional Review Teams when developing funding recommendations for OWEB consideration. The Review Teams also consider technical merit, feasibility, likelihood of success, experience of the applicant, and the budget.

Where are we going?

Action 1: Re-examine the Restoration and Acquisition Priorities making them consistent with the vision and incorporate climate change strategies as they emerge from international, national, state and local sources.

Action 2: Board adopts final set of Restoration and Acquisition Priorities.

Action 3: OWEB enhances access to, and knowledge of, adopted Restoration and Acquisition Priorities.

Action 4: OWEB enhances the grant application development and review processes to incorporate the Restoration and Acquisition Priorities to ensure projects are strategic and deliver watershed and ecological function and process outcomes consistent with the vision.

Action 5: Continue investment in the Willamette and Deschutes Special Investment Programs (SIPs) and work with partners to explore additional SIPs and other partnerships.

Action 6: Encourage and support programs that result in positive long-term economic outcomes for landowners while achieving sustainable watershed improvements.

Strategy 2: Implement monitoring and research programs to build knowledge and strengthen feedback about OWEB investments and critical uncertainties to support adaptive management for outcome improvements.

Where are we now?

The Board adopted a far-reaching and long-term strategy to guide coordinated monitoring efforts under the Oregon Plan for Salmon and Watersheds in 2003. From this strategy, OWEB initiated an effectiveness monitoring program in 2005. To date, effectiveness monitoring has been initiated on many of the top 25 restoration program areas funded cumulatively since 1999. These monitoring projects include detailed evaluations of riparian planting and fencing, fish barrier removal, irrigation efficiency, western juniper removal, dam removal, in-stream large wood placement, road removal and rehabilitation, wetland restoration, tide gate replacement, and others.

While OWEB has funded research since 2002, it is only within the last two years that OWEB has developed a research program. One competitive grant process and one targeted research opportunity occurred in 2008 and 2009 respectively. Reports and results are made available on the OWEB website. A coordinated effort with external monitoring experts and stakeholders is the grounded approach OWEB takes with its monitoring and research activities.

OWEB manages the Oregon Watershed Restoration Inventory (OWRI), which has tracked completed restoration work since 1995. Except for projects funded by OWEB or implemented under certain permits, all reporting to this database is voluntary.

The actions under Strategy 2 provide the building blocks for understanding the results of OWEB investments from the project level to the cumulative impact of all investments. The data collected through the implementation of this strategy will be assembled into information that will be shared under the Goal 3, Strategy 1, for the purpose of building awareness, success and support for OWEB actions.

Where are we going?

Action 1: Undertake a monitoring and research program status review to describe the lessons learned, the current use of data and analyses, and the actions needed to successfully implement this strategy.

Action 2: Implement the appropriate compliance and effectiveness monitoring in key investment areas and the remaining one third of OWEB's top restoration investment areas.

Action 3: Assemble data, information, lessons learned, and stories from effectiveness monitoring that will be used to implement Goal 3 to build awareness and understanding.

Action 4: Continue to work with partners through collaborative workgroups and by providing funding through grants to high priority monitoring activities.

Action 5: Continue to establish and maintain databases internally and through grants used to store, analyze, and provide the backbone of information delivery through electronic and traditional forms of communication.

Action 6: Revise OWEB Research Priorities to align with Board goals related to climate change, Oregon Plan for Salmon and Watersheds, and Oregon Conservation Strategy.

Local infrastructure development

Goal 2: Support an enduring, high capacity local infrastructure for conducting watershed restoration and conservation.

Watershed councils, soil and water conservation districts and nongovernmental organizations are key partners in implementing OWEB's watershed enhancement program. Councils and districts account for roughly two-thirds of OWEB grants. They play a critical role in working with interested landowners to design projects, apply for grants, implement restoration projects, monitor project results, and provide local watershed education. The work of these local partners also provides significant community and economic benefits. Success of OWEB's mission and vision requires these partners to have sufficient capacity and funding to continue and enhance their work. In addition, watershed restoration and protection needs are so great, that more partners at the local level are needed.

Strategy 1: Establish and articulate policies related to the support and development of a diverse local infrastructure for watershed restoration.

Where are we now?

OWEB is exploring a diverse approach to building local infrastructure to support restoration and conservation. This includes watershed councils, soil and water conservation districts, nongovernmental organizations and landowners. Partnerships are encouraged to organize at a scale that can be sustained over the long term. OWEB continues to explore issues related to the number of councils and the best ways to manage and fund a high capacity infrastructure.

Where are we going?

Action 1: Work with watershed councils, soil and water conservation districts, public and private foundations, tribes, and other governmental and non-governmental organizations to identify needs and funding partners to strengthen their ability to build capacity and develop a diverse and enduring local infrastructure.

Action 2: Identify and evaluate alternative organizational structures to achieve more stable local infrastructure.

Strategy 2: Evaluate and adjust watershed council support grant review and funding processes to build local capacity, provide base funding and promote strategic partnerships.

Where are we now?

The legislature currently provides councils and districts with a base level of funding of \$5 million each, every two years. During the 2007-2009 biennium, OWEB supplemented this base funding with an additional \$1 million each. Councils and districts work to supplement OWEB's funding by seeking other funding such as foundation grants, memberships, donations, business contributions, and, for some districts, local taxes. The level of support and resources varies based on the leadership, capacity and geographic location of these organizations. OWEB recognizes that more support needs to be provided to help build sustainable local organizations to carry on watershed restoration work.

This strategy only addresses the support grants for watershed councils. Soil and water conservation district support funding is provided by OWEB through the Oregon Department of Agriculture, which runs its own distribution and accountability processes.

Where are we going?

Action 1: Consider a moratorium on funding new councils and new applicants for council support for the 2011-2013 biennium, giving time to develop policy guidelines for distinguishing when OWEB should fund new councils or new applicants for council support.

Action 2: Develop policy guidance for the Board on council requests for solo funding ("splitting" from umbrella councils) for the 2011-2013 council support grant awards.

Action 3: Work with applicants, reviewers and others to explore options regarding how OWEB funds councils, including looking at new applicant funding, base funding, partnership incentives, outcomes from OWEB funding, and other issues.

Strategy 3: Provide technical assistance to build capacity, secure additional funding and increase local organizational resilience.

Where are we now?

OWEB has provided funding to support capacity building for watershed councils and soil and water conservation districts through the Network of Oregon Watershed Councils (Network) and Oregon Association of Conservation Districts (OACD). OWEB's funding also supports coordination and cooperation between OACD and the Network to the benefit of councils,

districts, and OWEB. The work of these organizations directly complements the funding for councils and districts and helps their respective groups perform at a high level and communicate their successes.

Where are we going?

Action 1: Require specific capacity building products and expectations as deliverables for the funding provided to the Network of Oregon Watershed Councils and Association of Oregon Conservation Districts.

Action 2: Reserve noncapital funds to contract with one or more organizations to deliver additional capacity building services in 2009-2011.

Action 3: Continue working with partners and exploring possibilities to develop tools and strategies for ecosystem service market participation that may diversify revenue streams for local infrastructure and leverage and diversify project and maintenance/monitoring funding.

Public Support

Goal 3: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

All Oregonians appreciate and recognize the value of clean, abundant water. Fewer Oregonians recognize that clean, abundant water depends on functioning watersheds. Still fewer Oregonians identify the critical link between investments in watershed restoration and protection and clean, abundant water. It is important to expand the awareness that land and water management actions can improve and/or protect water quality. Healthy watersheds require an informed public that supports fish and wildlife habitat protection, well managed river corridors, agricultural and forest land stewardship and urban land and water management.

Strategy 1: Engage Oregonians on a broad level, reminding them of the importance of healthy watersheds and informing them, in broad strokes, of what has been accomplished on their behalf through the work of OWEB and others.

Where are we now?

OWEB was created in 1999 and now has over a decade of projects and programs that illustrate the linkages between ecosystem health and community and economic sustainability. Every two years, OWEB develops a biennial report on the progress of the Oregon Plan for Salmon and Watersheds that highlights implemented projects, local community efforts, and agency program accomplishments.

After 10 years it is important to compile a history of investments and ecological outcomes to help the public understand the value received. The more people know about the public investments in watershed health and the benefits of those investments, the more they will value them and support continued funding of these efforts.

Where are we going?

Action 1: Develop and implement simple, effective and strategic awareness messages and messaging tools aligned with OWEB's strategic plan.

Action 2: Develop a range of tools for OWEB grant recipients to use to further the Strategy and implement Action 1.

Action 3: Coordinate and develop specific plans with other agencies and partners to deliver consistent messages.

Action 4: Compile a history of OWEB investments and ecological outcomes ("Decade of Investment") to describe how OWEB has invested on behalf of Oregonians to improve and protect watersheds and the ecosystems they support.

Action 5: Review and enhance the Oregon Plan for Salmon and Watershed Biennial Report to further the goals of the Strategic Plan and Strategic Communications Plan.

Strategy 2: Encourage and facilitate greater exploration, knowledge and appreciation of OWEB's accomplishments for those Oregonians who seek greater involvement.

Where are we now?

OWEB administers a competitive grant program that invests approximately one million dollars a biennium in watershed education and outreach grants across Oregon. In 2005, OWEB developed an Education and Outreach Strategy to connect and support OWEB's education and outreach functions and investments. The strategy included three elements that build upon each other: enhance awareness, improve knowledge and develop skills.

Where are we going?

Action 1: Develop and implement simple, effective and strategic education and involvement messages and messaging tools aligned with OWEB's strategic plan.

Action 2: Use the Strategic Communication Plan to guide education and outreach grant offerings.

Action 3: Work with partners to develop and implement the Oregon Environmental Literacy Plan ("No Child Left Inside").

Partnership development

Goal 4: Build and maintain strong partnerships with local, state, tribal and federal agencies, nonprofit organizations and private landowners for watershed health.

OWEB combines the regulatory and land management programs of state and federal agencies and local governments with voluntary watershed restoration by private landowners and others. Over the years, solutions to address water quality, watershed health, native salmon habitat, and wildlife conservation have been achieved by building partnerships between government

agencies, tribes, watershed councils, soil and water conservation districts, nonprofit organizations, landowners and citizens.

OWEB is charged with being the central organization for managing Measure 66 funds for watershed enhancement. This is a grant based, non-regulatory program to improve watershed and ecosystem health that requires a high level of coordination and collaboration with local, state and federal agencies and organizations. OWEB dollars can be leveraged and partners can help inform the public about the successful watershed restoration work underway. There is clearly opportunity to expand the nature of current partnerships and create new partnerships.

Strategy 1: Identify new and expand existing strategic partnerships that leverage OWEB funds and knowledge to achieve healthy watershed and community outcomes.

Where are we now?

Partnerships are a required element for all OWEB investments. Partnerships range from the matching funds for individual grants to institutional arrangements to implement federally developed programs. OWEB maintains a portfolio of investments with different kinds of partners and at different levels of formal relationships. Criteria for evaluating formal partnerships has been developed and adopted by the Board.

OWEB has successful partnerships with local watershed councils, soil and water conservation districts, state and federal agencies, tribes, local government, land trusts, private foundations, and other nongovernmental organizations.

Where are we going?

Action 1: Executive Director and partnership subcommittee will identify and prioritize partnership development on behalf of OWEB consistent with the vision and Board adopted partnership criteria.

Action 2: OWEB key messages will be developed and shared with partners. Specific plans will be developed for distribution of messages by partners.

Efficient and Accountable Administration

Goal 5: Ensure highly efficient and accountable administration of all investments.

OWEB's core function is the administration of a competitive grant program, which has experienced significant growth in the number of grants and funding award amounts over the past ten years. The timely, accurate and transparent administration of all aspects of the program is an everyday activity for all employees. This approach benefits the agency and its partners by providing streamlined processes and necessary resources to carry out watershed enhancement in an expeditious and responsible manner. OWEB will continue to focus on this important goal and continue to look for opportunities for advancement and improvement.

Strategy 1: Continue to evaluate, explore and implement grant administrative processes to maintain and enhance efficiencies at all levels.

Where are we now?

OWEB is in constant communication with staff to determine the most efficient ways to carry out its business. A staff review is conducted following each grant cycle to develop recommended improvements. OWEB has a full time information technology person on staff who has begun to develop digital processes for the organization, including a grant administration system and online reporting. Staff members in other program areas are working with partners to improve agency processes in order to better facilitate on-the-ground actions.

In addition to internal processes, OWEB benefits from third party reviews of its work. OWEB's grant process, files and expenditures are audited every other year by the Secretary of State and OWEB has received a favorable audit each time. OWEB also conducts an annual customer service survey.

Where are we going?

Action 1: Conduct an independent review of OWEB's business processes to identify ways to improve communications and streamline and simplify the processes for staff, applicants and grantees, without compromising accountability and legal requirements.

Action 2: Prioritize and implement business process recommendations.

Action 3: Explore options and develop information technology tools to increase efficiencies and meet the needs of stakeholders and staff.

Proposed Strategic Plan Stakeholder Involvement Process

Purpose: Circulate the Final Draft OWEB Strategic Plan widely to OWEB’s stakeholders and solicit feedback on the proposed goals, strategies, and actions.

Proposed Process:

Distribute Final Draft Strategic Plan (Final Draft) via email with message from Executive Director and Co-Chairs inviting comment on the plan by Friday, November 6, 2009. Executive Director and Co-Chairs engage in discussion with OACD and Network of Oregon Watershed Council.

Proposed Stakeholder Questions:

1. Do the Mission Statement and Vision Statement capture the spirit of what you do and what is possible by the use of the funding from OWEB?
2. Do the Goals and Strategies link effectively to the Mission and Vision?
3. Are there issues of concern that you do not see addressed in the Final Draft Strategic Plan?

Proposed Timeline:

Action	Responsible Party	Timing
Board Meeting – approval of Final Draft	Board	September 15, 2009
Prepare Final Draft for stakeholder distribution	Managers/Melissa/Don	September 17-25, 2009
Prepare Director/Co-Chair Message	Melissa/Tom/Co-Chairs	September 14-25, 2009
Prepare stakeholder email lists	OWEB staff	September 8-25, 2009
Distribute Final Draft with Director/Co-Chair Message electronically to stakeholders	Bonnie/Melissa	September 25, 2009
Follow-up emails/reminders	Melissa/Tom	October
OACD and Network presentations/discussions	Tom/Co-Chairs	October to early November
Comment Deadline	Comments to OWEB	November 6, 2009
Revised Final Draft developed for Co-Chair/Planning Subcommittee	Don/ Managers/Melissa	November 6-20, 2009
Co-Chair/Planning SC meeting to review revised Final Draft	OWEB Staff Don Co-Chairs/Subcommittee	Week of December 7, 2009
Finalize staff report for January Board meeting	Melissa/Tom	December 18, 2009
Distribute Final Strategic Plan	OWEB	December 31, 2009
Board adoption of Final Strategic Plan	Board	January 2010

Draft Strategic Plan - Proposed Implementation Actions

Goal 1: Restore and sustain resilient ecosystems through program and project investments that incorporate watershed and ecosystem functions and processes and community needs.

Strategy 1: Maintain and enhance restoration and protection programs that focus on watershed and ecosystem functions and processes, support sustainable working landscapes, and empower community-based conservation to address economic, social and environmental health.

Action	Immediate Action	Resources Needed
Action 1: Re-examine the Restoration and Acquisition Priorities making them consistent with the vision and incorporate climate change strategies....	Yes	OWEB Staff Item I, Section IV.I
Action 2: Board adopts final set of Restoration and Acquisition Priorities.	No	
Action 3: OWEB enhances access to, and knowledge of, adopted Restoration and Acquisition Priorities.	Yes	OWEB Staff
Action 4: OWEB enhances the grant application development and review processes to incorporate the Restoration and Acquisition Priorities...	No	
Action 5: Continue investment in the Willamette and Deschutes Special Investment Programs (SIPs) and work with partners to explore additional SIPs and other partnerships.	Yes	OWEB Staff Item I, Sections III.B.2 & IV.K.2
Action 6: Encourage and support programs that result in positive long-term economic outcomes for landowners while achieving sustainable watershed improvements.	Yes	OWEB Staff Item I, Section IV.K.3

Strategy 2: Implement monitoring and research programs to build knowledge and strengthen feedback about OWEB investments and critical uncertainties to support adaptive management for outcome improvements.

Action	Immediate Action	Resources Needed
Action 1: Undertake a monitoring and research program status review to describe the lessons learned, the current use of data and analyses, and the actions needed to implement this strategy.	No	
Action 2: Implement the appropriate compliance and effectiveness monitoring in key investment areas and the remaining one third of OWEB's top restoration investment areas	Yes	OWEB Staff Item I, Section IV.I
Action 3: Assemble data, information, lessons learned, and stories from effectiveness monitoring that will be used to implement Goal 3 to build awareness and understanding	Yes	OWEB Staff Item I, Section IV.H, I, and J
Action 4: Continue to work with partners through collaborative workgroups and by providing funding through grants to high Immediate Action monitoring activities.	Yes	OWEB Staff Item I, Section IV.C, I, and J
Action 5: Continue to establish and maintain databases internally and through grants used to store, analyze, and provide the backbone of information delivery ...	Yes	OWEB Staff Item I, Section IV.H and I
Action 6: Revise OWEB Research Priorities to align with Board goals related to climate change, Oregon Plan for Salmon and Watersheds, and Oregon Conservation Strategy.	No	

Goal 2: Support an enduring, high capacity local infrastructure for conducting watershed restoration and conservation.

Strategy 1: Establish and articulate policies related to the support and development of a diverse local infrastructure for watershed restoration.

Action	Immediate Action	Resources Needed
Action 1: Work with watershed councils, soil and water conservation districts, et al to identify needs and funding partners to build capacity and develop diverse/enduring local infrastructure.	Yes	OWEB Staff
Action 2: Identify and evaluate alternative organizational structures to achieve more stable local infrastructure.	No	

Strategy 2: Evaluate and adjust watershed council support grant review and funding processes to build local capacity, provide base funding and promote strategic partnerships.

Action	Immediate Action	Resources Needed
Action 1: Consider a moratorium on funding new councils and new applicants for council support for the 2011-2013 biennium, giving time to develop policy guidelines for distinguishing when OWEB should fund new councils or new applicants for council support.	Yes	OWEB Staff
Action 2: Develop policy guidance for the Board on council requests for solo funding (“splitting” from umbrella councils) for the 2011-2013 council support grant awards.	Yes	OWEB Staff
Action 3: Work with applicants, reviewers and others to explore options regarding how OWEB funds councils....	No	

Strategy 3: Provide technical assistance to build capacity, secure additional funding and increase local organizational resilience.

Action	Immediate Action	Resources Needed
Action 1: Require specific capacity building products and expectations as deliverables for the funding provided to the Network and OACD.	Yes	OWEB Staff Item I, Section IV. A
Action 2: Reserve noncapital funds to contract with one or more organizations to deliver additional capacity building services in 2009-2011.	Yes	OWEB Staff Item I, Section IV. A and J
Action 3: Continue working with partners and exploring possibilities to develop tools and strategies for ecosystem service market participation...	Yes	OWEB Staff

Goal 3: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Strategy 1: Engage Oregonians on a broad level, reminding them of the importance of healthy watersheds and informing them, in broad strokes, of what has been accomplished on their behalf through the work of OWEB and others.

Action	Immediate Action	Resources Needed
Action 1: Develop and implement simple, effective and strategic awareness messages and messaging tools aligned with OWEB’s strategic plan	Yes	OWEB Staff Item I, Section IV.H

Action 2: Develop a range of tools for OWEB grant recipients to use to further the Strategy and implement Action 1	Yes	OWEB Staff Item I, Section IV.H
Action 3: Coordinate and develop specific plans with other agencies and partners to deliver consistent messages	Yes	OWEB Staff Item I, Section IV.H and I
Action 4: Compile a history of OWEB investments and ecological outcomes (“Decade of Investment”) ...	Yes	OWEB Staff Item I, Section IV.H, I, and J
Action 5: Review and enhance the Oregon Plan for Salmon and Watershed Biennial Report to further the goals of the Strategic Plan and Strategic Communications Plan.	Yes	OWEB Staff

Strategy 2: Encourage and facilitate greater exploration, knowledge and appreciation of OWEB’s accomplishments for those Oregonians who seek greater involvement.

Action	Immediate Action	Resources Needed
Action 1: Develop and implement simple, effective and strategic education and involvement messages and messaging tools aligned with OWEB’s strategic plan.	Yes	OWEB Staff Item I, Section IV.H
Action 2: Use the Strategic Communication Plan to guide education and outreach grant offerings.	No	
Action 3: Work with partners to develop and implement the Oregon Environmental Literacy Plan (“No Child Left Inside”).	Yes	OWEB Staff

Goal 4: Build and maintain strong partnerships with local, state, tribal and federal agencies, nonprofit organizations and private landowners for watershed health.

Strategy 1: Identify new and expand existing strategic partnerships that leverage OWEB funds and knowledge to achieve healthy watershed and community outcomes.

Action	Immediate Action	Resources Needed
Action 1: Executive Director and partnership subcommittee will identify and prioritize partnership development on behalf of OWEB consistent with the vision and Board adopted partnership criteria.	Yes	OWEB Staff
Action 2: OWEB key messages will be developed and shared with partners. Specific plans will be developed for distribution of messages by partners.	Yes	OWEB Staff Item I, Section IV.H and I

Goal 5: Ensure highly efficient and accountable administration of all investments.

Strategy 1: Continue to evaluate, explore and implement grant administrative processes to maintain and enhance efficiencies at all levels.

Action	Immediate Action	Resources Needed
Action 1: Conduct an independent review of OWEB’s business processes...	No	
Action 2: Prioritize and implement business process recommendations.	No	
Action 3: Explore options and develop information technology tools to increase efficiencies and meet needs of stakeholders/staff.	No	

Oregon Watershed Enhancement Board

Strategic Plan Comments

December 2009

Oregon Watershed Enhancement Board
775 Summer Street NE #360
Salem, Oregon 97301

Melissa Leoni

From: Bob Zybach [ZybachB@NWMapsCo.com]
Sent: Thursday, October 08, 2009 11:15 AM
To: Melissa LEONI
Subject: Strategic Plan Comment
Follow Up Flag: Follow up
Flag Status: Yellow

Hello Melissa:

I have read the 5 "Plan Goals" on the website and the instructions for responding, but could not bring myself to spend any more time on this document. The tip of the iceberg was warning enough.

Here are my comments:

Goal 1: To "restore" a "resilient ecosystem" is a political statement, not a scientific statement. Who measured the "resiliency" in the first place? Who decided it wasn't good enough? How did they do it? My concern is that "plans" need measurable objectives, and this is such a vague phrase as to be meaningless. Money will be spent on political posturing and favoritism, rather than actual meaningful employment. Same with "ecosystem functions." Everybody acts like they know what that means, but biologically it is meaningless. At best, this phrase smacks of pseudo science. To assign "functions" to an ecosystem is to give it human meaning, but it is not a human or a human construct. What is there to measure? Who decides what it's "functions" are supposed to be, whether they've actually been degraded, and when "restoration" has been achieved? Politicians. No one else is qualified or has the time.

Goal 1 is full of meaningless phrases which may may not be achievable, depending upon who decides to fund what programs catering to these phrases.

Goal 2. What the heck is a "high capacity local infrastructure?" I don't know, either. Watershed "restoration" is probably talking about some kind of "functions," rather than restoration to an actual condition that can be documented and measured, and "conservation" is probably not talking about the wise use of resources. Who knows? These terms have been misused and abused by politicians and ivory tower theorists so much in the past 15 years as to lose virtually all meaning. How to make a "plan" to achieve vague theoretical terms? And why? "Job security" is the only answer that readily comes to mind. Can't be done, so will never be finished.

Goal 3: Would have been good to stop after "providing information to Oregonians." Maybe if we had more information, we wouldn't see a "need." And what the heck is a "healthy" watershed, and why could it possible need my "support?" These are political calls for consensus and action, needing a

community organizer, not a scientist or a results-oriented worker.

Goal 4: Would have been good to stop after "build strong partnerships." The phrase "for watershed health" sounds like a lot of meaningless meetings and memos and workshops just trying to figure out what "health" means. One more excuse for bureaucrats to get together to "conduct business" that goes nowhere, but costs money.

Goal 5: Yes. With the hope that any "investments" into the first 4 goals would be looked at with extreme caution.

The "goal" of the original GWEB was to "restore" fish runs. Fish can be counted. The runs have apparently increased since then; whether through changed ocean conditions, altered fishing quotas, OWEB activities, or some combination thereof is not known.

OWEB is now openly fishing for a rationale to continue its existence. The bait looks a lot more like artificial plastic than actual substance. This document is almost entirely politics, full of meaningless phrases, "outreach" and consensus building. It is the design for a bureaucracy with an unlimited budgetary need, a perpetually unfinished "mission," and no possible way to be held accountable.

I won't bother to comment on the "spirit" of the "core purpose," because the goals make it clear that the primary purpose of OWEB at this point is to create and maintain a perpetual bureaucracy that postures as representing the public "good" and is "working" toward a more "healthy" environment, but will (and can) do nothing of the sort because those are political goals, and not goals that can be achieved in an environmental setting.

The objective seems to be justification for future meetings that maintain the jobs of the current employees of OWEB. If that is truly the "core purpose" of OWEB at this time in its existence, then that "spirit" is reflected in these goals. Politics and bureaucrats.

Melissa Leoni

From: Bruce Taylor [BTAYLOR@defenders.org]
Sent: Wednesday, October 28, 2009 5:18 PM
To: Melissa LEONI
Cc: Sara Vickerman
Subject: Strategic Plan comment
Follow Up Flag: Follow up
Flag Status: Yellow
Attachments: Defenders comments OWEB strategic plan 10-28-09.doc

Melissa:

Thanks for the opportunity to comment on OWEB's draft Strategic Plan. I am attaching a Word document with our specific suggestions for language changes incorporated into the draft. Our major general comments include:

- The plan should more explicitly reflect OWEB's movement away from its perceived traditional focus on salmon and water quality toward a broader role in funding the state's overarching conservation strategies. The board's recent decision to move forward with work to align and integrate OWEB's restoration and acquisition priorities with the Oregon Conservation Strategy, salmon recovery plans, and climate change considerations is an important step in that direction that needs to be recognized in the plan. We have also suggested some other language changes to make it clear that habitat conservation, for wildlife as well as for fish, will be a central focus for OWEB's investment program.
- The plan should give more explicit recognition to the role of land conservation as an important element of the state's overall conservation strategies. Acquisition of lands, conservation easements and other mechanisms help ensure that the conservation purposes of OWEB's investments will be sustained over time. OWEB has funded a number of these projects over the years but has never fully addressed how land conservation fits into its overall conservation funding strategy. Oregon's land trusts are one of the primary vehicles for addressing land conservation needs. Collectively, they face many of the same capacity issues as watershed councils and soil and water conservation districts. The strategic plan should recognize these issues and set the stage for a more thorough consideration of the role of land conservation in OWEB's future investment strategies.
- Lessons learned from programmatic monitoring and evaluation efforts need to feed back into restoration and acquisition priorities and criteria for review of grants.
- Makeup of regional review teams may need to be re-evaluated to reflect the broader purposes of OWB's grant programs.
- The plan should include provisions for OWEB's work with partners to develop standardized metrics for quantifying ecosystem services generated through OWEB's investments.

The attached document includes suggested language to address these issues. Please let me know if you have questions about any of this or need additional information. I would be happy to help in any way I can.

BRUCE TAYLOR
Defenders of Wildlife
1880 Willamette Falls Drive, Suite 200
West Linn OR 97068
503-697-3222
btaylor@defenders.org

Defenders of Wildlife comments: OWEB draft strategic plan

October 28, 2009

Contact: Bruce Taylor (btaylor@defenders.org; 503-697-3222)

Specific suggested changes are incorporated into OWEB's September 25, 2009 draft as indicated below:

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Mission and Vision

OWEB has been working from a mission statement since 2001. This strategic plan aligns that mission statement with statutory language and expands that mission statement with a vision statement. The vision statement was developed from discussions between Board members and management staff, input from staff and stakeholders, and OWEB's experience in implementing its mission over the past 10 years.

Mission Statement

A mission statement is a brief description of an organization's fundamental purpose. OWEB's mission is:

To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Vision Statement

A vision statement articulates the dreams and hopes for an organization. OWEB's vision is: *OWEB is recognized as a leader plays a leading role in the conservation of Oregon's vast natural resources and enjoys strong public support for its contributions to community-based conservation and local economies.*

The vision calls for ~~Oregon's watersheds to include healthy river systems and well-managed upland-healthy~~ landscapes ~~across Oregon~~ capable of sustaining and enriching ~~Oregon's the state's~~ biological diversity, ecosystems, fish and wildlife habitat, and agricultural, forest and human communities.

Watersheds have three primary functions with regard to water. They capture, store and release water. The entire watershed, ridgetop to ridgetop, is essential to these processes. Floodplains of rivers are complex systems that evolved over time, shaped by the soils, topography, vegetation and other natural forces. In addition to water related functions, watersheds are also landscapes that ~~create-provide~~ fish and wildlife habitats essential to the natural functioning of entire ecosystems.

OWEB's vision will guide future decisions about programs and funding priorities. This vision requires:

- *Integrated investments in projects that emphasize protection and/or restoration of watershed processes and ecosystem functions required by Oregon's native fish and wildlife;*
- *A ridgetop to ridgetop approach to achieving healthy watersheds;*
- *Dynamic river and floodplain systems that interact with physical and ecological*

processes;

- High water quality that supports Oregon's native fish and wildlife species and meets human ~~requirements~~needs;
- Involved community members including both public and private interests that build and sustain a watershed stewardship ethic;
- Monitoring to support adaptive management ~~and~~and efficient investments ~~efficiencies of the resource~~.

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Goals, Strategies and Implementation Actions

The OWEB Board has established the following goals, strategies and actions in support of OWEB's vision. In order to effectively consider and implement the strategies and actions identified below OWEB staff will develop work plans and realign staff workload to achieve vision-driven priorities. Measures of progress and success will be developed and aligned with currently required reporting measures.

Goals

OWEB's goals are to:

Goal 1: Restore and sustain resilient ecosystems through program and project investments that ~~incorporate~~enhance watershed and ecosystem functions and processes ~~and~~in ways that address community needs.

Goal 2: Support an enduring, high capacity local infrastructure for conducting watershed restoration and habitat conservation.

Goal 3: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

Goal 4: Build and maintain strong partnerships with local, state, tribal and federal agencies, nonprofit organizations and private landowners for habitat conservation and watershed health.

Goal 5: Ensure highly efficient and accountable administration of all investments.

These goals are further described below, including strategies and actions.

Strategies and Actions

Adaptive Investment

Goal 1: Restore and sustain resilient ecosystems through program and project investments that ~~incorporate~~enhance watershed and ecosystem functions and processes ~~and~~in ways that address community needs.

OWEB faces the challenge of funding a mix of programs and projects across the state with many partners to build a broad restoration and monitoring infrastructure. Population growth and climate change will affect communities around the state and the watershed processes and functions upon which those communities and fish and wildlife depend. These driving forces are significant and their impact is uncertain. The key to achieving OWEB's vision is an adaptive, principled, and well structured investment strategy that incorporates monitoring and evaluation

into local project ~~development-implementation~~ and program evaluation. Monitoring information is the basis for adapting investment and management activities to achieve the most effective and resilient outcomes.

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Strategy 1: Maintain and enhance restoration and protection programs that focus on watershed and ecosystem functions and processes, support sustainable working landscapes, and empower community-based conservation to address economic, social and environmental health.

Where are we now?

OWEB has worked for 10 years to enhance and maintain healthy watersheds and natural habitats that support thriving communities and strong economies. OWEB achieves this by working closely with local partners to provide watershed enhancement grants; providing funding to support the capacity of watershed councils and soil and water conservation districts; partnering with other agencies and organizations; monitoring and managing information; and reporting on implementation of the Oregon Plan for Salmon and Watersheds. OWEB's mission and work also support and complement governmental climate change policy and priorities through locally based, on-the-ground work to improve watershed health and resilience, which will become increasingly important to address the effects of climate change.

OWEB has developed tools to assist partners in the strategic development of restoration or conservation projects. OWEB adopted priorities for land acquisition grants in 2004. OWEB has also developed and begun to implement a framework, known as Restoration Priorities, that establishes priorities at regional geographic scales to assist in the evaluation of proposed improvement projects at the local watershed level. The framework was developed to categorize actions by the effect they will have on ecosystem function and process. Five general types of activities have been identified to address watershed function improvement:

- Actions that restore habitat connectivity;
- Actions that address impaired watershed processes that affect the aquatic system or water quality;
- Actions that address key habitats and water quality for at-risk and ESA-listed species;
- Actions that reduce human impacts and inputs to the watershed; and,
- Actions that address symptoms of impaired watershed processes and functions that impact fish and wildlife habitat or water quality, ~~or affect specific wildlife concerns.~~

OWEB's Restoration grant applications require applicants to address how their proposal fits with the Restoration Priorities; this is one of the factors evaluated by OWEB's Regional Review Teams when developing funding recommendations for OWEB consideration. The Review Teams also consider technical merit, feasibility, likelihood of success, experience of the applicant, and the budget.

Where are we going?

Action 1: Work with the Oregon Department of Fish and Wildlife to align and integrate OWEB's restoration and acquisition priorities with the Oregon Conservation Strategy, salmon recovery plans, and climate change considerations.

Action ~~1~~2: ~~Re-examine~~Revise the Restoration and Acquisition Priorities ~~making-to make~~ them consistent with the vision and incorporate climate change strategies as they emerge from international, national,

state and local sources.

Action 23: Board adopts final set of Restoration and Acquisition Priorities.

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Action 3: OWEB enhances access to, and knowledge of, adopted Restoration and Acquisition Priorities.

Action 4: OWEB enhances the grant application development and review processes, including the makeup of Regional Review Teams, to incorporate the Restoration and Acquisition Priorities to ensure projects are strategic and deliver watershed and ecological function and process outcomes consistent with the vision.

Action 5: Continue investment in the Willamette and Deschutes Special Investment Programs (SIPs) and work with partners to explore additional SIPs and other partnerships.

Action 6: Encourage and support programs that result in positive long-term economic outcomes for landowners while achieving habitat conservation objectives and sustainable watershed improvements.

Action 7: Work with partners to develop, and adopt and apply standardized metrics for use in quantifying the ecosystem services generated through OWEB's investments.

Strategy 2: Implement monitoring and research programs to build knowledge and strengthen feedback about OWEB investments and critical uncertainties to support adaptive management for outcome improvements.

Where are we now?

The Board adopted a far-reaching and long-term strategy to guide coordinated monitoring efforts under the Oregon Plan for Salmon and Watersheds in 2003. From this strategy, OWEB initiated an effectiveness monitoring program in 2005. To date, effectiveness monitoring has been initiated on many of the top 25 restoration program areas funded cumulatively since 1999. These monitoring projects include detailed evaluations of riparian planting and fencing, fish barrier removal, irrigation efficiency, western juniper removal, dam removal, in-stream large wood placement, road removal and rehabilitation, wetland restoration, tide gate replacement, and others.

While OWEB has funded research since 2002, it is only within the last two years that OWEB has developed a research program. One competitive grant process and one targeted research opportunity occurred in 2008 and 2009 respectively. Reports and results are made available on the OWEB website. A coordinated effort with external monitoring experts and stakeholders is the grounded approach OWEB takes with its monitoring and research activities.

OWEB manages the Oregon Watershed Restoration Inventory (OWRI), which has tracked completed restoration work since 1995. Except for projects funded by OWEB or implemented under certain permits, all reporting to this database is voluntary. OWEB also contributes information from its restoration database to other conservation tracking systems, including the Conservation Registry.

The actions under Strategy 2 provide the building blocks for understanding the results of OWEB investments from the project level to the cumulative impact of all investments. The data

collected through the implementation of this strategy will be assembled into information that will be shared under the Goal 3, Strategy 1, for the purpose of building awareness, success and support for OWEB actions.

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Where are we going?

Action 1: Undertake a monitoring and research program status review to describe the lessons learned, the current use of data and analyses, and the actions needed to successfully implement this strategy. [Update acquisition and restoration priorities to reflect lessons learned.](#)

Action 2: Implement the appropriate compliance and effectiveness monitoring in key investment areas and the remaining one third of OWEB's top restoration investment areas.

Action 3: Assemble data, information, lessons learned, and stories from effectiveness monitoring that will be used to implement Goal 3 to build awareness and understanding.

Action 4: Continue to work with partners through collaborative workgroups and by providing funding through grants to high priority monitoring activities.

Action 5: Continue to establish and maintain databases internally and through grants used to store, analyze, and provide the backbone of information delivery through electronic and traditional forms of communication.

Action 6: Revise OWEB Research Priorities to align with Board goals related to climate change, Oregon Plan for Salmon and Watersheds, and Oregon Conservation Strategy.

Local infrastructure development

Goal 2: Support an enduring, high capacity local infrastructure for conducting watershed restoration and [habitat](#) conservation.

Watershed councils, soil and water conservation districts, [land trusts](#) and [other](#) nongovernmental organizations are key partners in implementing OWEB's [habitat conservation and](#) watershed enhancement program. Councils and districts account for roughly two-thirds of OWEB grants. They play a critical role in working with interested landowners to design projects, apply for grants, implement restoration projects, monitor project results, and provide local watershed education. [Land trusts and other partners play a key role in delivering the land conservation element of the state's conservation strategies, which help ensure that the benefits of the state's conservation investments are sustained over time.](#) The work of [all](#) these ~~local~~ partners also provides significant community and economic benefits. Success of OWEB's mission and vision requires these partners to have sufficient capacity and funding to continue and enhance their work. In addition, watershed restoration and protection needs are so great, that more partners at the local level are needed.

Strategy 1: Establish and articulate policies related to the support and development of a diverse local infrastructure for watershed restoration.

Where are we now?

OWEB is exploring a diverse approach to building local infrastructure to support restoration and conservation. This includes watershed councils, soil and water conservation districts,

[land trusts and other](#) nongovernmental organizations, and landowners. Partnerships are encouraged to organize at a scale that can be sustained over the long term. OWEB continues to explore issues related to the number of councils and the best ways to manage and fund a high capacity infrastructure.

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Where are we going?

Action 1: Work with watershed councils, soil and water conservation districts, [land trusts](#), public and private foundations, tribes, and other governmental and non-governmental organizations to identify needs and funding partners to strengthen their ability to build capacity and develop a diverse and enduring local infrastructure.

Action 2: Identify and evaluate alternative organizational structures to achieve more stable local infrastructure.

Strategy 2: Evaluate and adjust watershed council support grant review and funding processes to build local capacity, provide base funding and promote strategic partnerships.

Where are we now?

The legislature currently provides councils and districts with a base level of funding of \$5 million each, every two years. During the 2007-2009 biennium, OWEB supplemented this base funding with an additional \$1 million each. Councils and districts work to supplement OWEB's funding by seeking other funding such as foundation grants, memberships, donations, business contributions, and, for some districts, local taxes. The level of support and resources varies based on the leadership, capacity and geographic location of these organizations. OWEB recognizes that more support needs to be provided to help build sustainable local organizations to carry on watershed restoration work.

This strategy only addresses the support grants for watershed councils. Soil and water conservation district support funding is provided by OWEB through the Oregon Department of Agriculture, which runs its own distribution and accountability processes.

Where are we going?

Action 1: Develop funding policy guidelines for achieving sustainable council support.

Action 2: Develop policy guidance for the Board on council requests for solo funding ("splitting" from umbrella councils) for the 2011-2013 council support grant awards.

Action 3: Work with applicants, reviewers and others to explore options regarding how OWEB funds councils, including looking at new applicant funding, base funding, partnership incentives, outcomes from OWEB funding, and other issues.

Strategy 3: Provide technical assistance to build capacity, secure additional funding and increase local organizational resilience.

Where are we now?

OWEB has provided funding to support capacity building for watershed councils and soil and water conservation districts through the Network of Oregon Watershed Councils (Network) and Oregon Association of Conservation Districts (OACD). OWEB's funding also supports coordination and cooperation between OACD and the Network to the benefit of councils,

districts, and OWEB. The work of these organizations directly complements the funding for

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councils and districts and helps their respective groups perform at a high level and communicate their successes.

Where are we going?

Action 1: Require specific capacity building products and expectations as deliverables for the funding provided to the Network of Oregon Watershed Councils and Association of Oregon Conservation Districts.

Action 2: Reserve noncapital funds to contract with one or more organizations to deliver additional capacity building services in 2009-2011.

Action 3: Continue working with partners and exploring possibilities to develop tools and strategies for ecosystem service market participation that may diversify revenue streams for local infrastructure and leverage and diversify project and maintenance/monitoring funding.

Action 4: Work with the Coalition of Oregon Land Trusts and other partners to identify options for strengthening capacity for land conservation to support OWEB's long-term investment strategies.

Public Support

Goal 3: Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

All Oregonians appreciate and recognize the value of clean, abundant water. Fewer Oregonians recognize that clean, abundant water depends on functioning watersheds. Still fewer Oregonians identify the critical link between investments in watershed restoration and protection and clean, abundant water and healthy populations of fish and wildlife. It is important to expand the awareness that land and water management actions can improve and/or protect water quality. Healthy watersheds require an informed public that supports fish and wildlife habitat protection, well managed river corridors, agricultural and forest land stewardship and urban land and water management.

Strategy 1: Engage Oregonians on a broad level, reminding them of the importance of healthy watersheds and informing them, in broad strokes, of what has been accomplished on their behalf through the work of OWEB and others.

Where are we now?

OWEB was created in 1999 and now has over a decade of projects and programs that illustrate the linkages between ecosystem health and community and economic sustainability. Every two years, OWEB develops a biennial report on the progress of the Oregon Plan for Salmon and Watersheds that highlights implemented projects, local community efforts, and agency program accomplishments.

After 10 years it is important to compile a history of investments and ecological outcomes to help the public understand the value received. The more people know about the public investments in watershed health and the benefits of those investments, the more they will value them and support continued funding of these efforts.

Where are we going?

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Action 1: Develop and implement simple, effective and strategic awareness messages and messaging tools aligned with OWEB's strategic plan.

Action 2: Develop a range of tools for OWEB grant recipients to use to further the Strategy and implement Action 1.

Action 3: Coordinate and develop specific plans with other agencies and partners to deliver consistent messages.

Action 4: Compile a history of OWEB investments and ecological outcomes ("Decade of Investment") to describe how OWEB has invested on behalf of Oregonians to improve and protect watersheds and the ecosystems they support.

Action 5: Review and enhance ~~the Oregon Plan for Salmon and Watershed~~ OWEB's Biennial Report to further the goals of the Strategic Plan and Strategic Communications Plan.

Strategy 2: Encourage and facilitate greater exploration, knowledge and appreciation of OWEB's accomplishments for those Oregonians who seek greater involvement.

Where are we now?

OWEB administers a competitive grant program that invests approximately one million dollars a biennium in watershed education and outreach grants across Oregon. In 2005, OWEB developed an Education and Outreach Strategy to connect and support OWEB's education and outreach functions and investments. The strategy included three elements that build upon each other: enhance awareness, improve knowledge and develop skills.

Where are we going?

Action 1: Develop and implement simple, effective and strategic education and involvement messages and messaging tools aligned with OWEB's strategic plan.

Action 2: Use the Strategic Communication Plan to guide education and outreach grant offerings.

Action 3: Work with partners to develop and implement the Oregon Environmental Literacy Plan ("No Child Left Inside").

Partnership development

Goal 4: Build and maintain strong partnerships with local, state, tribal and federal agencies, nonprofit organizations and private landowners for watershed health.

OWEB combines the regulatory and land management programs of state and federal agencies and local governments with voluntary watershed restoration by private landowners and others. Over the years, solutions to address water quality, watershed health, native salmon habitat, and wildlife conservation have been achieved by building partnerships between government agencies, tribes, watershed councils, soil and water conservation districts, land trusts and other nonprofit

organizations, landowners and citizens.

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OWEB is charged with being the central organization for managing Measure 66 and federal funds for watershed enhancement and habitat conservation. This is a grant based, non-regulatory program to improve watershed and ecosystem health that requires a high level of coordination and collaboration with local, state and federal agencies and organizations. OWEB dollars can be leveraged and partners can help inform the public about the successful watershed restoration work underway. There is clearly opportunity to expand the nature of current partnerships and create new partnerships.

Strategy 1: Identify new and expand existing strategic partnerships that leverage OWEB funds and knowledge to achieve healthy watershed and community outcomes.

Where are we now?

Partnerships are a required element for all OWEB investments. Partnerships range from the matching funds for individual grants to institutional arrangements to implement federally developed programs. OWEB maintains a portfolio of investments with different kinds of partners and at different levels of formal relationships. Criteria for evaluating formal partnerships has been developed and adopted by the Board.

OWEB has successful partnerships with local watershed councils, soil and water conservation districts, state and federal agencies, tribes, local government, land trusts, private foundations, and other nongovernmental organizations.

Where are we going?

Action 1: Executive Director and partnership subcommittee will identify and prioritize partnership development on behalf of OWEB consistent with the vision and Board adopted partnership criteria.

Action 2: OWEB key messages will be developed and shared with partners. Specific plans will be developed for distribution of messages by partners.

Efficient and Accountable Administration

Goal 5: Ensure highly efficient and accountable administration of all investments.

OWEB's core function is the administration of a competitive grant program, which has experienced significant growth in the number of grants and funding award amounts over the past ten years. The timely, accurate and transparent administration of all aspects of the program is an everyday activity for all employees. This approach benefits the agency and its partners by providing streamlined processes and necessary resources to carry out watershed enhancement in an expeditious and responsible manner. OWEB will continue to focus on this important goal and continue to look for opportunities for advancement and improvement.

Strategy 1: Continue to evaluate, explore and implement grant administrative processes to maintain and enhance efficiencies at all levels.

Where are we now?

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OWEB is in constant communication with staff to determine the most efficient ways to carry out its business. A staff review is conducted following each grant cycle to develop recommended improvements. OWEB has a full time information technology person on staff who has begun to develop digital processes for the organization, including a grant administration system and online reporting. Staff members in other program areas are working with partners to improve agency processes in order to better facilitate on-the-ground actions.

In addition to internal processes, OWEB benefits from third party reviews of its work. OWEB's grant process, files and expenditures are audited every other year by the Secretary of State and OWEB has received a favorable audit each time. OWEB also conducts an annual customer service survey.

Where are we going?

Action 1: Conduct an independent review of OWEB's business processes to identify ways to improve communications and streamline and simplify the processes for staff, applicants and grantees, without compromising accountability and legal requirements.

Action 2: Prioritize and implement business process recommendations.

Action 3: Explore options and develop information technology tools to increase efficiencies and meet the needs of stakeholders and staff.

Melissa Leoni

From: Tom Byler
Sent: Wednesday, October 21, 2009 1:01 PM
To: Cyndi
Cc: Melissa Leoni
Subject: RE: OWEB's Strategic Final Draft Plan
Follow Up Flag: Follow up
Flag Status: Yellow

Thank you for your comments and interest in OWEB, Cyndi. I am forwarding them to Melissa Leoni, our staff person who will coordinate our review and response to public comments.

Tom Byler, Executive Director
 Oregon Watershed Enhancement Board
 503.986.0180
www.oregon.gov/OWEB

From: Cyndi [mailto:cyndikarp@peak.org]
Sent: Tuesday, October 20, 2009 8:23 PM
To: Tom BYLER
Subject: OWEB's Strategic Final Draft Plan

Dear OWEB Board Members and Staff,

I would like to Thank You for all of the hard work that you and many others have put into OWEB's Strategic Plan. Planning for all the variables has always been a challenging process. That is only part of the reason why this process of so important.

I would like to address several areas of concerns regarding the Final Strategic Draft. Those concerns would include Education and Research, Watershed Council's Support, and the support of Ecosystem Watershed OWEB Grants.

First, and foremost is Education and Research. I would like to add a Goal 6 to Page 5. Education and Research. There is not enough emphasis put into OWEB's Strategic Plan that Stresses the Importance of Education and Research. A separate goal for Education and Research would be appropriate.

To accomplish all the Strategic Conservation Goals of the State of Oregon, all aspects of Education should be considered as solutions to current and future issues. Only through the Education of Humans are we able to meet National goals for all watershed's.

Everything that happens in a watershed effects the whole. What my neighbors put into their drains or on their lands affects the whole watershed and everything that lives in the watershed. What humans put down their drains upstream is what the downstream occupants drink. The EPA is well on the way of proving that humans are poisoning ourselves with our own waste. There have been National News reports about Pharmaceuticals in our drinking water.

What are pharmaceuticals doing to the watershed? What are pesticides/herbicides doing to the watershed? What are the chemical that we clean our homes, offices and cars doing to the watershed? How much damage have the Transportation systems of Oregon affected the watershed? I have lists of thousands of what is happening to the Watershed questions. The answer to all of these question is received from education. Good Scientific Research and Education. I believe that every OWEB grant should have some connection with education or research. What are we going to learn or do to help education should be written into every grant, somehow. There are many ways to do that. Many of the grants that I have read have education and research already written into the grant. I would like to see the support of education and research in every grant. One of these grant projects could be based in Education and Research with all K-12 School Districts in the State of Oregon. This would be

unprecedented, but an Basic K-12 Education Goal could be amazing. All Oregon School children being Educated about Watershed's. The General Public is in need of Education about watershed's. There are Public Education funds directly set aside for Gambling Addiction. Why not funds set aside for Watershed Education and Research. Goal 6 - Education and Research would support Goals 1 through 5. Please Support Education and Research in all of Oregon Watershed's. Education and Research will help guide Oregon's and maybe the World's path to Watershed Recovery.

The second concern that I have is related to the Fair and Equitable Support of Watershed Councils across the State of Oregon. OWEB needs to find and set aside a Permanent Funding Source for Support Systems for Watershed Councils.

A Watershed Councils requires a base budget to support Coordinator's and Office Salaries. There are Liability Insurance expenses. I believe that OWEB needs to support each Watershed Council to have a good Web Page. The more successful the Watershed Council, the more Financial Support of the Council is going to require. The more grants that are proposed and written up, the higher the Fixed Cost of Support will be. Watershed Councils are currently competing for Funding. There has been in the past trouble caused between Watershed Council's fighting for the funding for the Watershed Council to Survive. Some Watershed Councils in the state have not survived. Some continue to fight for survival. Just having Volunteers does not solve the Financial Support problems of a Watershed Council. A permanent funding source for a fair and equitable Watershed Council Support System needs to be addresses in the Final OWEB Strategic Plan. The world of fighting for Grant funding among each other is against the basic principles of the OWEB Strategic Plan. There is never enough money to go around to do all of the Watershed Projects that need to be done. The system of Grant selection is very competitive. What concerns me is that Grants are so competitive that the Grant System pits Watershed Councils against each other for funding. Can Cooperation among Watershed Councils solve the fighting for grants? Maybe, but it is not always easy to bring people together that have to fight each other for survival. I believe to my core that Cooperation can Accomplish Common Goals.

In the State of Oregon the last 13 years, I have witness and participated in a Eco-System Based Cooperation among Oregonian's that is drawing World wide attention. More funding sources for Watershed Basin Cooperation Projects is sorely needed. I believe Oregonian's can, will and do make a difference to the Watershed's of Oregon. Education, Research and Cooperation has served our Communities of Watershed's well. I look forward to doing more volunteer work for the cooperation of all parties involved in Watershed work and support the well being of the Watershed.

Thank you for your time and consideration of these complicated and important matters.

Cyndi Karp
PO Box 506
Waldport, OR 97394
541-563-2773

Comments on OWEB's draft strategy Oct 27, 2009

I have worked with OWEB staff and experienced their support while employed by an SWC District, Watershed Councils and Non-Profits. I have also been denied OWEB grants twice trying to protect endangered steelhead on my property.

OWEB support and work has had mixed results. I understand and recognize the challenges of a state government trying to restore watersheds and build local capacity. I support most of the items and the proposed actions within the Draft Strategic Plan.

My suggestions are pretty specific and would fall into multiple categories however I will try to lump them up under the draft outline.

Strategies, Missions, Goals:

Admirable as drafted...I would suggest adding a couple of more goals.. Goal 6 - OWEB will work to support increased water availability through natural storage and consumptive water conservation strategies in all watersheds.

Goal 7-OWEB will work to become the regional, national and international model and example of effective utilization of public and private investments to restore and sustain natural functions to watersheds.

Local Infrastructure:

OWEB needs to be more responsible and accountable for funds given to other organizations to carry out the mission of OWEB. Funds given to ODA and/or federal partners to implement related programs (ie CREP) need to be critically evaluated. If investments are not providing good returns...take the political heat and move those funds to more effective investments.

Councils, Districts, non-profits and other governments receiving OWEB funds need to be evaluated with clear and consistent methods. And if OWEB wants to meet many of the goals implemented in the draft strategy it seems there may be a benefit to requiring everybody that gets support to do at least one of the actions identified....For example...every organization that receives OWEB support is required to have at least two stories written highlighting a successful project supported by OWEB, and/or every organization receiving funds has a prioritized strategy and a monitoring program that provides feedback on their success. Every OWEB funded project will have a sign stating who and where the partners are, every landowner that receives a capitol grant agrees to an annual tour for the public.

OWEB should consider reducing support for SWCD's that have secured large tax bases. Organizations with more staff are able to produce more and better grant applications. Theoretically they can build their own capacity more easily now and rural districts (and Councils) will continue to struggle.

Ecosystem Services:

OWEB needs to develop a system that can account and track ecosystem services. Carbon sequestering, increasing water availability and increasing the number of redds are valuable commodities. The future value could be great as ecosystem markets mature, but there is an immediate value for a systematic accounting system that can tell us what our public investments are buying. A system that allows the state of Oregon and the local partner maintaining the ecosystem to realize real value would prepare Oregon to be a sustained leader in this field.

Public Support:

More work needs to be done in this area...how about underwriting a series with Oregon Field Guide that looks at 10 years worth of OWEB's supervision of the public's investment. See above also.

Acquisitions need to require permanent transfer of the majority of any consumptive surface water right permanently in-stream.

Partnerships:

OWEB should consider letting out some restoration contracts to some for-profit private and public companies. This may show that it is more effective to have non-governmental organizations do watershed restoration. See above for more partner accountability.

Efficiency and Accountability:

OWEB has to improve this or OWEB will go away. And OWEB has to put strong, clear, consistent mechanisms in place to make sure organizations that receive public investments are efficient and accountable.

OWEB staff has always been great to work with, and it might be a great goal to state that OWEB wants to have the best and the brightest of the conservation community and will continue to invest in their continued growth. A job trade between OWEB staff and organizations that receive OWEB funds might bear additional effectiveness and efficiency.

Thanks for the opportunity and the important work all the OWEB staff and their leaders do!

Jeffrey Kee
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Action Through Understanding



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Lower Long Tom

Jason Hunton

Jim Pendergrass, *Treasurer*

Chad Stroda

Upper Long Tom

Patti Little

Carl Harrison

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751 S. Danebo
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November 6, 2009

Melissa Leoni

OWEB

775 Summer Street NE #360

Salem, OR 97301-1290

RE: Comments on OWEB's Draft Strategic Plan

Dear Melissa;

Thank you for the opportunity to comment on OWEB's Draft Strategic Plan. Please call or email us with any clarifications or questions.

The OWEB Board's questions were:

- Do the Mission Statement and Vision Statement capture the spirit of OWEB's core purposes and its future direction?
- Do the Goals and Strategies link effectively to the Mission and Vision?
- Are there issues of concern that you do not see addressed in the Final Draft Strategic Plan?

Vision:

We strongly disagree that the vision statement would not only mention OWEB by name, but have its recognition and support as the central focus. If worded this way, it may be a vision that only OWEB and friends of OWEB can get behind, instead of a broad generous vision that every Oregonian can't argue with.

The focus instead should be for *healthy watersheds throughout Oregon with strong public support for significant public investment in managing healthy river and upland systems with local community engagement, support, and direct relationships with vibrant local economies.*

The methodologies and pathways for that - OWEB, local groups, and more - are less important.

Goals:

Goal 2: Support an enduring, high capacity local infrastructure for conducting watershed restoration, conservation, and long-term stewardship.

Goal 5: Ensure efficient and accountable administration of all

investments in balance with supporting a spirit of local volunteerism and the ability to support innovation and adaptive management.

Overall, well crafted with two small but important exceptions - Goal 5 and the use of "highly", a word which we think should be removed, and the lack of language that balances that goal, and Goal 2 and the concept of stewardship we'd like to see added. Please note we've included language above as a sample.

Goal 3. When working with a conservation focus, we frequently run into moments of strategic panic that we can't "save enough". A key component of the long-term strategy that we're all counting on is that our work will include restoration, conservation, *and* demonstrating methods for long-term stewardship.

Goal 5. I spoke with Tom Byler at our recent conference and we agreed - What does "highly" really mean? Either we're efficient and accountable or we're not. The Long Tom Watershed Council's concern is the danger of the pursuit of this goal getting out of balance in relation to the pursuit of the other goals, perhaps even being used to thwart the others. Of particular concern is the emphasis on "highly" because this suggests that just being efficient and accountable either isn't enough or those words don't mean anything anymore.

"Highly" suggests that something close to perfection is the goal and that the importance is fear-based or we're trying to convince someone we're not lying. If the efficiency and accountability is taken too far we are concerned it can impede smaller, community-based organizations from being part of the picture. In our area, we have already seen grantees with good reputations suffer under increasing forms, paperwork, and extra administrative procedures communicated as rules to local grantees. "Accountability" is paperwork and staff time, and we need enough to be satisfactory, reasonable, and impressive but not perfect.

As important is the need to remain flexible enough to *support the spirit of local volunteerism and the ability to support innovation and adaptive management.* These are methods and techniques we're counting on for success of the Oregon Plan and they need to be specifically enabled in the broader mission and goal language.

Issues of Concern

We can't stress enough the need to include balancing language that supports a reasonable and flexible approach. The Oregon Plan and OWEB's Strategic Plan is a long-term endeavor born of a crisis in fish stocks and water quality conditions. We must always balance the urgent need and fear of doing it wrong (or spending inappropriately) with the embracing support of the reality about what it takes to achieve these goals throughout every watershed and community of Oregon.

We read but did not analyze the Actions and hope that there will be further opportunity to comment, given the focus of the Board's questions now at a "higher" level or mission, goals, and major issues.

Thank you again for the opportunity to comment, and for your hard work in compiling and communicating the responses.

Sincerely,

Dana Dedrick

Executive Director and Watershed Coordinator
Long Tom Watershed Council

MidCoast Watersheds Council Comments on OWEB's draft Strategic Plan.

This draft plan has a lot in it that appears good, useful, helpful, and we commend OWEB for undertaking this effort. We do have a few comments that we think can improve the plan. Please accept these in the spirit they are offered, as friendly suggestions offered in a sincere effort to improve the Plan.

COMMENT 1: Introduction.

We think the introductory passage about Oregon's Conservation Legacy is incomplete. In particular, it should not shy away from describing the metaphor of a three-legged stool, and the development of the Oregon Plan for Salmon and Watersheds as the critical third leg of that stool, complementing the existing two legs. This passage should also reference the critical contribution to the legacy from the other "two" legs:

- Agencies continuing to adapt their processes to help implement the plan, working to incorporate new information as it becomes available (e.g. policies that reflect the importance of beavers) and
- The importance of effective enforcement of existing rules (e.g. leveling the playing field so good "actors" are not at a competitive disadvantage and so that existing work, e.g. to protect wetlands is not undermined by their continued loss by rule violators).

COMMENT 2. The Vision Statement

OWEB is recognized as a leader in the conservation of Oregon's vast natural resources and enjoys strong public support for its contributions to community-based conservation and local economies.

This statement frames your whole document and could use additional work to clarify your intent. Is the intention to be *a leader*, or to be *recognized as a leader*? Unfortunately it is possible to be the latter without being the former, which we think is not really OWEB's intention. Is the goal public support for its operations or public support for the difference OWEB's efforts make on the ground in the communities? It's also important that the vision doesn't imply that support for local economies is direct, but comes indirectly from having healthy resources. This point may be better made elsewhere (as it isn't what OWEB directly does or measures).

Proposed alternate wording:

OWEB provides continuing strong leadership and funding that leads to effective community-based conservation of Oregon's natural resources.

COMMENT 3. Explanatory text for the Vision Statement:

The requirements of the vision are good, but incomplete (though these points are captured in your strategies and actions). It seems essential to set out as the big picture here (and then to assure they are

also captured in the Goals and actions below.) We therefore propose adding a new first bullet, and expanding on the “ridgetop to ridgetop” bullet (both underlined below):

OWEB’s vision will guide future decisions about programs and funding priorities. This vision requires:

- **A continuing commitment to utilizing the best available science to steer its priorities, projects, and assessments.**
- ***Integrated investments in projects that emphasize protection and/or restoration of watershed processes and ecosystem function required by Oregon’s native fish and wildlife;***
- **A ridgetop to ridgetop approach to achieving healthy watersheds, with emphasis on maintaining and expanding functioning systems to maintain resiliency in light of climate change, population growth and other ecological stressors;**
- ***Dynamic river and floodplain systems that interact with physical and ecological processes;***
- ***High water quality that supports Oregon’s native fish and wildlife species and human requirements;***
- ***Involved community members including both public and private interests that build and sustain a watershed stewardship ethic;***
- ***Monitoring to support adaptive management and investment efficiencies of the resource.***

COMMENT 4. Goal 1 Strategy 1:

Maintain and enhance restoration and protection programs that focus on watershed and ecosystem functions and processes, support sustainable working landscapes, and empower community-based conservation to address economic, social and environmental health.

A focus on “watershed and ecosystem functions and processes” is like mom and apple pie: everybody supports this. However, over the past 10 years we have seen much disagreement about which restoration actions actually do this, versus “just treating symptoms.”

In the second paragraph of the *Where are we now?* explanation, the list of 5 bullets appears to be a list presented by a consultant to OWEB several years ago as a priority list with the first bullet (connectivity) being highest priority, and the fifth (addressing symptoms) being lowest priority. Presenting this list now as a set of equal-priority “types of activities have been identified to address watershed function improvement” is not appropriate. The fifth – addressing symptoms – was explicitly described as lowest priority, and probably should stay low-priority. The point is, treating symptoms does not by itself “address watershed function improvement.” But in fact, the restoration projects you fund tend to do both, and it is often hard to categorize particular projects as primarily doing one or the other.

Happily, the list of 6 Actions following this strategy point to a solution. These actions are more about addressing Limiting Factors than about restoring functions and processes, and a Strategy based more on Limiting Factors would fit better with these 6 Actions. Accordingly, we recommend rewriting the Strategy 1 language to capture that point.

Proposed language:

Strategy 1: Maintain and enhance restoration and protection programs that address factors limiting natural watershed and ecosystem functions and processes, support sustainable working landscapes, and empower community-based conservation to address economic, social and environmental health.

COMMENT 5. **Goal 1 Strategy 1 Action 1**

Re-examine the Restoration and Acquisition Priorities making them consistent with the vision and incorporate climate change strategies as they emerge from international, national, state and local sources.

While we think that re-examination of priorities in light of climate change is a good thing to do, as the Draft Vision Statement is currently written, we do not see much that would warrant much re-examination of priorities. Our suggested language above in our Comment 5 on what actions “the vision requires” (mentioning climate change, population growth and other stressors and emphasizing continuing guidance based on the best technical knowledge) would provide the link to consistency with the vision that this Action requires..

COMMENT 6. **4. Goal 1 Strategy 1 Action 3:**

OWEB enhances access to, and knowledge of, adopted Restoration and Acquisition Priorities.

This proposed action is important, and we strongly support it. OWEB also needs to provide/improve access to the databases supporting the priorities, and streamline processes for updating priorities by incorporating new information. Linkage to science and technical documents supporting such priorities is also key.

COMMENT 7. **5. Goal 1 Strategy 1 Action 4:**

OWEB enhances the grant application development and review processes to incorporate the Restoration and Acquisition Priorities to ensure projects are strategic and deliver watershed and ecological function and process outcomes consistent with the vision.

As we recommended above for Strategy 1, Action 4 should also reference limiting factors and should mention expansion of healthy functioning areas (from the suggested vision requirements).

Proposed language:

OWEB enhances the grant application development and review processes to incorporate the Restoration and Acquisition Priorities to ensure projects are strategic, address limiting factors, maintain and expand areas of high functionality, or otherwise deliver watershed and ecological function and process outcomes consistent with the vision.

COMMENT 8. Goal 1 Strategy 1 Action 6:

Encourage and support programs that result in positive long-term economic outcomes for landowners while achieving sustainable watershed improvements.

This is good. At the September 2009 Board Meeting our coordinator, Wayne Hoffman, commented on the use of the word “sustainable.” The current language solves the problems with its use in the previous draft.

COMMENT 9. Goal 2, Strategy 1.

Establish and articulate policies related to the support and development of a diverse local infrastructure for watershed restoration.

and *Strategy 2: Evaluate and adjust watershed council support grant review and funding processes to build local capacity, provide base funding and promote strategic partnerships.*

We cannot argue with these proposed actions, but we had hopes that this Strategic Plan would have gone farther in addressing the issues of infrastructure support and the grant review and funding processes. We have known for a while that these actions are necessary, and just promising (again) to take them is not a lot of progress. Missing from Strategy 2 is the commitment to evaluate the effectiveness of the work being done by watershed councils and to prioritize and award funding based on effectiveness.

COMMENT 10. Goal 2, Strategy 3.

Provide technical assistance to build capacity, secure additional funding and increase local organizational resilience.

We support very much the 3 actions listed, but propose a fourth, which would explore additional direct assistance to councils and SWCDs, and possibly others, for particular tasks that might increase local organizational resilience and capacity. OWEB has one model already in place for this: the use of PCSRF funds to help defray costs of participating in recovery planning efforts. Additional, comparable opportunities could include OWEB using or brokering PCSRF and/or BPA funds to enhance local organizations' roles in recovery plan implementation teams, and OWEB working with WRD on processes for improving local groups' capacities to take part in WRD's current efforts to develop a statewide Integrated Water Resource Strategy. Likely additional opportunities exist, as yet unrecognized.

Proposed, very rough language:

Action 4: Explore opportunities to partner with other agencies in enhancing local groups' capacities for contributing positively to those agencies' actions relevant to this Strategic Plan's Mission Statement and Goals.

COMMENT 11. Goal 3.

Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

We appreciate the language in Goal 3 regarding the importance of public information to increasing understanding and we read it to say that OWEB will provide information that will help people know how to effectively engage in action. We support this goal and the text that goes with it, but think the strategies need work, particularly to emphasize the importance of information that influences individual actions and attitudes and information that fosters a deeper understanding of process and function of watersheds and ecological interdependence as a whole. Furthermore, Actions need to be added that help Oregonians engage in activities that support healthy watersheds (the second part of Goal 3).

Strategy 1 reads: *Engage Oregonians on a broad level, reminding them of the importance of healthy watersheds and informing them, in broad strokes, of what has been accomplished on their behalf through the work of OWEB and others.*

The main goal of Strategy 1 and the text that follows seems to reference a publicity campaign to promote OWEB and its work rather than to promote effective education programs through its investments that engage more people in effective work and support that work.

Perhaps the compiling of the investments and outcomes needs to be a separate strategy than one that promotes effective education programs and helps support effective education by local partner investments.

Proposed language:

Strategy 1. Help build and support effective outreach and education by local partners.

Strategy 2. Help promote awareness of the ecological outcomes of OWEB investments.

The Actions under these would be as follows:

For Strategy 1: **Help build and support effective outreach and education by local partners.**

Action 1: Develop and implement simple, effective and strategic awareness messages and messaging tools aligned with OWEB's strategic plan.

Action 2: Develop a range of tools for OWEB grant recipients to use to further the Strategy and implement Action 1.

Action 3: Coordinate and develop specific plans with other agencies and partners to deliver consistent messages.

Action 4: [RE-NUMBERED] Work with partners to develop and implement the Oregon Environmental Literacy Plan ("No Child Left Inside").

Action 5. [NEW] Increase knowledge of effective education and engagement strategies, programs, and tools through detailed descriptions of projects from around the state through the OWEB website and at conferences.

For Strategy 2: **Help promote awareness of the ecological outcomes of OWEB investments.**

Action 1: [RE-NUMBERED] Compile a history of OWEB investments and ecological outcomes (“Decade of Investment”) to describe how OWEB has invested on behalf of Oregonians to improve and protect watersheds and the ecosystems they support.

Action 2: [RE-NUMBERED] Review and enhance the Oregon Plan for Salmon and Watershed Biennial Report to further the goals of the Strategic Plan and Strategic Communications Plan.

Action 3: [RE-NUMBERED] Use the Strategic Communication Plan to guide education and outreach grant offerings.

COMMENT 12. Goal 5, *Strategy 1*.

Continue to evaluate, explore and implement grant administrative processes to maintain and enhance efficiencies at all levels..

We support this goal, and have some specific suggestions for **Action 1: Conduct an independent review of OWEB’s business processes to identify ways to improve communications and streamline and simplify the processes for staff, applicants and grantees, without compromising accountability and legal requirements.**

We would like to see this review to include the following opportunities to possibly simplify processes.

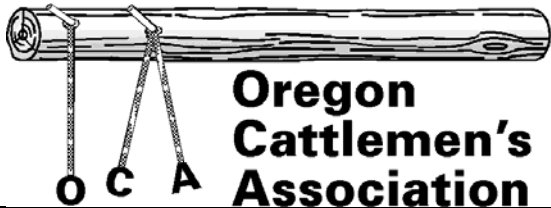
1. Electronic grant application submissions, with further modifications to the application based on analysis if each of the sections of each application is actually a basis for decision making by the grant review team members. If it is not, the application should be simplified accordingly.
2. A detailed review, with grantee participation, of just what information is needed to document expenditures of grant funds, with a goal of reducing requirements for non-essential information.
3. An analysis, with grantee participation, of best ways to honor legitimate privacy and confidentiality concerns of grantees, their partners' and their participating landowners. Because OWEB is a state agency, all paperwork submitted becomes publicly available. We would like to see careful consideration to limit information submissions to that which is truly necessary for OWEB to be effective.
4. Effort to update/produce QuickBooks applications and make them available to grantees for use in managing OWEB grants. We are aware of the past effort to SWCDs in partnership with OACD, and we are also aware that new reporting forms are being developed that are not supported by that computer application, creating additional work. We think that use of this software should be voluntary to grantees, but is very useful to both OWEB and those grantees that participate. We are aware that many Watershed Councils, at least, would welcome an opportunity to streamline processes in this way.

Thank you for your attention to our suggestions.

Sincerely,

MidCoast Watersheds Council

Sam Adams, Board Chair, and Wayne Hoffman, coordinator.



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www.orcattle.com

November 6, 2009

TO: Oregon Water Enhancement Board

FROM: Oregon Cattlemen's Association

The Oregon Cattlemen's Association (OCA) representing nearly 2000 cattle producers actively engaging in livestock and land management in Oregon. The Cattlemen's Association policy "is on record as seeking statistically valid science for the interpretation of data for public and private natural resource monitoring programs to obtain objective results." The Cattlemen's Association is also on record supporting the use of the Proper Functioning Condition (PFC) process when it includes the steps described in the government Technical Reference 1737-9 and 15.

The Oregon Water Enhancement Board strategic plan final draft includes five goals that contain strategies and actions that are important to landowners, Oregon residents, and our environment. The inference or reference to the need of increased funding in Goals 1, 2, and 3 are a concern to us. Since the establishment of OWEB nearly 15 years ago the projects identified and completed have involved public and private partnerships, and we believe this should continue. We would question the need to use present funding levels or increased funding for promotional activities.

The Cattlemen's Association will be supportive of science based decision involving public and private stakeholders in partnerships that have the ability to identify necessary projects to help maintain, repair, protect, restore, and when needed, improve our natural water systems in Oregon. We are concerned with the possible broadening effect of the Vision Statement in the draft plan. The over-reaching effect could include "agency building" for OWEB by moving the project lists further away from the immediate streams needing attention to the "upland landscapes capable of sustaining and enriching Oregon's biological diversity, ecosystems..."

Water quantity and quality are very important to agriculture, all other industries, and our citizens living and visiting Oregon. The Cattlemen's Association can support Goals 4 and 5, and we believe these goals will themselves always help the justification of the OWEB program. We recommend that the Mission Statement and Vision Statement continue to adhere to the importance of supporting "local communities and economies," and that those involved in administering OWEB grants and projects never lose sight of their importance to the program. We also recommend the inclusion of science based decision making "to help protect and restore watersheds..." in the Mission or Vision Statements.

Contact: Jim Welsh, Political Advocate
Oregon Cattlemen's Association
(541) 554-8043
jdwelshco@msn.com



OREGON INVASIVE SPECIES COUNCIL

November 3, 2009

Melissa Leoni
OWEB
775 Summer Street NE #360
Salem, OR 97301-1290

Dear Melissa:

The Oregon Invasive Species Council, a consortium of federal, state, and local government agencies, nonprofit organizations, academic institutions, and industry representatives thanks you for the opportunity to comment on OWEB's proposed new strategic plan. Our Council commends OWEB for taking the initiative to revise and update its existing strategic plan to help ensure that future OWEB activities meet the changing and challenging watershed issues in Oregon.

Your organization asked three questions as part of its strategic plan review. The following are the responses of our Council to each of these issues.

1. Do the Mission Statement and Vision Statement capture the spirit of OWEB's core purposes and its future direction?

The proposed mission, *To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies*, acknowledges the importance of communities and economics, important components of strong conservation programs.

However, ORS 695-004-0010 notes that, "The Board may allocate funds to support projects for restoration, monitoring, technical assistance, small grants, education and outreach, watershed council support, land acquisition, instream water leases and transfers, research and other related activities **that advance the purposes of the watershed enhancement program.**"

Recommendation: It may be more technically accurate for the mission statement to read, *To help protect and restore watersheds and their associated native fish and wildlife habitats and sources of high quality water, services provided by healthy watersheds that contribute to thriving communities and strong economies.*" This suggested revision does

three things: (1) it ties the natural habitat statement to watersheds, which is the statutory responsibility of OWEB; (2) it helps to more clearly define “natural,” an often misunderstood statement; and (3) it places an emphasis on native fish and wildlife habitat as a key desired outcome in a healthy watershed.

2. **Do the Goals and Strategies link effectively to the Mission and Vision?**
3. **Are there issues of concern that you do not see addressed in the Final Draft Strategic Plan?**

Our Council would like to provide answers to questions 2 and 3 together because there are some overlapping issues and responses to both questions. Before doing so, however, we wish to acknowledge that we appreciate the fact that strategic plans are high level documents for any organization. There are other plans and approaches (annual business plan, e.g.) that tier down from strategic plans and provide more specific levels of detail important for the day-to-day operations of any agency. That said, we believe the following shortcomings to the proposed OWEB strategic plan prevent it from providing adequate direction and guidance to guide the agency:

1. **Invasive species is not mentioned in this plan, yet invasive species has the potential to significantly alter healthy watershed ecosystem functions.** The following statement from the US Environmental Protection Agency is one of literally thousands that document the effect of invasive species on watersheds:

“It is increasingly important that watershed managers become aware of invasive species in their watersheds, in both the aquatic and terrestrial environments. Aquatic invaders are clearly of concern to a water resources manager, but invasive species in the watershed can have significant effects on water quality and aquatic ecosystem health due to the ways they affect bank stability and the volume and pollution levels in runoff.”¹

In addition, the Oregon Conservation Strategy notes that “Control of invasive species is considered one of six key issues of statewide concern in the Oregon Conservation Strategy.”²

Nine of the 10 of Oregon Department of Fish and Wildlife’s 10 Most Unwanted Species³ are aquatic species. The tenth, feral swine, is associated with aquatic habitats and riparian corridors, where facilitation of weed invasion by disturbance is a major concern,

¹ <http://www.epa.gov/watertrain/invasive.html>

² http://www.dfw.state.or.us/conservationstrategy/invasive_species.asp

³ http://www.dfw.state.or.us/conservationstrategy/invasive_species/most_unwanted.asp

particularly in Oregon. Rooting in riparian areas may be contributing to the spread of knotweed in Oregon.⁴

Invasive species issues consumed an entire day-long session at the OWEB conference in November of 2008. One of the clinics: **Watershed Councils Building Partnerships to Address Invasive Species** invited participants to weigh in on important questions facing watershed councils and their partners as they attempt to manage invasive species at the watershed scale.

Since 2009, OWEB has funded about \$33.4 million for investments in watershed programs and projects that include work on invasive species. Omission of invasive species-related strategies in this plan, given past funding in this arena, fails to highlight this achievement and overlooks opportunities for OWEB's continued support for invasive species control/eradication/outreach initiatives.

Recommendation: Acknowledge the threat of invasive species to Oregon's watersheds and develop specific objectives and strategies to reduce that threat and align with the objectives of the Oregon Conservation Strategy.

2. **There is no description of the groups/partners that contributed to the development of this plan, nor is there any mention of the public process used to gain input.** And although partnerships are referenced in more than 40 locations in the new strategic plan, the expected outcomes of these partnerships are not clearly articulated. In addition, Goal 4 on page 5 references the types of partners OWEB wishes to work with, but this list does not include academic institutions or industry representatives. Both of these types of entities play important roles in advancing and communicating sound science (academic institutions) as well as helping to leverage funds and perform other important functions as part of the government/nonprofit/private industry three-legged stool.

Recommendation: Include the list of partners that were involved in the development of OWEB's new strategic plan, including the IMST that provides scientific guidance (organization name and name of individual that participated in planning sessions), consider expanding the types of groups OWEB wishes to work with to include academic institutions and industry representatives, and develop clear, measurable objectives related to work with partners. Consider a futuring workshop with partners focused specifically on long-term strategic initiatives for OWEB.

3. **Many federal, state, local, and tribal governments, nonprofit organizations, academic institutions, and companies are actively involved in watershed restoration, management,**

⁴ <http://www.clr.pdx.edu/docs/feral%20swine%20action%20plan.pdf>

policy development, research, and monitoring. However, OWEB's strategic plan does not acknowledge the "state of the state." What is the status of watershed restoration in Oregon? How will implementation of this strategic plan address the highest priority weaknesses in watershed restoration, through OWEB's efforts and collaborative efforts with partners? How will what OWEB does help Oregon to achieve the goals in Oregon's Conservation Strategy? Where are the gaps in watershed restoration in Oregon, and does this plan address those gaps?

Recommendation: Add an analysis of the "state of the state" (also termed environmental scans in the strategic planning arena) of watershed restoration in Oregon so that readers will understand how the goals, objectives, and strategies in the strategic plan address gaps in restoration efforts.

- 4. The message from the Executive Director and Board could be greatly strengthened.** For example, one paragraph notes "No matter where you live in Oregon, you're in a watershed." This statement could have a great deal more meaning and empower people to think about the role they can play in contributing to healthy watersheds by stating, "No matter where you live in Oregon, your actions affect a watershed."

The message notes that the plan represents the "best thoughts" of the Board and staff. Should it instead reflect the highest priority actions to protect and conserve Oregon's watersheds based on a statewide analysis of watershed-based management, activities, and funding, and the unique role OWEB can play to fill gaps not currently filled by other entities?

OWEB has been in existence for quite some time. The message should reflect some clear and specific accomplishments during the first 10 years. An entire section of the plan (1-2 pages) could be devoted to helping people understand what OWEB has achieved.

Recommendation: Consider strengthening the "No matter where you live in Oregon, you're in a watershed" statement, consider characterizing the actions of the plan as highest priority strategies versus "best thoughts," and provide a summary of OWEB's key accomplishments in the first 10 years.

- 5. The document lacks some key elements of a strategic plan. There are no "core principles" defined. There is no SWOT analysis - an articulation of OWEB's strengths, weaknesses, opportunities, and threats. There are no performance metrics.**

Given the role that OWEB plays in advancing watershed health in Oregon, an articulation of core principles would advance an understanding of its mission. Perhaps characterizing the statements at the bottom of page 4 as "core principles" would strengthen this portion of the document.

It is critical that OWEB conduct a SWOT analysis as part of its strategic plan so that it reflects on its strengths, weaknesses, opportunities, and threats, and communicates that SWOT analysis in its strategic plan—with emphasis on how OWEB will respond to the analysis. Only by conducting this activity can OWEB anchor its mission, vision, core principles, goals, objectives, and strategies. Without a SWOT analysis, the public will have difficulty understanding the unique role OWEB plays in watershed restoration in Oregon relative to other agencies and organizations that conduct work in watersheds. The document fails to articulate OWEB's niche in Oregon. Why is OWEB best suited to do what it does, versus another organization or entity managing lottery dollars?

How has OWEB assessed its success over the past 10 years? The short “Where are we now?” sections don’t seem adequate in terms of their depth and breadth. How much money has OWEB distributed/managed in Oregon since 2001? In what geographic areas? At a recent Board meeting, our Council was asked by an OWEB Board member how OWEB can determine its effectiveness. Development of performance metrics will allow OWEB to assess itself and will allow the public to assess OWEB.

Recommendation: Identify OWEB’s core principles, conduct and communicate a SWOT analysis, identify OWEB’s niche, and develop performance metrics as part of the strategic plan.

6. **The strategies and action items for Goal 3 related to outreach and education initiatives could be strengthened by promoting actions that truly engage Oregonians regarding activities they can do to support healthy watersheds.** What does “on a broad level” in strategy 1 mean? This strategy is very OWEB-focused versus achieving the goal of “providing information to Oregonians to help Oregonians understand the need for and engage in activities that support healthy watersheds.” Strategy 2 relates to OWEB accomplishments, as well. Perhaps this goal could be split into 2 separate goals – one to increase awareness of OWEB and its accomplishments, and the other to engage Oregonians in actions that enhance watershed protection and restoration.

Recommendation: If support for OWEB is a desired outcome, perhaps there should be 2 outreach-related goals; one to increase awareness and support for OWEB and the other to engage Oregonians in actions that enhance watershed protection and restoration. The action items for these two goals are different.

Melissa, thank you again for the opportunity to comment on OWEB's proposed strategic plan. Our Council values OWEB as a partner organization and hopes that these recommendations will further OWEB's success.

Sincerely,

A handwritten signature in black ink, appearing to read "Lisa A. DeBruyckere", written in a cursive style.

Lisa A. DeBruyckere
Oregon Invasive Species Council Coordinator

Cc: Oregon Invasive Species Council members
Oregon Invasive Species Council advisory committee members

Melissa Leoni

From: Thomas Stahl [thomas.stahl@state.or.us]
Sent: Friday, November 06, 2009 4:08 PM
To: Melissa LEONI
Cc: Bruce McIntosh; Charles Corrarino
Subject: Strategic Plan Comments

Melissa,

The Oregon Department of Fish and Wildlife supports OWEB's draft Strategic Plan and looks forward to working with OWEB toward its implementation. The only additional comment that I offer is that the Strategic Plan does not specifically mention the potential role that conservation plans (developed under the State's Native Fish Conservation Policy) and recovery plans (developed to address federal listing under the Endangered Species Act) may have in achieving many of the strategies and actions for the five goals. These plans represent significant efforts that provide a more detailed and specific "roadmap" to conservation and recovery of the State's listed fish and wildlife species than the overarching plans that they support, such as the Oregon Plan for Salmon and Watersheds and the Oregon Conservation Strategy. We hope that they will be considered as OWEB implements the Strategic Plan.

Thanks for the opportunity to comment. Please let me know if you have any questions.

Tom

Tom Stahl
Conservation and Recovery Assistant Program Manager
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Thomas.Stahl@state.or.us

September 11, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

**SUBJECT: Agenda Item E: Communications Strategy
September 15-16, 2009 OWEB Board Meeting**

I. Introduction

This staff report provides an update on the OWEB strategic communications planning effort. Staff recommend the Board approve the draft communications strategy as a working draft and direct staff to continue work on refinement and development of plan elements.

II. Background

The statutes guiding OWEB's communications strategy state that the agency "shall provide educational and informational materials to promote public awareness and involvement in the watershed enhancement program." (ORS 541.370) In May of 2005, the Board adopted an Education and Outreach Strategy (Strategy) that had evolved into an umbrella plan that connected and supported all of OWEB's education and outreach functions: the Grant Program, Oregon Plan support, partnerships, and support of local voluntary efforts.

The Strategy is comprehensive and ambitious. OWEB has been limited in its capacity to implement the Strategy because of constraints on the availability of non-capital funding, and until last biennium, no OWEB staff person was committed full time to shepherd this program area.

At its Planning Session in July 2007, the Board decided to re-visit the Strategy. In December 2007, a Board Subcommittee was formed to lead this effort. Subcommittee members include Jim Johnson, Meta Loftsgaarden, Patricia Smith, and Dan Thorndike. OWEB lead staff include Tom Byler and Carolyn Devine. The Subcommittee has had numerous meetings on this topic area.

Subcommittee discussions have focused on the statutory guidance to the Board regarding OWEB's communications. Building upon this direction, the Subcommittee began drafting goals and outcomes. The Subcommittee recognized that utilizing all communications tools (Education and Outreach grants, the web site, press releases, publications, etc.) will be essential to support the larger agency mission of creating and maintaining healthy watersheds and natural habitats.

The Subcommittee and Board also recognized that OWEB would benefit from outside assistance to develop effective messages, identify key outreach tools, and develop a strategic communications implementation plan. In January 2009, OWEB contracted with Gard Communications to help develop messages and identify tools that could be used for strategic media and communications efforts to promote public awareness and involvement in the agency's watershed enhancement program.

Gard undertook an initial discovery process that involved interviewing key stakeholders representing a variety of perspectives from every corner of the state, drafting messages, vetting the messages with a focus group, and developing recommendations on strategy and tactics associated with implementing a communications effort. The Gard team updated the Board on their efforts at the March and June meetings earlier this year. The results of Gard's efforts are contained in the attached draft Strategic Communications Plan. (Attachments A through C)

III. Proposed Next Steps

The Board Subcommittee and staff are very pleased with the messages, strategies and tactics proposed in the draft Strategic Communications Plan. We believe the draft provides a strong foundation for implementing a long-term communications effort to build awareness of and involvement in OWEB-funded programs.

The potential for an initiative to reauthorize Measure 66 to be in front of Oregon voters in 2010 creates unique circumstances for OWEB to initiate implementation of items under a communications plan. There are strategies and tactics under the draft plan that are well-suited for OWEB to move forward with in the near term, while there are others that should be delayed until the reauthorization effort is completed.

Next year, it's likely that Oregon voters may show more interest in OWEB and our programs than we have previously seen. Ensuring OWEB can provide meaningful information about its programs and activities is essential. By taking swift action on select messages, strategies, and tactics identified in the draft plan, OWEB can produce useful and timely information about our programs, the people we work with, and our accomplishments in terms that are more accessible to the general public.

In order to do this, staff recommend moving forward with the draft plan's strategy to "create and enhance an ongoing information infrastructure." From the tactics suggested in the draft plan, staff propose developing a microsite, having web videos produced for the microsite, and initiating efforts relating to grassroots communications and co-branding, and exploring options for social networking tools.

Due to the potential Measure 66 reauthorization effort, there are other strategies and tactics in the draft plan that staff do not recommend moving forward with at this time. Those items involve more assertive materials and tactics such as paid media advertising. Staff believe these tactics risk being mistaken as agency efforts to influence the public when there is a pending ballot measure.

Lastly, staff plan to extend the current contract with Gard Communications to further refine the messages and tools associated with the draft plan that will help OWEB build its information infrastructure. Staff will continue to regularly consult with the Education and Outreach

Subcommittee on these matters and provide a progress update at the January 2010 Board meeting.

IV. Recommendation

Staff recommend the Board approve the attached draft Strategic Communications Plan as a final working draft and direct staff to continue work on plan elements consistent with the objectives described in this report.

Attachments

- A. Summary
- B. Draft Strategic Communications Plan
- C. Concepts



Strategic Communications Plan
Oregon Watershed Enhancement Board
Summary of Working Draft
September 15, 2009

Process

- Stakeholder interviews, review of research, review of existing communications materials.
- Focus group in mid-August to test knowledge, messages.

Goals

- Create “greater knowledge of the watershed enhancement work that is being done by Oregonians across the state” and help OWEB be known more broadly “as the engine that powers Oregonians who work for clean water, healthy habitats and green jobs.”

Main Elements

- Audience segmented into the Involved, the Attentive, the Receptive & Skeptics
- Strategies: Enhance the information infrastructure. Supplement with outgoing communications materials and tactics.
- Message Strategy: Use clear, emotional language and images to establish what watersheds are and why they are important – then deliver the message of OWEB’s role supporting enhancement and restoration. Examples:
 - No matter where you live in Oregon, you’re in a watershed. Oregon’s lakes, rivers and streams are the lifeblood of our environment and vital to our quality of life.
 - In local communities across the state, Oregonians from many different walks of life are helping keep watersheds healthy – giving us clean water, healthy habitat and green jobs.
 - By supporting these local efforts, OWEB powers the people who keep Oregon green.
 - Beauty by Mother Nature. Stewardship by Oregonians. Funded in partnership with the Oregon Watershed Enhancement Board.



GARD COMMUNICATIONS
ADVERTISING | PUBLIC RELATIONS | PUBLIC AFFAIRS

Strategic Communications Plan
Oregon Watershed Enhancement Board
August 31, 2009

1. Situation

The Oregon Watershed Enhancement Board is a catalyst for environmental stewardship and environmental improvement throughout Oregon. OWEB encourages and makes possible an extraordinary number of projects with wide-ranging and substantial positive impacts on the economy and environment, all focused in areas that Oregonians care about deeply, including clean water, fish and wildlife habitat and green jobs.

As a result, OWEB is widely known among the front-line, boots-on-the-ground Oregonians who are involved in some type of watershed enhancement across the state. Given the breadth of OWEB's work, this is a group of substantial size.

However, beyond this group, OWEB's role is largely unknown. The irony is that OWEB's many significant accomplishments are really the accomplishments of Oregonians, who fund this work. In effect, OWEB works on behalf of Oregonians – most of whom are unaware of OWEB's existence, or if aware, could not describe what OWEB does: empowering essential work that creates benefits which Oregonians value deeply.

Clearly, there is a missing link in the communication chain. In some ways this is natural. Oregonians don't necessarily need to know how the work is done or who empowers it, as long as it is done successfully. Much more attention would be paid if the work of watershed enhancement *was not* being accomplished so successfully. However, because OWEB's work is publicly funded, it is appropriate at various times to report back to Oregonians on how their funds have been used and what has been accomplished. This is a matter of accountability, which is part of responsible stewardship.

Currently, this type of information is available to those who seek it. It exists in numerous OWEB reports and publications available online and elsewhere. To a very great degree, this information is being accessed by those already in the know regarding watershed enhancement.



This plan is founded on the assumption that it is part of OWEB’s responsibility periodically to reach out to Oregonians generally, to enlarge the public conversation so more Oregonians will have a greater sense of the work that is being done on their behalf and with public funds.

DRAFT

2. Purpose of Plan

The purpose of this plan is to identify strategies, tactics and messages for the implementation of a strategic communications plan that effectively and accurately portrays Oregon's efforts in watershed enhancement and OWEB's role in these activities.

In large part, the task of the communications plan is to extend the passion and enthusiasm for watershed enhancement/restoration from the already-involved core group to a wider and more general audience.

2. Goals and Objectives

As a result of this communications effort, there should be greater knowledge of the watershed enhancement work that is being done by Oregonians across the state; and OWEB should be viewed by a broader public, as well as by its specific audiences, as the engine that powers Oregonians who work for clean water, healthy habitats and green jobs.

The goal is not specifically aimed at recruiting more participants in watershed enhancement. Watershed councils, soil and conservation districts and other organizations already do an excellent job of recruiting volunteers and involving Oregonians; indeed, in some respects resources are strained with the current level of participants.

Neither is the focus on building support for OWEB per se. The majority of the watershed work done in Oregon has "OWEB Inside" as a funder and catalyst, in the same way many PCs have "Intel Inside." As a matter of accountability, this is an important part of the story, but the focus ultimately is on what has been and is being accomplished. Oregonians should be aware and feel proud of the collective work being done to enhance and protect this important natural resource.

This plan is focused on long-term, ongoing communications efforts. It does not take into account a potential revote on OWEB funding through lottery dollars, nor is it intended to influence opinion related to that issue. That issue is appropriately outside the scope of this work.

Other considerations

The complexity of the subject and the language of watershed enhancement must be considered in this communications effort. This plan recognizes that most Oregonians

will not become experts in the area of watershed enhancement and they will not pick up much or any of the language.

This is not necessarily an obstacle. In fact, the general audience doesn't need anything close to a detailed understanding of watershed enhancement to appreciate and have a sense of accountability for what OWEB does. The related issue of salmon restoration provides a good illustration. Many Oregonians would agree that it's important to save the salmon, and so efforts on behalf of salmon are widely appreciated and supported. Yet few could explain much about the life cycle of a salmon or the details of specific programs. The global warming issue is similar. Basic understanding is necessary for the issue to have relevance and the issue must connect to something we already care about. Beyond that, more detail can hinder, rather than increase interest in the issue. Public attention is a limited resource: asking for too much of it is as unproductive as asking for none.

Because of this, the goals of this plan are varied for different audiences. In summary, the plan attempts to:

- Engage Oregonians on a broad level, reminding them of the importance of healthy watersheds and informing them, in broad strokes, of what has been accomplished on their behalf through the work of OWEB and others.
- Encourage and facilitate greater exploration, knowledge and appreciation of watershed enhancement and OWEB's role among those Oregonians who seek greater involvement.

3. Audiences

This plan segments the audience into four main groups. For convenience, they are referred to in shorthand as the 1) Involved, 2) Attentive, 3) Receptive and 4) Skeptics.

The Involved

Oregonians in the Involved group are already participating in watershed enhancement in some way – either as volunteers, activists, decision-makers or decision-influencers or people who are involved in policy, or planning, implementing or funding watershed activities.

These Oregonians already know a good deal about OWEB. Their opinions may range across the spectrum, though they are generally supportive of watershed activities.

Almost by definition, OWEB is already communicating with this segment. This audience has two important characteristics. First, because they know a great deal and care passionately about watershed issues, they are least likely to be satisfied with broad-

strokes communication aimed at the other audience segments. Their knowledge and commitment can make them a tough audience to satisfy. Second, they are the front-line ambassadors who are best positioned to spread grassroots communication and provide word of mouth support. It is important to maintain and mobilize their support.

The Attentive

These Oregonians care a great deal about the environment and about clean water, healthy habitats and green jobs. When engaged, they will respond with questions and increased interest. They will dig into the subject and make an attempt to educate themselves about the issue, though if the information is hard to access, they will move on to other matters that interest them. They can become hard-core supporters. Their attention is a precious resource and should be carefully respected.

The Receptive

This audience will process and engage with information that comes their way. They are not information-seekers, at least not concerning watershed enhancement. They will not learn new vocabulary, or very little. They have limited tolerance for complexity. But they care about making Oregon a better place, or not losing the quality they now perceive. Some may consider themselves environmentalists in that they care about protecting and maintaining Oregon's environment as an end in itself. Others may care more about the economy and the quality of life in Oregon; they're receptive to watershed issues because they believe a healthy environment contributes to the economy or quality of life.

This, in all likelihood, is the largest audience segment. Of the three audience segments described so far, it is the one that will give the least amount of their time and attention. Communication with them must be intriguing and emotionally appealing. For the most part, they will not come to us. We must go to them.

The Skeptics

In this category we've grouped all those who do not find watershed enhancement to be an important issue, for any number of political, practical or personal reasons. This may include Oregonians who disagree with environmental goals or who agree with the goals but not the means; for example, Oregonians who do not support government involvement in environmental work.

It is not the purpose of the plan to persuade Skeptics to change their positions (though a certain amount of that may happen as a side effect of increased communication). It is, however, appropriate as a matter of accountability to provide this audience with the same information as the other audiences, so that they have the opportunity to see and evaluate what has been in this area on their behalf.

4. Messages

Context

The language of watershed restoration and enhancement is, appropriately, scientific and technical. It is not the common, everyday language Oregonians use to speak about rivers, streams, creeks, etc. Messages aimed at the broad audiences described above must use the more common, everyday language.

In addition, messages must connect with our everyday lives in simple or clear ways. Clean water and green jobs are concepts already valued and understood. Connecting OWEB's watershed programs with these concepts makes the information relevant.

Further, the messages must have emotional content. To engage audiences, the messages must be about people – real Oregonians – or the land that Oregonians feel an emotional connection to.

Message Platform

A Message Platform defines the territory that messages will cover. It is a jumping-off point that allows you to tell a variety of stories. It is not meant to be copy in that the wording is not necessarily for public consumption. For this communications plan, the following Message Platform is proposed.

No matter where you live in Oregon, you're in a watershed. Healthy watersheds are vital to clean water and healthy habitat for fish and wildlife. Healthy watersheds are also vital to maintaining our quality of life and building a strong economy. Oregon has a unique approach to enhancing and maintaining these watersheds. The work is done at the local level by citizens, property owners and volunteers. This approach creates community and provides maximum value from public dollars. OWEB helps provide the funding from lottery dollars. By working in partnership with local efforts, OWEB empowers watershed enhancement across Oregon.

Focus Group

A series of messages was tested with a focus group on August 20, 2009. (See Addendum 1).

In general, the group provided a good reminder that messages have to start at the beginning. Oregonians don't necessarily care that there are 90 Watershed Councils across the state, unless you first explain what a Watershed Council is. The fact that OWEB "supports" or even "funds" watershed enhancement is not particularly compelling unless those two words (supports and funds) are explained.

Similarly, data statements, such as the number of jobs created or the miles of river restored, are useful only if they are quickly supported with further information, i.e., what kind of jobs?

In the spirit of starting at the beginning, the group strongly preferred the message that established why the subject of watersheds is relevant to them: “No matter where you live in Oregon, you’re in a watershed.” That concept was new to them, and it helped give meaning to all of the subsequent messages:

- No matter where you live in Oregon, you’re in a watershed.
- Oregon’s lakes, rivers and streams are the lifeblood of our environment and vital to our quality of life. OWEB helps Oregonians nurture and maintain these resources.
- In local communities across the state, Oregonians from many different walks of life are helping keep watersheds healthy – giving us clean water, healthy habitat and green jobs. OWEB provides the resources that make their work possible.
- Across Oregon, volunteers, property owners, students and citizens work side-by-side on projects organized by local Watershed Councils, Soil and Conservation Districts and other organizations. There are hundreds of such projects every year, funded in partnership with OWEB from lottery dollars. By supporting these local efforts, OWEB powers the people who keep Oregon green.
- In the past two years, community volunteers and landowners across Oregon extended fish access to 3,000 miles of stream and restored 25,000 acres to more natural conditions. OWEB grants made it possible.
- Every dollar invested in local watershed restoration work stays in the local economy. According to the University of Oregon, OWEB grants have led to 578 new, green jobs in local communities and \$72 million of additional economic activity that stays in Oregon.

Definitional Statement

The Oregon Watershed Enhancement Board is a state agency that helps local communities take care of Oregon’s streams, rivers, wetlands and natural areas. Local community members and property owners decide jointly what needs to be done to conserve and improve rivers and natural habitat in their communities. OWEB provides funds from the Oregon Lottery. The OWEB board consists of 17 Oregonians drawn from the public at large, tribes, state natural resource agency boards and commissions, and federal natural resources agencies.

5. Strategy

5.1. Create and enhance an ongoing information infrastructure. Certain tactics, such as web efforts and co-branding, can be set in motion once and will deliver continuing impact over time. These types of efforts have sustained impact and should be given priority.

5.2. Supplement this infrastructure with more assertive, outgoing communications materials and tactics. Some tactics – such as radio spots, for example – must be launched in flights at various intervals. These tactics are appropriate for reaching the Receptive audience – Oregonians who will give their attention when information reaches them, but who may not reach out for information.

5.3. Structure materials to allow for these different levels of participation. Keep messages simple for Receptive Oregonians. Provide more in-depth resources for Attentive Oregonians.

5.4. Start at the beginning. Use images and simple emotional language to establish what watersheds are and why they are important. Then deliver the message of OWEB's role supporting enhancement and restoration.

5.5. Empower watershed ambassadors. Provide encouragement, materials and resources to help Oregonians who are already engaged to act as ambassadors to increase awareness of watershed issues and OWEB's activities.

Guiding Principles

Three guiding principles apply to communications efforts on ongoing public issues, such as watershed restoration.

First, the communication must be sustained. Little or nothing is accomplished by doing something once or twice. It is better to mount an effort at a level that can be sustained for 12 or 24 months than to run a more intense effort for only three months. The more intense effort will make a bigger splash, but the effects will be temporary.

Second, messages should be repeated with variation. The communication environment is crowded. All audiences, even those already engaged, need to hear messages repeatedly for the effort to have an impact. Variety keeps the messages fresh during a sustained effort.

Third, communications should be layered. In this context, that means messages should be delivered using a variety of media and tactics. Messages that we receive from a variety of different sources are more trusted and powerful than messages that we receive from one source.

6. Tactics

6.1. Microsite

A simple, effective and well-organized web site should be the centerpiece of ongoing communication efforts. The existing .gov site has difficulty serving that function, partly because of the design constraints of the overall architecture it must reflect, but also because it has the responsibility/burden of serving all audiences and telling the complete, detailed story of OWEB. Functionally, it is the library and archive of OWEB's online presence – a place where the Involved audience can find information. It is simply not structured to reward members of the Attentive audience, who seek much simpler information in more graphic formats.

The most effective solution for this is a microsite – for example, www.OregonWatersheds.com. The site would be a simple, easily navigated overview, with top-level messages of what Oregonians have accomplished with OWEB as the catalyst. It need only be four or five pages deep; the simpler the better. It should greet visitors with clean, compelling graphics and rich, beautiful visuals. It would also be a doorway to the official existing site.

When asked about the preferred delivery method for information regarding OWEB and Oregon's watershed enhancement activities, focus group participants indicated a preference towards an informative and easy-to-read website. Once Oregonians become aware of OWEB and its activities, the Attentive and Receptive audiences will likely seek additional information through this website.

6.2. Web videos

Four or five web videos would be an important part of the microsite. The videos should be short, no more than 90 seconds, and organized according to key benefits areas. For example:

- A rancher talking about the sense of community developed through an OWEB-sponsored project.
- A watershed council or district member talking about an iconic project, such as Table Rocks.
- A contractor or local elected official, talking about green jobs created by OWEB-funded projects
- A biologist or environmentalist talking about habitat protected/enhanced by an OWEB-funded project.

The videos should be more than talking heads. They should feature beautiful scenic shots of Oregon's landscape and offer an emotional payoff along with one or two memorable facts.

The microsite should also offer one or two overview sheets, simply and concisely summarizing what has been accomplished, and what is being accomplished, on behalf of Oregonians.

The key to the site is simplicity. The goal should be for a visitor to spend no more than five minutes and learn the basic story of OWEB.

6.3. Co-branding/Co-credit Requirements

Consistent communication starts with OWEB's partner network. OWEB makes it possible for organizations all across Oregon to do vital work – work that is usually highly valued by local communities. OWEB is sometimes credited for its role as catalyst and sometimes not.

Simple language referring to OWEB should be developed and required to appear in public statements, such as press releases, websites and e-mails, signage and any other displays. This should not be an onerous requirement, and the details could be worked out with partners such as the watershed councils and districts to make sure the requirement is easy to meet.

This is a form of co-branding, in which two brands add value to each other – e.g., the “Intel Inside” brand that both adds and receives value by appearing next to the Dell or HP brand. Done properly, grant recipients and partners will see the added value it creates – by properly sharing credit with OWEB, they are helping OWEB be accountable, which in turn may build additional support, making more resources available to the effort of watershed enhancement.

6.4. Grassroots Communications

The breadth and diversity of OWEB's partners and grant recipients provides extensive opportunities for grassroots communications every year. These are communications that must be initiated by others – watershed councils and districts, volunteer coordinators, local officials – at the local level.

Sub-tactics of grassroots communications include e-mail networking and social networking, as well as – sample press releases, simple instructions on how and when to talk to the local newspaper, examples of Facebook, blog and Twitter posts – and regularly reminding partners to reach out to local audiences. Recognition in the form of positive feedback should always be provided to local partners.

At the local level, these efforts are small and may not seem to amount to much, but the cumulative effect is important. A one or two pager – *Sharing What You've Accomplished by Talking to Your Community* – could help mobilize local participants

to become local spokespeople. This work will not be effective, of course, unless 6.3., Co-branding and Co-crediting, is also in place.

It is important to recognize that although grassroots communications are carried out by others, they begin within OWEB. Implementation of effective grassroots communications requires investments in staff and hours, and may require additional staffing or agency support. As collaboration between OWEB and its partners is such an important element of these tactics, partners such as watershed councils and districts may also need to seek support from volunteers or paid staff. Recognizing that OWEB may not have the manpower to implement grassroots tactics, we've included estimates for agency support in these areas.

6.4a E-mail Networking

The goal of this tactic is to build and effectively use a robust e-mail network.

The microsite can help build the list, as can input from all of OWEB's partners. Watershed councils and soil and conservation districts should be encouraged to provide e-mail addresses or, alternatively, to pass along OWEB e-mails to their list. Given the extent of OWEB's work and the number of partners, supporters and grant recipients, it does not seem an unreasonable goal to eventually grow the list to 10,000 or even 20,000 recipients.

Equally crucial is using the list properly. Almost every organization and business is contacting "stakeholders" via e-mail; very few do it well. Consequently most of the e-mail is deleted.

The key element in this type of communication is brevity. It is better to think of the message as an e-mail blurb, or a teaser, than an e-newsletter. It should be about one topic, under 100 words, with one well-chosen photo and a link to the microsite and social media sites. Each one should end with the same line, a descriptor summarizing the benefits that OWEB makes possible by empowering others. The frequency should be about 12 times per year.

E-mail networking begins with coordination between OWEB and the state's watershed councils and districts to create the master e-mail list. The list should include: current and past staff from watershed councils and districts and OWEB, current and past volunteers, landowners, equipment operators and businesses who have worked on OWEB projects, teachers and administrators who have involved their students, legislators and other supporters. Ultimately one or two staff members would take ownership of this list, and manage its growth. Depending on available staff and resources, OWEB could with an agency to create a clean, appealing e-mail format to be used consistently. Simultaneously, OWEB should identify a staff member to draft content for the first three to five e-mails. Once the list and format are in place, ongoing tasks will include identification of appropriate content and photos for the emails, and

continued development and management of the e-mail list. It may be beneficial to select a small group of staff charged with overseeing this process.

6.4b. Social Media

In addition to your own site, OWEB can encourage participation by the Involved audience on social networking sites such as Facebook and Twitter. The Involved group makes up a strong base of potential social media participants, and OWEB can use social media to expand and to educate them. Social networking sites are free to use, however, the effective use of social media in communications requires planning and considerable commitment. Here are a few basics for setting up an OWEB social networking presence.

The first step is to monitor current chatter to determine the tone and locations of existing conversations. Facebook and Twitter are considered today's most powerful social networking tools, however, there may be other social networking sites that draw OWEB's audiences. A list of watershed and conservation related keywords should be developed to help in this monitoring process. Next, OWEB must identify an internal spokesperson to champion social media activities and act as the face of OWEB's social networking presence – preferably someone involved in OWEB's day to day activities.

Moving forward, a plan for appropriate and consistent content (i.e. tweets, and Facebook entries) that will interest OWEB's audiences should be developed. OWEB must balance consistent, interesting and relevant content with an understanding that excessive or off-topic posting drives followers and friends away. "Original" content includes updates and news releases about the latest projects and activities; watershed councils, districts and OWEB in the news; and photos of people and projects. "Outside" content includes educational links and interesting articles related to watershed enhancement and "re-tweets" and sharing of related content from others. The use of outside content engages stakeholders and opinion leaders, forges relationships and encourages expansion of the network. Next, OWEB would create accounts, add information, photos and appropriate links, and begin to seek friends and followers using existing e-mail lists and key word searches. Watershed councils and districts should also be encouraged to create accounts and connect with OWEB's accounts, re-tweet and share content from OWEB. The exact number of Tweets and Facebook entries may vary, however, five to nine updates or tweets per week balancing original and outside content will help OWEB maintain visibility.

For maximum impact, a commitment to growing a quality network of followers or friends is necessary. The social media presence should be promoted within other communications tools including OWEB's microsite and the e-mail networking distributions. Finally the impact of these activities must be evaluated to shape the social media strategy moving forward.

6.5. Annual Award Program

An annual award to a grant recipient, teacher, or local official is a way for OWEB to work the other side of the co-branding, co-credit equation, and to earn media coverage for all parties. If OWEB has implemented such a program in the past, it may be necessary to revamp the program to ensure it aligns with OWEB's updated communication strategy.

6.6. Earned Media

An assertive and proactive earned media program would complement grassroots community media and support paid media tactics. This effort should be aimed at big-impact coverage and should start with editorial board meetings or informal coffees with assignment editors and reporters to learn what angles and aspects are most likely to receive coverage.

At the community media level, the fact that OWEB's projects impact communities throughout Oregon, both economically and environmentally, is a clear strength for earned media. Community media give high importance to "local" issues and happenings. OWEB has been successful in the past in leveraging local success stories and should continue to do so, as well as explore additional opportunities to earn coverage with statewide media.

In some cases, OWEB and the watershed councils and districts have developed strong relationships with local media and should continue to leverage those relationships to earn media coverage where appropriate. In other cases, relationships may not exist, but opportunities do exist. In either case, OWEB and the watershed councils and districts would benefit from a standard set of tools including templates for news releases and e-mail pitches for journalists. These tools will increase the effectiveness of media outreach. An agency can work with OWEB to develop these tools, coordinate with local councils and districts, and support earned media outreach.

Paid Media Tactics

6.7. Radio Advertising & OPB Sponsorship

Radio advertising should be the centerpiece of the advertising communications aimed broadly at Attentives and Receptives across the state, with the greatest reach and frequency in the I-5 corridor.

Radio can share the voices of real Oregonians who care about and are connected to the land. We can hear the voices of people working green jobs, people who are experts and are passionate about wildlife habitat, particular landscapes, etc. Several spots should be developed, focusing on the different benefits and tailored to various parts of the state.

A 10-second OPB radio sponsorship will reach an engaged and influential audience, in a medium that is far less cluttered than typical commercial media. OPB radio is the #1 station in the Portland-metro area and has an estimated 406,700 weekly listeners statewide. In addition, an OPB web sponsorship would place OWEB's message on Portland's fourth most popular website, and one of the most highly used websites in the state.

6.8. Outdoor

Billboards drive up awareness of key messages and the connection between watershed enhancement, clean water, healthy habitat and green jobs. Billboards can capture attention using compelling images and provide repeated exposure to a "captive" audience (about 30+ times a month to motorists who by and large take the same route to and from work every day).

6.9. Online Advertising

Your online presence should be supported with banner ads on popular news sites and blogs. Sites should include business media, such as Portland Business Journal, to reach Receptives who would respond to the economic/green jobs messages, news sites, and blogs. Banner ads should be animated with beautiful photography and simple messages similar to those tested in the focus group.

6.10. Television

Television reaches the widest cross-section of Oregonians and can present watershed messages visually and emotionally. However, it is also very expensive and high profile. If it is used to promote OWEB accomplishments or even watershed council and district accomplishments, it could easily draw criticism and questions about the appropriateness of the expenditure.

A better approach would be to partner with a single television station for a flight of :15 spots encouraging Oregonians to get involved and take care of our watersheds. These would function as public service announcements jointly sponsored by the station and OWEB. An effective way to approach this would be to issue an RFP to the stations with a set budget in the range of \$30,000.

7. Examples of Paid Media Costs

For the purpose of comparison, we've provided examples of media costs for various media. These costs reflect buying a basic schedule in each media (called a "flight" in television and radio) that will ensure an effective reach and frequency toward the target audience.

Purely for comparison, we've included a standard television buy (a :30 spot on a paid schedule) as well as the recommended option of arranging an individual public service-type sponsorship with a single television station.

The cost of comprehensive, statewide communications efforts could easily range from \$1 million to \$3 million over 12 to 24 months. The following examples reflect a financially more conservative approach that would still allow OWEB to sustain effective communications over 3 to 12 months. The media distribution supports the goal of raising overall awareness of the importance of healthy watersheds throughout the state. In terms of impact, the biggest reach will occur in the Willamette Valley, or I-5 corridor, since this is where media outlets are concentrated.

Media Cost Examples:

3-months:

OPB Radio -	\$13,500
Outdoor -	\$89,700
Television (Paid schedule) -	\$78,000
Television (Joint PSA) -	\$30,000
Radio -	\$106,200

6-months:

OPB Radio -	\$20,000
Outdoor -	\$179,400
Television (Paid schedule) -	\$156,000
Television (Joint PSA) -	\$30,000
Radio -	\$106,200

12-months:

OPB Radio -	\$36,000
Outdoor -	\$358,800
Television -	\$312,000
Television (Joint PSA) -	\$60,000
Radio -	\$212,000

Note that the figures don't always double when the time period doubles. In the 3-month example, six weeks of radio would run over 12 weeks. In the 6-month example, six weeks of radio runs over 24 weeks, leaving the cost the same. Typically, in a longer time period, you would add new types of media, rather than doubling exposure on existing media.

Radio (Network) – 60-second announcement**Target: Adults 25-54, Reach 60% with a frequency of 5 times per flight.****Purchased in one-week flights, running one-week on, one-week off for 12 weeks.**

Per Flight/Week

Portland/Salem	\$9,250
Eugene	\$3,900
Medford	\$2,750
Bend	<u>\$1,800</u>
	\$17,700

Radio (Public Broadcast) – :10 announcement, 5 per week**Target: Adults 25-54**

1 month

3 mo.

6 mo.

On going Sponsorship

\$4,500

\$13,500

\$27,000

Outdoor (Billboards - cost includes posting and printing)**Target: Adults 25-54, Reach 25 % per month****Monthly posting could be spread over 2 months (consecutive-same locations).**

	1 month	3 mo.	6 mo.	12 mo.
Portland/Salem	\$18,900			
Eugene	\$4,650			
Medford	\$4,650			
Bend	<u>\$1,700</u>			
	\$29,900	\$89,700	\$179,400	\$358,800

Television (Network and Cable) – 30-second announcement**Target: Adults 25-54, Reach 80% with a frequency of 3 times per flight.****Purchased in flights, flight could be run over 1 week for impact (Intro program) spread out over 3 weeks (1 week on, 1 week off and 1 week on) for continuity.**

Per Flight

Portland/Salem	\$40,800
Eugene	\$19,200
Medford	\$12,000
Bend	<u>\$6,000</u>
	\$78,000

Newspaper - Sunday ad, 60" black and white**Target: Adults 25-54,**

Per Insertion

Portland	\$8,800
Eugene	\$3,800
Medford	\$2,500
Bend	<u>\$3,500</u>
	\$18,600

8. Budget

Task	Cost	Performed by
Microsite	\$25,000 – \$30,000	Agency
Web Videos	\$15,000 x 3 – 4 videos	Agency
E-mail Networking	\$4,000 (create 4-e-mails)	OWEB/Agency Support
Co-branding	\$3,000	Agency/OWEB/WS Network
Grassroots Communications	Tbd	OWEB/WS Network
Radio :60 spot	Production: \$10,000 / Spot Media: \$100,000 - \$200,000	Agency Agency
OPB :10 sponsorship	Production: \$3,000 Media: \$13,500 - \$36,000	Agency Agency
Television :30 TV spot	:30 Paid: Production: \$28,000 plus media Joint PSA: \$30,000	Agency Agency
Outdoor	Production: \$6,000 (per posting) Media: \$80,000 - \$150,000	Agency Agency
Earned Media	\$3,000 per month	Agency
Online Advertising Banners	Production: \$10,000 Media: \$10,000	Agency
Social Media	Planning & Setup: \$10,000	OWEB/WS Network/Agency Support

9. Sample Timeline

This sample timeline illustrates the implementation of a comprehensive plan that would include all the tactics previously identified. The plan is based on an arbitrary February media kick off and a six-month (February-July) duration. Supporting grassroots activities would be set up earlier and ramped up in February.

Develop Co-branding Platform and Guidelines	- November
Develop Microsite	- November
Distribute Co-branding Platform and Guidelines to WS Network	- December
Start Grassroots Activities (e-mail, social media)	- January
Launch Microsite	- January
Produce Paid Media Materials (outdoor, OPB, web, broadcast)	- January
Start Earned Media	- February
Start Web Videos	- February
Start Paid Media Schedule (outdoor, OPB, web, broadcast)	- February
Complete and Post Web Videos	- March
End Earned and Paid Media Schedule	- July

11. Evaluation

Evaluation methods for a communications plan are intrinsically connected with the media investment and the suite of activities chosen. In the context of the strategic communications plan described above, several options are available for evaluation. Some evaluation can be accomplished in-house, others can be supported by an agency.

– State wide opinion survey: Following implementation of the plan’s tactics, a statewide

survey could gauge a change in awareness regarding watershed enhancement and OWEB.

– Website Hits: Analysis of the number of visitors to the proposed OWEB microsite, the watershed councils site and the .gov site at the beginning and throughout the plan’s timeline would provide a general picture of how the various tactics impact web traffic and statewide interest in OWEB.

– Social Media Analysis: The number of followers, friends, shares, comments, re-tweets, and other forms of engagement can be assessed in-house, or through paid services such as Vocus. Facebook provides a basic tool to help users gauge page views, posts, discussions and other metrics.

– Inquires, calls and volunteers: Although the recommended communications do not specifically include a call to action to increase participation, successful implementation may result in an increase in interest in activities at the state and local watershed board levels. It could be beneficial to monitor these activities before, during and after the tactics are implemented.

DRAFT

Addendum 1

Messages Tested in Focus Group

- In the past two years, community volunteers and landowners across Oregon extended fish access to 3,000 miles of stream and restored 25,000 acres to more natural conditions. OWEB grants made it possible.
- Every dollar invested in local watershed restoration work stays in the local economy. According to the University of Oregon, OWEB grants have led to 578 new, green jobs in local communities and \$72 million of additional economic activity that stays in Oregon.
- There are nearly 90 local Watershed Councils in Oregon. Each Watershed Council is a group of volunteers, local citizens and landowners who decide what's best in their community to support clean water and healthy natural resources. The Councils rely on OWEB for support.
- Oregon's lakes, rivers and streams are the lifeblood of our environment and vital to our quality of life. OWEB helps Oregonians nurture and maintain these resources.
- No matter where you live in Oregon, you're in a watershed. Across the state, Oregonians from all walks of life are helping keep watersheds healthy – giving us clean water, healthy habitat and green jobs. OWEB provides the resources that make their work possible.
- Oregon's unique way of taking care of watersheds relies on volunteers, above and beyond regulations. This "Oregon way" of taking care of our watersheds is a one-of-a-kind model for the rest of the nation.
- Oregon's way of taking care of watersheds builds community, because landowners, students and citizens work side-by-side on local projects all across Oregon.

Addendum 2

Preliminary Focus Group Findings

Oregon Watershed Enhancement Board
Preliminary Focus Group Findings
August 27, 2009

The focus group was most likely fairly representative of the general public regarding awareness of OWEB—little to no knowledge. When provided information, focus group participants generally begin to see OWEB as a positive state agency: Involved with the environment, and an organization that does things rather than a government bureaucracy.

Engaging Oregonians

- Basic communications will need to inform about watersheds, as well as about OWEB. Protecting watersheds, to most urban Oregonians, means reducing pollution and litter in rivers and lakes. Top of mind is not a recognition that all Oregonians live in watersheds, nor is it a message they associate with, unless accompanied by additional information personalizing the connection. To these focus group participants, Oregon's water resources are its rivers, lakes, and streams—features that can be seen—not watersheds.
- Oregonians seem to have heard and adopted the key message of the interdependency of the State's water resources on Oregon's environment and economic health. This appears to be a core value, and why messages such as "lifeblood of our environment" are so powerful with focus group participants. However, their perspective appears to be fairly localized—the impact of logging, polluting, etc, on nearby rivers, streams and lakes, rather than the an inter-connected state-wide system.
- Oregonians are interested in hearing about what is being done to protect and preserve the environment. These activities, as a lead-in to informing about OWEB, appears to be more effective than messages primarily describing OWEB accomplishments. Claims of the number of jobs created or economic activity generated are viewed with some cynicism.
- Preservation of Oregon's environment is so important to Oregonians, that seeing information about preservation projects will trigger people to seek additional information. Messages and visuals connecting local residents to specific projects can be a call to action for some Oregonians, with the OWEB website being a primary source of information.

Oregon Watershed Enhancement Board

- Defining OWEB to the public faces some challenges. As a state agency, there is potentially a negative association with government bureaucracy. Describing the

level of Lottery funding received for enhancement projects raises questions about how the funds are spent and oversight of expenditures.

- However, examples of OWEB-funded projects are of interest. What is being done with the funds appears to communicate more positively than who and what OWEB is. If viewed as OWEB self-promoting, focus group participants respond, 'If they are doing such great stuff, why haven't we heard about them before.'
- There may also be some confusion about why there is an Oregon Watershed Enhancement Board. "Aren't there other agencies that deal with all this? It's not just OWEB. Do we need OWEB?"

Messages

- Unaided, focus group participants use key words such as steward(ship), maintaining the natural environment, creating habitat, and personal responsibility when asked to describe what taking care of Oregon's streams, lakes, rivers, fish and water life means to them.
- Key words and concepts taken from the tested messages in the focus group are similar: lifeblood: quality of life: no matter where you live, you're in a watershed; jobs; dollars stay in Oregon; clean; OWEB provides resources; funds pay for actual projects; builds communities; nurture; and maintain.
- Given the more urban background of the focus group, respondents seem to lean toward messages with which they could more directly associate: Jobs, local community involvement, and no matter where you live in Oregon, you're in a watershed.
- Messages that draw mixed responses include those quantifying enhancement project results such as 3,000 miles of streams, 25,000 acres of land and 578 jobs. Respondents are cynical about the numbers, eg, Were all those jobs sustained? Whose land was reclaimed? Even the involvement of 90 different watershed councils isn't a clear positive, eg, A lot of bureaucracy. Do these councils all receive money? However, that local watershed councils are comprised of volunteers taking responsibility for their community is a strong message.

Visual Concepts

- Not surprisingly, visuals catch the attention of focus group respondents. The two most iconic visuals: the eastern Oregon prairie and the Deschutes River (?), are preferred.
- These two visuals also include messages that previously connected with group participants: Stewardship by Oregonians. We call it a watershed. You call it Oregon. The words directly connect viewers to the message.
- Finally, these two visuals capture the communication tone preferred by focus group participants, that rather than espousing OWEB's accomplishments, OWEB is described as a partner or agency that helps create healthy habitat.

- Key words from the visual concepts identified by respondents include: partnership, power, healthy habitat, stewardship, we, Mother Nature, beauty, Oregonians funded in partnership, enhancement, and create.
- A couple of visuals are pointed out as negatives: heavy equipment in a stream moving logs—first impression is that of logging rather than stream restoration. The jar of dirty colored water also connotes pollution to some rather than enhancing water quality.
- Visuals that show people and outdoor activity draw the viewer. Water enhancement projects imply activity, and visuals demonstrating those activities provide credibility that work is getting accomplished.

Communication Methods

- Standard methods of communication: print, radio and television, appear to be expedient means of reaching Oregonians. Given the impact of visuals on catching attention, billboards may also be effective.
- A strong Internet presence is also essential. Residents are increasingly going to websites and blogs for additional information. An attractive, graphically interesting and informative website is a critical communications tool.

Funding Decision-Making

- Residents want to know that their watershed enhancement funds are being wisely and thoughtfully spent and managed. Greatest need and impact (on the public and the environment) based decision-making is desired. Cynics believe that decisions are probably political, others feel that because local watershed councils bring the projects to OWEB, the process probably surfaces the most needy proposals. Population or geographic equity in distribution of funds does not appear to be a priority with focus group participants, although there are some comments that areas without rivers or streams, eg, eastern Oregon prairies, wouldn't have any enhancement projects.



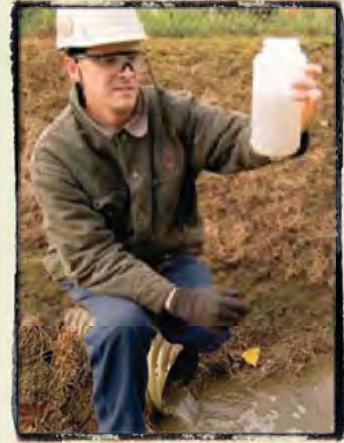
Beauty by Mother Nature. Stewardship by Oregonians.

Funded in partnership with the Oregon Watershed Enhancement Board.



We call it a watershed. You call it Oregon.

Your Oregon Watershed Enhancement Board helps create healthy habitat all across Oregon.



OWEB stands for clean water, healthy habitat and green jobs.



OWEB powers the people who keep Oregon green.



We put green jobs to work in Oregon.

Oregonians fund clean water, healthy habitat and green jobs
through the Oregon Watershed Enhancement Board.

August 27, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director
Renee Davis-Born, Ecosystem Services Coordinator

**SUBJECT: Agenda Item H: Ecosystem Services Report and Board Discussion
September 15-16, 2009 OWEB Board Meeting**

I. Introduction

This report provides an update about two ecosystem services initiatives with which OWEB is involved. The first part of the report is a progress update on the OWEB Research Module on Ecosystem Services. The second portion of this report is a status update about activities related to implementation of Senate Bill 513, which convenes an Ecosystem Services Markets Working Group for the Sustainability Board that will be staffed by OWEB.

II. Background

At the June 2009 Board meeting, Director Byler briefed Board members on the potential involvement of OWEB in Senate Bill 513 sponsored by Senator Devlin. SB 513 defines ecosystem services as “benefits that human communities enjoy as a result of natural processes and biological diversity.” Ecological values are defined as “clean air, clean and abundant water, fish and wildlife habitat and other values that are generally considered public goods.” An ecosystem services market is “a system in which providers of ecosystem services can access financing to protect, restore and maintain ecological values, including the full spectrum of regulatory, quasi-regulatory, and voluntary markets.”

A. OWEB Research Project on Ecosystem Services

In recent months, the OWEB Board and staff have begun to explore the potential for ecosystem services markets to enhance restoration and conservation opportunities in Oregon. At the March 2009 Board meeting, the Board approved \$165,000 of Measure 66 Research non-capital funds for an Ecosystem Services Module within the agency’s Research Program. This funding was intended to support work to investigate how traditional OWEB restoration and acquisition projects may provide ecosystem services and how these investments may converge with ecosystem services markets. At the direction of the Board at the March meeting, staff, in consultation with the Monitoring and Research Subcommittee, developed a Request for Proposals to explore these topics. The RFP outlined three project objectives:

1. Develop a description of the current ecosystem services and the potential markets in Oregon that might be closely aligned with OWEB projects;

2. Conduct an evaluation of the contributions that OWEB land acquisition and restoration projects can provide in the ecosystem services marketplace; and
3. Create business application models that provide OWEB and its grantees an approach to participating in ecosystem service marketplace transactions.

This project will benefit the OWEB Board and staff, local partners, and restoration and conservation practitioners by providing a better understanding of ecosystem services market challenges and opportunities, and areas of alignment between OWEB programs and projects and these markets. Also, through the use of models, the project will outline pathways by which local entities could enter into ecosystem services markets for revenue generating purposes, and test these models through pilot projects.

B. Senate Bill 513

SB 513 charges the Sustainability Board with convening an Ecosystem Services Markets Working Group, and names OWEB to provide staff support to this group. The working group will:

1. Study and propose overarching goals to guide the development of integrated ecosystem services markets in Oregon that are efficient, coordinated, and designed to produce positive ecological and economic outcomes with reasonable administrative costs to all participants;
2. Address entities that would be most appropriate to guide, facilitate, and implement an ecosystem services market in Oregon;
3. Address the need for a consistent methodology to describe and quantify ecological values and in doing so will consider methodologies that have been developed or are in the process of being developed;
4. Make recommendations concerning the development of appropriate ecological evaluation and accounting systems;
5. Consider the appropriate role of government participation in ecosystem services markets in order to ensure that the activities of state agencies are well-coordinated and maintain a positive influence in maximizing ecological, social and economic benefits for the public and private sectors; and
6. Propose potential policies to help stimulate demand for payments for ecosystem services, in particular the development of regulatory and voluntary ecosystem services markets” (from SB 513).

At the June meeting, the Board awarded \$290,000 in 2007–2009 Research non-capital funds to cover costs associated with staffing and contracted services to support implementation of SB 513. This Board allocation was contingent upon final passage of SB 513 by the Legislature and signature by the Governor.

III. Update about Ecosystem Services Research Project

In June, staff and the Monitoring and Research Subcommittee selected Ecosystem Services LLC as the contractor (with Ecotrust as a subcontractor) to assist OWEB in understanding and negotiating the marketplace of ecosystem services that have a likely connection to the restoration and conservation actions funded by OWEB. The scope of the contract was refined to focus on

carbon-offset ecosystem services, but will take into account co-benefit ecosystem services that result from carbon-related projects. For example, this project will assess the carbon-offset ecosystem service delivered through a riparian restoration project that involves tree planting, but also will identify additional co-benefit services, such as water temperature benefits through shading, that would occur. The total contract amount is \$117,000.

The project commenced on August 12, 2009, and will include three phases of work. Phase I will identify current ecosystem services markets and potentially eligible OWEB projects that have carbon-offset and co-benefit ecosystem services. Phase II will evaluate the market opportunities for ecosystem services credits emerging from OWEB funded projects. Phase III will develop up to two pilot projects focused on carbon offsets and co-benefit ecosystem services for market transactions. Already the project team has initiated outreach to other players in the ecosystem services markets arena, such as The Willamette Partnership, Defenders of Wildlife, The Nature Conservancy, and the Institute for Natural Resources at OSU. Staff are working with the contractors to identify appropriate OWEB restoration projects from the Agency's 2008 and 2009 project portfolio, and OWEB acquisition projects awarded during the last several years, for inclusion in this analysis.

The Board will be briefed by staff (and possibly contractors) on project progress at the January and March 2010 meetings. During spring of 2010, the contractor will convene a "Supply Chain" event that will bring together Board and staff from OWEB, local partners, landowners, agency and NGO staff, and representatives of the "demand side" of ecosystem services markets. Participants will share lessons learned from actual Oregon-based carbon transactions, discuss tools for quantifying and monetizing several ecosystem services in a market-based setting, and identify resources and collaborations required to accelerate the practical monetization of carbon offsets and opportunities for future projects.

Project findings will be presented to the Board at the June meeting, with the final report due in mid-June 2010. The report will capture information about OWEB projects and insights gained from the pilot projects, identify carbon-offset services and potential market opportunities in context of OWEB's mission and programs, and provide a "bridge" for connecting with existing regulatory frameworks and standards for co-benefit ecosystem services related to carbon-focused projects.

IV. Implementation of SB 513

SB 513 passed out of the Legislature on June 5, 2009 and was signed into law by the Governor on July 23, 2009. The Ecosystem Services Markets Working Group to be convened under SB 513 is intended to articulate the need and advance policy recommendations for creating a framework of integrated ecosystem services markets in Oregon that produce positive ecological and economic outcomes.

Staff have begun working with members of the Sustainability Board's Ecosystem Services Subcommittee and staff from the Oregon Solutions program at Portland State University to identify membership of the working group and develop a process and timeline for implementation of SB 513. A proposed approach for implementing SB 513 will be presented to the Sustainability Board at its meeting on August 21, 2009, for consideration and approval. The first meeting of the working group is expected to occur in September 2009.

Staff also have begun outreach to practitioners in the ecosystem services arena to learn about initiatives already underway to quantify ecosystem services and account for their values in a marketplace setting, and identify information gaps and analysis needs that could inform the working group's deliberations. It is anticipated that the working group will have a draft report and preliminary policy recommendations for review by the Sustainability Board and interested parties in early fall of 2010. The Sustainability Board will submit a final report, which may include recommendations for legislation, to the Legislature by January 1, 2011.

V. Recommendation

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

September 11, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

**SUBJECT: Agenda Item I: 2009-2011 Biennium Spending Plan
September 15-16, 2009 OWEB Board Meeting**

I. Introduction

At the first meeting of each biennium, the Board considers a plan for the distribution of funding for the biennium. In this report, staff propose a spending plan for \$46.6 million in capital funds and \$8.0 million in non-capital funds appropriated to the Oregon Watershed Enhancement Board by the Legislature for the 2009-2011 biennium. This report and its attachments offer a plan 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.

Staff spending plan recommendations this biennium are influenced by a unique combination of factors. First, an update to OWEB's Strategic Plan and the development of a Strategic Communications Plan offer a series of actions above and beyond traditional program demands, a number of which staff recommend addressing as components to the spending plan. Another factor affecting the spending plan priorities is the potential vote to reauthorize Measure 66 in November 2010. This extraordinary event will necessitate immediate action to prepare for anticipated questions and information requests from the public about OWEB and what the agency programs have accomplished. In combination, these factors lead staff to propose a spending plan that attempts to carry out select strategic priorities and move quickly to meet agency information needs.

Another factor to consider involves reduced Lottery Fund revenues. OWEB begins this biennium with 25 percent less capital funds than was available in the previous biennium. In addition, the most recent revenue forecast shows Lottery Fund revenues are not meeting expectations for the first few months of the biennium. This is the first biennium OWEB has faced declining revenues and uncertainty as to whether revenues will fully meet projected budget levels.

Because the Strategic Plan is currently in draft form and is expected to be finalized in January 2010, staff anticipate updating the spending plan in January 2010, based on the final Plan and the other factors listed above.

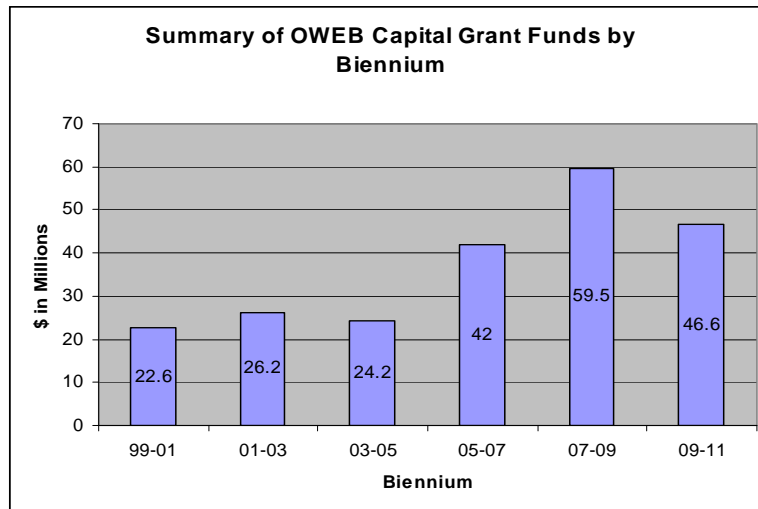
II. Background

Measure 66 Lottery Funds may be used for a wide variety of purposes that further the goals of improving water quality, improving habitat for 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 populations. Measure 66 and PCSRF funds may be distributed through the competitive grant process or by direct allocation by the Board.

A. Capital Funds

Capital funds are used to fund on-the-ground restoration and protection projects. The 2009-2011 Legislatively Adopted Budget for OWEB includes \$46 million of Measure 66 Lottery Funds available to be allocated by the Board for capital grant purposes. Including unspent grant funds returned from completed grants, OWEB currently has about \$46.6 million in uncommitted capital funds available for the biennium. In 2007-2009, OWEB had \$59.5 million in Measure 66 capital funds available. Capital funds allocated to OWEB are down by about \$14 million from the previous biennium. Table 1 compares this biennium's capital funds with previous biennia.

Table 1. Capital Funds



The most recent state revenue forecast projects a continued decline in Lottery funds. At this early stage of the biennium, it's too soon to know whether Lottery revenues will continue to decrease, flatten out, or increase. If Lottery revenues continue to decrease, OWEB may have less than \$46.6 million in capital funds to invest. An overview of the proposed capital spending plan is contained in Attachment A.

B. Non-Capital Funds

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, local capacity support, and agency efforts related to the Oregon Plan for Salmon and Watersheds. The 2009-2011 Legislatively Adopted Budget for OWEB includes \$4 million of non-capital Measure 66 Lottery Funds. An additional \$3.8 million of federal Pacific Coastal Salmon Recovery Funds (PCSRF) and \$180,000 in Salmon License Plate funds are

available to be allocated by the Board for non-capital grant purposes. As is the case with capital funds, if Lottery funds continue to decline during the biennium, OWEB may have less Measure 66 non-capital funds to invest. An overview of the proposed non-capital spending plan is shown in Attachment B.

The \$8.0 million in available non-capital funds does not include potential additional funds from PCSRF for Federal Fiscal Year 2010. 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	\$7.9 million	\$7.9 million
2009-2011	\$8.0 million	Unknown

C. Research Funds

The 2009-2011 Legislatively Adopted Budget for OWEB includes \$1.5 million of capital and \$750,000 of non-capital research funds expenditure limitation available for Board allocation. 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)) The reduction in interest rates and revenues has made these numbers uncertain; the actual amount of funding that accrues may be lower than projections.

III. Proposed Capital Fund Spending Plan

Attachment A summarizes the proposed capital fund spending plan. The following sections briefly describe specific investment areas and recommended reserves and allocations. More information on these areas is contained in additional attachments to the staff report referenced below.

A. Small Grant Program

Staff recommend the Board allocate funding for the Small Grant Program (SGP) for the 2009-2011 biennium at the level of \$2.8 million in capital funds, with a distribution of \$100,000 per team. More information about the SGP investments, including a map showing the 28 SGP areas and completed project sites from 2001 through 2008, is available in Attachment C.

B. Partnership Investments

1. Conservation Reserve Enhancement Program

Staff propose the Board allocate \$1.3 million in capital funds to support the Conservation Reserve Enhancement Program for the 2009-2011 biennium.

2. Special Investment Partnerships

Staff recommend the Board allocate \$4.0 million in Measure 66 capital funds to support the Special Investment Partnership in the Upper Deschutes Basin (see Agenda Item C-7). The Deschutes SIP partners effectively utilized the \$4 million from last biennium, and are ready to use additional funds with a long list of projects that carry out the SIP goals. The Willamette SIP continues to work with funds allocated last biennium. No new capital funds are requested for the Willamette SIP at this time. Additional information is included in Attachment D.

3. Whole Watershed Restoration Initiative

Staff recommend the Board reserve \$500,000 in Measure 66 capital funds to support the Whole Watershed Restoration Initiative with the U.S. Forest Service, National Marine Fisheries Service, and Ecotrust. Staff will return at a future meeting with more detail on the proposed partnership process and request to allocate the funds.

C. Regular Grants

Staff recommend the Board allocate \$7.2 million to the April 2009-September 2009 grant cycle in Agenda Item L. Staff will recommend reserves for the October 2009-March 2010 grant cycle as part of an updated spending plan in January 2010.

D. Capital Fund Reserve

Staff recommend the remaining funds be reserved for the remaining grant cycles and to respond to unique or unanticipated capital needs that may occur during the biennium.

IV. Proposed Non-Capital Fund Spending Plan

OWEB starts the 2009-2011 biennium with slightly more non-capital grant funds than the previous biennia. While this funding will not meet all non-capital program needs, it does offer opportunities for increased investment in priority areas. As with last biennium, investment in the capacity of watershed councils and soil and water conservation districts, continues to be a high priority.

The proposed spending plan summarized in Attachment B and described in the sections below is designed to augment the legislative appropriation by focusing on local capacity and other key non-capital program areas. It also is designed to allow OWEB to carry out strategic priorities and move quickly to meet agency information needs as described in the Introduction.

The non-capital 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

The OWEB Board and staff 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 over two-thirds of OWEB grant awards. Staff recommend allocating a total of \$2,440,454 to support councils, districts, the Network of Oregon Watershed Councils, the Oregon Association of Conservation Districts, and to support

additional capacity building efforts. Additional background information on the local capacity recommendation is included in Attachments E and F.

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 \$499,931 for technical assistance grants as part of Agenda Item L.

Staff will recommend a Technical Assistance reserve for the October 2009-March 2010 grant cycle as part of an updated spending plan in January 2010. Funding for technical assistance beyond the upcoming October grant cycle will depend on the availability of additional federal funds.

C. Monitoring

Staff will recommend a Monitoring reserve for the October 2009-March 2010 grant cycle as part of an updated spending plan in January 2010. Future monitoring grant offerings or potential non-grant awards for this biennium will depend on the availability of additional federal funds.

D. Education/Outreach Grant Offerings

Staff will recommend an Education/Outreach reserve for the October 2009-March 2010 grant cycle as part of an updated spending plan in January 2010. OWEB's ability to make Education and Outreach offerings later in the biennium will depend on the availability of additional federal funds.

E. 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 2009. 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.

F. Restoration Projects Non-capital

Restoration projects sometimes include activities that legally cannot be funded with capital funds, such as education or outreach components. As a result, restoration grant awards each cycle include some amount of non-capital funds. Staff recommend the Board reserve \$125,000 to cover non-capital activities in restoration grants. Staff also recommend the Board allocate \$17,113 of the reserve for the non-capital activities of the April 2009 restoration grants as shown in Agenda Item L.

G. 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, the Board allocated \$1.5 million for recovery planning work to complete ongoing planning work and support technical staff work, facilitation,

contracting, research peer review, and local outreach and community involvement. Substantial progress was made last biennium to complete salmon recovery plans. This biennium, staff recommend the Board allocate \$100,000 to help cover remaining recovery planning needs.

H. Information and Communication Needs

OWEB is moving forward with the development of an updated Strategic Plan and new Communications Plan. At the same time, others are engaged in an effort to reauthorize Measure 66 in 2010. Staff recommend that certain actions under both plans, combined with anticipated information and communication needs to respond to inquiries and questions from the public due to the Measure 66 reauthorization initiative, demand immediate attention. Therefore, staff propose the Board allocate \$400,000 to carry out the necessary work and product development in an expedited manner. Staff will work with the Co-Chairs and appropriate Board subcommittees to develop and implement this work. More information on these actions is contained in Item E and Attachment D of Agenda Item D.

I. 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 and other shared objectives. These actions often do not fit well within OWEB's grant cycle process. Examples of past uses of Oregon Plan products funding include stream gauges and measuring devices, digitization of wetland maps, and the Oregon Explorer. Staff propose \$570,000 for Oregon Plan product needs and for efforts related to the Strategic Plan and Measure 66 reauthorization.

Of that funding, staff recommend the Board allocate \$180,000 to support a partnership with the Oregon Department of Fish and Wildlife intended to align and integrate OWEB's restoration and acquisition priorities with the Oregon Conservation Strategy, salmon recovery plans, and climate change considerations. Staff also recommend the Board allocate \$250,000 for the purposes of expediting ongoing efforts to examine Oregon Plan agency and local organization restoration and related activity accomplishments. The proposed funding will be utilized for the coordination and facilitation of multi-agency workgroups necessary to discover, compile, and deliver priority program investment and accomplishment information. Summary information about the benefits to Oregon's water quality, fish populations, and habitats will be a priority focus area. Maps, stories, images, reports, and databases will be the end products. These products contribute to information needed for Section H in this report and will be utilized in the implementation of the draft communication and strategic plans. Staff will work with the Co-Chairs and appropriate Board subcommittees on these efforts and will update the full Board in January 2010.

J. Effectiveness Monitoring and Reporting

In recent years the Board has begun a process to review the effectiveness of its past investments. Examining the effectiveness of past projects is a key element to inform practices and priorities. The information gathered and conclusions drawn from effectiveness monitoring will allow the Board to adapt its investments accordingly. The breadth and depth of project data make the tasks for the effectiveness monitoring program particularly challenging, and are often best accomplished through contracting and interagency agreements.

As we get closer to 2014, and with a potential Measure 66 initiative coming before Oregon voters in 2010, the need for focused investment in this area is greater than ever. This program area also needs the capacity to report meaningful information on OWEB funded projects for the general public as well as to meet federal requirements. Staff recommend reserving \$690,000 for these purposes. Of those funds, staff request the Board allocate \$270,000 to support and accelerate a number of activities. For example, the funding will provide resources to review thousands of OWEB files and reports for information about project accomplishments. This funding will also be used to develop reports from watershed councils, soil and water conservation districts, and other OWEB grant recipients with the intent of collecting more comprehensive project accomplishment information from these local organizations. This information will be used to inform the communication efforts to provide useful summary information about OWEB investments and local partners' accomplishments. Staff will work with the Co-Chairs and appropriate Board subcommittees on these efforts and will update the full Board in January 2010.

K. Miscellaneous

Staff propose the Board allocate non-capital funding from the 2009-2011 OWEB budget for the following purposes:

1. Biennial Conference, technical training, and outreach - \$125,000. This funding allocation will support efforts needed to carry out the next OWEB biennial conference in the fall of 2010, non-grant efforts to provide technical training opportunities for partners, and general outreach related activities.
2. Staff support and contracting for development and implementation of Special Investment Partnerships - \$300,000. This funding will support the continuation of contracted services for the Willamette SIP to help with partner coordination and project development. The funding will also support technical assistance needs for project development and outreach for the Deschutes SIP partners. More information is included in Attachment D.
3. "Working lands" conservation easement request for proposal - \$50,000. This funding would support a contract or interagency agreement to evaluate the policy, program, and partnership considerations associated with "working lands" conservation easements.

V. Proposed Restoration and Protection Research Fund Spending Plan

The Research Fund is projected to achieve approximately \$2.25 million in revenue by the end of the 2009-2011 biennium. The composition of those funds is anticipated to be \$1.5 million in capital and \$750,000 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. Staff are not proposing a research spending plan at this time, in part because of the uncertainty over the accrual of research funding and the staff focus on strategic planning. Staff will return at a future meeting with a proposed plan for research funds, including proposed research grant investments for the 2009-2011 biennium.

VI. Recommendation

Staff recommend:

- A. The Board approve the proposed spending plans in Attachments A and B as an overall guide for reserving and allocating OWEB funds at the beginning of the biennium with specific direction to staff to update the spending plan and report on the actions taken under the spending plan at each subsequent Board meeting.
- B. The Board approve the following specific capital funding proposals:
 - a. Allocate \$2.8 million to the Small Grant Program (SGP) for the 2009-2011 biennium with a distribution of \$100,000 per team.
 - b. Allocate \$1.3 million to support the Conservation Reserve Enhancement Program for the 2009-2011 biennium.
 - c. Allocate \$4.0 million to the Deschutes SIP, delegate the distribution authority to the Executive Director, and approve the Deschutes SIP conditions described in Attachment D of this report.
- C. The Board approve the following specific non-capital funding proposals:
 - a. Approve an additional \$1,140,454 for Watershed Council Support grants as described in Section IV.A. and shown in Attachment F of this report.
 - b. Allocate \$1,000,000 for Soil and Water Conservation District capacity as described in Section IV.A. and Attachment E 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.A. and Attachment E of this report.
 - d. Allocate \$100,000 and delegate authority to the Executive Director to distribute the funds through appropriate agreements and contracts for capacity building; travel expenses to help councils attend capacity building trainings and workshops; and facilitation to support the council support grant team review process as described in Section IV.A. and Attachment E of this report.
 - e. Allocate \$100,000 to support the development 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.G. of this report.
 - f. Allocate \$400,000 for information and communication needs associated with the development of the Strategic Plan, the Communications Plan, and other immediate related needs 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.H. of this report.

- g. Allocate \$180,000 to support a partnership with the Oregon Department of Fish and Wildlife intended to align and integrate OWEB's restoration and acquisition priorities 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.I. of this report.
- h. Allocate \$250,000 to Oregon Plan products in support of the Strategic Plan and the Communications Plan 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.I. of this report.
- i. Allocate \$270,000 for effectiveness monitoring in support of the Strategic Plan and the Communications Plan 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.J. of this report
- j. Allocate \$125,000 to support the 2010 OWEB Biennial Conference, technical training and outreach needs and delegate to the Executive Director the authority to distribute the funds for personnel, contracted services, and other associated costs consistent with Section IV.K. of this report.
- k. Allocate \$300,000 to support the Deschutes and Willamette Special Investment Partnerships, consistent with the purposes identified in Section IV.K. and Attachment D of this report, and delegate to the Executive Director the authority to distribute the funds through appropriate grant agreements, contracts, and interagency agreements.
- l. Allocate up to \$50,000 to evaluate the policy, program, and partnership considerations associated with "working lands" conservation easements, and delegate to the Executive Director the authority to distribute the funds through appropriate grant agreements, contracts, and interagency agreements.

Attachments

- A. Capital Spending Plan Allocations (table)
- B. Non-Capital Spending Plan Allocations (table)
- C. Small Grant Program Background
- D. Special Investment Partnership Proposal
- E. Local Capacity Background
- F. 2009-2011 Watershed Council Support Funding Table

2009-2011 Biennium Capital Spending Plan

Available Funding = \$46.6 million

Program Element	Sept 2009 Allocation
Small Grant Program	\$2,800,000
CREP	\$1,300,000
Special Investment Partnerships	\$4,000,000
Regular Restoration/Acquisition Grants	\$7,194,590
Totals	\$15,294,590

Remaining Funding = \$31,305,410

2009-2011 Biennium Non-Capital Spending Plan

Available Funding = \$8 million

Program Element	Agenda Item/Section	Sept 2009 Allocation	Sept 2009 Reserve	Total
Local Capacity: WSC Support	Section IV.A.	\$1,140,454	\$0	\$1,140,454
Local Capacity: SWCD Support	Section IV.A.	\$1,000,000	\$0	\$1,000,000
Local Capacity: Network of Councils	Section IV.A.	\$100,000	\$0	\$100,000
Local Capacity: OACD	Section IV.A.	\$100,000	\$0	\$100,000
Local Capacity: Travel, training, facilitator	Section IV.A.	\$100,000	\$0	\$100,000
Technical Assistance Grants	Item L	\$499,931	\$0	\$499,931
Restoration Projects Non-capital	Item L	\$17,113	\$107,887	\$125,000
Recovery Planning	Section IV.G.	\$100,000	\$0	\$100,000
Information and Communication Needs	Section IV.H.	\$400,000	\$0	\$400,000
Oregon Plan Products	Section IV.I.	\$250,000	\$140,000	\$390,000
OP Products: Restoration/Acq. Priorities	Section IV.I.	\$180,000	\$0	\$180,000
Effectiveness Monitoring & Reporting	Section IV.J.	\$270,000	\$420,000	\$690,000
Biennial Conf, Tech Training & Outreach	Section IV.K.	\$125,000	\$0	\$125,000
SIP: Willamette Contract-Deschutes TA	Section IV.K.	\$300,000	\$0	\$300,000
Working Lands Conservation Easement Contract	Section IV.K.	\$50,000	\$0	\$50,000
Totals		\$4,632,498	\$667,887	\$5,300,385

Remaining Funding =

\$2,699,615

Small Grant Program Background for 2009-2011 Spending Plan

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 January 2002, the Board adopted administrative rules establishing a Small Grant Program (SGP) with the goal to support implementation of the Oregon Plan for Salmon and Watersheds by funding small, straightforward restoration projects designed to improve water quality, water quantity, and fish and wildlife habitat.

Twenty-eight Small Grant teams consisting of representatives from local watershed councils, soil and water conservation districts, and tribes, have each been allocated \$100,000 per biennium to put toward restoration projects of \$10,000 or less, a total commitment of \$2.8 million in capital (Lottery) funds each biennium to date.

The SGP encourages landowner participation in watershed improvement and continues to be extremely popular because of its ability to fund a variety of restoration projects more quickly than OWEB’s regular grant program. To date approximately 1,552 projects have been funded through the SGP.

The attached map shows the 28 SGP areas and completed project sites from 2001 through 2008 for which an OWRI (Restoration Reporting form) has been submitted and entered into the OWEB database. It reflects approximately 1300 projects in 2800 locations.

In May 2007 the Board awarded \$2.8 million in capital funds to the SGP for the 2007-2009 biennium. Small Grant Teams allocated over \$2.6 million for projects in their areas, more than in any previous biennium (Table 1), funding 385 grants at an average of \$7,000 per project. Six teams allocated all of their \$100,000. The largest amount remaining for any team was \$22,968.

Table 1: Small Grant Funding by Biennium

Biennium	Funding	Allocated	Remaining	# Grants
2001-03	\$2,800,000	\$2,359,322	\$440,678	405
2003-05	\$2,800,000	\$2,496,182	\$303,818	384
2005-07	\$2,800,000	\$2,537,225	\$262,775	378
2007-09	\$2,800,000	\$2,676,365	\$123,635	385

Recommendation

Staff recommend the Board allocate funding for the Small Grant Program for the 2009-2011 biennium at the level of \$2.8 million in capital funds, with a distribution of \$100,000 per team.

2009-2011 Special Investment Partnership

I. Background

The Board and staff began discussions about Special Investment Partnerships (SIP) early in the 2007-2009 biennium. Following significant discussion of the concept and approach, the Board approved the Deschutes SIP in January 2008 and the Willamette SIP in March of 2008. The partnerships have not changed, but a number of lessons have been garnered over the last year and a half. This background report describes the Deschutes SIP criteria and proposed funding purposes for 2009-2011.

II. Deschutes SIP

The Board approved the Upper Deschutes SIP in 2008 with a list of projects and a number of conditions. The Board approved conditions were to:

1. Endorse the merit and objectives of the Deschutes SIP and the value of likely outcomes.
2. Allocate to the Deschutes SIP up to \$4 million of capital funds from the \$12 million reserved for SIP for the 2007-2009 biennium.
3. Delegate the distribution authority for the \$4 million to the Executive Director.
4. Authorize the Executive Director to enter into Deschutes SIP negotiations necessary to:
 - a. Identify which of the high and immediate project priorities are right for OWEB funding.
 - b. Certify that these projects are technically sound.
 - c. Identify which activities and line item expenses for each project are appropriate for OWEB funding.
 - d. Identify any special conditions that should apply to the OWEB funding.
 - e. Enter into grant agreements with the appropriate implementing partners.

Staff also recommended, and the Board approved, the following conditions on the 2008 Upper Deschutes SIP funding allocation:

1. The central partners must sign a Partnership Agreement by March 1, 2008, and before project implementation agreements are signed.
2. Any projects and actions in the implementation work plan for which OWEB funds will be used will be subject to detailed scrutiny and approval by a technical review process designated by OWEB.
3. Implementation must proceed in a timely manner. If the entire \$4 million is not committed by September 1, 2008, the Board reserves the right to redirect the unallocated amount for other uses.
4. Irrigation efficiency improvement projects may use OWEB SIP funds only if they produce legally protected instream flows.

5. OWEB SIP funds may be used for acquisition of conservation easements or title to land and water only if OWEB's standard acquisition program criteria and due diligence requirements have been satisfied.

The funding conditions, except for the first one, are also appropriate for the 2009-2011 biennium allocation and staff recommend they be approved by the Board. The first condition is not appropriate because the SIP agreement has been completed and does not need updating.

In discussions with the Deschutes partners, there is more than \$6 million in high priority projects that are appropriate for funding at this time (see attached table) because of the acceleration that ARRA stimulus funding brings to the Three Sisters Irrigation District projects and the enhanced capacity of the organizations from the work over the last biennium. The partners have indicated that the process for reviewing projects has been effective and that there has been a benefit to the enhanced capacity to deliver projects.

The group has identified a high priority need for non-capital funding to support project development and design. If approved, the non-capital eligible proposals will be reviewed in the same manner as the capital applications and forwarded to the Executive Director for approval. Staff recommend a new condition for the Deschutes SIP for 2009-2011, that the project development and design funding be associated with implementation of a priority project as identified in the attached spreadsheet.

III. Willamette SIP

The Willamette SIP is progressing more slowly than the Deschutes, primarily because there are fewer implementation partners with a common direct interest in Willamette floodplain restoration. Projects are moving forward, however, and will continue to move forward. It is important to ensure our partners that OWEB remains committed to implementation of the effort. While additional funds are not needed at this time, it is important to signal that the Board continues to support the partnership. Immediate needs for continued coordination and staffing are included in the spending plan (Agenda Item I).

IV. Staff Recommendation

The staff recommended conditions for the 2009-2011 Deschutes SIP are:

1. Any projects and actions in the implementation work plan for which OWEB funds will be used will be subject to detailed scrutiny and approval by a technical review process designated by OWEB.
2. Implementation must proceed in a timely manner. If the entire \$4 million is not committed by September 1, 2010, the Board reserves the right to redirect the unallocated amount for other uses.
3. Irrigation efficiency improvement projects may use OWEB SIP funds only if they produce legally protected instream flows.
4. OWEB SIP funds may be used for acquisition of conservation easements or title to land and water only if OWEB's standard acquisition program criteria and due diligence requirements have been satisfied.
5. Project development and design funding be associated with implementation of a priority project.

Name / Location	Lead Organization	2007-2009 Biennium			2009-2011 Biennium			Summary	Key Partners	Relevance to Criteria
		Funded / Signed Grant Agreement	Grant Paperwork / Application in Progress	Approx Match	Potential OWEB SIP Funding	Short list of projects ready to go ASAP	Estimated Match Funding			
Whychus Creek & Lake Creek										
Habitat Restoration										
Camp Polk Stream Restoration (+Effectiveness Monitoring)	UDWC	\$830,098		\$1,100,000				The project includes 1.7 miles of stream channel restoration at the Camp Polk Meadow Preserve to benefit spawning and rearing for resident and anadromous fish. It includes >200,000 native plants, >30 acres wetlands created, and an increase of 0.5 miles of channel length.	Pelton Fund, DLT, DRC, USFS, ODFW, USFWS, Wolfree, CTWS, TNC, OSU, U of O, DEQ	The project is 'ready to go', with strong partnerships, excellent match funding and high ecological significance. This is currently the flagship habitat restoration project for the watershed.
Rimrock Ranch Stream Restoration	UDWC				\$950,000		\$1,250,000	The project will focus on 2 miles of stream channel restoration to improve spawning and rearing habitat for resident and anadromous fish. It will include >100,000 native plants, 25 acres wetlands created and 0.25 mile of new channel created.	DLT, DRC, USFS, BLM, ODFW, USFWS, Wolfree, CTWS, TNC, OSU	The project is currently in design, with completion expected Fall 2008. It has strong partnerships, good match funding, and high ecological significance.
City of Sisters Stream Restoration	UDWC	\$79,860		\$45,000	\$250,000	\$125,000	\$225,000	The project will restore stream channel to improve spawning and rearing habitat for resident and anadromous fish within the City of Sisters UGB. The project will result in Whychus Creek being restored throughout the urban area, resulting in significant benefits to steelhead, redband trout, riparian condition and water quality.	City of Sisters, Landowners, ODFW, CYWS, USFS, USFWS	The project focuses on one of the critical issues in Sisters - i.e., the urban impacts to the stream. A comprehensive restoration design will catalyze many key projects, with strong public involvement, excellent match funding and important ecological benefits.
Whychus Creek Riparian Restoration - Discovery Outpost	UDWC		\$25,000	\$22,860				The project focuses on the restoration of the 58 acre Discovery Outpost preserve on Whychus Creek. It includes riparian plantings, weed control and rip-rap removal to enhance floodplain connectivity.	Wolfree, The Freshwater Trust, Three Sisters Irrigation District	The project is ready to go and addresses an important opportunity for enhancement along Whychus Creek.
Whychus Creek Riparian Restoration - Frisbee Property	UDWC		\$60,448	\$21,000	\$450,000		\$75,000	The project includes restoration of at least a variety of privately and publicly owned sites (near TSID diversion, Sokol Property, Rd 1605, Discovery Outpost) along Whychus Creek near Sisters. Restoration involves student-run planting and riparian area protection.	USFS, Wolfree, Oregon Trout, ODFW	Projects are 'ready to go' with students, teachers, Forest Service and other partners standing by. Each project results in incrementally improved riparian habitat upstream of Sisters.
Spring Creek Riparian and Wetland Restoration	UDWC / DLT		\$26,455	\$8,500	\$65,000		\$45,000	The project will focus on enhancing the DLT's new Spring Creek easement through riparian planting, weed management and in-stream placement of large woody material.	DLT, ODFW, Private landowners	The project enhances important habitat for reintroduced species. Once the easement is in place, the project will be 'ready to go' with willing landowners and a guarantee of long-term habitat protection.
South Fork Lake Creek Culvert Removal	UDWC	\$69,430		\$65,000				The project focuses on removal of a culvert and obliteration of road to enhance migration and spawning in Lake Creek for chinook, sockeye, bull trout and redband trout. Culvert removal eliminates a significant erosion hazard and creates improved floodplain access for Lake Creek.	Pelton Fund, DLT, USFS, Trout Unlimited	The project helps restore an important reach of Lake Creek to benefit resident and anadromous fish. There are excellent partnerships in place and the project represents a 'win-win' for those involved.
Fish Passage / Screening										
Edgington Diversion Retrofit and Screening	UDWC		\$48,850	\$37,450				The project includes design and construction of a retrofit to the Edgington diversion on Whychus Creek to address fish screening needs.	Pelton Fund, Deschutes National Forest, Frisbee Family, Stroemple Family, Three Sisters Irrigation District, ODFW, USFWS, NOAA	The project addresses a high priority fish screening need.
Sokol Fish Passage, Screening and Habitat Enhancement	UDWC		\$137,580	\$41,175	\$400,000	\$400,000	\$200,000	The first phase of the project includes the design for the elimination of two fish passage barriers and a fish screen on Whychus Creek upstream of Sisters.	Pelton Fund, Deschutes National Forest, Sokol Family, ODFW, USFWS, NOAA	
TSID Diversion Passage, Screening and Stream Restoration	UDWC	\$22,000		\$225,000	\$1,000,000	\$1,000,000	\$1,100,000	The project includes comprehensive fish passage, screening and channel restoration for the TSID diversion. This diversion is currently on ODFW's 'Top 10' list of diversions in the state to be retrofitted. Improvements will open more than 15 miles of habitat.	Pelton Fund, TSID, USFS, ODFW, USFWS, NOAA	The project addresses the largest diversion in the watershed. The design will be completed in early 2009 and the project will be ready to move toward implementation in winter 2009/2010.
Whychus Creek & Lake Creek										
Flow Restoration										
McKenzie Conservation	DRC	\$656,266		\$2,500,000				This canal piping project will permanently restore and legally protect 2.4 cfs instream to be held in trust by the State of Oregon.	TSID, OWRD, Landowners	All of the instream flow restoration projects provide critically needed permanent flow restoration. They have strong leverage, excellent partnerships and a track record of success.
Whychus Transfers	DRC				\$200,000		\$300,000	The project will permanently acquire and legally protect 64 acres of water rights, resulting in 2 cfs permanently instream to be held in trust by the State of Oregon.	TSID, City of Sisters, Landowners, OWRD	[see comments above]
TSID Main Canal	DRC	\$80,880		\$15,000	\$1,500,000	\$1,000,000	\$3,000,000	The project includes piping the main canal to restore 6 cfs permanently instream to be held in trust by the State of Oregon.	TSID, USFS, OWRD, Landowners	[see comments above]
Land Conservation										
Whychus Creek Acquisition	DLT				\$250,000		\$1,000,000	The project will protect 0.75 miles of priority floodplain and provide an opportunity for comprehensive restoration by the UDWC.	UDWC	The site has high ecological significance/potential and is adjacent to another protected reach.
Whychus Creek Acquisition	DLT				\$175,000		\$175,000	This project will expand the Camp Polk Meadow Preserve and provide control over Whychus Creek through the entire Camp Polk reach		
Whychus Creek Acquisition (Angel)	DLT				\$1,250,000	\$1,250,000	\$150,000	This project will protect 1.9 miles of Whychus Creek between Camp Polk Meadow and Rimrock Ranch.		
Spring Creek Conservation Easement	DLT	\$300,000		\$300,000				The project protects outstanding spring chinook and bull trout habitat in the Metolius subbasin.	UDWC, ODFW	Studies show lower Lake Creek contains the most productive spring chinook rearing habitat in the Metolius subbasin. This project will protect an undeveloped property with significant stream frontage.
Lake Creek Conservation Easement	DLT				\$250,000		\$250,000	Protects .5 miles of undeveloped stream habitat on Lake Creek, provides for UDWC enhancement	UDWC	This project will protect nearly all the undeveloped acreage on Spring Creek, an important spring chinook stream.
Lower Crooked River & McKay Creek										
Habitat Restoration										
Lower Crooked River - City of Prineville Restoration	CRWC							This project will improve habitat on 3 miles of the Lower Crooked River through the City of Prineville Urban Growth Boundary. The project will involve removing or lowering levees, constructing off-channel habitat for fish rearing and flood refugia, bank stabilization to reduce erosion, and riparian afforestation.	Crook County Parks and Recreation District, City of Prineville, Mayberry Development, USFWS	This is a high profile project with strong partnerships, good ecological benefits and excellent leverage.

Name / Location	Lead Organization	2007-2009 Biennium			2009-2011 Biennium			Summary	Key Partners	Relevance to Criteria
		Funded / Signed Grant Agreement	Grant Paperwork / Application in Progress	Approx Match	Potential OWEB SIP Funding	Short list of projects ready to go ASAP	Estimated Match Funding			
Middle McKay (McKay Creek Bridge to Allen Creek)	CRWC				\$220,000		\$130,000	This project will restore floodplain connectivity and instream habitat structure, and conduct riparian afforestation between the McKay Creek Road Bridge and Allen Creek. The project will provide rearing and spawning habitat for anadromous and resident fish in a reach of permanently restored streamflow. The project will also overlap with a conservation easement being pursued by the Deschutes Basin Land Trust.	Landowners (Santucci, Dill, Seamus, Parga), DRC, USFWS, DBLT	There is strong synergy between this project and others (flow restoration, land conservation). It has high ecological significance and great leverage.
Ochoco Creek Stream Enhancement (Ochoco Lumber Company)	CRWC	\$209,346		\$97,316				This project will restore floodplain connectivity and wetlands, enhance instream habitat structure, and conduct riparian afforestation on 3/8 of a mile of Ochoco Creek within the Prineville urban growth boundary that was formerly occupied by the Ochoco Lumber Mill for 70 years. The project will also provide public access to a reach of Ochoco Creek and connect to the City of Prineville greenway trail system.	Ochoco Lumber Company, DEQ, USFWS, ODFW, USFS	The project has strong public-private partnerships, a high ecological significance, excellent community benefits, and great leverage.
Fish Passage / Screening										
Opal Springs Passage	CRWC				\$1,000,000		\$3,000,000	The Opal Springs Dam is a 25 foot fish passage barrier at river mile 1 on the Crooked River. The barrier blocks upstream migration to the 132 miles of upstream habitat on the Crooked River. Designs for a fish ladder to provide passage over the dam have already been completed, and studies of the effects on downstream passage have shown downstream passage mortality to be minimal.	Deschutes Valley Water District, USFWS, ODFW, CTWS, BOR, SWCD	The project provides critically important passage into the Crooked River. It is fundamental to successful reintroduction and well supported by local partners.
NUID Pump Screening	CRWC	\$420,000		\$700,000				This project will reconfigure NUID's Crooked River Pump Station to minimize entrapment or injury to fish and to allow NUID to return up to 75 cfs in-stream to a critical low water reach. The project will facilitate anadromous migration from the lower canyons of the Crooked River to spawning habitat upstream.	North Unit Irrigation District, Pelton Fund, ODFW	The project provides important protecting for migrating fish low in the Crooked River system. There are excellent partnerships, existing match, and the project is "ready to go".
Crooked River Central and People's Irrigation District Passage	CRWC	\$811,980		\$489,920				Two major irrigation diversion retrofit projects will provide passage into the upper reaches of the Crooked River.	Crooked River Central Irrigation Owners, People's Irrigation District Owners, Pelton Fund, ODFW, BOR, USFWS, PGE	The project protects fish while retaining irrigation capacity - there is strong ecological significance as the project will open passage to McKay Creek, Ochoco Creek, and the Bowman Tailrace of the Crooked River. There is good leverage and excellent partnerships in place.
Fish Passage / Screening										
Stearns Dam Removal Project	CRWC				\$280,000		\$200,000	This project will provide passage into the Bowman Tailrace fishery - a fishery renowned for its excellent habitat and productivity. The project make the existing 5 foot structure passable to up and downstream migrating fish, opening approximately 13 miles of habitat.	Owners, BLM, Pelton Fund, ODFW	The project will play an important part of successful steelhead reintroduction in the lower Crooked River. Match funding is in place, NEPA is close to completion, and the partnership is ready to move forward.
McKay Private Diversions & Passage Projects	CRWC	\$260,565		\$100,000				Four diversion structures on McKay Creek are no longer used or will no longer be needed after the DRC completes the McKay Creek Water Rights Switch Project. This project will work with four landowners to either remove the diversions entirely or construct a series of engineered pools to provide passage over the diversion.	Landowners, DRC, USFWS	The projects are an important part of steelhead reintroduction on McKay Creek. They have excellent leverage and strong partnerships.
Flow Restoration										
McKay Creek Exchange	DRC		\$69,469	\$70,000	\$1,500,000	\$1,500,000	\$700,000	The project will use an innovative exchange of water rights to permanently restore and legally protect up to 7 cfs instream in McKay Creek	Ochoco Irrigation District, Pelton Fund, Landowners, CRWC, OWRD, NRCS, DBLT	The project addresses flow restoration, one of the most important issues in McKay Creek. It is innovative, ecologically important and well supported.
Land Conservation										
McKay Creek Conservation Easement #1	DLT				\$1,250,000		\$1,250,000	This permanent conservation easement will protect 1.5 miles of priority McKay habitat and provide opportunities for habitat restoration by the CRWC.	CRWC, DRC	McKay Creek, the top priority stream for steelhead reintroduction, is threatened by rapid development. This project will reverse the parcelization trend by combining two large properties into one ownership. Strong partnership component.
McKay Creek Conservation Easement (Parga)	DLT				\$750,000	\$750,000	\$750,000	This permanent conservation easement will protect 1.5 miles of priority McKay Creek habitat and facilitate flow protection (DRC) and stream restoration (CRWC).	CRWC, DRC	Protects a key reach of McKay Creek from possible destination resort development. Strong potential for restoring instream flow as part of the project.
Totals		\$3,740,425	\$367,802	\$5,838,221	\$11,740,000	\$6,025,000	\$13,800,000			
Grand Totals		\$4,108,227		\$5,838,221	\$25,540,000					

Background for Local Capacity Spending Plan Recommendation

I. Background

OWEB received 63 council support applications by the January 30, 2009, deadline. Two applications were from watershed councils that have never before applied to OWEB for council support funding (Molalla River Watch and Upper South Fork John Day Watershed Council). The total council support requested amount was \$8,746,029. At the June 2009 Board meeting, staff recommended and the Board approved watershed council support awards for 61 applicants totaling \$5 million. This award included reduced umbrella bonuses from 18, 9, and 22 percent of the base award in 2007-2009 biennium to 10, 5, and 10 percent of the base award for the 2009-2011 biennium and did not recommend funding the two new council support applicants. The Board signaled its intent to consider awarding additional funding to all councils, increasing the umbrella bonus, and funding new councils if funding were available in OWEB's 2009-2011 Legislatively Adopted Budget.

The 2007 Legislature funded councils and districts at \$5 million each, the first increase since 1999. In addition, at the September 2007 Board meeting the OWEB Board provided an additional \$1 million to both councils and districts. During the 2009-2011 Council Support evaluation process it was clear to OWEB staff and the Council Support Advisory Committee that watershed councils around the state had been able to leverage the additional funding to conduct outreach activities, implement restoration projects, improve on monitoring, and increase the local capacity of watershed councils during the 2007-2009 biennium. The additional funding to the districts provided resources to continue and expand technical assistance for the development and implementation of riparian buffers.

II. Local Capacity Grants

The OWEB Board and staff 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 over two-thirds of OWEB grant awards.

A. Watershed Council Support

OWEB evaluated watershed councils through a competitive, merit-based council support evaluation process conducted this past spring in which nearly 70 percent of all councils ranked in the Very Good and Excellent categories. Staff propose an additional \$1,140,454 be allocated to councils. This funding would be allocated as follows:

1. Increase the overall funding level for all councils by \$1 million, for total 2009-2011 funding of \$6 million.
2. Increase the umbrella bonuses to the 2007-2009 level (a total of \$65,453. The percentages are calculated on the \$6 million funding level.)
3. Fund the two new council support applicants at \$37,500 each. The Board has consistently awarded this amount to new applicants and new councils since 2003.

The award amount was based on the estimated cost for a council to employ a part-time council coordinator.

Attachment X is a table showing the current funding award, the proposed additions, and the total biennial award for each council support recipient.

B. Soil and Water Conservation District Capacity

Staff propose \$1 million be allocated to soil and water conservation districts (district). District needs and the uses for the additional \$1 million, including for Conservation Reserve Enhancement Program technical assistance, will be determined by the Oregon Department of Agriculture (ODA) and the Soil and Water Conservation Commission. The additional recommended funding will be distributed to ODA who will enter into agreements with the districts.

III. Building Local Capacity

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 work of these organizations will directly complement the additional funding for councils and districts. The increased funding for councils and districts has and will continue to 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.

Staff propose the Board allocate \$100,000 each to support the work of OACD and the Network during the 2009-2011 biennium to continue their work with and support of watershed councils and districts and to work with OWEB to implement its strategic plan as related to local infrastructure priorities. OWEB staff will work with both to develop proposals, including work plans, and timelines after the September Board meeting.

In addition, following the Board's Silverton planning meeting, the Board Local Infrastructure Subcommittee met and recommended that the Board allocate funds to be used to contract for additional capacity building for local partners. OWEB staff will work with the Network, OACD, Meyer Memorial Trust, Bonneville Environmental Foundation, and others, to develop proposals for contracts to build local capacity during 2009-2011.

IV. Council Support Follow-up

Five councils fell into the Needs Improvement merit category this biennium. The Council Support Board Subcommittee made it very clear that OWEB should develop clear deliverables for the Needs Improvement councils and develop a process to document the progress of the councils and the follow-up from OWEB staff throughout the biennium. OWEB staff is committed to helping these five councils by giving them tools that will help them improve. It should be noted that there is no guarantee that the 2011-2013 council support review process will move them out of the Needs Improvement category. A Needs Improvement training has been planned, in coordination with the Network of Oregon Watershed Councils biennial gathering, and staff is in the process of developing a plan for continued follow through for these councils throughout the biennium. As noted in section VI below, staff is requesting the Board allocate funds to cover the travel expenses of Needs Improvement council board members and staff to attend the training.

In addition, staff recommend the Board approve funding to support facilitation of the 2009-2011 council support evaluation process. Typically, two teams of about eight to nine people each have met for two days to review more than 30 very detailed applications. It is important to have this process run by a good meeting facilitator.

V. Recommendation

Staff recommend the Board:

- A. Approve an additional \$1,140,454 for Watershed Council Support grants as described in Section II.A of this attachment and as reflected in Attachment F.
- B. Allocate \$1,000,000 for Soil and Water Conservation District capacity as described in Section II.B of this attachment.
- 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 III of this attachment.
- D. Allocate \$100,000 for contracts and grants for capacity building; travel expenses to help councils attend trainings and workshops to help them build capacity; and contract for a facilitator to support the council support grant team review process.

**Proposed
Local Capacity Funding Levels
September 2009**

Attachment F

App. #	Applicant (alphabetical by category)	June 2009 Council Support Board Award	September 2009 Local Capacity Award	Total 2009-2011 Award	Requested 09-011
(a), (b) or ((a)/(b)) next to the applicant name, indicates an umbrella council. Amounts in red were adjusted to reflect the amount requested by the grantee when the requested amount was lower than the base award for that category.		The award amounts include the umbrella awards of 0.10, 0.05 and 0.15 times the base award for type (a), (b) and ((a)/(b)) umbrellas, respectively.	The award amounts include the umbrella awards of 0.18, 0.09 and 0.22 times the base award for type (a), (b) and ((a)/(b)) umbrellas, respectively.		
210-022	Calapooia WSC	\$93,742	\$16,008	\$109,750	\$186,318
210-023	Clackamas River Basin Council	\$93,742	\$16,008	\$109,750	\$412,903
210-010	Coos Watershed Association	\$93,742	\$16,008	\$109,750	\$159,653
210-049	Grande Ronde Model WS Program (b)	\$98,429	\$21,199	\$119,628	\$139,370
210-026	Johnson Creek WSC	\$93,742	\$16,008	\$109,750	\$196,205
210-027	Long Tom WSC	\$93,742	\$16,008	\$109,750	\$144,623
210-003	MidCoast WSC (a)	\$103,116	\$26,389	\$129,505	\$148,565
210-018	Partnership for the Umpqua Rivers (b)	\$98,429	\$21,199	\$119,628	\$159,510
210-034	Sandy River Basin WSC	\$93,742	\$16,008	\$109,750	\$119,206
210-006	Siuslaw WSC	\$93,742	\$16,008	\$109,750	\$157,931
210-016	South Coast WSC (a)	\$103,116	\$26,389	\$129,505	\$158,300
210-017	Tenmile Lakes Basin Partnership	\$93,742	\$16,008	\$109,750	\$120,046
210-007	Tillamook Bay WSC	\$93,742	\$16,008	\$109,750	\$141,374
210-047	Upper Deschutes WSC	\$93,742	\$16,008	\$109,750	\$217,700
210-004	Upper Nehalem WSC	\$93,742	\$16,008	\$109,750	\$142,397
210-054	Walla Walla Basin WSC	\$93,742	\$16,008	\$109,750	\$136,471
210-008	Applegate River WSC*	\$83,475	\$16,275	\$99,750	\$141,350
210-009	Bear Creek WSC	\$83,475	\$8,325	\$91,800	\$91,800
210-024	Coast Fork Willamette WSC	\$83,475	\$16,275	\$99,750	\$133,232
210-025	Columbia Slough WSC	\$83,475	\$16,275	\$99,750	\$125,930
210-041	Crooked River WSC (b)	\$87,649	\$21,079	\$108,728	\$184,150
210-021	Elk Creek WSC	\$83,475	\$16,275	\$99,750	\$118,300
210-050	Harney WS Council (b)	\$87,649	\$12,311	\$99,960	\$99,960
210-043	Hood River WS Group	\$83,475	\$16,125	\$99,600	\$99,600
210-040	Klamath WS Partners (a) (b)	\$95,996	\$25,699	\$121,695	\$171,133
210-045	Lake County WSCs (a)	\$91,823	\$25,882	\$117,705	\$158,000
210-002	Lower Columbia River WSC	\$83,475	\$191	\$83,666	\$83,666
210-061	Lower Nehalem WSC	\$83,475	\$16,275	\$99,750	\$120,094
210-014	Lower Rogue WSC	\$83,475	\$16,275	\$99,750	\$119,248
210-058	Luckiamute WSC	\$83,475	\$16,275	\$99,750	\$212,300
210-051	Malheur WSC (b)	\$87,649	\$21,079	\$108,728	\$149,180
210-029	Middle Fork Willamette WSC	\$83,475	\$16,275	\$99,750	\$212,100
210-062	Necanicum WSC	\$83,475	\$16,275	\$99,750	\$121,584
210-005	Nestucca-Neskowin WSC	\$83,475	\$16,275	\$99,750	\$105,015
210-001	North Coast WS Assn (a)	\$91,823	\$25,882	\$117,705	\$143,211
210-052	North Fork John Day WSC	\$83,475	\$16,275	\$99,750	\$189,053
210-030	North Santiam WSC	\$83,475	\$16,275	\$99,750	\$146,832
210-056	Owyhee WSC (b)	\$87,649	\$21,079	\$108,728	\$156,188
210-057	Powder Basin WSC (b)	\$87,649	\$21,079	\$108,728	\$111,605
210-035	Scappoose Bay WSC	\$83,475	\$16,275	\$99,750	\$156,350
210-036	South Santiam WSC	\$83,475	\$16,275	\$99,750	\$123,431
210-037	Tualatin River WSC	\$83,475	\$16,275	\$99,750	\$111,410
210-048	Wasco Area WSCs	\$83,475	\$16,275	\$99,750	\$103,140
210-039	Yamhill Basin WSC	\$83,475	\$16,275	\$99,750	\$147,854
210-011	Coquille Watershed Association	\$73,500	\$16,100	\$89,600	\$138,476
210-012	Illinois Valley WSC	\$73,500	\$16,100	\$89,600	\$124,487
210-013	Little Butte Creek WSC	\$73,500	\$16,100	\$89,600	\$130,254
210-028	Marys River WSC	\$73,500	\$16,100	\$89,600	\$151,540
210-038	McKenzie WSC	\$73,500	\$16,100	\$89,600	\$155,375
210-015	Middle Rogue WSC	\$73,500	\$16,100	\$89,600	\$122,760
210-032	Rickreall & Glenn-Gibson Cr WSCs	\$73,500	\$16,100	\$89,600	\$138,476
210-020	Seven Basins WSC	\$73,500	\$16,100	\$89,600	\$121,040
210-046	Sherman County WS Councils	\$73,500	\$13,315	\$86,815	\$86,815
210-053	Umatilla Basin WSC	\$73,500	\$16,100	\$89,600	\$110,540
210-042	Gilliam-East John Day WSC	\$60,000	\$19,480	\$79,480	\$116,481
210-055	Wheeler County WS Groups	\$60,000	\$19,480	\$79,480	\$127,645
210-059	Greater Oregon City WSC#	\$45,924	\$18,096	\$64,020	\$64,020
210-044	Middle Deschutes WS Councils	\$45,924	\$16,776	\$62,700	\$62,700
210-033	Mid-Willamette Watershed Alliance^	\$45,924	\$23,576	\$69,500	\$118,948
210-019	Upper Rogue WS Assn	\$45,924	\$23,576	\$69,500	\$90,103
210-060	Smith River WSC^	\$45,924	\$23,576	\$69,500	\$138,480
210-064	Mollala River Watch	\$0	\$37,500	\$37,500	\$89,700
210-063	South Fork John Day WSC	\$0	\$37,500	\$37,500	\$81,901
		\$5,000,001	\$1,140,453	\$6,140,454	\$8,746,029

Excellent

Very Good

Good

Satisfactory

Needs Improvement

New

August 21, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager

**SUBJECT: Agenda Item L: OWEB Grant Award Recommendations
Overview
September 15-16, 2009 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 20, 2009, deadline. The report also includes budget considerations and a summary of combined funding recommendations.

II. Background and Summary

On the April 20, 2009, grant deadline, OWEB received 171 applications requesting nearly \$24.4 million. This is the largest dollar request, and the second highest number of applications, submitted to OWEB for an April grant cycle. 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 applications that use non-capital funds. After being screened for eligibility and completeness, the applications were sent to the six Regional Review Teams (RRTs), which reviewed them for merit and made prioritized funding recommendations to OWEB staff. OWEB staff considered funding availability and integrated the separate RRT recommendations into the staff funding recommendation to the Board.

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 distributed to the RRTs. About half of the reviewers are now receiving CDs of the applications, which has reduced OWEB's copying and mailing costs (the other half prefer hard copies). OWEB staff in each region then scheduled visits to as many sites as possible, emphasizing new applications, acquisitions, and the more complicated applications. All RRT members were invited on these visits and some were able to participate.

In their RRT meetings, reviewers consider technical merit, feasibility, likelihood of success, experience of the applicant, and whether the budget supports the proposed work. After

classifying Restoration and Technical Assistance applications as “do fund” or “no fund,” the RRTs were then asked to prioritize the applications recommended for funding. For Acquisition applications, the RRT only discussed the ecological and educational value of the proposed acquisition and did not make funding recommendations.

The RRT recommendations are included in each applicable regional staff report in this agenda item. The tables attached to each regional staff report identify the staff-recommended funding amount and note whether any grants include funding conditions.

Summaries of the RRT and staff funding recommendations were distributed to all applicants whose proposals were reviewed by that RRT. Written comments received from applicants regarding the RRT or staff recommendations will be forwarded to the Board prior to the Board meeting.

IV. Acquisition Applications

Five new acquisition applications were reviewed during this grant cycle (one water lease and transfer application and four land acquisition applications).

A. Land Acquisitions

By rule, land acquisition projects undergo a multifaceted review. Applications are first reviewed by the 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. The environmental site assessment is reviewed by staff at the Department of Environmental Quality.

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.

None of the four land acquisition grant applications submitted in April 2009 is recommended for funding at this time. One is recommended for deferral (Summer Creek Conservation Project, 210-103). Two are not recommended for funding (Miami River Conservation Easement, 210-101, and Maxwell Easement Acquisition, 209-108). The final application was withdrawn by the applicant. One previously deferred acquisition is ready for Board consideration in Region 1.

B. Water Acquisitions

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 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 or a comparable entity. 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 acquisition application, Deschutes River Water Transfers (210-103), is ready for funding at this time and is described in the Region 4 staff report.

V. Budget Considerations

At the time of writing this staff report, the Board has not yet established an overall spending plan or set capital and non-capital funding targets for each grant cycle in the 2009-2011 biennium. In addition, the Board is currently developing a strategic plan for the agency. As a result, staff developed the capital and non-capital funding recommendations for this first grant cycle of the biennium (there will be three more) as a "standalone" funding allocation – it does not set a precedent for future grant cycles. Budgets for future grant cycles will depend on the Board's spending plan and strategic plan.

A. Capital Funds

Staff did consider the agency's 2009-2011 Legislatively Adopted Budget in which capital funds were reduced by about \$14 million from the 2007-2009 biennium. Including unspent grant funds returned from completed grants, OWEB currently has about \$46.6 million in uncommitted capital funds available for the remainder of the biennium. In addition, OWEB's salmon license plate fund currently contains about \$45,000. For comparison purposes, as of September 2007, OWEB had \$59.5 million in Measure 66 capital funds available and the Board set a capital funding target of \$9.25 million for each of four grant cycles.

The reduction in Measure 66 Lottery Funds comes at a time when demands on OWEB's funds continue to grow as a result of partnership investments and the increased capacity of our local partners to develop and implement projects; increasingly large and complex restoration projects; increasing demand for acquisition grants; and expected requests for OWEB funds to provide match for restoration projects partially funded through federal stimulus dollars. OWEB will not be able to meet all of the needs this biennium.

In the April 20, 2009, grant cycle, OWEB received 124 Restoration and Acquisition applications requesting nearly \$23 million in funding. We expect to receive at least this level of request in the October 19, 2009 grant cycle. Typically, more grant applications are submitted in the October grant cycle than in the spring cycle preceding it. In addition, OWEB has approximately \$5.8 million in pending land acquisition applications, which will affect future capital grant cycles.

Staff recommend funding 47 of the 79 Restoration applications recommended by the RRTs, one land acquisition received through an earlier grant cycle, and one instream water acquisition. Staff recommend funding these 49 grants through the expenditure of \$7,194,590 in capital funds.

B. Non-Capital Funds

Staff recommend funding 16 of the 30 Technical Assistance applications recommended by the RRTs. Staff recommend funding the Technical Assistance grants through the expenditure of \$499,931 in non-capital funds.

OWEB also uses non-capital funds for the education and outreach elements of Restoration applications. These non-capital costs are identified in the tables attached to each regional report and total \$17,113.

VI. Point of Interest: The Role of Big-Ticket Projects

Over the past several years, OWEB has seen a greater number of more complex, large-dollar projects vying for the available resources. The challenge has been to balance support for smaller, shorter-term opportunities with support for larger, longer-term projects, while also making award decisions that assure the larger projects will receive the funding they need to succeed. This becomes even more challenging this biennium where OWEB will have 25 percent fewer capital funds.

In previous cycles, staff have addressed this issue by recommending that the Board approve “big-ticket” projects with the condition that only part of the funding is awarded at this meeting, with the remaining project funds being awarded at future Board meetings. This approach allows OWEB to continue to fund a number of projects in all six regions during each cycle. It also requires that OWEB staff carefully track the future commitments made by the Board to ensure accurate calculations of available grant resources.

For this cycle, staff recommend the Board approve two “big-ticket” projects (210-2032, Bandon Marsh Restoration, total funding \$979,625, and 210-5021, Willow Creek Water Quality Improvement Phase IIa, total funding \$644,284) with the condition that only part of the funding is awarded at this meeting, with the remaining project funds being awarded at the March 2010 meeting. The RRTs and OWEB staff support funding the projects in their entirety; all of the staff-recommended funding is needed. Staff have discussed the “staged awards” with the applicants and the staging of funds works for both projects.

There is a third “big-ticket” project in Region 4, 210-4000, Summer Lake Wetland Enhancement Project (\$754,122). In discussions with the Central Oregon RRT, OWEB’s Regional Program Representative, and the applicant, it was not possible to fund this grant in stages given the nature

of the work and the supplies needed to complete the project. This project is discussed in more detail in the Region 4 grant award staff report.

VII. Staff Capital and Non-Capital Funding Recommendations

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

A. 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 Applications, <i>Capital</i> Portion	\$6,967,496
<u>Acquisition Applications (Regions 1 and 4)</u>	<u>\$ 227,094</u>
TOTAL <i>Capital</i> Staff Recommendation	\$7,194,590

B. Non-Capital Funding Recommendations

Technical Assistance Applications	\$ 499,931
<u>Restoration Applications, <i>Non-Capital</i> Portion</u>	<u>\$ 17,113</u>
TOTAL <i>Non-Capital</i> Staff Recommendation	\$ 517,044

Attachment

A. Types of Applications Received and Amounts Requested by Application Type

Oregon Watershed Enhancement Board

Types of Applications for April 20, 2009

	Technical Assistance	Acquisition	Restoration	Totals
Region 1	9	1	12	22
Region 2	13	0	28	41
Region 3	11	1	16	28
Region 4	7	2	16	25
Region 5	6	1	27	34
Region 6	1	0	20	21
Totals	47	5	119	171

Dollar Amounts by Application Type

	Technical Assistance	Acquisition	Restoration	Totals
Region 1	324,780	53,000	1,760,325	2,138,105
Region 2	404,252	0	4,268,554	4,672,806
Region 3	442,858	1,000,000	2,895,605	4,338,463
Region 4	201,703	527,094	5,306,757	6,035,554
Region 5	168,123	1,500,000	2,623,369	4,291,492
Region 6	24,823	0	2,886,905	2,911,728
Totals	\$1,566,539	\$3,080,094	\$19,741,515	\$24,388,148

August 21, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Tom Shafer, North Coast Regional Program Representative
Miriam Hulst, Acquisitions Specialist

**SUBJECT: Agenda Item L: OWEB Grant Award Recommendations
Region 1, North Coast
September 15-16, 2009 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 and Summary

Applicants submitted 22 applications for a total request of about \$2.1 million, including \$53,000 for one Acquisition. The North Coast Regional Review Team (RRT) recommended 16 applications for approximately \$1.4 million, and favorably reviewed the one Acquisition application. Staff recommend 11 applications for a total award of \$1,184,628: \$896,536 for Restoration; \$138,092 for Technical Assistance; and \$150,000 for one previously deferred Acquisition.

III. Regional Review Team Recommendations

The North Coast RRT met in Newport on July 9, 2009, to review the applications received in this grant cycle. Restoration and Technical Assistance applications were reviewed for technical merit and given a “do fund” or “no fund” recommendation. The RRT then prioritized the applications recommended for funding.

The RRT recommended reduced budgets for two applications recommended by staff for funding, 210-1009 and 210-1010. Staff concur with these reductions. Restoration application 210-1009 (Elk Creek Phase II Fish Passage) would open 3.6 miles of habitat to coho and other salmonids. The applicant reduced the budget by nearly \$53,000 based on reviewers’ comments and suggestions during the site visit, which resulted in the county engineer realigning the new culvert placement to better meet the upstream channel configuration.

Restoration application 210-1010 (Walker Creek Stream Enhancement) proposes to improve instream and riparian function and habitat for a stream with high intrinsic potential where spawner counts indicate a relative high use by coho. Project components include placing large wood and streamside conifer plantings that involve girdling some existing alders. The reviewers

recommended expanding the large wood placement to increase stream complexity, increasing that part of the budget. However, the reviewers were concerned about under-planting and girdling alders, and recommended not funding the riparian planting, suggesting that the applicant resubmit an application that addressed their concerns. As a result, the overall award is reduced by about \$16,000. Staff concur with these recommendations.

The RRT also recommended funding conditions for several of the applications, as shown on Attachment A. Staff concur with these conditions.

IV. Acquisitions

One land acquisition application was received from Region 1 this grant cycle; it is not recommended for funding. One previously deferred acquisition is ready for funding.

A. Miami River Conservation Easement (210-101)

The Central Coast Land Conservancy, Inc. (CCLC) requests \$53,450 to purchase an 18-acre conservation easement on a property adjacent to the Miami River in Tillamook County, approximately 0.5 miles upriver from Tillamook Bay. The conservation easement is intended to protect the property's existing habitat values and the outcomes of a large restoration project that is scheduled to begin in 2010.

1. Ecological Benefits

The application states that the property contains the following OWEB priority systems: floodplain/outwash lowland riparian, linear, wetlands; freshwater marsh and aquatic beds; lowland riparian woodland and shrubland; lowland non-linear forested wetlands (swamps); and 0.4 miles of channel habitats. No acreage information is provided for the priority systems.

The application states that the plant communities on the property include species such as red alder, red elderberry, piggy-back plant, and cow parsnip. These are not OWEB priority species. The application does not indicate that there are OWEB priority plant communities on the property.

The application states that the project will benefit the following OWEB priority species: chum salmon, coho salmon, and steelhead. The application states that Coast Range fawn lily, an OWEB priority species, possibly occurs on the property. Finally, the application states that the project is consistent with one of OWEB's conservation principles for land acquisition: stabilizing an area on the brink of ecological collapse.

The RRT felt that the lower Miami River system is threatened by development, and that the pressure to build condominiums could become a distinct possibility when the real estate market rebounds. The landowner indicated that the property proposed for an easement cannot be subdivided, but that it could be used for agriculture that would degrade its conservation values.

The RRT felt that although the property is small, it's important because it is located in the Miami River's marine-freshwater interface, an important rearing area for significant numbers of chum salmon, coho salmon, and Chinook salmon. The RRT also pointed out that the property contains low-gradient channels and is located at the confluence of the

Miami River and Illingsworth Creek; both characteristics are OWEB-preferred stream conditions for projects intended to benefit native fish.

At the time of the RRT site visit, the landowners told the RRT that they intend to allow the Miami River to naturally change course. If a conservation easement is placed on the property, the owners will not rip-rap the bank or otherwise prevent the river from moving toward their property. The RRT placed high value on this commitment, and felt that allowing the river unfettered movement on the property would provide fish with beneficial off-channel habitat. Further, the RRT felt that acquisition of the conservation easement would ensure that the planned large-scale restoration project would have lasting effects at the property.

The RRT also felt that the project has a strong water quality component. Some members of the team said that it's likely that the property would be grazed in the future if it is not protected by a conservation easement. Those members further stated that although the Miami River currently does not meet the Oregon Department of Environmental Quality (DEQ) standard for bacteria, it has recently improved and is close to compliance. The RRT felt that if the property is not protected and is grazed as a result, it could become a source of bacteria and sediment input to the river and undercut progress toward attaining the DEQ bacteria standard. The RRT also felt that the property's trees help to cool the Miami River, and if not protected, the trees could be removed to the detriment of water temperatures. One RRT member expressed concern that the draft conservation easement's allowed pesticide use could degrade water quality.

2. Capacity to Sustain Ecological Benefits

CCLC, an all-volunteer land trust, will hold and enforce the conservation easement. CCLC holds and manages two conservation easements, owns two small tidal marshes, and has assisted other organizations in the protection of properties in Lincoln County. CCLC provided a financial statement that indicates the organization has \$28,653 in cash assets. The application states that CCLC is of the opinion that the cost for on-going management of the property will be minimal.

3. Educational Benefits

The easement area is visible from Highway 101 and a county road. The application states that signage can be placed to make passersby aware of the project. The application further states that no regular public access will be provided, but that the landowner is amenable to occasional fieldtrips.

The RRT felt that because the property is close to Highway 101, it is in a prime location for education. At the time of the RRT site visit, the landowners told the RRT that they routinely invite school children to the property to learn about fish, water quality, and cultural resources, and that they will continue to offer learning opportunities.

4. Partners, Project Support, and Community Effects

The acquisition is a partnership between CCLC and the landowner; the application does not state that there are other parties involved. Other conservation organizations intend to later be involved in the proposed restoration project at the property. The proposed restoration work is not part of the acquisition application.

The application states that the property is currently being used for a small amount of farming activity. It further states that the project will have no effect on the tax base because the property will remain on the tax rolls and continue to be farmed. The application states that this project will provide an example of farm use that is compatible with habitat conservation and restoration, and thus the conservation easement may “set an example and provide a positive social effect.” The RRT felt the project is a good opportunity to demonstrate to Tillamook County landowners that agriculture can be compatible with conservation acquisitions. The project has the support of two of Tillamook County’s three county commissioners.

5. Legal and Financial Terms

An appraisal conducted in December 2008 valued the conservation easement at \$65,000. The landowner is proposing to donate approximately 18% of the value of the easement. The application states there is no option or purchase agreement.

The application includes a draft conservation easement that seems to intend zones such as a farm zone and a cabin zone, but neither the easement nor the application specifies where the zones are located, or how large each zone is. The easement’s allowed and prohibited uses are vague. The easement reserves the right of the landowner to expand existing buildings and related infrastructure, build trails, and use the property for non-specific commercial and agricultural purposes. The property is the site of an elder care business; the conservation easement seems to preserve the right for disabled users to access the riparian area and wetlands in motorized vehicles. The easement does not contain OWEB’s mandatory language, which grants OWEB the right to enforce the easement to protect the property’s conservation values.

An above-ground power line currently traverses the property’s wetlands. Although the anticipated restoration project entails moving the power line from the property and burying it in road rights of way, funding for the restoration project is not assured. If OWEB invests in the conservation easement without the power line being relocated and the Miami River moves into the property, the power company could rip rap the power poles or otherwise undertake pole protection measures that would likely adversely affect the property’s conservation values.

6. Conclusion

In April 2009, the Acquisition Subcommittee decided not to proceed with due diligence review because it felt that the property’s small size, neighboring agricultural land uses, and vague conservation easement make the project a low priority for OWEB funding. The Acquisition Subcommittee also felt that because future restoration of the property is not assured, and thus the power line might not be removed from the property, the power line could threaten OWEB’s conservation investment. The Acquisition Subcommittee considered the RRT’s opinion that the project has high ecological and educational merits, and as a result, feels that the project might be an appropriate OWEB investment after it is restored, or at least after the power line has been relocated. At this time, however, staff and the Acquisition Subcommittee do not recommend funding for the Miami River Conservation Easement application.

B. North Nehalem Bay Wetlands Conservation Project - Previously Deferred (209-106)

The Lower Nehalem Community Trust (LNCT) requests \$150,000 to purchase four parcels totaling approximately nine acres at the northern edge of Nehalem Bay in Tillamook County. The parcels are four of seven that LNCT intends to purchase as the first phase of its effort to permanently protect wetlands that link land owned by LNCT to Nehalem Bay State Park. The Board awarded funding for two of the seven parcels at the June 2009 Board meeting. The funds now being requested by LNCT will match Coastal Wetlands Conservation Grant Program (Coastal Wetlands) funds awarded to OWEB for acquisition of the seven parcels.

1. Ecological Benefits

The application states that the property proposed for acquisition contains OWEB priority ecological systems, including freshwater marsh and aquatic beds, intertidal salt marsh, and lowland non-linear forested wetlands. Protection of the parcels will conserve OWEB priority species, including coho salmon, steelhead, chum salmon, red-legged frog, band-tailed pigeon, bald eagle, great-blue heron, pacific-slope flycatcher, rufous hummingbird, marbled murrelet, and peregrine falcon. The application states that the proposed acquisition is consistent with five of OWEB's conservation principles: protecting a large, intact area; securing a transition area; protecting a site with exceptional biodiversity; improving the connectivity of habitat; and complementing an existing network of conservation sites.

The RRT felt that although the parcels are small and not highly ecologically valuable in and of themselves, the property forms a very important habitat link between Nehalem Bay State Park and other protected areas. The RRT was of the opinion that these parcels should be conserved to save the last remaining bayside wetlands and maintain habitat linkages.

2. Capacity to Sustain the Ecological Benefits

LNCT was founded in 2002 and currently owns three properties totaling 65 acres. LNCT is in the process of purchasing the properties for which the Board awarded funding in June 2009.

LNCT has demonstrated success in obtaining OWEB, U.S. Fish and Wildlife Service, and Natural Resources Conservation Service grants and raising private funds for the purchase and maintenance of conservation lands. LNCT also successfully engages North Coast residents in the care and understanding of coastal ecosystems.

3. Educational Benefits

LNCT currently conducts frequent educational activities at its Alder Creek Farm conservation site, near the parcels proposed for purchase. LNCT leads a wide variety of workshops, provides free education programs to more than 400 children per year, and trains and maintains a team of natural resources research and monitoring volunteers. If this project is funded, LNCT will expand its educational offerings to include on-site learning at the newly acquired parcels.

The RRT felt that LNCT's current educational programs are outstanding and expressed confidence that the LNCT would implement that same high-quality community education programs at the proposed parcels as it does at Alder Creek Farm.

4. Partners, Project Support, and Community Effects

LNCT has received commitments from the following entities for in-kind assistance with the development of stewardships plans for the acquired parcels: Oregon Department of Fish and Wildlife, North Coast Land Conservancy, The Nature Conservancy, a private consultant, Urban Greenspaces Institute, Audubon Society, and Oregon Parks and Recreation Department. LNCT gathered more than 450 signatures from local residents who support the project.

Annual property taxes total approximately \$675 for the parcels for which LNCT is currently seeking funding. If the parcels are acquired for conservation, the taxes would no longer be paid. Despite this, the project has received unanimous support from the Tillamook County Board of Commissioners and is also supported by the Mayor of Nehalem. LNCT and many members of the community feel that the loss of property taxes will be offset by the project's educational and ecological benefits.

5. Legal and Financial Terms

An appraisal determined that the fair market value of the parcels is \$546,500. LNCT has an option to purchase the parcels for \$150,000. The landowner will donate the remaining value. The purchase will be made using OWEB funds, which are the state match for the Coastal Wetlands grant used to purchase the properties approved by the Board in June 2009.

The legal review of the options did not raise any concerns for OWEB. The legal review of the title reports identified several minor title exceptions, which LNCT and staff have addressed.

An appraisal of the properties was conducted by Zell and Associates. OWEB's independent review appraiser determined that the appraisal report was initially insufficient for OWEB's purposes. With guidance from OWEB's review appraiser, Zell and Associates amended the report. OWEB's review appraiser subsequently determined that the report is in conformance with Uniform Standards of Professional Appraisal Practice (USPAP) and Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA), the value conclusions are adequately supported, and the proper appraisal methodology was used.

A Phase 1 Environmental Site Assessment (ESA) was conducted for the parcels by Hahn and Associates, Inc. A review of the ESA by the Oregon Department of Environmental Quality determined that the report conforms to the American Society for Testing and Materials (ASTM) standard required by OWEB and no further investigation is needed.

6. Conclusion

In November 2008, the Acquisition Subcommittee decided to proceed with due diligence for the project because the members felt that the acquisition of the parcels, despite the expense, is advisable because the parcels are the last remaining wetlands link between ecologically significant, protected areas. The Subcommittee also felt that the project has strong educational merit and outstanding community support. The RRT felt that the project has medium ecological merit and high educational merit. Staff and the Acquisition Subcommittee recommend funding for the project.

V. Staff Recommendation

A. Capital Applications

- *Restoration.* Staff recommend funding seven of the 10 Restoration applications recommended by the RRT, with reduced funding for applications 210-1009 and 210-1010 as discussed in Section III of this report.
- *Acquisition.* Staff recommend funding for North Nehalem Bay Wetlands Conservation Project (209-106). Staff do not recommend proceeding with further consideration of the Miami River Conservation Easement (210-101).

B. Non-Capital Applications

- *Technical Assistance.* Staff recommend funding three of the six Technical Assistance applications recommended by the RRT.

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 applications, the amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

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 recommendations as contained in Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

**Region 1 - North Coast
 Technical Assistance Projects Recommended for Funding by the RRT
 April 20, 2009 Grant Cycle**

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
210-1016	South Fork Necanicum Diversion Technical Assistance	50,000	1
210-1017	Jetty Creek Fish Passage Technical Assistance	49,810	2
210-1006	Oak Ranch Creek - Salmon Passage - Apairy Road Design	38,282	3
210-1014	God's Valley Meadows Technical Assistance	31,833	4
210-1005	Limiting Factors Project Development (5 Rivers/Upper Yaquina)	37,153	5
210-1008	Upper Nehalem - Landowner Outreach = Cooperation	19,772	6
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$226,850	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$138,092	

**Region 1 - North Coast
 Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT
 And Recommended for Funding by OWEB Staff
 October 20, 2008 Grant Cycle**

Staff Recommendations to the Board are Highlighted in Gray		
Project #	Project Name	Total Amount
209-106	North Nehalem Bay Wetlands Conservation Project	150,000
Total		\$150,000

Region 1 - North Coast
Restoration Projects Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
210-1009	Elk Creek Phase II - Fish Passage Restoration*	438,710	0	438,710	1
210-1002	Lower Fan Creek Culvert Replacement^	255,208	0	255,208	2
210-1018	Boykin Creek Enhancement^	47,497	0	47,497	3
210-1001	Backyard Planting Program (BYPP) Year 7 - Ray Ruby Project	39,615	0	39,615	4
210-1010	Walker Creek Stream Enhancement Project*^	40,250	0	40,250	5
210-1004	Yaquina Bay Estuary (35th Street) Fish Passage Project^	22,506	0	22,506	6
210-1013	South Fork Necanicum Fish Passage and In-stream Habitat Improvement Project^	52,750	0	52,750	7
210-1007	Nehalem - Riparian Restoration - Jewell Meadows - Phase IV*	35,991	0	35,991	8
210-1015	Necanicum Estuary Riparian Enhancement	26,930	4,300	31,230	9
210-1012	Trout Creek Basin Improvements*^	186,794	1,645	188,439	10
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,146,251	\$5,945	\$1,152,196	
Total Restoration Projects Recommended for Funding by Staff to Board		\$896,536	\$0	\$896,536	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions

Region 1 - North Coast
Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT
And Not Recommended for Funding by OWEB Staff
April 20, 2009 Grant Cycle

Project #	Project Name	Total Amount
210-101	Miami River Conservation Easement	53,450
Total		\$53,450

Region 1 - North Coast
Technical Assistance Projects NOT Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Project #	Project name	Total Amount Requested
210-1000	South Fork Siletz River (Valsetz) Log Crib Removal Impact Assessment	20,650
210-1003	Clatskanie River Hydraulic and Hydrologic Analysis	50,000
210-1011	Canal Creek Restoration Design	27,280

Region 1 - North Coast
Restoration Projects NOT Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Project #	Project name	Total Amount Requested
210-1019	Cook Creek Riparian Enhancement Project	90,550
210-1020	Little Pompey Wetland Restoration	417,500

August 21, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Mark Grenbemer, Southwest Oregon Regional Program Representative

**SUBJECT: Agenda Item L: OWEB Grant Award Recommendations
Region 2, Southwest Oregon
September 15-16, 2009 OWEB Board Meeting**

I. Introduction

This staff report describes the Southwest Oregon Regional Review Team recommendations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 41 applications for a total request of nearly \$4.7 million. The Southwest Oregon Regional Review Team (RRT) recommended 27 applications for about \$3.4 million: \$3.2 million for Restoration and \$152,848 for Technical Assistance. Staff recommend nine applications for a total award of \$1,411,097: \$1,335,151 for Restoration and \$75,946 for Technical Assistance.

III. Regional Review Team Recommendations

The Southwest Oregon RRT met in Bandon on June 18, 2009, 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. The RRT then prioritized the applications recommended for funding.

The RRT recommended full funding of more than \$1 million for 210-2032, Bandon Marsh National Wildlife Refuge, Ni-les'tun Restoration, subject to conditions discussed below. Phases 1 and 2 of this project would restore over 400 acres of tidal and freshwater marsh, and riparian habitat. The project as a whole has already received more than \$8 million in federal stimulus funds. The RRT felt it was a very important project, but noted they would prefer that projects this large (\$1 million) go through a separate OWEB process outside of the regular grant cycle, because of the amount of funding these types of projects request when placed in competition with smaller dollar projects. As noted in section IV below, staff recommend full funding for this project, to be provided through a staged award (similar to how the Board has awarded previous “big-ticket” projects), which provides partial funding in September and the remainder of the funding in March 2010. This allows this important project to be fully funded.

One of the RRT-recommended conditions for this application involved OWEB following up on the proposed effectiveness monitoring totaling more than \$100,000. The RRT felt that effectiveness monitoring was an important component of the project, but had questions about what should be funded.

Staff worked with the project applicant and the U.S. Fish and Wildlife Service (USFWS) to confirm that Phase 1 of the project is underway and is expected to be completed in fall of 2009. Extensive planning has occurred for Phase 2, for which OWEB funding is requested, and it is expected that Phase 2 will be started and completed during 2010. OWEB's monitoring staff also followed up on the effectiveness monitoring questions and determined that only part of the request should be funded now.

As a result, staff recommend that application 210-2032 be funded at a reduced level of \$979,265 with the following conditions:

1. For effectiveness monitoring, fund only the vegetation and tidal hydrology monitoring components; do not fund the fish monitoring activities. Staff recommend the applicant work with OWEB to submit a monitoring application for other parameters of interest, including fish monitoring, for the October 2009 monitoring application cycle. Effectiveness monitoring funding is reduced to \$85,900.
2. For the reasons described in the Overview report, staff recommend an award of \$500,000 at this time, with the remaining \$479,265 reserved from 2009-2011 *capital* funds for the Board to award in March 2010. Staff will request the applicant report to the Board on the progress made to implement the project before Board action on the reserved funding.
3. The applicant and USFWS must hold regular project management meetings including OWEB, to track progress and status of implementation of this complex project.

IV. Staff Recommendations

A. Capital Applications

- *Restoration.* Region 2 received 28 Restoration applications and no Acquisition applications. Due to limited capital funding, staff recommend funding six of the 21 Restoration applications recommended by the RRT for a total of \$1,355,151.

B. Non-Capital Applications

- *Technical Assistance.* Region 2 received 13 Technical Assistance applications. Due to limited non-capital funding, staff recommend funding three of the six Technical Assistance applications recommended by the RRT for a total of \$75,946.

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 applications, the amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

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. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 2 - Southwest Oregon
Technical Assistance Projects Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
210-2010	Gold Ray Dam Removal Sediment Management Plan	46,141	1
210-2023	Coos Watershed South Slough and Coast Streams Action Planning	20,125	2
210-2006	Pleasant Creek Habitat Restoration	9,680	3
210-2035	Knapp-Kamph New River Habitat Improvement Plan*^	15,205	4
210-2018	White-Deer Creek Habitat and Channel Enhancement Design*	39,197	5
210-2007	Jackson Creek Fish Passage Design at Hanley Road	22,500	6
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$152,848	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$75,946	

*Listed Amount Reflects Recommended Reduction ^Fund with Conditions

Region 2 - Southwest Oregon
Restoration Projects Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
210-2040	Upper Dean Creek Instream Restoration Phase II*	90,660		90,660	1
210-2000	Little Butte Creek Meander Restoration Project	350,000		350,000	2
210-2024	Willanch Creek Fish Passage & Habitat Improvements	105,504		105,504	3
210-2037	Charlotte and Luder Creeks Instream Restoration*	163,003		163,003	4
210-2032	Bandon Marsh NWR, NI-les'tun Unit Restoration *^# Effectiveness Monitoring \$85,900	500,000		500,000	5
210-2039	Hall Ranch Stream Restoration^	125,984		125,984	6
210-2036	Fate and Days Creeks Stream Restoration	77,897		77,897	7
210-2025	Williams River Watershed Habitat Improvement Phase I*^	143,189	400	143,589	8
210-2021	Coquille Elk Creek 2009 Instream Restoration*	149,533		149,533	9
210-2016	Sucker Creek Channel and Floodplain Restoration - Phase 2*	211,665		211,665	10
210-2027	North Slough Creek Riparian Restoration Project*	59,382		59,382	11
210-2003	Big Creek Fish Passage and Sediment Abatement*	297,904		297,904	12
210-2022	Coos Watershed Riparian Maintenance Project^	71,055		71,055	13
210-2009	Medford-Cearley Riparian Restoration*^	163,290		163,290	14
210-2001	Russell Creek Habitat Restoration*	41,474		41,474	15
210-2038	Morgan Creek Stream Restoration*	77,283		77,283	16
210-2029	Andrews Creek Habitat Improvement	38,840		38,840	17
210-2008	Ashland Creek Ponds Riparian Restoration*^	41,725		41,725	18
210-2030	Billy Creek Habitat Restoration*	95,670		95,670	19
210-2002	South Tenmile Lake Fish Passage*	200,101		200,101	20
210-2004	Swanson Sediment Abatement #2*	197,885		197,885	21
Total Restoration Projects Recommended for Funding to Staff by RRT		\$3,222,044	\$400	\$3,222,444	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,335,151	\$0	\$1,335,151	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions

#Total amount is \$979,265 staged award with \$500,000 recommended now and \$479,265 to be awarded in March 2010

Region 2 - Southwest Oregon
Technical Assistance Projects NOT Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Project #	Project name	Total Amount Requested
210-2005	Applegate Sustainable Aggregate Project	49,993
210-2011	Eagle Point Lagoon Riparian Improvement	34,986
210-2012	Beaver Habitat and Policy Development	10,835
210-2013	Main Stem Williams Creek Restoration Analysis	18,723
210-2015	Elk Creek Beaver Habitat Survey	11,240
210-2017	East Fork Illinois River: Reach-scale Analysis & Restoration Design	50,000
210-2034	Redlick Creek Culvert Replacement	49,540

Region 2 - Southwest Oregon
Restoration Projects NOT Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Project #	Project name	Total Amount Requested
210-2014	Bioswale Wetland Filtration and Stream Restoration	30,456
210-2019	Coquille Catching Creek Riparian 2009	84,771
210-2020	Coquille East Fork Riparian 2009	31,353
210-2026	Ross Slough Riparian Restoration Project	29,856
210-2028	Cox Creek Habitat Improvement	62,850
210-2031	West Sutherlin Cook Creek Restoration	168,573
210-2033	Lobster Creek Fish Habitat Restoration	65,595

August 21, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Wendy Hudson, Willamette Basin Regional Program Representative
Miriam Hulst, Acquisitions Specialist

**SUBJECT: Agenda Item L: OWEB Grant Award Recommendations
Region 3, Willamette Basin
September 15-16, 2009 OWEB Board Meeting**

I. Introduction

This staff report describes the Willamette Basin Regional Review Team recommendations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 28 applications for a total request of about \$4.3 million, including \$1 million for one Acquisition application. The Willamette Basin Regional Review Team (RRT) recommended 10 Restoration and seven Technical Assistance applications for approximately \$1.7 million, and supported the one Acquisition application for Summer Creek located in the City of Tigard. Staff recommend nine applications for a total award of \$1,208,420: \$1,078,420 for Restoration and \$130,000 for Technical Assistance.

III. Regional Review Team

The Willamette Basin RRT met in Salem on June 30, 2009, to review applications. The RRT reviewed all Restoration and Technical Assistance applications for technical merit and gave a “do fund” or “no fund” recommendation to each. The RRT then prioritized the applications recommended for funding.

The Salmon River Aquatic Habitat Restoration Project (210-3005) was the top-ranked Restoration application. Located in a high-priority area in the Lower Columbia ESU (Evolutionarily Significant Unit), the project will increase pool habitat, side-channel habitat, and channel complexity on the Salmon River; and restore surface flow and channel complexity to side channel habitat. The reviewers saw significant benefits to federally listed spring Chinook, Coho, and winter steelhead, and noted that the project builds on past successes in the basin. The RRT recommended reducing the budget by \$62,088, by using gravel from the pools the applicant proposes to dig out of the streambed, instead of trucking it in from off site. The applicant has since confirmed this can be done and has submitted a revised budget.

The RRT also recommended a significant reduction to 210-3011, Calapooia River Reach 3 Restoration and Conservation, cutting \$15,400 in project management costs.

The RRT recommended moderate reductions for two applications: a reduction of \$7,464 to 210-3001, Mosby Creek Spring Chinook Re-establishment; and \$7,305 to 210-3019, Coyote Creek Upland Prairie and Oak Habitat Restoration.

For Technical Assistance applications, the reviewers recommended increasing funding for 210-3010 (Sturgeon Lake Restoration Action Plan) by \$10,000 for a literature search to help address the complex and constraining conditions at this site on Sauvie Island. Due to limited non-capital funding, staff recommend an increase of \$2,500 for this application, for a total award of \$42,500.

Due to limited non-capital funding, staff also recommend reductions of \$5,000 to 210-3018 (Clackamas River Off-Channel Rearing Design) and \$7,500 to 210-3007 (Lower & Middle Molalla River Action Plan) in order to allow funding further down the regional Technical Assistance priorities.

IV. Acquisitions

One land acquisition application was received from Region 3 this grant cycle. It is not ready for funding at this time, and is recommended for deferral.

A. Summer Creek Conservation Project (210-103)

The City of Tigard requests \$1 million to purchase 43 acres at the confluence of Summer and Fanno Creeks in Tigard. The property is currently owned by the Tigard-Tualatin School District, which intends to sell the property to fund school investments elsewhere in Tigard. The application states that the property contains a mix of freshwater emergent marsh, oak woodland, Western Oregon upland prairie and oak savanna, ponderosa pine woodland, riparian forests and shrublands, and forested wetlands. The property is being used as a park and an environmental education site. The application states that the property would continue to be used as a park if it is acquired by the city. The Acquisitions Subcommittee recommended staff proceed with a due diligence review of the project. Due diligence materials have not yet been received.

The RRT was generally supportive of the project, noting that the property is in a confluence area and contains floodplains and wetlands that attenuate storm flows. The RRT felt that the property is an unusually large open space for an urban setting, but nevertheless questioned some of the ecological claims made in the application. The RRT noted that the application does not indicate that any OWEB priority upland species will benefit from the project, yet more than half of the property is uplands. The RRT made a determination of medium ecological merit.

The RRT determined that the project has high educational merit because the neighboring school is currently using the property for educational activities, and its urban location gives the site greater educational potential.

Staff are in ongoing discussions with the City of Tigard and its partners to explore ways in which the project could be structured to best meet the priorities of the various parties involved in the transaction. Once due diligence materials have been received and the

materials have been reviewed and approved for legal and financial soundness, staff will consider the ecological merits of the project, its educational potential, and OWEB's budgetary constraints to develop a funding recommendation. Presently, staff recommend the Board defer consideration of the Summer Creek Conservation Project until the due diligence review is complete.

V. Staff Recommendations for Project Funding

A. Capital Applications

- *Restoration.* Due to limited capital funding, staff recommend funding six of the 10 applications recommended by the RRT, with budget changes for four of those applications, as described in Section III of this report.
- *Acquisition.* Staff recommend deferral for the Summer Creek Conservation Project (210-103).

B. Non-Capital Applications

- *Technical Assistance.* Due to limited non-capital funding, staff recommend funding only three of the seven applications recommended by the RRT, with budget changes to all three applications, as described in Section III of this report.

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 applications, the amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

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. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 3 - Willamette Basin
Technical Assistance Projects Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
210-3018	Clackamas River Off-channel Rearing Desing Project*	45,000	1
210-3007	Lower & Middle Molalla River Action Plan*	42,500	2
210-3010	Sturgeon Lake Restoration Action Plan Development**	42,500	3
210-3013	Claggett, Pringle, and Mill Creeks Assessment & Restoration Plan	49,808	4
210-3008	MRWC Subbasin Targeted Landowner Recruitment	24,000	5
210-3021	Scappoose Bay Watershed Limiting Factors Analysis^	49,510	6
210-3026	Oak Creek Landowner Recruitment for Restoration	45,527	7
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$318,845	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$130,000	

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

Region 3 - Willamette Basin
Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT
And Recommended for Deferral by OWEB Staff
April 20, 2009 Grant Cycle

Project #	Project Name	Total Amount
210-102	Summer Creek Conservation Project	1,000,000
Total		\$1,000,000

Region 3 - Willamette Basin
Restoration Projects Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
210-3005	Salmon River Aquatic Habitat Restoration Project*	341,666		341,666	1
210-3023	Sandy River Delta Riparian Forest Restoration - Phase II	176,250		176,250	2
210-3011	Calapooia River Reach 3 Restoration and Conservation Projects*	236,180		236,180	3
210-3001	Mosby Creek Spring Chinook Re-establishment*	128,651		128,651	4
210-3000	Upper Johnson Creek Watershed Riparian Habitat Enhancement	53,100	918	54,018	5
210-3019	Coyote Creek Upland Prairie and Oak Habitat Restoration*	138,420	3,235	141,655	6
210-3016	Tickle Creek/Copher Culvert Replacement*^	48,072	520	48,592	7
210-3003	Abernethy Creek Restoration Project*	68,767	2,600	71,367	8
210-3017	Holcomb Creek/Herman Fish Passage*^	42,300		42,300	9
210-3020	Forest Park - Habitat Restoration	131,342	4,394	135,736	10
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,364,748	\$11,667	\$1,376,415	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,074,267	\$4,153	\$1,078,420	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions

Region 3 - Willamette Basin
Technical Assistance Projects NOT Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Project #	Project name	Total Amount Requested
210-3002	Beaver Creek Enhancement Project Phase 3	15,116
210-3009	Salemtowne Fish Passage Improvement	40,294
210-3014	Peckenpaugh Drainage Enhancement	35,442
210-3024	Clackamas Side Channel at Shoe Island	43,161

Region 3 - Willamette Basin
Restoration Projects NOT Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Project #	Project name	Total Amount Requested
210-3004	Mill Race Dam Removal	200,000
210-3006	Blair Creek Fish Passage Project	189,006
210-3012	Gales Creek Rippling Wates Restoration Project	162,093
210-3015	Whitaker Ponds Restoration Project	429,984
210-3022	Wolf Creek Culvert Replacement	147,310
210-3025	BRING Recycling Water Quality Demonstration Project	285,913

August 21, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Rick Craiger, Central Oregon Regional Program Representative
Miriam Hulst, Acquisitions Specialist

**SUBJECT: Agenda Item L: OWEB Grant Award Recommendations
Region 4, Central Oregon
September 15-16, 2009 OWEB Board Meeting**

I. Introduction

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

II. Background and Summary

Applicants submitted 25 applications for a total request of about \$6 million. The Central Oregon Regional Review Team (RRT) recommended 15 applications for approximately \$2.2 million and favorably reviewed the land and water Acquisition applications. Because the demand for funding exceeds available funds, staff recommend only seven applications for a total award of \$1,485,120: \$1,353,897 for Restoration; \$77,094 for Acquisition; and \$54,129 for Technical Assistance.

III. Regional Review Team Recommendations

The RRT met in Redmond on June 26, 2009, to review the applications received in this grant cycle. All Restoration and Technical Assistance applications were reviewed for technical merit and given a “do fund” or “no fund” recommendation. The RRT then prioritized the applications recommended for funding.

The Region 4 RRT recommended for funding six Technical Assistance applications (two with conditions). The RRT recommended for funding nine Restoration applications, six with conditions and one a minor budget reduction. Staff concur with the conditions and the budget reduction. Of particular note, the RRT recommends conditioning juniper control projects (such as 210-4013, Lawson Creek Redband and Wildlife Habitat Recovery Project) with requirements for the final project reports to include plans for how the landowners and grantees will address long-term juniper maintenance. The RRT and staff want to understand how the investment of funds to control juniper are sustained over time to continue to deliver watershed benefits.

The RRT recommended full funding of more than \$750,000 for application 210-4000, Summer Lake Wetland Enhancement Project. Summer Lake, an Oregon Department of Fish and Wildlife refuge, and the private farm lands around it, provide significant waterfowl and wading bird habitat for yellow rails, sandhill cranes, black faced ibis, western curlews and others. Irrigation is necessary to maintain productivity and vegetative structure of these wetlands. Significant leaks in the irrigation system for the refuge and the farm lands has reduced water by about 10 to 20 percent, reducing wetland plant vigor and production, and allowing for the proliferation of noxious weeds. The proposal would install 1.3 miles of 60 inch pipe on the first part of the main irrigation diversion canal for the Summer Lake Irrigation District.

As discussed in the Overview staff report, this is one of the “big-ticket” restoration applications that creates challenges in balancing funding for large, important projects as well as smaller, important projects throughout all six regions. The RRT discussed whether it would be possible to stage funding for this project, as has occurred for some “big-ticket” applications in previous cycles and as staff have recommended for two other projects this cycle. Because the vast majority of the funding is for the piping, it would not be cost-effective nor desirable to provide for staged funding for this project.

Staff also recommend an additional special condition for 210-4016, Feather Drive and NUID Laterals 37, 41 & 43 System Improvement Feasibility Study. Reviewers and staff are interested in whether efficiency projects can result in more quantifiable, long-term instream protected water. The condition recommended by staff is that the final project completion report must discuss opportunities and barriers, if any, to permanent conservation of saved water instream.

IV. Acquisitions

One land Acquisition application and one water Acquisition application were received from Region 4 this grant cycle. The land Acquisition is not recommended for funding. The water Acquisition application is ready for funding at this time.

A. Maxwell Easement Acquisition (209-108)

Oregon Rangeland Trust (ORT) requests \$450,000 to purchase a 3,514-acre conservation easement on a working cattle ranch on the northern edge of the Goose Lake Basin, in Lake County, near Lakeview. The application states that a primary goal of the project is to increase capital to sustain ranching operations. ORT first submitted an application for this project in October 2008, but subsequently withdrew it from consideration. The current application requests less funding from OWEB, proposes a smaller easement area, and commits the landowner to changes in riparian grazing and the installation and maintenance of riparian fencing.

1. Ecological Benefits

The application states that the proposed 3,514-acre easement area contains 714 acres of OWEB priority ecological systems, which include 597 acres of freshwater emergent wetlands and 117 acres of lowland riparian forest and shrub communities. The application also states that the property contains OWEB priority plant communities, including 12 acres of basin big sagebrush/basin wild rye, 117 acres of black cottonwood/coyote willow, 807 acres of mountain big sagebrush/needle-grass, and four acres of quaking aspen/currant.

According to the application, the project will benefit the following OWEB priority species: inland redband trout, Goose Lake lamprey, Goose Lake sucker, Goose Lake tui chub, American bittern, greater sandhill crane, long-billed curlew, snowy egret, willow flycatcher, Wilson's phalarope, yellow-headed blackbird, long-eared owl, Swainson's hawk, and white-tailed jackrabbit.

The property contains six streams, totaling approximately nine linear miles of water courses. Currently, the ranch's streams are unfenced and accessible by cattle. The application indicates that portions of the streams lack riparian vegetation and suffer from erosion and incised channels. There are six irrigation diversions within the creeks on the ranch; none are fish passable. The application states that riparian fencing and correction of in-stream maladies will be undertaken but does not provide specific detail except to commit the landowner to the expense of installing and maintaining nearly 18 miles of riparian fence.

The application states that the project is consistent with five of OWEB's conservation principles for land acquisition: protecting a large intact area, securing a transition area, restoring function to an area that requires active restoration to achieve its conservation purpose, improving connectivity of habitat, and complementing an existing network of conserved sites.

The RRT acknowledged that the property contains a significant number of streams (OWEB priority habitat), which could be restored to considerable benefit for OWEB priority species. However, the RRT felt that the ecological benefits of the acquisition are not assured. The RRT was uncomfortable with the project's heavy reliance on landowner financing for riparian fence installation and maintenance. The RRT felt that fencing 18 stream miles is a daunting landowner responsibility and that a better developed funding plan is needed to ensure that this important conservation action occurs. The reviewers considered installation of fish screens and removal of fish passage barriers, both of which they felt are necessary to accomplish ecological benefits, and were not certain of how and when the needed improvements will be made.

The RRT felt that the Goose Lake watershed is not threatened by rampant real estate development. It did, however, feel that the property's wildlife conservation values are threatened by wind power generation, which is being considered for the property.

In all, the RRT agreed that the property has good ecological potential, but that the property should be restored first and protected second, to ensure that protection will be ecologically meaningful.

Although the RRT acknowledged that CREP is not for all landowners, the team members felt strongly that enrolling the property in CREP makes economic sense. The RRT agreed that CREP enrollment could provide financing assistance for the fencing and riparian planting (as opposed to the landowner having to finance these expensive activities all by himself) and would also result in compelling rental payments. The RRT felt that CREP would place the property on a restoration trajectory that could make it an appropriate future OWEB protection investment.

2. Capacity to Sustain the Ecological Benefits

ORT was founded in 2001. It is not clear if ORT has technical staff, such as a range specialist or botanist, whose expertise is important for monitoring working lands easements. An unaudited financial statement attached to the application indicates that ORT received a \$5,000 National Fish and Wildlife Foundation grant for 2009 operations and has \$130,000 in cash assets. ORT's portfolio appears to be limited to one conservation easement, funded by OWEB in 2003.

3. Educational Benefits

The application states that public awareness of the project will be accomplished through Ducks Unlimited and ORT communications, as well as several field tours. The RRT felt that the project does not have strong educational merit. The project's educational plans are not well formed and publications are not a highly effective educational tool.

4. Partners, Project Support and Community Effects

The application states that ORT intends to partner with Ducks Unlimited and Goose Lake Watershed Council to develop guidance for the management of wetland habitats on the property and to coordinate future restoration activities. It appears that a U.S. Fish and Wildlife Service (USFWS) employee from California might provide future assistance with National Environmental Policy Act compliance for restoration, but USFWS staff in Klamath County has not been taken up on their offers of restoration planning and other technical assistance. The application states that ORT wishes to partner with the Natural Resources Conservation Service for match funding and management plan development. The Lake County Commissioners do not object to the project. Property taxes will continue to be paid.

5. Legal and Financial Terms

Site ownership and use of the ranch will not change under the proposed easement. Easement negotiations appear to still be ongoing between ORT and the landowner. This could present challenges for the appraiser. The draft easement attached to the application places emphasis on the conservation of agricultural values, and reserves the right of the landowner to new residential and agricultural construction with the approval of ORT. In keeping with an agricultural emphasis, the easement prohibits the permanent separation of water rights from the property's title, limiting the potential for future instream transfers. The easement also reserves the right of the landowner to remove rock and sand for use elsewhere on the property. The easement does not establish responsibilities for restoration.

A liquefied petroleum gas company is currently studying possible routes for a pipeline across Goose Lake Valley; it is not known if the property will be impacted. A county road extends into the property. The Lake County Board of Commissioners has indicated that it requires further information about the compatibility of a conservation easement with these encumbrances.

6. Conclusion

In April 2009, the Acquisitions Subcommittee did not recommend staff proceed with a due diligence review because it felt that the project does not propose activities or management that will significantly benefit OWEB priority ecosystems or species. The

RRT felt that ecological benefits of the acquisition are not assured, and determined that the project has medium-low ecological merit. The RRT also felt that the project has low educational merit. Staff and the Acquisition Subcommittee do not recommend funding for the Maxwell Easement Acquisition application.

B. Deschutes River Water Transfers (210-103)

The Deschutes River Conservancy (DRC) requests \$77,094 to reimburse purchase costs to complete the legal transfer of Deschutes River water rights near the cities of Bend and Redmond in Deschutes County to permanent instream water rights. The water rights total 0.94 cubic feet per second (CFS) and 306.5 acre-feet (AF). The application states that the project will help address low summer flow in the middle Deschutes River from river mile (RM) 165 to the mouth, for the benefit of at-risk species such as bull trout and Columbia spotted frog.

1. Ecological Benefits

Five irrigation districts divert water from the Deschutes River at the City of Bend. These diversions have significantly altered the flow regime of the Deschutes River for nearly 50 miles between Bend and Lake Billy Chinook. At that point the Deschutes is replenished by the flow from the Crooked and Metolius rivers. Any flow enhancement in the reach below Bend can be protected to Lake Billy Chinook. To date, a significant amount of instream flow has been achieved in this reach by short term leases. The application proposes to provide permanent flow in the reach. While the flow is not large (0.97 cfs), the fact that it is a permanent transfer is a significant benefit. The Central Oregon RRT felt that the project is ecologically sound because it will result in permanent instream transfers.

2. Partners, Project Support, and Community Effects

The project is a first time partnership with the Columbia Basin Water Transaction Program (CBWTP). This program was established to restore flows in the Columbia Basin. The program has a strong capacity to review water rights and has completed a due diligence review of the project. The project cost share with the CBWTP is split evenly.

The project is supported by the Central Oregon Irrigation District and the Swalley Irrigation District who will transfer water rights to instream use. The transfer is part of a larger program to restore stream flow in the middle Deschutes River. The permanent transfer of water to instream use will not have an adverse effect on the irrigation districts involved or their patrons.

3. Legal and Financial Terms

The application is a cost share reimbursement for transfers that have been recently approved or are pending by the Water Resources Department. The cost on an acre/foot basis is competitive with transactions in the basin. Over the previous three years, costs have been between \$2,042/ac/ft and \$2,860/ac/ft. The proposed transaction costs are \$2,741/ac/ft and have been evaluated by CBWTP. The Water Resources Department has notified staff that the Final Orders on two of the transfers are likely by the Board meeting and the Preliminary Determinations on the remaining two are expected soon. The Attorney General's office has reviewed the due diligence materials and has found them sound.

4. Conclusion

The Acquisition Subcommittee recommended that staff proceed with the due diligence review and the RRT concluded that the project has high ecological merit. The project has been reviewed and approved for legal sufficiency. Staff recommend the project be funded and funding be released when the instream transfers are complete.

V. Staff Recommendation

A. Capital Applications

- *Restoration.* The RRT recommended funding for nine Restoration applications for a total of \$2,068,390. Because the demand exceeds available funds, staff recommend that the Board fund only four of the nine Restoration applications, for a total of \$1,353,897. Three applications make up the bulk of this recommended amount:
 - Summer Lake Wetland Enhancement, 210-2032, \$754,122, discussed in Section III above.
 - Conversion to piped irrigation delivery 58-9, 210-4011, \$250,000. This project is a partnership of the North Unit Irrigation District, Jefferson SWCD, Portland General Electric and the Confederated Tribes of Warm Springs. The project, in the Trout Creek sub-basin of the Deschutes River, north of Madras, would replace 3.5 miles of open ditch with underground pipe to compete a five mile long project. Approximately one cfs of water would be saved and converted to an instream water right that would remain in the Deschutes River from Bend to Lake Billy Chinook. In addition, fine sediment from irrigation tailwater entering Mud Springs Creek and then Trout Creek will be eliminated with this project.
 - Lawson Creek Redband and Wildlife Habitat Recovery, 210-4013, \$302,665. This project will improve stream and wetland function, habitat for redband trout, and habitat for wildlife by treating headcuts and reconnecting the stream to its floodplain. The project will treat 1500 acres of invasive juniper and implement spring development and protection on Lawson Creek, a tributary of Ochoco Creek just east of Prineville. Reviewers noted that the headcuts need to be treated or the wet meadows that store water in the top end of the system will be lost.
- *Acquisition.* Staff recommend funding for Deschutes River Water Transfers (210-103). Staff do not recommend proceeding with further consideration of the Maxwell Easement Acquisition (209-108).

B. Non-Capital Applications

- *Technical Assistance.* Due to limited non-capital funding, staff recommend funding for only three of the six Technical Assistance applications recommended by the RRT.

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 applications, the amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

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. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

**Region 4 - Central Oregon
 Technical Assistance Projects Recommended for Funding by the RRT
 April 20, 2009 Grant Cycle**

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
210-4001	South Warner Sage Grouse Habitat Enhancement^	11,957	1
210-4016	Feather Drive and NUID Laterals 37, 41, & 43 System Improvement Feasibility Study^	6,732	2
210-4002	Upper Deschutes Local Wetland Inventory	35,440	3
210-4003	Warner Valley Noxious Weed Mapping Project	29,335	4
210-4014	Aquifer Recovery Planning for Streamflow Restoration	50,000	5
210-4017	Upper Klamath Landowner Recruitment	35,795	6
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$169,259	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$54,129	

^ Fund with Conditions

**Region 4 - Central Oregon
 Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT
 And Recommended for Funding by OWEB Staff
 April 20, 2009 Grant Cycle**

Staff Recommendations to the Board are Highlighted in Gray		
Project #	Project Name	Total Amount
210-103	DRC Deschutes Water Alliance Bank Restoration Acquisition	77,094
Total		\$77,094

Region 4 - Central Oregon
Restoration Projects Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
210-4011	Conversion to piped irrigation delivery 58-9	250,000		250,000	1
210-4009	Mill Creek Habitat Enhancement and Floodplain Restoration^	47,110		47,110	2
210-4000	Summer Lake Wetland Enhancement Project	754,122		754,122	3
210-4013	Lawson Creek Redband and Wildlife Habitat Recovery Project*^	302,665		302,665	4
210-4021	North Fork Sprague Fish Passage^	159,393	422	159,815	5
210-4008	Badger Spring Reconnection and Wetlands^	52,850		52,850	6
210-4020	Kircher's Riparian Protection Project	33,641		33,641	7
210-4018	Abel's Riparian Management^	17,577		17,577	8
210-4010	Upper Lytle Creek Whole Watershed Restoration^	450,610		450,610	9
Total Restoration Projects Recommended for Funding to Staff by RRT		\$2,067,968	\$422	\$2,068,390	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,353,897	\$0	\$1,353,897	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions

Region 4 - Central Oregon
Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT
And Not Recommended for Funding by OWEB Staff
April 20, 2009 Grant Cycle

Project #	Project Name	Total Amount
210-105	Maxwell Easement Acquisition	450,000
Total		\$450,000

Region 4 - Central Oregon
Technical Assistance Projects NOT Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Project #	Project name	Total Amount Requested
210-4004	Hay Creek Meadow Restoration	32,144

Region 4 - Central Oregon
Restoration Projects NOT Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Project #	Project name	Total Amount Requested
210-4005	Indian Creek Restoration Project - Markham Phase	393,930
210-4006	Jack Creek Ponderosa Pine Savannah and Wetland Restoration	250,000
210-4007	Maury Mountains Ponderosa Pine Parkland and Sage/Shrubland Steppe Restoration	150,000
210-4012	Deep Creek Mouth and Vicinity Restoration Project	169,023
210-4015	Juniper Flat Water Conveyance Efficiency - Section B	36,300
210-4019	Lost River Upland Restoration Project	28,126

Region 4 - Central Oregon
Acquisition Projects Withdrawn by Applicant
April 20, 2009 Grant Cycle

210-4022	TID - Tumalo Feed Canal Piping Phase 2	2,205,488
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August 21, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Karen Leiendecker, Eastern Oregon Regional Program Representative

**SUBJECT: Agenda Item L: OWEB Grant Award Recommendations
Region 5, Eastern Oregon
September 15-16, 2009 OWEB Board Meeting**

I. Introduction

This staff report describes the Eastern Oregon Regional Review Team recommendations and staff recommendations for funding.

II. Background and Summary

Applicants submitted 34 applications for a total request of nearly \$4.3 million. The Eastern Oregon Regional Review Team (RRT) recommended 19 applications for approximately \$1.6 million. Staff recommend funding 15 applications for a total award of \$1,422,549: \$1,333,499 for Restoration and \$89,050 for Technical Assistance. One Acquisition application was submitted in Region 5.

III. Regional Review Team Recommendations

The Eastern Oregon RRT met in LaGrande on June 23 and 24, 2009, 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. The RRT then prioritized the applications recommended for funding.

The Region 5 RRT recommended for funding 15 Restoration applications, many with conditions and several with budget reductions. Significant conditions and reductions are discussed below. Staff agree with the conditions and budget reductions and added a condition for three applications, as discussed in Section III.C. The RRT recommended for funding four Technical Assistance applications, three of which included conditions, with which staff concur. Staff also added a condition for one of the Technical Assistance applications, as discussed in Section III.C.

A. Willow Creek 210-5021

The RRT recommended funding more than \$644,000 for 210-5021, Willow Creek Water Quality Improvement Phase II. This application focuses on 30,000 acres below Brogan Canyon to the confluence with the Malheur, where intensive agriculture and feedlots are

located. The Willow Creek Working Group (WCWG) has already piped over 17 miles of irrigation laterals, 3.3 miles of buried mainline, and 6,800 feet of pipe near feedlots to prevent contamination of drain water. WCWG has also implemented 1.75 miles of fencing and many individual projects to improve water quality, reduce runoff and improve efficiency.

This application continues WCWG's previous efforts by proposing to install eight pumpbacks to eliminate return flow on 880 acres; install eight sprinklers on 462 acres; pipe 9,720 feet of open drain and irrigation ditches on four separate properties treating 698 acres; and install 2,800 feet of exclusion fence on an irrigation canal and 6,000 feet of fence on 3,000 feet of Willow Creek to exclude cattle. Watershed benefits include elimination of return flow and run-off on 2,155 acres and preventing 42,000 to 57,000 tons of sediment and millions of E.coli colonies from entering Willow Creek. Water quality will be substantially improved as a result of decreased sediment, nutrient, and bacteria levels. WCWG used the following criteria to evaluate individual projects: the proximity to Willow Creek, ability to connect to a pipe lateral; current cropping and irrigation; the size of the irrigated parcel, and the potential for riparian protection.

The RRT did not recommend funding one of the individual projects in the application, since the watershed benefits were not substantiated thoroughly. Staff concur with the RRT recommendation to delete that project from the award.

The RRT had a robust discussion of whether the irrigation district could consider leaving a minimum pool in Beulah Reservoir, which could potentially improve bull trout habitat. As more of these projects are implemented and efficiency increases, leaving a minimum pool would be more feasible, but might be problematic in low-flow years. The RRT noted that the main emphasis for this project is water quality, but there was interest in looking into potential water quantity benefits as well.

The RRT recommended funding the application at a reduced level of \$644,284, with the condition that the final project report include a preliminary discussion about addressing the ability to leave a minimum pool for bull trout in Beulah Reservoir.

Staff concur with the funding recommendation and the condition, and also recommend the funding be provided through a staged award (similar to how the Board has awarded previous big-ticket projects) which provides partial funding in September and the remainder of the funding in March 2010.

Staff recommend that application 210-5021 be funded at a reduced level of \$644,284; however, for the reasons described in the Overview report, staff recommend an award of \$322,142 at this time, with the remaining \$322,142 reserved from 2009-2011 *capital* funds for the Board to award in March 2010. Staff will request the applicant report to the Board on the progress made to implement the project before Board action on the reserved funding.

B. Powder River Restoration – Kirkway Reach, 210-5007

This project is located in the stretch of the Powder River between five different Governor's Watershed Enhancement Board and OWEB funded projects that addressed bank stabilization

and water quality enhancement. This proposal is the result of an OWEB Technical Assistance grant that funded development of a design for streambank stabilization with the purpose of reducing the significant erosion and resulting sedimentation that is occurring as well as reducing property damage to landowners and Baker City.

The RRT recommended reducing this request by more than \$107,000 as a result of the RRT's site visit with the watershed council and engineer. During that visit, the RRT suggested reducing the scope of the project on the west bank. The engineer revised the plans to follow the RRT suggestion, reducing the budget substantially.

C. Other Budget Changes and Special Conditions

The RRT also recommended a moderate budget reduction for 210-5019, Butler Ranches Juniper Control, and a moderate budget increase for 210-5015, Lower Owyhee River Restoration, with which staff concur.

The RRT recommended special conditions for eight of the applications for which staff is recommending funding. Staff agree with these conditions. Of particular note, the RRT is conditioning juniper control projects (such as 210-5019, Butler Ranches Juniper Control) with a requirement for the final project report to include plans for how the landowners and grantees will address long-term juniper maintenance. The RRT also conditioned weed control projects (such as 210-5011, Jordan Valley Weed Restoration Phase II) by requiring the final project reports to include a comparative map that includes the type of weeds treated and location, with results depicted visually at landscape-scale, and background data with site-specific monitoring confirming the effects that treatment and seeding has on vegetative species diversity, composition, and distribution. The RRT and staff want to understand how investment of funds to control juniper and weeds can be sustained over time to continue to deliver watershed benefits.

Staff also recommend additional special conditions for four irrigation efficiency applications (one Technical Assistance and three Restoration), 210-5012, 210-5013, 210-5014 and 210-5015. While the primary purpose of these applications is to reduce water pollution, thereby improving water quality, reviewers and staff are interested in whether efficiency projects can result in more quantifiable, long-term instream protected water. The condition for each of these projects is that the final project completion report must discuss opportunities and barriers, if any, to permanent conservation of saved water instream.

IV. Acquisitions - Pocket Ranch Conservation Easement (210-104)

The Nature Conservancy (TNC) submitted an application to purchase a conservation easement on 5,817 acres of prairie and canyon lands in the southeast corner of Zumwalt Prairie in Wallowa County. TNC subsequently withdrew the application.

V. Staff Recommendations

A. Capital Applications

- *Restoration.* Staff recommend funding 12 of the 15 RRT- recommended Restoration applications, with the budget changes and conditions summarized in Section III of this report.

B. Non-Capital Applications

- *Technical Assistance.* Staff recommend funding three of the four RRT-recommended Technical Assistance applications, with the budget changes and conditions summarized in Section III of this report.

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 applications, the amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

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. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 5 - Eastern Oregon
Technical Assistance Projects Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
210-5015	Lower Owyhee River Restoration Phase I**^	18,000	1
210-5006	Cussick Creek Project	34,050	2
210-5001	Harney Basin Groundwater Study - Data gathering^	37,000	3
210-5024	Powder Valley Systems Optimization Review^	26,871	4
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$115,921	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$89,050	

**Listed Amount Reflects Recommended Increase ^Fund with Conditions

Region 5 - Eastern Oregon
Restoration Projects Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
210-5014	Stringer Irrigation Efficiency Project ^{^*}	52,134		52,134	1
210-5013	Roche Farm Irrigation Efficiency Project [^]	62,859		62,859	2
210-5021	Willow Creek Water Quality Improvement - Phase IIa ^{*^#}	322,142		322,142	3
210-5009	Wallowa Canyonlands Weed Partnership [^]	39,500	500	40,000	4
210-5011	Jordan Valley Weed Restoration Phase II [^]	77,370	1,200	78,570	5
210-5012	Hawk Irrigation Enhancement Phase II [^]	34,679		34,679	6
210-5019	Butler Ranches Juniper Control ^{*^}	134,374		134,374	7
210-5017	Youngfield Subdivision/Jordan Creek Protection Project II [^]	5,398		5,398	8
210-5022	Moon Hill RX-North Steens Ecosystem Restoration Project - Phase II [^]	208,112		208,112	9
210-5007	Powder River Restoration - Kirkway Reach [*]	156,055	150	156,205	10
210-5018	Lockhart Juniper Control [^]	75,925		75,925	11
210-5026	Malheur River Bank Stabilization and Riparian Restoration - Phase 2 [^]	163,101		163,101	12
210-5004	West Camp Creek Push Up Dam Removal	73,830		73,830	13
210-5031	Bingham Riparian Fencing & Off Channel Water Development [^]	47,549		47,549	14
210-5025	Medicine Creek Bank and Headcut Stabilization [^]	42,656		42,656	15
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,495,684	\$1,850	\$1,497,534	
Total Restoration Projects Recommended for Funding by Staff to Board		\$1,331,649	\$1,850	\$1,333,499	

* Listed Amount Reflects Recommended Reduction ^Fund with Conditions

#Total amount is \$644,284 staged award with \$322,142 recommended now and \$322,142 to be awarded in March 2010

**Region 5 - Eastern Oregon
 Technical Assistance Projects NOT Recommended for Funding by the RRT
 April 20, 2009 Grant Cycle**

Project #	Project name	Total Amount Requested
210-5016	Luther Meander	7,649
210-5032	Closed Lakes Basin Historic Wetland Mapping and Restoration Tool	50,000

**Region 5 - Eastern Oregon
 Acquisition Projects Withdrawn by Applicant
 April 20, 2009 Grant Cycle**

Project #	Project name	Total Amount Requested
210-104	Pocket Ranch Conservation Easement	1,500,000

**Region 5 - Eastern Oregon
 Restoration Projects Withdrawn by Applicant
 April 20, 2009 Grant Cycle**

Project #	Project name	Total Amount Requested
210-5000	Wallowa River/Cross-Country Canal Diversion Replacement	104,610

Region 5 - Eastern Oregon
Restoration Projects NOT Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Project #	Project name	Total Amount Requested
210-5002	McEwen Diversion Replacement & Fish Passage Restoration	65,100
210-5003	North Powder River Push Up Dam Removal	44,526
210-5005	Lone Pine Stream Stabilization	19,498
210-5008	Not Dry Gulch Offstream Watering Project	31,902
210-5010	Napton Sediment Reduction Project	31,214
210-5020	Wilson Family Ranches Habitat Restoration	88,666
210-5023	Hughes/Owsley Stream Restoration	20,804
210-5027	Foothill Return Flow Elimination & Drain Restoration	54,458
210-5028	Cottonwood Creek Diversion Improvement	127,758
210-5029	Wheaton Creek Alternative Water System	28,462
210-5030	Bunker Water Quality Enhancement Project	71,188

August 21, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lauri Aunan, Grant Program Manager
Sue Greer, Mid-Columbia Regional Program Representative

**SUBJECT: Agenda Item L: OWEB Grant Award Recommendations
Region 6, Mid-Columbia
September 15-16, 2009 OWEB Board Meeting**

I. Introduction

This staff report describes the Mid-Columbia Regional Review Team recommendations and staff recommendations for funding. This is the first grant cycle in which Region 6 was fully implemented, with a new review team comprised of some members who had previously served on the Region 4 and Region 5 teams, and some members new to OWEB review teams.

II. Background and Summary

Applicants submitted 21 applications for a total request of \$2.9 million. The Mid-Columbia Regional Review Team (RRT) recommended 15 applications for approximately \$1.1 million. Staff recommend funding 13 applications for a total award of \$999,820: \$987,106 for Restoration and \$12,714 for Technical Assistance. No Acquisition application was submitted in Region 6.

III. Regional Review Team Recommendations

The Mid-Columbia Regional Review Team (RRT) met in John Day on June 15 and 16, 2009, 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. The RRT then prioritized the applications recommended for funding.

The RRT recommended budget changes for six applications and special conditions for seven applications. Staff concur with these recommendations. Staff also recommend additional budget reductions and conditions. Significant budget changes and conditions are summarized below.

The RRT recommended increasing the budget for 210-6014, Upper Kayser Fish Ladder. The project would provide fish passage past a multi-level diversion on Rock Creek. Rock Creek is one of the most important basin steelhead spawning and rearing tributaries in the Lower John Day River system. Several barriers have already been corrected, and the SWCD and watershed council have identified this project as the first of the next four diversion fixes to allow all-life stages of steelhead passage on Rock Creek. The application did not mention a water measuring device and the team felt that the inclusion of a water measuring device should be a condition of

funding. The recommended budget is increased by \$2,000 for purchase and installation of the measuring device.

As in Regions 4 and 5, the Region 6 RRT is recommending special conditions for juniper control projects (such as 210-6017, Lonerock Basin Juniper Project), requiring final project reports to include plans for how the landowners and grantees will address long-term juniper management, with a goal of sustaining the benefits of juniper control over time.

Reviewers struggled with portions of application 210-6010, Cable Creek Ranch Water Development. The project seeks to decrease grazing impacts to riparian areas of Butter and adjacent Corley creeks by developing off-stream watering based on wells to be drilled. The application requested OWEB funding of the well drilling, which generated much discussion among the RRT. The RRT was concerned about what would occur if OWEB funds a well that turns out to be dry. The RRT felt that the inherent risk of well drilling should be carried by the landowner and recommended this project for funding at a reduced level (the landowner to pay for well drilling) and the condition that if a well hole comes up dry, that portion of the project would not be funded with OWEB dollars.

Staff believe it is important for OWEB to be consistent in recommendations for irrigation efficiency projects. As in Regions 4 and 5, staff recommend a special condition for 210-6018, Cole-Engle Fish Passage and Irrigation Improvement Project that the final project completion report must discuss opportunities and barriers, if any, to permanent conservation of saved water instream.

Three of the Restoration projects (210-6001, 210-6017 and 210-6003) contain significant requests for non-capital funding for aspects of the projects that cannot legally be funded with Measure 66 capital, totaling \$25,014 between the three applications. Due to the limited availability of non-capital funds, staff recommend reducing the non-capital funding for these projects by \$13,904, for a total of \$11,110.

For the one Technical Assistance application recommended by the RRT, 210-6019 Fox Creek Assessment, the recommended budget is reduced nearly in half due to a grant award from the Belle Vista Foundation following submittal of the OWEB application.

IV. Staff Recommendations

A. Capital Applications

- *Restoration.* Staff recommend funding 12 of the 14 RRT- recommended Restoration applications, with the budget reductions and conditions summarized in Section III of this report and as shown on Attachment A.

B. Non-Capital Applications

- *Technical Assistance.* Staff recommend funding the one RRT-recommended Technical Assistance application, with the budget reduction summarized in Section III of this report.

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 applications, the amount shown in the table is the staff or RRT funding recommendation rather than the amount requested in the application.

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. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

Region 6 - Mid Columbia
Technical Assistance Projects Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
210-6019	Fox Creek Assessment*	12,714	1
Total Technical Assistance Projects Recommended for Funding to Staff by RRT		\$12,714	
Total Technical Assistance Projects Recommended for Funding by Staff to Board		\$12,714	

* Listed Amount Reflects Recommended Reduction

Region 6 - Mid Columbia
Restoration Projects Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Staff Recommendations to the Board are Highlighted in Gray					
Project #	Project Name	Capital Funds	Non-Capital Funds	Total Amount	Priority
210-6001	Upper John Day River Restoration Program*	225,342	3,200	228,542	1
210-6018	Cole-Engle Fish Passage and Irrigation Improvement Project^	84,838		84,838	2
210-6014	Upper Kayser Fish Ladder**^	79,056		79,056	3
210-6017	Lonerock Basin Juniper Project*^	106,682	2,400	109,082	4
210-6015	Little Beech Creek Wastershed Restoration*^	76,560		76,560	5
210-6004	Grass Valley Canyon Watershed Sediment Control	94,603		94,603	6
210-6000	IZ Ranch Watershed Restoration Project	81,988		81,988	7
210-6007	Snively Grazing Management Project	46,338		46,338	8
210-6003	Crown Ranch Stockwater Development^	27,039	5,510	32,549	9
210-6010	Cable Creek Ranch Water Developments*^	49,197		49,197	10
210-6016	Esau Canyon Sediment Control	22,928		22,928	11
210-6012	Fruitvale Water Management	81,425		81,425	12
210-6013	Bologna Creek Restoration*^	27,995		27,995	13
210-6008	Clean Water Neighborhood B4 Irrigation Line Conversion	31,431		31,431	14
Total Restoration Projects Recommended for Funding to Staff by RRT		\$1,035,422	\$25,014	\$1,060,436	
Total Restoration Projects Recommended for Funding by Staff to Board		\$975,996	\$11,110	\$987,106	

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

Region 6 - Mid Columbia
Restoration Projects NOT Recommended for Funding by the RRT
April 20, 2009 Grant Cycle

Project #	Project name	Total Amount Requested
210-6002	Black Mountain Lane Restoration	171,083
210-6005	Murtha Ranch Habitat Restoration	447,000
210-6006	Joliff Barrier and Stream Restoration Project	183,881
210-6009	Clean Water Neighborhood (CWN) Feed Canal Project	96,908
210-6011	Walla Walla Basin Aquifer Replenishment and Stream Restoration Program Phase I	824,400
210-6020	Rudio Upland Water Developments	51,500

September 11, 2009

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item M: Other Business
Lower John Day Working Group
September 15-16, 2009 OWEB Board Meeting**

I. Introduction

This staff report describes the recommendation of the Board's Partnership Subcommittee concerning the Lower John Day Working Group. The report identifies a funding approach that uses previously allocated funds for salmon recovery to assist the Working Group in their efforts to organize and develop a science based approach to addressing the water resources of the lower basin.

II. Background and Summary

The Lower John Day Working Group has been meeting for approximately two years. The Working Group includes local governments, ranchers, environmental interest groups and others to identify common goals for the region. The Working Group has appeared before the Board on three separate occasions to report their progress. The Working Group has developed a proposal for consideration as a Special Investment Partnership (SIP).

The proposal and the status of the Lower John Day Working Group was discussed by the Partnership Subcommittee on August 26, 2009. The Subcommittee felt that the group was addressing a critical area (John Day Basin) and working on critical issues (stream flow, water quality and hydrology). The Subcommittee wished to assist the Working Group, but did not feel that the list of projects provided with the proposal addressed the water resources of the lower basin in a comprehensive manner. The Subcommittee felt that assistance with coordination and development of a science based water resource management plan for the lower basin that focused on the critical limiting factors for steelhead would prepare them to develop appropriate partnership investment projects.

III. Lower John Day and the Working Group

The Lower John Day River is a large portion of the drainage that comprises the region that drains to the mainstem. The John Day River is in a canyon through much of the lower basin. Smaller drainages (Butte Creek, Rock Creek, Bridge Creek, Ferry Canyon, Hay Creek, Pine Creek, and Thirtymile Creek, etc.) come off the Columbia Plateau and were historically important steelhead production reaches. The primary limiting factors to production in the area is low summer flows, high water temperatures, and obstructions.

The region is sparsely populated and strongly dependent on agriculture. The communities of the three counties (Gilliam, Wheeler and Moro) are significantly isolated from more populated portions of Oregon. The listing of steelhead under the Endangered Species Act and listing of streams under the Clean Water Act have raised concerns and frustration among many local residents. The organization of the Working Group to explore alternative ways to communicate and address the future is an important locally grown effort to address these issues.

IV. Next Steps

Based on feedback from the Subcommittee, staff intend to use a portion of the remaining funds previously allocated by the Board for local salmon recovery planning efforts to fund continued facilitation of the Lower John Day Working Group and to fund development of a science based water resource work plan for the Lower John Day Basin. These local recovery planning funds have been used to facilitate “coffee klatch” gatherings in the Nehalem and Tillamook basins with the outcome being identification of coastal coho salmon recovery projects. Use of the funds previously allocated for planning for coho salmon recovery could be allocated for steelhead recovery planning in the John Day and be consistent with the allocation of funds by the Board in September of 2007.

V. Recommendation

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

APPROVED BY THE BOARD JANUARY 20, 2010
Oregon Watershed Enhancement Board
September 15, 2009
OWEB Board Meeting
Joseph, Oregon

Minutes

OWEB Members Present

Dan Carver
Dan Heagerty
John Jackson
Jim Johnson
Skip Klarquist
Kim Kratz
Jose Linares
Meta Loftsgaarden
Dave Powers
Eric Quaempts
Patricia Smith
Diane Snyder
Dan Thorndike

OWEB Staff Present

Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Renee Davis-Born
Carolyn Devine
Courtney Gibbs
Sue Greer
Mark Grenbemer
Wendy Hudson
Karen Leiendecker
Tom Shafer
Courtney Shaff
Greg Sieglitz
Teresa Trump

Others Present

John Moriarty
Rob Richardson
John McDonald
Bruce Taylor
Scott Sparling
Tom Straughan
Bill Knox
Wayne Hoffman
Don Harker

Members Not Present

Miles Brown
Jennifer Phillippi
Ken Williamson

County Commissioner Mike Howard welcomed Board members to Wallowa County. Commissioner Howard previously served on the Grande Ronde Model Watershed and commented that 50 landowners affected by Wallowa County rivers and parks are taking the lead on restoration activities in the county.

A. Board Member Comments

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

B. Minutes

Minutes of the following meetings were unanimously approved with one correction on Board member attendance. (Note: Board Member Dan Thorndike abstained from voting on the minutes from the June 1-3, 2009, Board meeting in Eugene.)

June 1-3, 2009, Board meeting in Eugene;

June 29-30, July 1, 2009, strategic planning session in Silverton; and

July 29, 2009, special meeting via telephone conference call.

C. Executive Director Update

Executive Director, Tom Byler, briefly reported on the following program updates:

1. Information Security Plan

Melissa Leoni, OWEB Senior Policy Coordinator, has been working on different components of OWEB's Information Security Plan which is due to the Department of Administrative Services by December 31, 2009.

2. 2009 Legislative Session

The Legislature adjourned on June 29, 2009. OWEB was specifically mentioned in only three bills (HB 3369, SB 30, and SB513). No bills were legislatively approved affecting OWEB statutes.

3. Working Lands Easements

Staff proposed to work with the Board Land Acquisition Subcommittee to frame working lands easement issues and develop a set of questions to be addressed by a work group. Whether to have a work group depends on how the matter is addressed by OWEB's strategic planning process.

4. Flow Conservation Work Group

Deputy Director Ken Bierly organized a Flow Conservation Work Group in December 2008 to discuss ways to better integrate flow restoration into the suite of habitat and land conservation efforts that OWEB funds. The Work Group identified three recommendations for further consideration, and will provide a report at the January or March 2010 Board meeting.

5. Effectiveness Monitoring Program

The report contained in Agenda Item C updated Board members on completed effectiveness monitoring project investments and identified ongoing efforts including a wetland project in the Willamette basin, a fish barrier removal project in the South Coast basin, and riparian enhancement projects in the South Coast and Grande Ronde basins.

6. Research Program

An update on climate change research awards was provided in the report for Agenda Item C. The status of LiDAR, Ecosystem Workforce Evaluation and Ecosystem Services projects was discussed.

7. Deschutes SIP Progress Report

Ken Bierly, Deputy Director, distributed a draft report on progress made during the 2007-2009 biennium by the Deschutes SIP. The final report should be available in January. He discussed progress to date and lessons learned.

8. Partnership Report

The report provided Board members with a list of partnership projects OWEB is currently supporting (CREP, Whole Watershed Restoration Initiatives, and Oregon 150 which has been completed) and two active Special Investment Partnerships (Deschutes and Willamette SIPs). Staff have been approached about interest in additional partnerships and will work with the Board Partnership Subcommittee for recommendations.

9. Small Grant Program Review

Staff presented an overview of the Small Grant Program as well as a tentative timeline for conducting a review of the Small Grant Program. OWEB is required by administrative rule to review reports submitted by Small Grant Teams and evaluate the need for program improvements and administrative rule changes once a biennium. Bev Goodreau, Grant Program Specialist is leading this effort.

D. Strategic Plan

Tom Byler, Executive Director, updated Board members on the progress of the Board's strategic planning effort since June 2009, and presented a draft plan for Board approval that will be distributed for public review and comment.

Included with the report were a summary report from Don Harker, Consultant; the final draft strategic plan; a proposed stakeholder process; and implementation action table.

Harker explained the process used which included Board and staff shared understandings, OWEB models, driving forces and future scenarios, OWEB mission and vision, strategic planning facilitated session, subcommittee report on adaptive investments, and appendices on the staff and stakeholder interview process.

Board members discussed the proposed mission and vision statements expressing concern that the vision statement was two separate statements. The Board subcommittee will work with staff to refine the vision statement.

Goals 1 through 5 and their associated strategies were reviewed along with the proposed implementation actions over the next biennium were discussed. Board member consensus was to send the draft plan out for comment.

E. Communications Strategy

Tom Byler, Executive Director, was joined by Carolyn Devine, Communications Coordinator, and Scott Sparling of Gard Communications, to discuss progress on the Communications Strategy and how its relationship to the Strategic Plan.

Staff asked Board members to approve the draft communications strategy as a working draft and direct staff to continue work on refinement and development of plan elements. Scott Sparling summarized elements of the draft plan including the process, goals, and main elements. Staff will continue working with Gard Communications as the Strategic Plan is finalized so the two plans work together.

F. Public Comment – General

- Bruce Taylor, Defenders of Wildlife, and Catherine Macdonald, The Nature Conservancy, updated Board members on the Ballot Measure 66 Reauthorization effort.
- Wayne Hoffman, MidCoast WC, commented on the proposed Strategic Plan, and expressed concerns with the Oregon Conservation Strategy.

G. Strategic Plan and Communications Strategy Adoption

After discussion under Agenda Items D and E, Board members unanimously approved the draft strategic plan contained in Attachment B to the Item D staff report as a final draft plan and directed staff to conduct a public review process on the final draft once refinements based on Board member comments are made.

The Board also unanimously approved the draft Strategic Communications Plan contained in Attachment B to the Item E staff report as a final working draft and directed staff to continue work on plan elements consistent with the objectives described in the report.

H. Ecosystem Services Report and Board Discussion

Renee Davis-Born provided an update on two ecosystem services initiatives OWEB is involved with.

OWEB Research Project on Ecosystem Services

In June 2009, OWEB contracted with Ecosystem Services LLC to assist OWEB in understanding and negotiating the marketplace of ecosystem services that have a likely connection to the restoration and conservation actions funded by OWEB. The contract will focus on carbon-offset ecosystem services, but will take into account co-benefit ecosystem services that result from carbon-related projects. Phase I of the three phase project commenced on August 12, 2009. Board members will be briefed at the January and March 2010 meetings, with a final report due in mid-June 2010.

Senate Bill 513

SB513 passed out of the Legislature on June 5 and was signed into law by the Governor on July 23, 2009. OWEB is charged to provide staff support for an Ecosystem Services Markets Working Group as a result of this legislation. Renee Davis-Born, Ecosystem Services Coordinator, will staff this group, and has been working with members of the Sustainability Board's Ecosystem Services Subcommittee and staff from the PSU Oregon Consensus Program to identify working group members and develop a process and timeline for implementation of SB513.

A draft report and preliminary policy recommendations for review by the Sustainability Board should be ready in early fall of 2010, with a final report including recommendations for legislation submitted to the Legislature by January 1, 2011.

At the conclusion of the day's meeting, OWEB Board members, staff, and local partners toured projects in the Wallowa Basin. OWEB Board members, staff, and invited guests returned to the Eagle Cap Chalets for an informal reception sponsored by Board Co-Chair Diane Snyder.

APPROVED BY THE BOARD JANUARY 20, 2010
Oregon Watershed Enhancement Board
September 16, 2009
OWEB Board Meeting
Joseph, Oregon

Minutes

OWEB Members Present

Dan Carver
Dan Heagerty
John Jackson
Jim Johnson
Skip Klarquist
Kim Kratz
Jose Linares
Meta Loftsgaarden
Dave Powers
Eric Quaempts
Patricia Smith
Diane Snyder
Dan Thorndike

Members Not Present

Miles Brown
Jennifer Phillippi
Ken Williamson

OWEB Staff Present

Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Renee Davis-Born
Carolyn Devine
Courtney Gibbs
Sue Greer
Mark Grenbemer
Wendy Hudson
Karen Leiendecker
Tom Shafer
Courtney Shaff
Greg Sieglitz
Teresa Trump

Others Present

Marty St. Louis
Kathy Ferge
Paula Burgess
Joshua Uriarte
Walt Powell
Peggy Browne
Jason Spriet
Cathy Macdonald
Steve Parrett
Tom Straughan
John Moriarty
John McDonald
Wayne Hoffman
Leslie Grimes
Kelly Thomas
Don Harker

I. 2009-2011 Spending Plan

Executive Director Tom Byler, presented a proposed spending plan to the Board which was developed by staff based on decreased revenue. Funds for Research will be presented later in the biennium to allow time for interest to accrue on the account.

Board members unanimously approved the proposed spending plans contained in Attachments A and B as an overall guide for reserving and allocating OWEB funds at the beginning of the biennium with specific direction to staff to update the spending plan and report on the actions taken under the spending plan at each subsequent Board meeting.

In addition, Board members unanimously approved the specific capital funding proposals identified in Section VI. B of the staff report as identified below.

- a. Allocate \$2.8 million to the Small Grant Program (SGP) for the 2009-2011 biennium with a distribution of \$100,000 per team.
- b. Allocate \$1.3 million to support the Conservation Reserve Enhancement Program for the 2009-2011 biennium.

- c. Allocate \$4.0 million to the Deschutes SIP, delegate the distribution authority to the Executive Director, and approve the Deschutes SIP conditions described in Attachment D of this report.

The Board also unanimously approved the specific non-capital funding proposals identified in Section VI. C of the staff report as identified below.

- a. Approve an additional \$1,140,454 for Watershed Council Support grants as described in Section IV.A. and shown in Attachment F of the staff report.
- b. Allocate \$1,000,000 for Soil and Water Conservation District capacity as described in Section IV.A. and Attachment E of the staff 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.A. and Attachment E of the staff report.
- d. Allocate \$100,000 and delegate authority to the Executive Director to distribute the funds through appropriate agreements and contracts for capacity building; travel expenses to help councils attend capacity building trainings and workshops; and facilitation to support the council support grant team review process as described in Section IV.A. and Attachment E of the staff report.
- e. Allocate \$100,000 to support the development 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.G. of the staff report.
- f. Allocate \$400,000 for information and communication needs associated with the development of the Strategic Plan, the Communications Plan, and other immediate related needs 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.H. of the staff report.
- g. Allocate \$180,000 to support a partnership with the Oregon Department of Fish and Wildlife intended to align and integrate OWEB's restoration and acquisition priorities 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.I. of the staff report.
- h. Allocate \$250,000 to Oregon Plan products in support of the Strategic Plan and the Communications Plan 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.I. of the staff report.
- i. Allocate \$270,000 for effectiveness monitoring in support of the Strategic Plan and the Communications Plan 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.J. of the staff report
- j. Allocate \$125,000 to support the 2010 OWEB Biennial Conference, technical training and outreach needs and delegate to the Executive Director the authority to

distribute the funds for personnel, contracted services, and other associated costs consistent with Section IV.K. of the staff report.

- k. Allocate \$200,000 to support the Deschutes and Willamette Special Investment Partnerships, consistent with the purposes identified in Section IV.K. and Attachment D of the staff report, and delegate to the Executive Director the authority to distribute the funds through appropriate grant agreements, contracts, and interagency agreements.
- l. Allocate up to \$50,000 to evaluate the policy, program, and partnership considerations associated with “working lands” conservation easements, and delegate to the Executive Director the authority to distribute the funds through appropriate grant agreements, contracts, and interagency agreements.

J. Public Comment – General

- Wayne Hoffman, MidCoast WC, commented on the proposed spending plan. He feels that the council support process needs work, but is pleased that the OWEB staff and Board are supportive of funding for watershed councils.
- John McDonald, OACD, and John Moriarty, Network of Oregon Watershed Councils, updated Board members on recent efforts. The Network recently completed a new council coordinator handbook

K. Public Comment – Pending Grant Applications

- Walter Powell, Kelley Thomas, Cathy Fergy, and Paula Burgess, Lower John Day Working Group, briefed Board members on a potential SIP in the John Day basin. (See also Agenda Item M.)
- Leslie Grimes, Mid Willamette Alliance supported 210-3013 which fell below the funding line.
- Marty St. Louis, ODFW, supported 210-4000 which was recommended for full funding.
- Joshua Uriarte, Baker County SWCDs, supported funding for the Small Grant Program, and supported 210-5004 which fell below the funding line.
- Peggy Browne, Browne Consulting, supported 210-5020 which was not recommended for funding; 210-5024 and 210-5031 which both fell below the funding line.
- Catherine Macdonald, The Nature Conservancy, commented on a withdrawn application, 210-104 for Pocket Ranch Conservation Easement.

L. Board Consideration of Pending Grant Applications

Lauri Aunan, Grant Program Manager, provided Board members an overview of the April 20, 2009, grant cycle. One hundred and seventy-one grant applications seeking nearly \$24.4 million were received making it the largest dollar request, and the second highest number of applications submitted to OWEB for an April grant cycle.

The following identifies the number of applications received by application type and the amount of OWEB funds requested:

Technical Assistance	47	\$ 1,566,539
Acquisition	5	\$ 3,080,094
Restoration	<u>119</u>	<u>\$19,741,515</u>
TOTAL	171	\$24,388,148

After being screened for eligibility and completeness, the applications were sent to the appropriate review teams, who made recommendations to OWEB staff regarding “funding” or “no funding” for individual projects on their merit and numerically ranked the projects recommended for funding. OWEB staff then developed funding recommendations for Board consideration. The funding recommendations are based on the budget allocated by the Board and the rankings of the reviewers.

Since the Board has not yet established an overall spending plan or set capital and non-capital funding targets for each grant cycle in the 2009-2011 biennium, staff recommendations for this cycle were developed as a “standalone” funding allocation. Budgets for future grant cycles will depend on the Board’s spending plan and strategic plan, as well as funding availability, which is uncertain given the State’s budget situation and economic climate.

Acquisition Applications

Five new acquisition applications were received during this grant cycle (one water lease and transfer application and four land acquisition applications). The Board Acquisition Subcommittee reviewed the applications before regional review team evaluation of the ecological merit and recommended whether staff should proceed with due diligence review.

None of the four land acquisition applications submitted in April 2009 is recommended for funding at this time. One is recommended for deferral (Summer Creek Conservation Project, 210-103); two are not recommended for funding (Miami River Conservation Easement, 210-101, and Maxwell Easement Acquisition, 209-108); and one was withdrawn by the applicant.

The water acquisition application, Deschutes River Water Transfers, 210-103 is ready for funding at this time. (See Region 4 staff report.)

**Due to the absence of a Board quorum, 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 22, 2009.*

REGION 1, NORTH COAST

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

Board member Jose Linares had concerns about a technical assistance application 210-1000 not being recommended for funding. Tom Shafer replied that the RRT wanted to see results of a feasibility study before offering a funding recommendation.

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

REGION 2, SOUTHWEST OREGON

Lauri Aunan, Grant Program Manager

Mark Grenbemer, Regional Program Representative

Board Co-Chair Heagerty asked about funding for 210-2016. Mark Grenbemer replied that he had spoken with the applicant and they will be resubmitting for funding next cycle.

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

REGION 3, WILLAMETTE BASIN

Lauri Aunan, Grant Program Manager

Wendy Hudson Regional Program Representative

Ken Bierly, Acquisitions

Board members discussed 210-3013 which was brought up during the public comment period.

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

REGION 4, CENTRAL OREGON

Lauri Aunan, Grant Program Manager

Rick Craiger, Regional Program Representative

Ken Bierly, Acquisitions

Board members discussed 210-104 and 210-4000 which were brought up during public comment.

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

REGION 5, EASTERN OREGON

Lauri Aunan, Grant Program Manager

Karen Leiendecker, Regional Program Representative

Board members discussed the Pocket Ranch application which was withdrawn by the applicant; and the Willow Creek Phase 2 application.

Board Co-Chair Diane Snyder thanked Karen Leiendecker for her help on logistics of the Board meeting and tour.

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

REGION 6, MID COLUMBIA

Lauri Anan, Grant Program Manager

Sue Greer, Regional Program Representative

Board members discussed 210-6008 which was not recommended for funding. Sue Greer replied that the applicant is looking to resubmit because plans have changed for more improvement.

Board member Jim Johnson asked why there was only one technical assistance application from Region 6. Sue Greer replied that the April cycle has more projects on-the-ground and more technical assistance applications are received in the October cycles.

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

Following the staff presentation for each region, the Board expressed support for funding the following non-capital applications that staff did not recommend for funding:

- 210-3013 (Region 3);
- 210-5004 (Region 5);
- 210-5024 (Region 5); and
- 210-5031 (Region 5).

Staff indicated that because this is the beginning of the biennium there is funding available, however because non-capital funding is very tight, funding these now will reduce the availability of non-capital funds later in the biennium.

M. Other Business

Lower John Day Working Group

This was presented during the public comment period, Agenda Item K.

Having no further business, the meeting was adjourned.

APPROVED BY THE BOARD JANUARY 20, 2010
Oregon Watershed Enhancement Board
September 22, 2009
OWEB Board Meeting
Salem, Oregon

Minutes

OWEB Members Present

Dan Heagerty
John Jackson
Jennifer Phillippi
Eric Quaempts
Patricia Smith
Diane Snyder
Dan Thorndike
Ken Williamson

OWEB Staff Present

Bonnie Ashford
Lauri Aunan
Tom Byler
Mark Grenbemer
Melissa Leoni
Cindy Silbernagel

Others Present

None

Members Not Present

Miles Brown
Dan Carver
Jim Johnson
Skip Klarquist
Kim Kratz
Jose Linares
Meta Loftsgaarden
Dave Powers

Due to the absence of a Board quorum at its meeting on September 15-16, 2009, voting members were polled regarding recommended funding decisions. 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 15-16 meeting will be revisited and voted on.

A special meeting via telephone conference call was held on Tuesday, September 22, 2009, at 8:15 a.m. The meeting was held to have a quorum vote on funding recommendations. The telephone conference call meeting included a quorum of the Board.

Board Co-Chair Diane Snyder presided over the meeting.

Board member Patricia Smith and Lauri Aunan, OWEB Grant Program Manager, briefed Board members who were absent from the meeting on discussions held regarding Agenda Item L: Board Consideration of Pending Grant Applications. In addition, Ms. Aunan discussed the additional funding recommendation for two additional technical assistance grant awards and two restoration grant awards.

Executive Director Tom Byler prepared and distributed the following motions needing action prior to the telephone conference call. Board members voted on each motion.

Agenda Item L. Board Consideration of Pending Grant Applications

Motion: Approve the staff funding recommendations for Regions 1, 2, 3, 4, 5, and 6 as listed in the shaded area of Attachment A of the staff reports. *Vote was unanimous.*

Motion: Approve funding for technical assistance applications 210-3013 and 210-5024 for a total of \$76,679 from non-capital funds. *Vote was unanimous.*

Motion: Approve funding for restoration applications 210-5004 and 210-5031 for a total of \$121,379 from capital funds. *Vote was unanimous.*