



Oregon

Kate Brown, Governor

Public Wi-Fi logon: LandsDSL

Department of State Lands

775 Summer Street NE, Suite 100

Salem, OR 97301-1279

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State Land Board

Kate Brown

Governor

Shemia Fagan

Secretary of State

Tobias Read

State Treasurer

STATE LAND BOARD

October 11, 2022

10:00 am – 12:00 pm

In-Person & Zoom Video/Audio Meeting

The meeting video will be livestreamed on the

[Department of State Lands YouTube Channel](#)

AGENDA

State Land Board Awards Presentation

The State Land Board will present Land Board Awards to:

- Wetland Award: **Oaks Bottom Wildlife Refuge Wetland Restoration**
- Wetland Award: **Klamath Lake Wetland Mitigation Project**
- Stream Award: **Three Rivers – Cedar Creek Hatchery Fish Passage Restoration Project**
- Partnership Award – Catalyst Award: **Lieutenant Doug Asboe**

Note: The Partnership Award – Team Award will be presented to the Elliott State Research Forest Advisory Committee at the State Land Board meeting in December.

Consent Items

1. Request for approval of the minutes of the August 9, 2022, State Land Board Meeting.

Action Items

2. Permanent Rules Restricting Public Use of Hayden Island in Portland
Public testimony will be accepted on this item.

Continued on next page

Informational Items

3. Common School Fund Annual Report
No public testimony will be taken on this item.
4. Unclaimed Property and Estates Transition to Treasury – Senate Bill 454
No public testimony will be taken on this item.
5. Aquatic Resource Management Program Annual Report
No public testimony will be taken on this item.
6. Strategic Plan Progress Report
No public testimony will be taken on this item.
7. In-Lieu Lands Selection Update
No public testimony will be taken on this item.
8. Other

Meeting video will be livestreamed, and the video recording available after the meeting, on the DSL YouTube Channel: <https://www.youtube.com/channel/UCQA7FHTWwl-gjJkQeYPJ1IA>

Attending the State Land Board Meeting

This meeting will be held in a facility that is accessible for persons with disabilities. If you need assistance to participate in this meeting due to a disability, please notify Arin Smith at arin.n.smith@dsl.oregon.gov at least two working days prior to the meeting.

Visitors are **NOT permitted to bring backpacks, bags, or large purses** into the State Lands building prior to, during, or following Land Board meetings. Purses, medical bags, and diaper bags are permitted, but may be subject to inspection by the Oregon State Police.

Public testimony information can be found on the next page.

Providing Public Testimony

The State Land Board places great value on information received from the public. The public may provide written or spoken testimony regarding consent and action agenda items, time permitting and at the discretion of the Chair.

- **Providing Written Testimony:** Written testimony may be submitted at landboard.testimony@dsl.oregon.gov. Testimony received by 10 a.m. the day before the meeting is provided to Land Board members in advance and posted on the meeting website. Testimony received after this deadline may not be provided to the Land Board prior to a vote. Please indicate the agenda item your testimony relates to.
- **Providing Spoken Testimony by Video/Phone or In Person:** The signup deadline to provide spoken testimony during meetings is 10 a.m. the day before the meeting. You may sign up to provide testimony by video/phone or in person. Signup information is posted on the [Land Board Meetings website](#) one week prior to the meeting. After signing up, you will receive a confirmation email containing additional information.

Additional Testimony Information

- Testimony on action items is taken during the item's presentation, before the Land Board votes. Please review the meeting agenda and be present and prepared to provide testimony at the appropriate time.
- The Board typically accepts testimony on consent and action items only.
- The standard time limit is three minutes for each individual; the actual time available for testimony during Land Board meetings is at the discretion of the Chair.
- Be aware that there may not be time for everyone who signs up to provide testimony.
- The Board may not be able to accept testimony on items for which a formal comment period has closed, such as a rulemaking comment period. The meeting agenda indicates whether testimony will be accepted on an item.



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M E M O R A N D U M

State Land Board

Date: October 11, 2022

Kate Brown

Governor

To: Governor Kate Brown
Secretary of State Shemia Fagan
State Treasurer Tobias Read

Shemia Fagan

Secretary of State

From: Vicki Walker
Director, Oregon Department of State Lands

Tobias Read

State Treasurer

Subject: The 18th Annual State Land Board Awards

Overview

Every year, the State Land Board honors exceptional projects and partners for their contributions to protecting and enhancing Oregon's treasured natural resources.

Established in 2004, the State Land Board Awards are an annual celebration of Oregonians working together to help lands, waters, and wetlands thrive. To-date, more than 35 awards have been presented, recognizing extraordinary efforts in every region of Oregon.

Land Board Award Winners

Today, in the 18th year of the State Land Board Awards, we are presenting two Wetland Awards, a Stream Award, and a Catalyst Award to recognize exemplary projects and people. A Partnership Award will also be presented at the December Land Board Meeting.

Wetland Award: Oaks Bottom Wildlife Refuge Wetland Restoration. This project brought salmon back to Oaks Bottom Wildlife Refuge in Portland by improving fish passage and water flow between the Willamette River and the refuge, creating and enhancing habitat for young fish, and removing invasives and reintroducing native plants.

Wetland Award: Klamath Lake Wetland Mitigation Project. In this incredibly collaborative mitigation project, a degraded, contaminated 45-acre landscape on the shores of Klamath Lake was transformed into wetlands, channels, open

water, and an innovative pond for reintroducing young fish of two endangered species that are a cultural pillar for the Klamath Tribes.

Stream Award: Three Rivers – Cedar Creek Hatchery Fish Passage Restoration Project. Part of the Salmon SuperHwy, a unique community partnership that seeks to restore access to nearly 180 miles of blocked habitat, this project opened travel for juvenile salmonids, lamprey, and other fish species by installing an inflatable weir and fish ladder to create a 14-mile migration corridor in Tillamook County.

Catalyst Award: Lieutenant Doug Asboe. The understanding and respect Lieutenant Asboe brings to working with people who are houseless has helped the Department of State Lands address camping along public waterways compassionately and effectively. Under his leadership, the Multnomah County Sheriff's Office Homeless Outreach Programs Engagement (HOPE) Team has partnered with DSL to connect people with shelter and resources and reduce waterway impacts.

Partnership Award: Elliott State Research Forest Advisory Committee. A collection of stakeholders representing diverse perspectives, the Elliott State Research Forest Advisory Committee has worked tirelessly over the past four years to create a framework for the Elliott to become a publicly owned research forest. *This award will be presented at the December Land Board meeting.*



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The State Land Board (Land Board or Board) met in regular session on August 9, 2022, at the South Slough Reserve Visitor Center at 61907 Seven Devils Road in Charleston. The meeting audio and video was livestreamed on the DSL YouTube channel.

State Land Board

Kate Brown
Governor

Present were:

Shemia Fagan
Tobias Read

Secretary of State
State Treasurer

Shemia Fagan
Secretary of State

Land Board Assistants

Jason Miner – via Zoom
Molly Woon
Ryan Mann

Governor's Office
Secretary of State's Office
State Treasurer's Office

Tobias Read
State Treasurer

Department Staff

Vicki Walker	Bill Ryan	Liane O'Neill	Ted Bright
Arin Smith	Bree Yednock	Ali Ryan Hansen	Ed Oswald

Department of Justice

Matt DeVore

In the Governor's absence, Secretary Fagan chaired the meeting. Secretary Fagan called the meeting to order at 10:00 a.m. The topics discussed and the results of those discussions are listed below. To view the Land Board (Board) meeting in its entirety, please visit our YouTube page: [August 9, 2022 Land Board Meeting](#)

Director Walker opened the meeting with a land acknowledgment recognizing the indigenous tribes that have inhabited the South Slough land since Time Immemorial, and a short background on the history of the South Slough Natural Estuarine Research Reserve (SSNERR). She introduced Rebecca Smyth, West Coast Director of National the Oceanic and Atmospheric Administration (NOAA) Office for Coastal Management who discussed their partnership with SSNERR.

Consent Items

1. Minutes

Treasurer Read made a motion to approve the minutes for the June 14, 2022, Land Board meeting.

Secretary Fagan seconded the motion.

The item was approved at 10:11 a.m.

2. Request for approval of a permanent easement for a bridge across the Klaskanine River in Clatsop County.

The Department of State Lands recommended the State Land Board approve the issuance of a permanent easement to Clatsop County Public Work, easement number 63695-EA, to maintain and operate a bridge on, over, under or across the Klaskanine River.

Treasurer Read made a motion to approve the consent item.
Secretary Fagan seconded the motion.
The item was approved at 10:14 a.m.

Informational Items

3. Abandoned and Derelict Vessel Removal Plan

Director Walker gave a status update on the four vessels which are the biggest imminent threat to public health and safety. Emergency removal has been started on one of the vessels and removal of the other three vessels will soon follow.

10:22

Questions were taken from the Board. Deputy Director Bill Ryan joined Director Walker at the table to assist in answering those questions.

Director Walker gave an overview of the plan and prioritization process for removal of derelict vessels in Oregon which includes requesting general funds to pay for the removals, so the money no longer comes out of the Common School Fund.

Action Items

4. State Land Board appointment of one voting member to the Oregon Ocean Science Trust.

OOST was created by the legislature in 2013 and consists of seven trust members. Director Walker introduced Dr. Karina Nielsen and OOST Director Laura Anderson. The Department recommended the State Land Board appoint Dr. Karina Nielsen to complete the unexpired term on the Oregon Ocean Science Trust, effective immediately and ending December 31, 2023.

Treasurer Read made a motion to approve the action item.
Secretary Fagan seconded the motion.
The item was approved at 11:01 a.m.

5. Request for authorization to exchange quitclaim deeds to clear title of formerly submerged and submersible land with adjacent landowners, as applicable, for former Willamette River channel in Benton County.

The Department recommended the State Land Board authorize an exchange of quitclaim deeds with William D. Pitcher (Estate) to establish the state's ownership of land below the ordinary high-water line in the main channel of the Willamette River and in the Ingram Slough, and to remove the cloud of title for the William D. Pitcher (Estate) as to the formerly submerged and submersible lands from the former channel.

Treasurer Read made a motion to approve the action item.
Secretary Fagan seconded the motion.
The item was approved at 11:05 a.m.

6. Request to decertify 4,907 acres of Common School Forest Lands within the Klamath District.

The Department recommended the State Land Board approve the decertification of 4,907 acres of Common School Forest Lands within the Oregon Department of Forestry's Klamath District, as described in Appendix E, to be effective July 1, 2023. This decertification will include 3,164 acres of the Yainax Butte tract, and 1,743 acres of the Sun Pass tract.

Director Walker invited the Department's Forester, Ryan Singleton, to the table to assist in answering questions from the Board.

Treasurer Read made a motion to approve the action item.
Secretary Fagan seconded the motion.
The item was approved at 11:14 a.m.

7. Other

- Overview of illegal camp removal from the Elliott State Forest near Loon Lake.

The meeting was adjourned at 11:20 a.m.

Shemia Fagan, Secretary of State

Vicki L. Walker, Director



Oregon

Kate Brown, Governor

Department of State Lands

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State Land Board

State Land Board

**Regular Meeting
October 11, 2022
Agenda Item 2**

Kate Brown
Governor

Shemia Fagan
Secretary of State

Tobias Read
State Treasurer

SUBJECT

Request for approval to permanently adopt OAR 141-088-0240, Restrictions for the State-Owned Property on Hayden Island in Multnomah County. This rule would enact public use restrictions on state-owned land along the north side of Hayden Island between river miles 106 to 107 of the Columbia River, west of the Oregon and Washington Interstate 5 bridge and east of a wing dam.

ISSUE

Whether the State Land Board should approve the restrictions on the public use of approximately 500 yards of the bank of the Columbia River along the north side of Hayden Island.

AUTHORITY

Oregon Constitution, Article VIII, Section 5, specifies that the State Land Board is responsible for managing Common School Fund lands.

ORS 274.025; describes state jurisdiction over submersible and submerged lands generally.

ORS 273.041 to 273.071; authorizes the Department of State Lands to exercise the administrative functions of the State Land Board; relating to the general powers and duties of department and board.

OAR 141-088; relates to the public recreational use of state-owned property and provides the Department, in consultation with the State Land Board, authority to restrict

the use of state-owned lands when the closure is necessary to protect human life, health, or safety; to prevent loss of, or damage to property; to protect natural, historical, cultural, or archeological resources; or to prevent damage to the environment.

BACKGROUND

Since 2018, the Department has received numerous reports from local law enforcement, emergency services, and the Portland Harbor Master of activities associated with unauthorized camps that are seriously impacting the safety and health of the riverbank and river, as well as the nearby community and businesses. Concerns included:

- Unauthorized and uncontrolled fires.
- Harassment, threats of violence, interference with public safety personnel, and damage to property.
- Damage to riparian vegetation and wildlife habitat.
- Abandoned vehicles.
- Unseaworthy or derelict boats and vessels.
- Offensive littering and dumping.
- Diminished public safety and recreational opportunities.

In response, on May 9, 2022, the Director enacted temporary emergency restrictions along the 500-yard stretch of riverbank on Hayden Island between river miles 106 and 107. These restrictions closed state-owned lands in these areas to all uses between 10 p.m. and 5 a.m., and prohibited fires and campsites at all times.

During the June 11, 2022, State Land Board meeting the Board approved the Department initiating a permanent rulemaking process.

PUBLIC INVOLVEMENT

Rulemaking Advisory Committee (RAC)

A RAC was convened remotely on July 7, 2022, to review and make comments on the proposed rule language and the fiscal impact and racial equity impact statements. The following individuals served as members of the RAC:

- Michael Leloff, Rodeway Inn and Suite
- Ron Schmidt, President, Waterfront Organizations of Oregon (WOOO)
- Chris Hathaway, Staff, Lower Columbia Estuary Partnership
- Cathy Evanson, Resident, Hayden Island; Board Member, WOOO
- Michael Phelps, Program Supervisor, Cascadia Behavioral Healthcare
- Chad Diekmann, Deputy, Multnomah Co. Sheriff's Department, River Patrol
- Lucas Hillier, Staff, City of Portland

Public Review and Comment Period

After the RAC reviewed and approved the impact statements and rule language, a Notice of Proposed Rulemaking was filed with the Secretary of State's office on July 27, 2022. The public review and comment period was from August 1, 2022, to August 31, 2022, with a public hearing held via Zoom on August 15, 2022.

The Department sent a news release and email notice to inform interested parties, stakeholders, and media of the public review and comment opportunity. The Department also notified House Speaker Rayfield and Senate President Courtney of the proposed rulemaking.

In total, the Department received seven comments; all comments supported the proposed rule. Comments received are in Appendix C.

RECOMMENDATION

The Department recommends the Land Board adopt the proposed rule, OAR 141-088-0240, to prohibit public use of state-owned property between 10 p.m. and 5 a.m., the establishment of a campsite at any time, and fires at any time on approximately 500 yards of the bank of the Columbia River along the north side of Hayden Island between the Interstate 5 bridge and a wing dam to the west. If adopted, the proposed rule will go into effect on November 1, 2022.

APPENDICES

- A. Final Rules
- B. Notice of Proposed Rulemaking including the Statement of Need, Fiscal Impact Statement, Racial Equity Statement and Draft Rules
- C. Public Comments
- D. Map of the Proposed Closure Area

Department of State Lands, Chapter 141, Division 088

RULES GOVERNING THE ESTABLISHMENT OF RESTRICTIONS ON THE PUBLIC RECREATIONAL USE OF STATE-OWNED LAND

RULE TITLE

Restrictions for State-Owned Property on Hayden Island in Multnomah County (Columbia River)

RULE SUMMARY

Restricts public use of the bank of the Columbia River along the north side of Hayden Island, between river mile 106 and 107. This rule will be temporary until the noticing process for permanent rules occurs.

RULE TEXT

All state-owned submersible land that is under the jurisdiction of the Department between the line of ordinary high water and the line of ordinary low water on the north side of Hayden Island between River Mile 106 and River Mile 107 of the Columbia River, west of the Oregon and Washington I-5 Bridge and east of a wing dam, located in Section 34, Township 2 North, Range 1 East, Willamette meridian, in Multnomah County, Oregon is closed to:

- (1) All uses between 10 p.m. and 5 a.m.;
- (2) The establishment of a campsite at any time. For purposes of this section, “campsite” means any place where any bedding, sleeping bag or other material used for bedding purposes, or where any stove is placed, established or maintained for the purpose of maintaining a temporary place to live, whether such a place incorporates the use of any tent, lean-to, shack or any other structure; and
- (3) Fires at any time.
- (4) Excepted from this restriction are Government personnel on official business, public and private employees performing company business, vehicles and persons involved in rescue or emergency activities, and Department authorized persons and adjacent landowners inspecting or maintaining property. This exception does not allow the entities identified or their representatives to establish a campsite on the lands in question.

STATUTORY/OTHER AUTHORITY: ORS 183, ORS 273, ORS 274

STATUTES/OTHER IMPLEMENTED: ORS 273, ORS 274

OFFICE OF THE SECRETARY OF STATE

SHEMIA FAGAN
SECRETARY OF STATECHERYL MYERS
DEPUTY SECRETARY OF STATE

ARCHIVES DIVISION

STEPHANIE CLARK
DIRECTOR800 SUMMER STREET NE
SALEM, OR 97310
503-373-0701**NOTICE OF PROPOSED RULEMAKING**
INCLUDING STATEMENT OF NEED & FISCAL IMPACTCHAPTER 141
DEPARTMENT OF STATE LANDS**FILED**07/27/2022 9:26 AM
ARCHIVES DIVISION
SECRETARY OF STATE

FILING CAPTION: Restrictions for State-Owned Property on Hayden Island in Multnomah County (Columbia River)

LAST DAY AND TIME TO OFFER COMMENT TO AGENCY: 08/31/2022 5:00 PM

*The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.*CONTACT: Danielle Boudreaux
503-798-6846
danielle.boudreaux@dsl.oregon.gov775 Summer St NE
Suite 100
Salem, OR 97301Filed By:
Danielle Boudreaux
Rules Coordinator

HEARING(S)

Auxiliary aids for persons with disabilities are available upon advance request. Notify the contact listed above.

DATE: 08/15/2022

TIME: 5:30 PM - 7:00 PM

OFFICER: Blake Helm

ADDRESS: Department of State Lands

775 Summer St. NE

Suite 100

Salem, OR 97301

SPECIAL INSTRUCTIONS:

The public hearing will be held virtually via Zoom. Meeting links and call-in information are on the DSL website under Proposed Rulemaking.

NEED FOR THE RULE(S)

On May 9, 2022, the Department of State Lands Director enacted emergency restrictions of public use for a roughly 500-yard segment of the Columbia riverbank along the north side of Hayden Island that is only accessible by water or private uplands. The Department has received numerous reports from local law enforcement, emergency services, and the Portland Harbor Master of activities associated with unauthorized camps that are seriously impacting the safety and health of the riverbank and river, as well as the nearby community. Activities of concern include threats of violence, unauthorized and uncontrolled fires, multiple shopping carts, abandoned vehicles, and numerous items of trash.

A temporary administrative order was filed with the Secretary of State's office on May 13, 2022. The restrictions are in effect until November 9, 2022.

Revisions to OAR 141-088 are needed to address illegal and nuisance activity on state-owned land. These activities include but are not limited to offensive littering and dumping; reckless burning and open fires; damage to riparian vegetation and wildlife habitat; interference with property; and damage to property.

DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE

ORS 273 and 274 are available on the Oregon Legislature's website:

https://www.oregonlegislature.gov/bills_laws/pages/ors.aspx

OAR 141-088 is available on the Secretary of State's website.

STATEMENT IDENTIFYING HOW ADOPTION OF RULE(S) WILL AFFECT RACIAL EQUITY IN THIS STATE

The Oregon Department of State Lands is committed to the fair, just, and unbiased treatment of people of all races. Actively identifying and addressing inequities to ensure inclusive public service is one of the Department's five core values.

Evaluating who a proposed administrative rule will impact, and how the rule may impact some groups of people differently than others, is essential to providing equitable service. During the Restrictions for State-Owned Property on Hayden Island in Multnomah County (Columbia River) rulemaking process, the Department and the Rulemaking Advisory Committee examined the following to ultimately determine the impacts the rule may have on racial equity:

- What persons and groups are subject to the rule? RAC discussion identified a number of groups affected by the rule, they include, small businesses, recreational users, guides and outfitters, law enforcement and other municipal agencies and the houseless community generally.
- What issues is the rule seeking to address? Which racial groups are likely to be affected by those issues? The rule seeks to address nuisance issues on state-owned property. City wide, houseless communities are disproportionately comprised of BIPOC. However, anecdotal evidence was presented that communities around the Hayden Island closure were majority white.
- Ultimately, what impacts does this rule have on racial equity? The Department has determined, in agreement with the RAC and through careful consideration and evaluation, that this rule is unlikely to impact racial equity in Oregon.

FISCAL AND ECONOMIC IMPACT:

The Department does not anticipate this rulemaking to pose significant fiscal and economic impact to public or private interests. The proposed rule seeks to address illegal and nuisance activities on state-owned land. There are no developed or authorized uses at these locations. The proposed rule language takes into consideration and makes exceptions for "Government personnel on official business, public and private employees performing company business, vehicles and persons involved in rescue or emergency activities, and Department authorized persons and adjacent landowners inspecting or maintaining property." The draft rule language is consistent with existing recreational restrictions in OAR 141-088, will protect state-owned lands from damage, and will assist in the posting of occupied encampments for removal. The permanent use restrictions are one element of a long-term solution for ensuring healthy, safe waterways.

COST OF COMPLIANCE:

(1) Identify any state agencies, units of local government, and members of the public likely to be economically affected by the rule(s). (2) Effect on Small Businesses: (a) Estimate the number and type of small businesses subject to the rule(s); (b) Describe the expected reporting, recordkeeping and administrative activities and cost required to comply with the rule(s); (c) Estimate the cost of professional services, equipment supplies, labor and increased administration required to comply with the rule(s).

The Department does not believe that the proposed changes to this rule, if adopted, will have any substantial economic impact on the public, or state or local government agencies. Possible economic impacts include, but are not limited to:

- (1) Increased costs to the Department for the manufacture and placement of signs, and the publication of public notices describing the restrictions on, or closure to, public recreational use;
- (2) Increased costs to state and local law enforcement, as any restriction or closure is another activity that state and

local law enforcement must monitor. State and local law enforcement were informed of the restrictions and are in support of the proposed rule.

Only small businesses that use state-owned land for recreational purposes may be impacted by any restrictions or closures imposed on recreational use—and only if such restrictions or a closure were imposed on a site, parcel, or area of state-owned land which a small business currently uses or may want to use in the future. It is not feasible to estimate the number of such small business, however, it is unlikely that there will be any significant cost for small businesses to comply with the proposed rule.

The Department does not believe that the proposed rule, if adopted, will result in increased costs for reporting, recordkeeping, and other administrative activities conducted by small businesses.

The Department does not believe that the proposed rule, if adopted, will result in increased costs for equipment, supplies, labor, or administration.

DESCRIBE HOW SMALL BUSINESSES WERE INVOLVED IN THE DEVELOPMENT OF THESE RULE(S):

At the time that the proposed rule is made available to the public for review and comment, notice of their availability will be sent to persons on the Department's mailing list, many of whom are associated with or represent small businesses. In addition, the Department engaged the Waterfront Organizations of Oregon (WOOO) to participate in the RAC and rulemaking process. Their participation allowed small business owners to directly engage the Department and provide feedback on policy concepts.

WAS AN ADMINISTRATIVE RULE ADVISORY COMMITTEE CONSULTED? YES

ADOPT: 141-088-0240

RULE SUMMARY: Restricts public use of the bank of the Columbia River along the north side of Hayden Island, between river mile 106 and 107.

CHANGES TO RULE:

141-088-0240

Restrictions for State-Owned Property on Hayden Island in Multnomah County (Columbia River)

All state-owned submersible land that is under the jurisdiction of the Department between the line of ordinary high water and the line of ordinary low water on the north side of Hayden Island between River Mile 106 and River Mile 107 of the Columbia River, west of the Oregon and Washington I-5 Bridge and east of a wing dam, located in Section 34, Township 2 North, Range 1 East, Willamette meridian, in Multnomah County, Oregon is closed to:

(1) All uses between 10 p.m. and 5 a.m.;

(2) The establishment of a campsite at any time. For purposes of this section, "campsite" means any place where any bedding, sleeping bag or other material used for bedding purposes, or where any stove is placed, established or maintained for the purpose of maintaining a temporary place to live, whether such a place incorporates the use of any tent, lean-to, shack or any other structure; and

(3) Fires at any time.

(4) Excepted from this restriction are Government personnel on official business, public and private employees performing company business, vehicles and persons involved in rescue or emergency activities, and Department authorized persons and adjacent landowners inspecting or maintaining property. This exception does not allow the entities identified or their representatives to establish a campsite on the lands in question

Statutory/Other Authority: ORS 183, ORS 273, ORS 274

Statutes/Other Implemented: ORS 273, ORS 274

OAR 141-088-0240 Rulemaking Public Comments**Comments Received via Email**

Please note that comments are presented in the order they were received by the Department, with most recent comments listed first.

Robert Moore – August 17, 2022

Great idea, absolutely should be permanent. Then properly enforce it.

Steve Castellano – August 16, 2022

While I am excited to hear someone is finally looking into this horrid stretch of land and concerned with camping and camp fires, PERHAPS someone should consider removing the two sunk vessels on the bottom of the river. If we are so concerned with environmental impacts of camping, why is no one sounding the alarm over the two large vessels leaking God knows what into the river? How about we deal with that first which probably has a much larger impact on the environment than some campers.

Richard Kappler – August 16, 2022

Please put a permanent ban on illegal activity on Hayden Island in north Portland, Oregon on the 500-yard stretch of riverbank along the Columbia River just west of the I-5 bridge, between river mile 106 and 107. I still don't understand why even more of Hayden Island to the west of river mile 107 doesn't also have a proposed permanent ban on illegal activity. Portland is becoming a lawless city and the bans on illegal activity on riverbanks need to be enforced on all public waterways in Oregon.

The trash in North Portland also affects Amtrak's Cascades, Empire Builder, and Coast Starlight trains because of the massive amount of trash in the area where those trains travel through north Portland. It is a stain.

Portland city council's lack of action to ban camping in public parks and on paper street trails are things that are not helping the obesity epidemic.

Chris Rogers – August 15, 2022

I write to voice my support in favor of the Department of State Lands proposed rule OAR 141-088. The past two years have seen an alarming, negative trend of homeless encampments and associated crime on Hayden Island as has been the case across the Portland Metro area at large. Homeless encampments rife with stolen property and trash have made the I-5 underpass of N Jantzen St and sections of N Hayden Island Drive unsafe for pedestrians and island

residents. To help discourage further growth of such encampments with associated crime and property value degradation to Hayden businesses and homeowners, I welcome this proposed rulemaking.

Deborah Crohn – August 3, 2022

I am 100% in favor of this

Judy Goehler, Resident – August 2, 2022

As a long time resident of Hayden Island, please proceed with the proposed OAR 141-088-0240) to restrict public use of approximately 500 yards of riverbank along the Columbia River on the north side of Hayden Island.

Comments Received via Comment Form

Please note that comments are presented in the order they were received by the Department, with most recent comments listed first.

Stephen Vanier, Resident – August 2, 2022

I support this proposed [sic] rule. Frequent verbal intimidation by these people that live in this homeless camp, aggressive panhandling, and frequent vandalism of our cars and our homes have occurred. The mess and littering of trash, junk cars and such all come from this homeless camp on the west side of I-5 on the north side of Hayden Island. Please pass this rule as I need some peace and security in my retirement years. I live at 79 N Hayden Bay Drive, and our condo complex has had numerous visits by the criminal element, most of them coming from the homeless camp I describe herein. I support this proposed rule to permanently ban overnight camping, campfires and such from this area. Thank you for your consideration.



APPENDIX A

N. Hayden Island Closure

Columbia River; River Mile 106-107

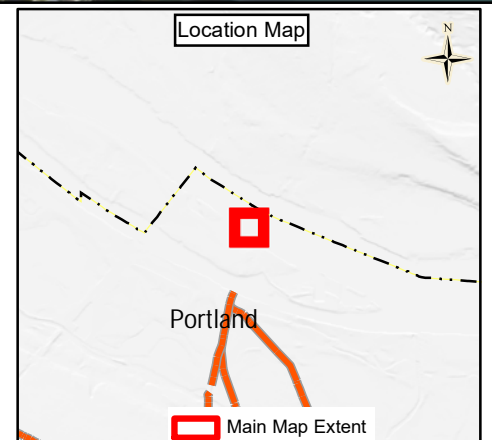
The area between the I-5 Oregon/Washington Bridge and Wing Dam along the north bank of Hayden Island

This map depicts the approximate location and extent of a Department of State Lands Proprietary authorization for use. This product is for informational purposes only 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.

0 100 200
Feet



Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet
State of Oregon
Department of State Lands
775 Summer St NE, Suite 100
Salem, OR 97301
503-986-5200
www.oregon.gov/DSL
Date: 4/11/2022



October 11, 2022

Common School Fund Annual Review

John Hershey
Director of Investments



OREGON
STATE
TREASURY

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Common School Fund Objectives

To generate returns to support the Department of Education for current and future generations

Common School Fund Investment Policy - The Oregon Investment Council ("OIC") formulates policies for the investment and reinvestment of funds under the control and administration of the Department of State Lands ("DSL"), known as the Common School Fund (the "Fund"). This policy provides guidance to Oregon State Treasury ("OST") staff and advisors regarding approved asset classes, asset allocation, and reporting requirements for the Fund.

The investment objective for the Fund is to maximize risk-adjusted return, while remaining consistent with Fund goals as established by DSL's board (the "State Land Board"). The OIC has approved the following asset classes to meet the Fund's investment objective: 1) Global Equity; 2) Private Equity; 3) Fixed Income; 4) Real Estate; 5) Alternatives; and 6) Cash (each as defined in the policy). The policy will outline the strategic role of each asset class and provide further guidance to OST staff on the investment program.

Common School Fund Distribution Policy Objective – The Common School Fund distributes 3.5% of the average three trailing years NAV to the Department of State Lands which in turn distributes those funds to the Department of Education to support the State's K-12 education programs. In addition, with the passage of SB 1566, certain funds (subject to a formula) are distributed to the State to pay down some of the unfunded PERS liability.

Common School Fund **PRIOR** Asset Allocation

Global equities overweight as Alternatives portfolio gets built out towards its target allocation

Asset Class	Benchmark	Market Value	Current Allocation	Target Allocation	Active Weight	Approved Range
Global Equity	MSCI ACWI IMI (Net)	\$994.9mm	47.3%	45%	2.3%	40% - 50%
Private Equity	Russell 3000 + 300 bps	\$208.9mm	9.9%	10%	-0.1%	8% - 12%
Fixed Income	Bloomberg US Aggregate Bond Index	\$549.8mm	26.1%	25%	1.1%	20% - 30%
Real Estate	NCREIF ODCE QTR Lag (Net)	\$202.5mm	9.6%	10%	-0.4%	0% - 12%
Alternatives	CPI + 4%	\$127.0mm	6.0%	10%	-4.0%	0% - 12%
Cash	N/A	\$21.2mm	1.0%	0%	1.0%	0% - 3%
Total Fund	Policy Benchmark	\$2.1b	100%	100%		

	Target Allocation
10-Year Expected Return	6.6%
10 Expected Standard Deviation	11.2%



Common School Fund **NEW** Asset Allocation

In order to increase expected returns, Oregon Investment Council voted in July 2022 to move to a new Asset Allocation with increased Private Equity and decreased Fixed Income allocations

Asset Class	Benchmark	Market Value	Current Allocation	New Target Allocation	Active Weight	Approved Range
Global Equity	MSCI ACWI IMI (Net)	\$994.9mm	47.3%	45%	2.3%	40% - 50%
Private Equity	Russell 3000 + 300 bps	\$208.9mm	9.9%	15%	-5.1%	10% - 20%
Fixed Income	Bloomberg US Aggregate Bond Index	\$549.8mm	26.1%	20%	6.1%	15% - 25%
Real Estate	NCREIF ODCE QTR Lag (Net)	\$202.5mm	9.6%	10%	-0.4%	5% - 15%
Real Assets	CPI + 4%	\$28.7mm	1.4%	5%	-3.6%	0% - 10%
Diversifying Strategies	HFRI FOF CI	\$98.3mm	4.7%	5%	-0.3%	0% - 10%
Cash	N/A	\$21.2mm	1.0%	0%	1.0%	0% - 3%
Total Fund	Policy Benchmark	\$2.1b		100%		
						Target Allocation
10-Year Expected Return (Geometric Mean)						7.1%
10-Year Expected Standard Deviation						12.5%



Common School Fund Performance

Investment performance for fiscal year 2022 has been down largely due to declines in the stock and bond markets. Relative returns to the benchmark have been positive driven by strong alternative asset returns

- For the year ended June 30, 2022, the Common School Fund (Total Fund) returned -4.6%, yet outperformed its policy benchmark by 2.5%
- Total Fund is still essentially flat to its policy benchmark over longer, trailing time periods
- Traditional assets, such as equities and fixed income were sharply negative, whereas all alternative asset classes such as private equity, real estate, and alternatives generated positive, absolute returns

	Market Value	1 Year	3 Years	5 Years	10 Years
Total Fund	\$2.1B	-4.6%	6.4%	6.4%	8.0%
Policy Benchmark		-7.1%	6.0%	6.7%	7.8%
Excess Return		2.5%	0.4%	-0.3%	0.2%



Global Equity Performance

In a sharp contrast to last year, equities were down significantly though the portfolio's relative performance was strong. Long standing tilts to value and size contributed to that strong relative performance

- For the year ended June 30, 2022, the Global Equity portfolio greatly outperformed its benchmark and is outperforming over longer time periods
- Global equities ended 2021 on a strong note before selling off aggressively through the first half of 2022, as central banks (The U.S. Federal Reserve included) employed monetary tightening measures to fight historically high levels of inflation and global recession fears spiked
- Over the last year, large cap value-oriented stocks based in the U.S. outperformed their smaller cap and growth counterparts across the globe
- Within the Global Equity portfolio, relative performance can be attributed to Value and Quality (Profitability) factors

	Market Value	1 Year	3 Years	5 Years	10 Years
Global Equity	\$994.9mm	-12.9%	7.6%	7.3%	9.6%
MSCI ACWI IMI (Net)		-16.5%	6.0%	6.7%	8.7%
Excess Return		3.6%	1.6%	0.6%	0.9%



Fixed Income Performance

Negative performance for bonds as inflation data has forced the Fed to repeatedly raise rates

- Despite recent performance headwinds, the Fixed Income portfolio continues to perform in-line with or ahead of its benchmark over the long-term
- The Federal Reserve accelerated fed funds rate hikes to rein in inflation, which worsened with Russia's invasion of Ukraine, which exacerbated on-going supply chain challenges. Year-over-year inflation rose to 9.1% in the Bureau of Labor Statistics' June 2022 CPI release
- Over the last year, the 10-year treasury yield increased from 1.47% to 3.01% and BBB credit spreads widened from 1.04% to 2.13%. As a result of the rapid rise in interest rates and widening spreads, the Fixed Income portfolio generated a negative return for the year, concentrated in the first half of 2022

	Market Value	1 Year	3 Years	5 Years	10 Years
Fixed Income	\$549.8mm	-12.0%	-0.9%	1.0%	2.2%
Bloomberg US Agg Bond Index		-10.3%	-0.9%	0.9%	1.7%
Excess Return		-1.7%	0.0%	0.1%	0.5%



Private Equity Performance

Strong performance driven by portfolio company operating performance and lagged mark up in valuations. Relative performance was also very strong

- For the year ended June 30, 2022, the Private Equity portfolio outperformed its benchmark by 12.7% but is underperforming over the ten-year time period by 140bps
- The Portfolio gain was predominantly driven by an uplift in the JP Morgan Venture Fund of Funds (FoFs) (PEG Venture Capital Institutional Investors V and IV), up (c.) 30% and (c.) 13%, respectively
- Over the year, there were \$55.8 million of distributions, \$12.9 million of which was derived from the JP Morgan Venture FoFs and \$10.4 million from Francisco Partners IV, with the largest single contributor being KKR North America Fund XI at nearly \$12.7 million
- Additionally, there were \$8 million of contributions, which was driven by \$4 million from Blackstone Capital Partners VIII, \$2 million from CVC Partners VIII, and \$1.5 million from Vista Equity Partners VII
- Over the trailing 1-year period, portfolio gains were driven by Apollo VII (47%), PEG FoF V (31%), and four other funds in excess of 20% (KKR North America XI, Oaktree IX & X, and Vista Equity Partners VII

	Market Value	1 Year	3 Years	5 Years	10 Years
Private Equity	\$208.9mm	28.0%	23.2%	18.8%	16.3%
Russell 3000 + 300 bps Qtr Lag		15.3%	21.7%	18.8%	17.7%
Excess Return		12.7%	1.4%	0.0%	-1.4%



Real Estate Performance

As the new portfolio allocation builds out, most implementation focus has been on a diversified portfolio of low risk/low return “core” real estate across all main property types (office, logistics, retail, and multi-family), augmented by select non-core strategies

- The Real Estate portfolio is currently comprised of two core Real Estate funds (Morgan Stanley Prime and RREEF America II) at roughly an equal weight (43% each) and one core-plus Real Estate fund (Walton Street) at just under 15%
- The Real Estate portfolio committed to three non-core strategies in 2022: Abacus Multifamily Partners (value-add multifamily), Blackstone Real Estate Partners X (diversified opportunistic) and Harrison Street Real Estate Partners Fund IX (niche opportunistic). Those capital commitments are expected to be called beginning in Q4 2022 and continuing through 2024, and will comprise approximately 13% of the total real estate portfolio based upon current NAV. No additional commitments are anticipated in 2022.
- The Portfolio has performed in-line with expectations, outperforming its benchmark over short- and medium-term time periods, led by RREEF America II with a net total return of 29.01% over the trailing one-year period.

	Market Value	1 Year	3 Years	5 Years	10 Years
Real Estate	\$202.5mm	28.4%	11.8%	N/A	N/A
NCREIF ODCE QTR Lag (Net)		27.3%	10.3%	N/A	N/A
Excess Return		1.1%	1.5%	N/A	N/A



Alternatives Performance

Strongest one year performance in the Alternatives Portfolio's CSF history. Medium term performance still struggling due largely to Value exposure in the Diversifying Strategies sleeve. Bifurcation of the asset class approved by the OIC in July 2022

- The Alternatives portfolio is still early in its lifecycle, with initial funding in 2018
- The Portfolio is currently comprised of 4 managers – 2 Diversifying Strategies (50% BlackRock Style Advantage and 50% Bridgewater Optimal, which make up the majority (86%) of the portfolio), and 2 Real Assets strategies (50% Brookfield Infrastructure IV and 50% Stonepeak Infrastructure IV)
- For the year ended June 30, 2022, the Alternatives Portfolio outperformed its benchmark by 0.6%, while underperforming over the three-year time period
- Although differentiated from global equity factors via investments in event-driven and managed futures, medium –term underperformance within the Alternatives portfolio can be attributed to pronounced long/short Value exposures (i.e. long Value and short Growth)

	Market Value	1 Year	3 Years	5 Years	10 Years
Alternatives	\$127.0mm	14.0%	-0.1%	N/A	N/A
CPI + 4%		13.4%	9.2%	N/A	N/A
Excess Return		0.6%	-9.3%	N/A	N/A

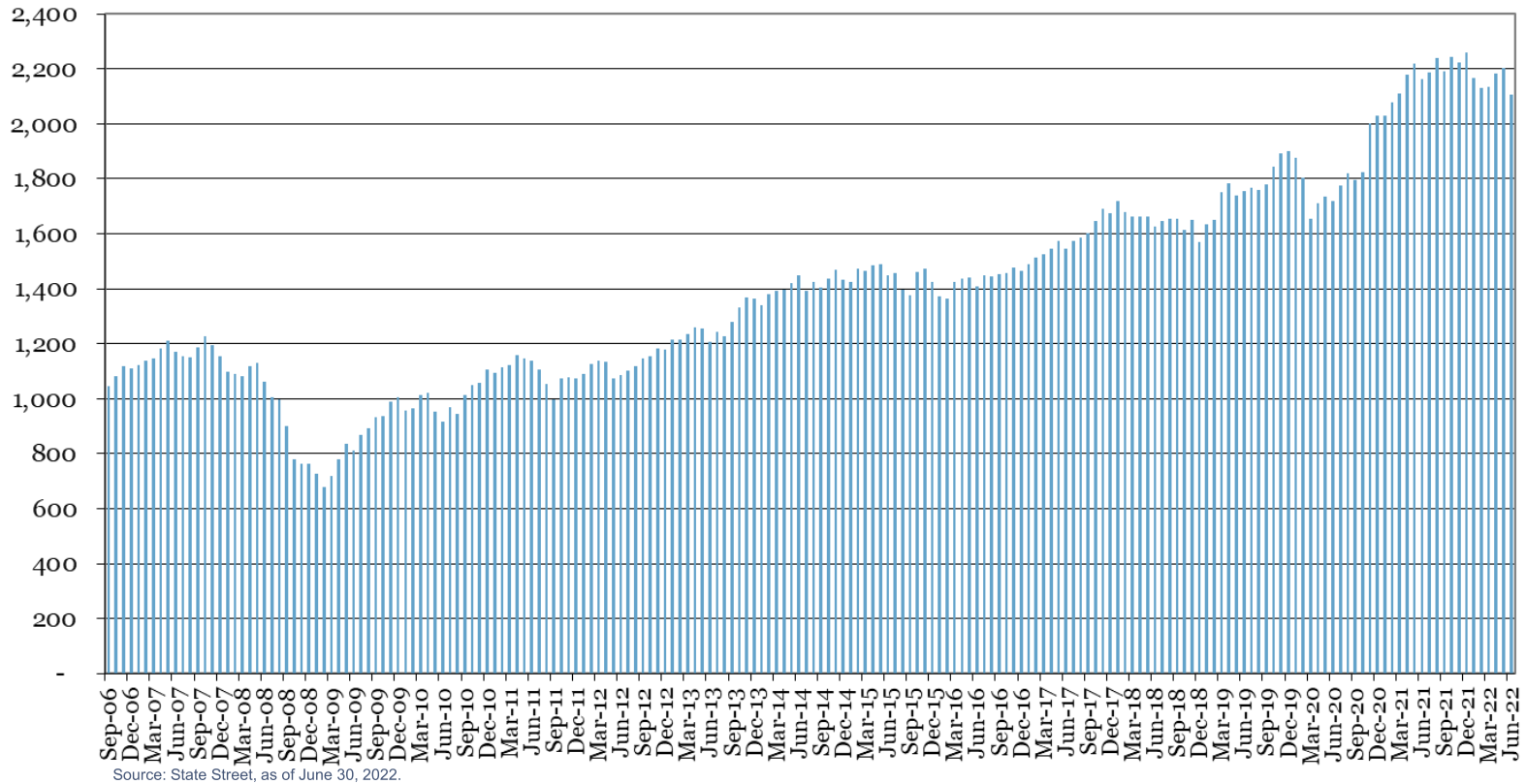


Strategic Priorities 2022

A number of Priorities (Asset Allocation Study, Bifurcation of the Alternatives Portfolio, and new Investment Policy Statement) for 2022 have been completed

- Developed CSF Policy Updates with consultant Aon; presented to the OIC in April 2022 and final draft (approved by) the OIC in September
- Presented Asset Allocation study to and received approval by the OIC in July 2022:
 - Treasury Staff and Aon recommended increasing the allocation to Private Equity from 10% to 15%, simultaneously decreasing Fixed Income from 25% to 20%, and shifting 5% from Core Real Estate to Non-Core Real Estate
 - The resulting expected portfolio return over the next ten years is 7.1%, in-line with the required return
- The OIC also approved splitting the Alternatives Portfolio into two portfolios – the Real Assets Portfolio and the Diversifying Strategies Portfolio, which will allow for better monitoring and performance analysis
- Working with the Private Markets teams to maintain and increase pace of new commitments to achieve allocation targets
 - Private Equity, Real Estate, and Diversifying Strategies are furthest along and close to target. Real Estate will increase its allocation to Non-Core strategies over time
 - The Alternatives Portfolio team is working to increase its commitment pace to the Real Assets Portfolio
- Working with asset class teams to review portfolio construction and investment manager composition

Total Fund NAV June 2022 (\$ Millions)



Team

John Hershey

Director of Investments

Tenure: 2008

As the Director of Investments, John works with the Chief Investment Officer to help manage over \$100 billion of assets across multiple funds managed by the Oregon State Treasury, including OPERF and the Common School Endowment, amongst others.

- ❖ A member of the Investment Division's senior leadership team which is responsible for setting the overall strategic direction for the Investment Division including the implementation of the various investment portfolios managed by the Oregon State Treasury;
- ❖ Responsible for managing the \$2.2 billion Common School Endowment, with a particular emphasis on the Fund's alternative investments;
- ❖ Until recently becoming the Director of Investments, was the Director of Alternative Investments with overall responsibility for the \$30 billion Alternatives Program inclusive of the Private Equity, Real Estate, Alternatives, and Opportunity Portfolios, which combined represents approximately, 45% of the OPERF portfolio. Duties included Chairing the ATL, an internal investment committee for the Alternatives Program. Continues to serve on the investment committee and attend all private market Committee Meetings (Private Equity, Real Estate, Alternatives, and Opportunity);
- ❖ Currently Vice Chair of the Institutional Limited Partners Association (ILPA), a 5,000 person plus trade association representing institutional investors managing in excess of \$2 trillion in private assets under management.

Education: BA University of California, Davis; MBA University of Chicago



Wil Hiles

Investment Officer

Tenure: 2016

As Investment Officer, Wil supports the Public Equity team's day-to-day activities surrounding OPERF by serving as a key contact for internal groups, external investment managers, the custodian bank, and other third-party providers. Wil also assists in Co-Manages the Oregon Common School Fund and assists in overseeing the Oregon Savings Growth Plan.

- ❖ Monitors and evaluates current and prospective investment managers;
- ❖ Evaluates portfolio structure and makes recommendations to improve risk-adjusted returns;
- ❖ Coordinates new account fundings, terminations, portfolio transitions, and cash raise activity;
- ❖ Conducts market research and analysis;
- ❖ Serves as internal equity portfolio manager and trader.

Education: BA in Finance from Linfield College; Master of Science in Finance (MSF) from Pacific University



Louise Howard

Senior Investment Officer

Tenure: 2022

As Senior Investment Officer, Louise leads the Public Equity team on the oversight of the OPERF public equity portfolio, the Common School Endowment, and the Oregon Savings Growth Plan. As SIO, Louise

- ❖ Leads the oversight of the \$25 billion OPERF public equity program comprised of a mix of 34 internal and external investment strategies;
- ❖ Directs the management of five internally managed portfolios totaling approximately \$9.6 billion;
- ❖ Leads the monitoring and evaluation efforts for the external and prospective investment managers;
- ❖ Evaluates portfolio structure and makes recommendations to improve risk-adjusted returns;
- ❖ Responsible for managing and coordinating the liquidity needs of OPERF by liquidating public equity assets for pension payments and private market capital calls;
- ❖ Participates in private market Committee Meetings (Real Estate, Private Equity, Alternative, and Opportunistic).

Education & Certifications: BA University of New Orleans, MBA University of New Orleans, CFA Charterholder, CAIA Charterholder





OREGON STATE TREASURY

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Oregon State Treasurer

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**OREGON
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Tobias Read
Oregon State Treasurer

Michael Kaplan
Deputy State Treasurer

Memorandum

TO Oregon State Land Board
FROM Claudia Ciobanu, Trust Property Director, Oregon State Treasury
RE Trust Property Transition Update
DATE October 11, 2022

Trust Property Transition Summary

Following legislative action from the 2019 session, the Trust Property Division moved from the Department of State Lands (DSL) to Oregon State Treasury (OST) on July 1, 2021. Program staff of 17 full-time equivalents, a corresponding budget of \$81 million, the unclaimed property website and underlying system, phone numbers and support functions were all successfully transitioned at that time. The customer experience was seamless, and the down time was less than 6 hours. The division operated in the State Lands building until March 16, 2022 and moved to the OST location on March 21, 2022. The move of staff, equipment, safety deposit vaults and estate assets was completed swiftly and successfully.

Program Changes and Accomplishments

Unclaimed Property Claims

On July 1, 2021, the program had nearly 16,000 outstanding claims, and the approval timeframe hovered around 13 months. Oregon law sets the response time at 120 days, or about 4 months. The program received one additional FTE for claims processing and was fully staffed by fall 2021. The additional resource and some processes changes instituted at OST significantly improved performance. As of September 1, 2022, the program had fewer than 7,600 outstanding claims, and processing time is down to 8 months. Since the transition date, the program processed more than 31,609 claims, for a total of \$45.1 million returned to owners.

Unclaimed Property Reporting

OST successfully completed its first holder reporting season and brought in a record \$93.1 million in unclaimed property and 948 abandoned safety deposit boxes. The program processed another \$2.7 million in unclaimed property outside the holder reporting season and held two unclaimed property safety deposit box auctions totaling \$162,000 in proceeds. The program received and hired one additional FTE and is in the process of hiring a compliance and holder reporting manager and an auditor.

Estates Administration

The Estates Administration program transferred all active estates from DSL to OST and continued administration duties. In addition, the program processed 1,264 reports since July 1, 2021, opened 109 new files, 50 of which required liquidation or extensive financial activity, and reunited heirs with more than \$2.3 million. The team received one additional FTE for field work. This position allowed the team to keep up with the increased caseload and respond to field requests more timely.

Contributions to the Common School Fund

OST transferred \$64.2 million of unclaimed property funds to the Common School Fund on July 1st, 2022, and \$351,096 in escheated estates.



OREGON DEPARTMENT OF STATE LANDS



AQUATIC RESOURCE MANAGEMENT PROGRAM ANNUAL REPORT

FISCAL YEAR 2022

July 1, 2021 to June 30, 2022



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INTRODUCTION

Established by the Oregon Constitution in 1859, the State Land Board oversees the Common School Fund, which sends tens of millions every year to Oregon's K-12 public schools. The Land Board has been composed of the Governor, Secretary of State and State Treasurer throughout its history.

The Oregon Department of State Lands (Department) is the Land Board's administrative agency, carrying out the day-to-day work of managing Common School Fund lands and resources, and protecting wetlands and waters.

The Department's Aquatic Resources Management Program:

- **Manages the publicly owned waters given to Oregon at statehood.** These waters include the submerged and submersible lands within the bed and banks of 12 Oregon rivers – all or segments of the John Day, Chetco, Columbia, Coos, Coquille, Klamath, McKenzie, Rogue, Sandy, Snake, Umpqua, and Willamette Rivers – as well as many Oregon lakes. Submerged and submersible lands also include tidally influenced bays and estuaries along the Pacific Ocean, and the Territorial Sea (waters and seabed to three miles offshore the Pacific coastline). The Department oversees use of these publicly owned submerged and submersible land, managing applications and authorizations for waterway leases, easements, boat docks and boat house registrations, public facility licenses, sand and gravel operations, and special uses.
- **Protects the state's waterways and wetlands through administration of Oregon's Removal-Fill Law.** The Removal-Fill Law was enacted in 1967 to conserve, restore and protect water resources for their contribution to aquatic life and habitats, fisheries, aquatic-based economies, tourism, public recreation, navigation, water quality, floodwater storage, and other natural resource functions.

This report provides information regarding management of Oregon's publicly owned waterways and fulfills the annual report requirement in the state's Removal-Fill Law (Oregon Revised Statutes (ORS) 196.885). This report covers Fiscal Year (FY) 2022: July 1, 2021, through June 30, 2022.

SECTION 1: STATE WATERWAYS

OREGON'S PUBLICLY OWNED WATERWAYS

Upon becoming a state, the State of Oregon acquired ownership of all submerged and submersible land underlying title-navigable waterways, waterways affected by tidal action, and the Territorial Sea (waters and seabed extending three geographical miles seaward from the Pacific coastline). Oregon also owns the submerged and submersible land underlying meandered lakes within its borders.

Since Statehood, other water bodies have been determined to be title-navigable, and therefore publicly owned, through legislative, judicial, or administrative proceedings. These waters include rivers, lakes, and tidally influenced waters. For further information, including lists of rivers and lakes that have been determined title-navigable, please visit the Department's [Waterways](#) web page.

Uses of Publicly Owned Waterways

The people of Oregon own the state's submerged and submersible land; the State Land Board holds these lands in trust and the Department is responsible for management of these publicly owned lands. The public has rights to use the beds and banks of Oregon-owned waterways for boating, fishing, swimming, and any other legal activity.

The following uses of publicly owned submerged and submersible lands typically require an authorization from the Department:

- Houseboats
- Boat ramps
- Docks, floats and wharfs
- Marinas and moorages
- Marine industrial facilities
- Bridges
- Utilities and pipeline crossings
- Sand and gravel operations
- Remedial cleanups
- Non-water dependent commercial uses (restaurants, for example)
- Pilings, mooring buoys, voluntary habitat restoration, revetments, attenuations, retaining walls, rip rap, and tide-gates

Authorization types include leases, licenses, easements, registrations, and access agreements. Common authorizations and associated uses include:

- **Lease:** All commercial, marine industrial and marine service structures and any recreational structures larger than 2,500 square feet. Uses are longer term and can be either water or non-water dependent (over-water restaurants, hotels or other commercial structures).
- **Public Facilities License:** Publicly owned structures and uses such as boat ramps, docks, fishing and swimming platforms, viewing structures, and navigation aids.

- **Registrations:** Non-commercial uses and smaller structures such as boat docks, float or small boat houses (under 2,500 square feet), or floating recreational cabins (under 1,500 square feet), pilings, erosion control structures and voluntary habitat restorations.
- **Easements:** Required for long-term or permanent structures and uses on publicly owned land. Types of uses include bridges and utility line crossings, erosion control structures and dredge spoils.
- **Remedial Activity:** All environmental remediation and restoration activities proposed on publicly owned lands require an authorization. This includes access authorizations for individual or regular sampling and leases and easements for long-term environmental dredging or the placement of a sediment cap.
- **Access Agreements:** Available free of charge for limited duration uses, typically for less than one year, that have minimal and temporary impacts on the waterway or others' ability to use it. Uses include, but are not limited to, research and education, sediment sampling, geotechnical and land surveys, right of entry, and spud barge and boom placement. These authorizations are for non-business purposes, and do not cover commercial enterprises.

PUBLICLY OWNED WATERWAY AUTHORIZATIONS

Summary of FY 2022

While state offices were closed during the COVID-19 pandemic, the Department began offering an online option for submitting waterway use applications and payments, while continuing to accept paper applications and payments. Staff have continued to improve documents and processes to enhance customer service and reduce processing times.

Staff worked with the Department of Justice to develop notice documents that the Department will use to respond to applications to use publicly owned waterways. The notice improves customer service by summarizing the Department's decision, outlining the authorities governing the Department's decision and how they were applied to the application, and outlining the appropriate decision appeal process. The Department began issuing notices for applications for waterway easements on non-trust lands and will soon begin using notices for territorial sea easements and leases of publicly owned submerged and submersible lands.

The Department has eight staff to process and manage waterway authorizations across the state. Three staff transitioned to other positions within the Department, resulting in two new staff members and one unfilled position during FY 2022. Each new member was trained over a six-month period to ensure that internal processes were properly understood, applicable rules were being interpreted and implemented correctly and consistently, and all work products adhered to the Department's standards and policies.

FY 2022 Waterway Authorizations

The Department manages close to 5,000 waterway authorizations for a variety of uses,

as defined above, on publicly owned submerged and submersible land (Table 1). Registration of Waterway Structures, Waterway Easements, Waterway Leases and Public Facility Licenses account for more than 95% of all waterway authorizations managed by the Department, in that order. While authorizations occur across the state, 33% are located in the mid-west counties of Benton, Lane, Lincoln and Linn, which have 1,222 registrations.

Table 1. Active Waterway Authorizations by Type

Authorization Type	As of June 30, 2022
Public Facility License	224
Waterway Easement	1,247
Registration of Waterway Structures	2,830
Waterway Lease	504
Sand & Gravel	22
Short Term Access Authorization	73
Special Use License/Permit	12
Special Use Lease	13
Temporary Use Permit	6
Total	4,931

New waterway authorizations are comparable to last fiscal year and mostly in line with the five-year average (Table 2). Decreased numbers for Short Term Access Authorizations and Special Use Licenses are attributed to staff identifying and removing nonrelevant records from the data query (e.g., authorizations on Oregon-owned uplands rather than waterways). The five-year trend in new registrations is due to staff turnover in this position. When there is more stability, as during FY 2019 and FY 2020, staff are diligent in identifying and communicating with owners of existing structures who never applied for nor received an authorization, in addition to registering new structures. There are currently 480 known structures on Oregon-owned waterways that are unregistered.

Table 2. New Waterway Authorizations by Type

Authorization Type	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	5-Year Total	5-Year Average
Public Facility License	2	3	1	1	0	7	1
Waterway Easement	32	20	19	16	15	102	20
Registration of Waterway Structures	13	82	44	15	14	168	33
Waterway Lease	4	6	3	2	4	19	3
Sand & Gravel	1	1	1	2	2	7	1
Short Term Access Authorization*	34	37	38	42	17	168	33
Special Use License/Permit*	0	17	19	13	0	49	9
Special Use Lease	0	0	2	0	0	2	0
Temporary Use Permit	0	0	0	0	0	0	0
Totals	86	166	127	91	52	522	104

**Numbers are not comparable across all years. These types of authorizations are also used for Oregon-owned uplands, but these were not removed from the data prior to FY 2022.*

Table 3 captures trends for renewal of waterway authorizations. Most authorizations have a specific lease term that determines when renewal will be sought, such as 30 years for Waterway Easements, 15 years for Waterway Leases, 15 years for Public Facility Licenses, and 5 years for Registrations. Other authorizations issued by the Department—for example, Special Use Licenses and Sand and Gravel Authorizations—vary in term depending on the authorized use and the length of term requested by the applicant. The Department anticipates flat or reduced renewal authorizations until FY 2029 when the number of leases and public facility licenses requiring renewal increases markedly. Similarly, easement renewals will increase starting in 2030 and continuing until 2040. These periodic peaks in renewals are linked to the Department’s focus in the late 1990s to bring unauthorized uses of publicly owned waterways into compliance under the appropriate lease or easement. Additional staff might be needed to handle the increased workload, which is not expected to consistently return to current levels until FY 2049.

Table 3. Renewed Waterway Authorizations by Type

Authorization Type	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	5-Year Total	5-Year Average
Public Facility License	12	11	2	2	3	30	6
Waterway Easement	5	8	3	2	1	19	3
Registration of Waterway Structures	331	557	776	412	478	2,554	510
Waterway Lease	20	25	15	20	10	90	18
Sand & Gravel	1	2	4	0	2	9	1
Short Term Access Authorization	0	0	0	0	2	2	0
Special Use License/Permit	3	1	3	2	0	9	1
Special Use Lease	1	0	2	0	0	3	0
Temporary Use Permit	0	0	0	0	0	0	0
Totals	373	604	805	438	496	2,716	543

Revenue for FY 2022 is \$4.29 million (Table 4) with Waterway Easements and Waterway Leases continuing to provide the highest amount of revenue. Waterway Lease revenue is in line with previous years and only slightly less than FY 2020. Easement revenue fluctuates depending on the number of easements authorized and their associated land values, as well as the type of fees assessed. Easement revenue increased from last year and is more comparable to FY 2020 revenue.

Revenue from Sand and Gravel Authorizations is primarily from royalty payments based on the volume of material extracted. Revenue from Sand and Gravel Authorizations increased for the third consecutive year and is also closer to FY 2019 revenue.

Revenue for Short Term Access Authorizations is typically minimal, excluding a small peak in FY 2021, as most of these authorizations do not require an application fee and are authorized under the Department’s Special Use rules, OAR 141-125. The exception to this is Short Term Access Authorizations authorized under the Department’s

Remediation and Habitat Restoration rules, OAR 141-145, which require an application fee for restoration activities when they are being conducted due to an Environmental Protection Agency or Oregon Department of Environmental Quality order.

Revenue for Registrations and Special Use Licenses and Leases all decreased in FY 2022, with Special Use Leases more in line with FY 2019 revenue numbers and roughly half of FY 2021 revenue.

Table 4. Gross Waterway Revenue Received by the Department

Authorization Type	FY 2019	FY 2020	FY 2021	FY 2022
Public Facility License	\$7,125	\$4,750	\$2,250	\$3,000
Waterway Easement	\$718,136	\$1,323,103	\$868,134	\$1,285,732
Registration of Waterway Structures	\$204,320	\$235,078	\$170,345	\$120,457
Waterway Lease	\$2,070,827	\$2,747,035	\$2,248,251	\$2,428,370
Sand & Gravel	\$578,205	\$275,608	\$343,756	\$430,964
Short Term Access Authorization	\$1,625	\$2,750	\$11,250	\$2,250
Special Use License/Permit	\$6,080	\$8,194	\$9,790	\$1,500
Special Use Lease	\$23,094	\$45,224	\$51,140	\$26,580
Totals (rounded)	\$3,609,412	\$4,641,742	\$3,704,917	\$4,298,853

Table 5 forecasts waterway authorizations scheduled for renewal in the upcoming year.

Table 5. Future Renewing Waterway Authorizations by Type

Authorization Type	FY 2023
Public Facility License	7
Waterway Easement	7
Registration of Waterway Structures	413
Waterway Lease	30
Sand & Gravel	6
Short Term Access Authorization	14
Special Use License/Permit	3
Special Use Lease	0
Temporary Use Permit	1
Total	481

SUBMERGED LANDS ENHANCEMENT FUND

The Submerged Lands Enhancement Fund (SLEF) makes funds available for community-led projects that enhance, improve, or protect the banks of Oregon-owned

waterways. For the 2021-2023 biennium, the legislature approved \$200,000 for SLEF and the Department solicited projects through a competitive proposal process during FY 2022. SLEF recipients include the City of Umatilla for partial reimbursement for removal of an abandoned and derelict vessel, and the North Clackamas Watershed Council for a waterway enhancement project at the confluence of Boardman Creek. Funds will also be used to remove an abandoned and derelict vessel in the South Slough National Estuary Research Reserve. The Department anticipates continued community interest in SLEF grants and is requesting an additional \$200,000 for the 2023-2025 biennium.

ABANDONED AND DERELICT VESSELS AND LONG-TERM CAMPING

The Department has continued efforts to reduce abandoned and derelict vessels (ADV) and long-term camping on Oregon-owned waterways and lands during FY 2022.

Long-Term Camping

The impacts of long-term camping along or adjacent to publicly owned waterways continue to be significant, including the accumulation of trash, debris, and human waste; the potentially devastating damage that can be caused by fires during the dry season; decrease or loss of public access; and illegal activities occurring at camps.

Enforcement of camping restrictions on public lands remains challenging. Public land is often the last space available to unhoused individuals. Though local enforcement entities have resumed posting and moving camps since COVID restrictions have eased, the Department and other agency partners cannot consistently provide a meaningful path to shelter for residents of these camps. The Department works closely with local community partners, taking a cooperative approach to identify effective solutions and strategies for addressing individual camps. Enforcement of camping restrictions is done in partnership (see *Agreements for Management of Certain State Lands*), particularly removing camps. During FY 2022, with the assistance of behavioral health professionals and law enforcement, the Department posted and cleaned eight camps at a total cost of \$15,000 (this includes \$10,000 covered by an existing agreement with Metro).

Along with the rise in unauthorized camping the Department, partner agencies, and local municipalities continue to see abandoned and/or derelict vessels used as shelter.

Abandoned and Derelict Vessels

Abandoned and derelict vessels are an ongoing threat to waterway health and safety, with hundreds of ADVs statewide. Since 2017, the Common School Fund has expended \$12.9 million removing commercial and recreational vessels from public waterways.

The Department continues to work closely with the Oregon State Marine Board on vessel complaints but has prioritized addressing the hazards posed by large ADVs such as barges, tugboats, and military vessels. For example, the Alert and Sakarissa, both

former military vessels, sank in Portland near the I-5 bridge during FY 2022. The State Land Board in June 2022 directed the Department to treat the Alert, Sakarissa, and Tiffany, another commercial derelict vessel near Rainier, as emergencies and remove them from the waterway as soon as possible. In August 2022, emergency removal of the Tourist No. 2, a former river ferry, from the Columbia River in Astoria was also necessary at an estimated cost of \$1.043 million. The Department successfully removed the Alert and Sakarissa in September 2022; the estimated total project cost was \$4.7 million, with partners covering all but approximately \$500,000. The Department is working to remove the Tiffany by the end of 2022, with an estimated removal cost of \$1.4 million.

Ongoing and Upcoming Efforts

Multiple efforts are underway to address ADVs and long-term camping:

- The State Land Board recently directed the Department to submit a \$40 million policy option package to the Legislature geared toward the removal and prevention of ADVs, which has been done.
- Staff continue coordinating with the Metro Abandoned and Derelict Vessel working group to bring together stakeholders in the geographic area where ADVs and use of vessels for shelter are most prevalent. This is a quarterly meeting open to anyone and provides an opportunity for participating parties to ask relevant questions and be updated by various entities with a role in derelict vessel management.
- Two initiatives in the Department's 2026 Strategic Plan are aimed at increasing coordination with local partners on long-term camping and ADV issues.
- The Department has also extended agreements with Metro Regional Government, Multnomah County Sheriff's Office, and the Oregon Parks and Recreation Department.

RULEMAKING

Rules Governing the Establishment of Restrictions on the Public Recreational Use of State-Owned Land

Rulemaking efforts related to public recreational uses on state-owned land seek to protect against: (1) loss of, or damage to property; (2) loss of, or damage to natural resources and the environment; (3) degradation of water quality; and (4) loss of, or damage to riparian vegetation and wildlife habitat.

On May 9, 2022, the Department enacted emergency restrictions of public use for a roughly 500-yard segment of the Columbia riverbank along the north side of Hayden Island that is only accessible by water or private uplands. The emergency restrictions temporarily closed the area to all uses between 10 p.m. and 5 a.m. and prohibited the establishment of campsites or fires at all times. These emergency restrictions expire on November 9, 2022. With the approval of the State Land Board during the June 11, 2022, Land Board meeting, the Department initiated the permanent rulemaking process

to make the restrictions permanent. A Rules Advisory Committee (RAC) was convened remotely on July 7, 2022, to review and make comments on the proposed rule language and impact statements. After approval from the RAC, a Notice of Proposed Rulemaking was filed with the Secretary of State's office on July 27, 2022. A public hearing regarding the proposed rules was held remotely on August 15, 2022. One media outlet attended, and no comments were provided during the public hearing. In total, the Department received 7 public comments, and all were in support of the proposed rules. The State Land Board will hear the Department's recommendation to adopt the proposed rule and make a final decision during the October 11, 2022, meeting. If approved, the Department expects the proposed rule to be effective starting November 1, 2022.

AGREEMENTS FOR MANAGEMENT OF CERTAIN STATE LANDS

The Department is currently party to the following agreements:

- Inter-Governmental Agreement (IGA) with Multnomah County Sheriff's Office – Assistance with monitoring of state-owned waterways in Multnomah County, \$10,000 per biennium.
- IGA with Lane County Parks – Management of the North Jetty Property at the mouth of the Siuslaw River in Lane County, \$42,000 per biennium.
- Memorandum of Agreement with Oregon Parks and Recreation Department (OPRD) – Management of State-owned property adjacent to Alfred A. Loeb State Park in Curry County on the Chetco River.
- Inter-Agency Agreement with OPRD – Monitoring and cleaning up property owned by the Department along the Sandy River on or near Dabney State Park and Lewis and Clark State Recreation Site, \$27,621 per biennium.
- Memorandum of Understanding (MOU) with U.S Fish and Wildlife Service and Clatsop County – Communication, coordination, and compliance regarding the floating recreational cabins, houseboats, boathouses, docks, or floats located adjacent to lands within the Lewis and Clark National Wildlife Refuge.
- IGA with the Oregon Department of Fish and Wildlife – Management of state-owned lands within Sauvie Island in Multnomah and Columbia Counties.
- MOU with Human Access Project – Restoration and stewardship of DSL lands along the Willamette River.
- IGA with Metro Regional Government – Assistance with cleanup of illegal camps on state-owned lands in the Portland Metro area, \$10,000 per fiscal year.
- IGA with the City of Eugene – Assistance with cleanup of illegal camps on state-owned lands in the Eugene area, \$15,000 per fiscal year.
- MOU with Willamette Riverkeepers – Assistance with cleanup of illegal camps, as well as the restoration and stewardship of publicly owned lands along the Willamette River.
- MOU with SOLVE – Assistance with cleanup of illegal camps.

PORTLAND HARBOR SUPERFUND SITE

The Department continued to engage with public partners and other stakeholders on various aspects of the Portland Harbor Superfund Site on the Willamette River. During FY 2022 the Department engaged in the following activities:

- Processed access authorizations for conducting sampling and other associated activities relating to response actions and cleanup on state-owned submerged and submersible lands.
- Coordinated with public agencies (including the Environmental Protection Agency, Oregon Department of Justice, Oregon Department of Environmental Quality, and Oregon Department of Transportation), municipalities (City of Portland and Metro), the Governor's Office, and others on issues associated with the investigation, cleanup, and other Portland Harbor Superfund Site-related topics.
- Continued work to clarify the state's ownership boundaries within the Portland Harbor Superfund Site and supported Oregon Department of Justice work related to the non-judicial allocation of Portland Harbor response costs, including reviewing allocation reports, technical data and materials, and researching and providing program and ownership information.
- Continued development of a Portland Harbor Information Management Plan (IMP) and Programmatic Informational Controls Implementation and Assurance Plan (PICIAP) including development of a Portland Harbor Information Management System (IMS). The IMS will include Portland Harbor Superfund Site cleanup data, an Institutional Control (IC) Registry, and other IC information in an online format available to performing parties, agency personnel, and the public. The Final IMP under ASAO No. 10-2019-0151 was approved and accepted by EPA.
- Oversaw in-water environmental sampling of Willamette Cove, including a DSL-sponsored administrative closure of the Cove for sampling.
- As a funding party for the Swan Island Basin Remedial Design, reviewed technical reports and attended quarterly meetings on field sampling and investigation activities in relation to remedial design.
- Engaged in community outreach to stakeholders through technical presentations, community meetings, preparation of a public benefits "Workforce Analysis," and hosting a collaborative Willamette Cove "Environmental Field Day" community event that included hands-on activities and demonstrations led by technical experts.
- Participated in an EPA-sponsored Harbor-wide Remedial Action Work Group.

SECTION 2: REMOVAL-FILL PROGRAM

REMOVAL-FILL PERMITS

Oregon's Removal-Fill Law ([ORS 196.795-990](#)) requires persons who plan to remove or fill material in wetlands or waterways to obtain a permit from the Department. This permit is broadly referred to as the "Removal-Fill Permit." The law applies to all landowners, whether private individuals or public agencies.

The purpose of the law, enacted in 1967, is to ensure protection and the best use of Oregon's water resources for home, commercial, wildlife habitat, public navigation, fishing and recreational uses.

In most cases, a permit is required if an activity will involve filling or removing 50 cubic yards or more of material in a wetland or waterway. For activities in state-designated Essential Salmonid Habitat, State Scenic Waterways and compensatory mitigation sites, a permit is required for any amount of removal or fill.

There are four types of permits available to conduct work in wetlands and waterways:

Individual Permits (IP): A permit for projects that have more than minimal adverse effects to waterways and wetlands, are more complicated and often involve more than one removal-fill activity, may involve a substantial mitigation obligation, and do not qualify for any of the General Permits or General Authorizations. The processing timeline is up to 120 days.

General Permits (GP): A streamlined permit covering activities that are substantially similar in nature, recurring or ongoing, and have predictable effects and outcomes. A GP may be established by order or by rule. GPs issued by rule may be on a statewide basis or a geographic basis. GPs issued by order are for an applicant or group of applicants. The processing timeline is up to 40 days for most GPs.

General Authorizations (GA): A streamlined permit for nine specific types of removal-fill activities that have minimal adverse effects on wetlands and waterways. General Authorizations are preapproved but require a 30-day notice to the Department prior to the removal-fill activity.

Emergency Permits (EP): Authorizations for emergencies that pose a direct threat to human health, safety or substantial property, and where prompt removal-fill action is required to address the threat. Approval is given as quickly as possible in emergency situations. Work must be limited to the minimum necessary to alleviate the threat.

Table 7 shows permit activity in FY 2022, with the Department seeing an overall decrease in permitting decisions compared to last year (there were 615 permit decisions in FY 2021). Specifically, there was a decrease in GA, GP, and EP authorizations. Only IP authorizations showed a slight increase (from 377 in FY 2021

to 381 in FY 2022). The decreasing number of expedited permit types (GA and GP) may mean there are more complex projects being proposed which only fall under an IP permit type. Emergency Permits are unique in that they are generally driven by weather events rather than the economy. Information about authorizations approved in state-designated Essential Salmonid Habitat (ESH) is provided separately in Table 7 as required by ORS 196.885.

Table 7. Removal-Fill Authorizations by Type

Authorization Type	Applications Received	Approved	Denied	Total Decisions	Approved in ESH (of total)
IP	186	381	0	381	159
GA	96	88	0	88	66
GP	37	76	0	76	22
EP	23	21	0	21	14
Totals	342	566	0	566	261

**Applications received and agency decisions are not aligned. Some applications received were still under review as of June 30, and some agency decisions were for applications received later in FY 2021.*

One GP of particular interest is the Bureau of Land Management/U.S. Forest Service general permit, which is issued by order and is represented in Table 6 as one authorization. However, this GP authorizes projects that fall within 11 aquatic restoration categories, with BLM and USFS required to provide DSL with notice of specific projects. In FY 2022 there were 87 projects constructed under this authorization, with 10 compliance site visits completed.

ESSENTIAL SALMONID HABITAT (ESH)

The Department's essential salmonid habitat (ESH) requirements were established by the 1993 Legislative Assembly and fully implemented by the Department in 1996.

Oregon provides greater protection for streams that provide critical habitat for Chinook salmon, steelhead trout, and other sensitive, threatened, or endangered fish species. Projects that remove or add any volume of material in ESH streams typically require a Department of State Lands removal-fill permit; in most non-ESH waters, projects that remove 50 cubic yards or less of material do not require a removal-fill permit.

The Department creates the map that shows all ESH designations for Oregon's waterways using data provided by the Oregon Department of Fish and Wildlife (ODFW). Rulemaking completed in 2021 allows the Department to update the ESH map yearly to ensure it reflects current ODFW data. The current ESH map was released on February 1, 2022.

Table 7 and Table 8 include the subset of permits issued for work in ESH waters.

AUTHORIZED VOLUMES OF REMOVAL AND FILL

Table 8 shows total volumes (in cubic yards) of material permitted to be removed and filled in waterways and wetlands by authorization type. Figure 1 depicts the location of the authorized removal-fill activities. It is important to note the total volume authorized each year will always be more than the actual volume removed or filled. Many projects take several years to complete but the permit is granted for the total amount and kept active each year. There are significant volumes permitted for some activities, particularly maintenance dredging, that occur on an as-needed basis. These permits are kept active in the database and may be decades old.

Table 8. Removal-Fill Authorized Volumes (cubic yards) for FY 2022

Auth Type	Total Removal Volume	Total Fill Volume	Removal Volume in ESH (of total)	Fill Volume in ESH (of total)	Removal Volume in Wetlands (of total)	Fill Volume in Wetlands (of total)
IP	15,832,574	3,747,557	1,283,017	780,895	12,857,244	984,518
GA	5,342	4,046	3,357	1,292	1,367	1152
GP	354,144	350,855	305,069	307,183	13,322	27,332
EP	7,154	7,902	5,002	6,250	823	823
Totals	16,199,214	4,110,360	1,596,445	1,095,621	12,872,756	1,013,826

Table 9 shows the number of acres of wetlands authorized to be removed from the landscape or gained through creation or restoration. The net gain or loss of acres is a meaningful measurement for wetlands but is not useful for waterways. Wetlands can be removed from the landscape entirely, whereas streams can be improved or degraded, but they generally are not removed from the landscape.

The Department's goal is no net loss of wetlands – wetland acres gained through creation or restoration (but not wetland enhancement) should equal wetland acres lost. In FY 2022 there was a net loss of 25.54 acres of wetland from authorized activities, driven by 172 acres lost from individual permit actions and 149 acres gained from individual permits and general authorizations with wetland restoration actions. Losses are compensated for in each removal-fill authorization and often include purchase of mitigation bank credits or payment to the Department through our in-lieu fee programs described in Section 3. Gains from mitigation banks and other Department-funded mitigation projects are recorded in the fiscal year that they are approved. One new bank was approved in FY 2022 with a net gain of 6.35 acres. Wetland gains and losses are highly variable year to year. There has been a net gain of 1,607 wetland acres since 2005 (Figure 2) with large gains often attributed to voluntary wetland restoration or creation projects and the approval of new mitigation banks.

Figure 1. Location of Authorized Removal-Fill Activities for FY 2022

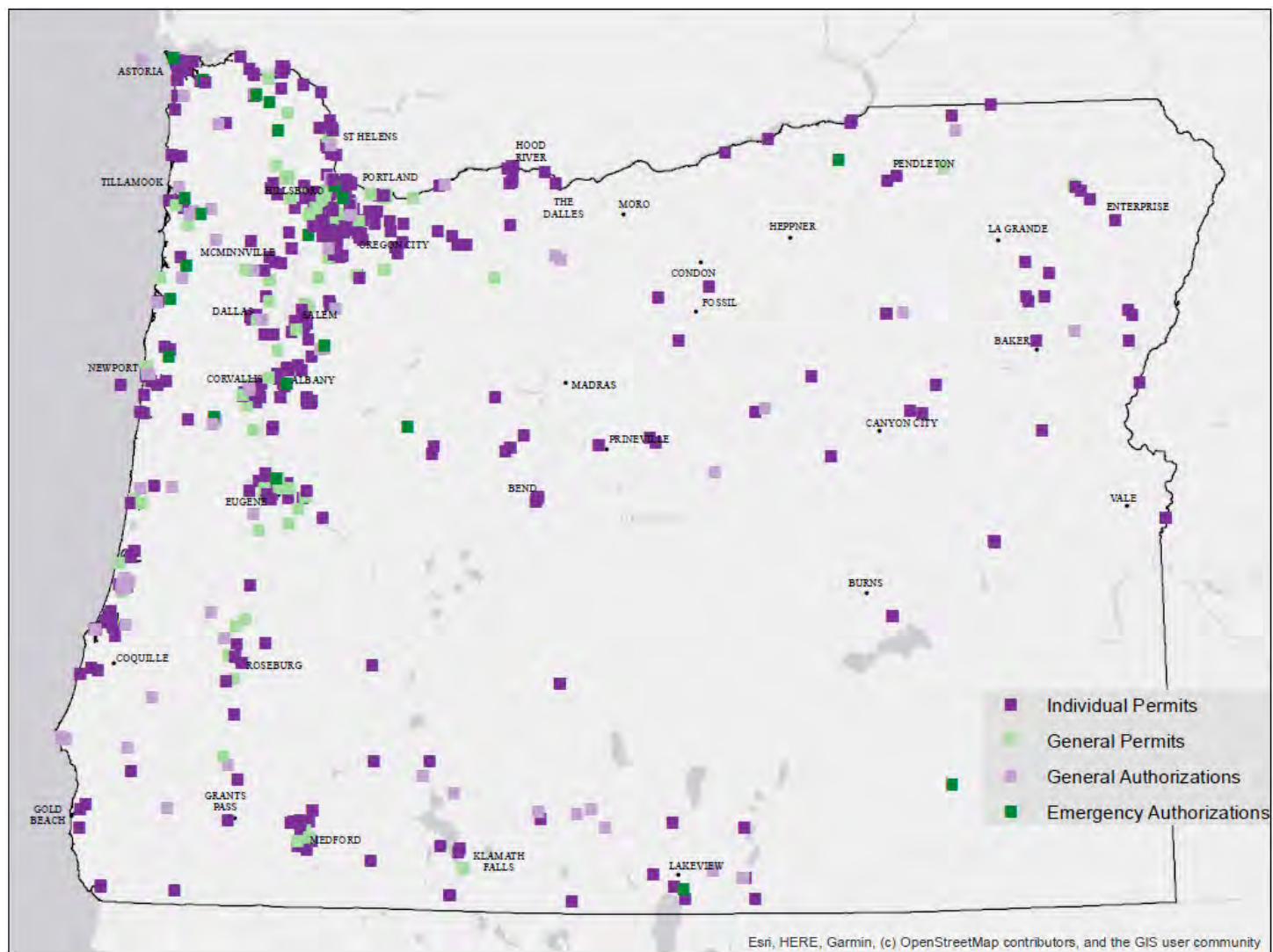
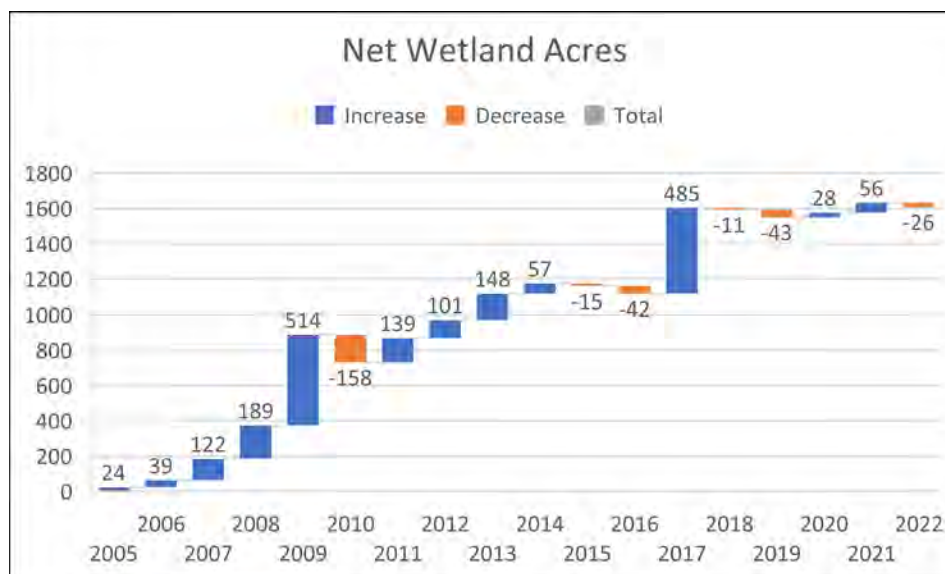


Table 9. Authorized Gains and Losses in Wetlands for FY 2022

Authorization Type	Wetland Acres Gained	Wetland Acres Lost	Net Wetland Acres
IP	74.90	172.08	-97.18
GA	68.14	0.00	68.14
GP	0.00	2.85	-2.85
EP	0.00	0.00	0.00
Mitigation Bank	6.35	0.00	6.35
Totals	149.39	174.93	-25.54

Figure 2. Net Authorized Wetland Acre Gains and Losses Since 2005

NEW LEGISLATION AND LEGISLATIVE ACTIVITIES

Regulation of Undersea Cables

House Bill 2603, enacted by the 2021 Legislative Assembly, requires owners or operators of undersea cables to obtain financial assurances for the installation and removal of cables placed in Oregon's Territorial Sea. Those responsible parties must also create a plan for removal of the cable after its use has concluded. These additional requirements are being implemented through the Department's proprietary authorizations under ORS 274.

This bill also directs the Department of Land Conservation and Development (DLCD), in coordination with DSL and others, to conduct a study of the permitting and siting of undersea cables. Results of the study will be reported to the Ocean Policy Advisory Council, which will develop recommendations for amendments to Oregon's Territorial

Sea Plan by September 25, 2023.

During FY 2022, DSL provided DLCD with information about authorizations for undersea cables and attended project meetings. DSL recruited for a position to assist with the study, per other funds identified in House Bill 2603, but that recruitment was unsuccessful. DSL shifted strategy and worked with the Mark O. Hatfield School of Government Center for Public Service to select a fellow who will work with DSL and our project partners for 8 months, from October 2022 to May 2023.

Agricultural Channel Maintenance

House Bill 2437 (2019) directed DSL, the Oregon Department of Agriculture (ODA) and the Oregon Department of Fish and Wildlife to work together to develop an ODA-led process for reviewing removal-fill activities in traditionally maintained agricultural drainage channels that are not designated Essential Salmonid Habitat and are seasonally dry. This notice-based process is operated by ODA as the Agricultural Drainage Channel Maintenance program.

During FY 2022, the three partner agencies signed a memorandum of understanding to coordinate on various forms and processes, and to provide technical assistance as requested, as required by ORS 196.919. All application forms to operate the program are now active, including a notice, variance request, expedited review, and ESH review request. A report on annual activities associated with the program was provided to the legislature in December 2021, and ODA provided a presentation to the House Committee on Agriculture, Land Use, and Water in February 2022. DSL will continue to collaborate with ODA and ODFW on the program. Collaboration includes consideration of study results from the Oregon State University to be submitted to the partner agencies no later than January 1, 2025, bi-annual reporting (in odd numbered years) through 2029, and as requested for review of notices.

2023 Legislative Session

Looking ahead, DSL plans to advance strategic initiatives within the wetlands and waterways programs to better support schools and a thriving Oregon. An internal study of removal-fill permits, waterway leases, and other wetland and waterway program services determined that fee revenue does not consistently cover program operating expenses. Additionally, the cost of abandoned and derelict vessel cleanups, such as the \$12.2 million Goble cleanup, and the need to address the growing issue of long-term camping on public waterways and state-owned lands are unpredictable and extreme expenses.

Currently, the school kids of Oregon subsidize critical services that DSL provides. When operating and cleanup expenses exceed fee revenues, Common School Fund interest earnings cover the remaining program costs. DSL is addressing this ongoing subsidization through legislation proposed for the 2023 session that requests statutory changes to allow the Department to establish removal-fill program fees in rule and reducing the personal property holding requirement pertaining to cleanup on ADVs and at camp sites. These changes will alleviate financial reliance on the Common School Fund and further reduce the costs and risks associated with vessel and camp cleanups.

Additionally, the Land Board directed the Department to request \$40 million in General Funds for the next biennium to support removal of ADVs in Oregon's waterways. The requested resources will also support Department's participation in collaborative efforts to address ADVs long-term. Getting the wetland and waterway programs to a place of financial self-sufficiency safeguards Oregon's Common School Fund and ensures that critical services continue to be provided.

WETLANDS RESOURCES AND ASSISTANCE FOR COMMUNITIES

Statewide Wetlands Inventory

The Department is responsible for developing, maintaining, and distributing the Statewide Wetlands Inventory (SWI) as a tool to help communities and the public identify and protect wetlands. The SWI currently includes the National Wetlands Inventory developed by the U.S. Fish and Wildlife Service, local wetlands inventories (LWIs) that cover many urban and urbanizing areas in Oregon, and other mapping that indicates likely locations of wetlands and other waters.

Outreach for the initial release of the SWI update and web map began in 2018 and is ongoing. In FY 2022 the Department's Aquatic Resource Planner gave 13 trainings for about 24 local governments in various formats: in-person, virtual or by phone. These trainings include how to coordinate with DSL with the wetland land use notice process and an overview of DSL jurisdiction.

The Department has obtained two EPA Wetland Program Development grants to add compensatory mitigation site mapping and the Department-approved wetland delineation and determination study area polygons to the SWI. Adding delineation and determination study areas is a collaborative project with the Lane Council of Governments which also received an EPA grant for project-related work. DSL is using federal grant funds to support two limited-duration staff to work on these projects.

Local Wetlands Inventories

Local wetlands inventories (LWIs) have much more detailed and accurate mapping than the National Wetlands Inventory for the public, landowners, and developers. LWIs are used by cities and counties for Oregon Statewide Land Use Planning Goals 5 and 17 compliance and for many other planning purposes. In addition to providing more accurate wetland location information, LWIs include wetland assessment findings and significance determinations. In FY 2022, the Department provided continued support and draft review for inventories proposed or in-progress for Grants Pass, Halsey, Hillsboro, Springfield, and Tigard; approved Hillsboro's Jackson East and Witch Hazel Village South LWIs; and gave testimony in support of the adoption of Pendleton's LWI. All LWI approved products are available for view or download on the [Department's LWI](#) web page. The Department continues work to add the approved LWIs to the SWI web map.

As part of achieving Oregon's land use planning goals, cities and counties identify wetlands of local significance within their LWI. DSL staff have been leading an effort to

develop a new wetland functional assessment method for this purpose for several years with assistance from the Lane Council of Governments. The Aquatic Resource Planner continues to work with Lane Council of Governments to finalize products for consultants and planners and determine how to best integrate the new assessment method into state rule.

Outreach and Participation

Outreach and educational presentations about the SWI, wetland land use notices, and DSL's regulations is a significant part of the Aquatic Resource Planner's position. In addition to the abovementioned trainings, much of the outreach with county and city representatives in FY 2022 was related to general notices for local land use actions. In FY 2022 there were 953 general notices received from 25 counties and 35 cities. An additional 85 notices were received from other federal, state, and non-governmental organizations regarding proposed activities. The Aquatic Resource Planner reviews notices for wetland land use notice compliance and outreach opportunities about that process, and to comment or make recommendations on long-range planning tasks. General notices are also reviewed by the Real Property Program staff for potential concerns on state-owned property. *Please see section 3 for additional information about the wetland land use notification process and FY 2022 data.*

In FY 2022 the Aquatic Resource Planner supported the jurisdictional coordinators by taking 195 inquiries from the public for wetlands information. Typically, correspondences were from persons interested in purchasing property or proposing a project on their property who had learned wetlands or waters were mapped on the property, either through checking the SWI themselves or through a realtor or local government checking the SWI and wanting to know the next steps needed. Some correspondences were to report possible unpermitted activities within wetlands or waters.

The Aquatic Resource Planner participated on work groups for the Yaquina Bay Estuary Management Plan update; the Creswell Economic, Social, Environmental, and Energy analysis workgroup; provided recommendations on a Columbia County Locally Significant Wetland issue; and commented on Turner's Urban Growth Boundary expansion, among other efforts.

Wetland Conservation Plans and Advance Aquatic Resource Plans

Wetland Conservation Plans (WCP) were developed as a method for local governments and communities to make long-range plans for development, mitigation, and protection of wetlands identified on LWIs. WCPs are approved by final order of the Director and include local land use planning decisions. To date, west Eugene has the only WCP, which was approved in 1994.

Advance Aquatic Resource Plans (AARP) are similar in many ways to WCPs. Wetlands and waters are identified, functional assessments completed, and decisions are made regarding the best use of and other considerations for each wetland and water; then the plan is approved by final order of the Director. AARPs differ from WCPs because the

plan is not a land use decision; the plan area is determined by the participants, and both the landowners and future developers voluntarily agree, or not, to the conditions of the plan. If the participant chooses to comply with the terms of the AARP, then the removal-fill permitting process is streamlined as outlined in the plan.

Two AARPs were approved, and both have now expired. The first, for 19 selected industrial sites in Linn and Benton Counties, was sponsored by the Oregon Cascades West Consortium. The Port of The Dalles sponsored an AARP for six industrial sites on the City's west side. Some of the participants within the Oregon Cascades West planning area have shown interest in multiple efforts for wetlands planning including mitigation banking feasibility, completing LWIs or related wetland planning tasks, DSL's potential for federal Clean Water Act 404 assumption, or updating and revising the plan for future reapplication for a new AARP.

SECTION 3: PROGRAM REPORTING FOR THE REMOVAL-FILL LAW

MONITORING

The Department monitors permits for compliance with the type of authorization issued and specific conditions described in the authorization. Monitoring includes focused study of certain authorizations to identify issues and adaptive management needs, and permit-specific monitoring as needed because of potential compliance issues or because the permit has mitigation requirements.

For FY 2022, staff focused on monitoring the four permit types identified in Table 10 for compliance. Compliance monitoring was done on 135 projects across the state (~24%). Of the projects sampled, 112 (83%) were compliant and 23 (17%) were non-compliant.

Table 10. Permit Compliance Monitoring Results

Authorization Type	Number Monitored	Compliant	Non-compliant
Individual Permits	45	29 (64%)	16 (36%)
General Authorizations	47	46 (98%)	1 (2%)
General Permits	39	35 (90%)	4 (10%)
Emergency Permits	4	2 (50%)	2 (50%)
TOTAL	135	112 (83%)	23 (17%)

The Department monitors mitigation sites and impact sites that require restoration, both for permitted activities and violations. Due to the time needed to establish mitigation sites and restore impact sites, including soil stability and plant development, there will always be numerous sites actively being monitored. Currently, the Department is actively monitoring 574 projects (Table 11). The Department's goal is to keep pace by closing as many files as are opened; however, this will vary from year to year depending on the number of permits or enforcements.

Table 11. Mitigation Monitoring FY 2022

Authorization Type	Active	Opened	Closed
Wetland	274	18	16
Stream	300	34	30
Totals	574	52	46

ENFORCEMENT

When the Department becomes aware of potential noncompliance issues, the alleged violation is investigated to determine whether a violation has occurred. Table 12 shows the number of permit compliance checks and permitted and nonpermitted

enforcements opened and closed. Also shown are the subset of those violations specifically occurring in ESH waters. Civil penalties may or may not be assessed or collected in the same year the violation occurred, so civil penalty amounts for a fiscal year are not directly related to the number of enforcement files. The total amount of civil penalties collected will also be affected by the scope of the violations and negotiations during resolution of the violations.

The Department opened 74 enforcement files during the reporting period. Of the almost 893 active permits, including those being monitored, only six enforcements were opened for projects with a permit. This is likely due, at least in part, to the interaction, coordination, and education made possible through permitting and monitoring. The Department closed 64 enforcement files in FY 2022. Enforcement files are closed either through Consent Agreements and other orders, or when further investigation reveals either no violation occurred or there was insufficient evidence to confirm a violation.

Table 12. Compliance Checks, Enforcements, Civil Penalties and Final Orders

	Number of compliance checks	Enforcement Files Opened	Enforcement Files Closed	Civil Penalties Assessed	Civil Penalties Collected	Final Orders
Permit Conditions	109	4	2	\$14,000	\$14,000	1
Unauthorized Activities	152	47	43	\$43,500	\$52,230	15
Permit Conditions in ESH	49	2	0	\$8,000	\$8,000	1
Unauthorized Activities in ESH	68	21	19	\$16,000	\$18,000	9

Please note: the USFS/BLM General Permit, though only one permit, authorizes many restoration projects statewide. As a result, there are compliance checks unrepresented in Table 11. In FY 2022, staff conducted 10 on-site project compliance checks under the USFS/BLM General Permit.

Contested Cases

There was one new contested case requested in FY 2022 related to an enforcement. This contested case hearing was requested in June 2022 and a hearing is being scheduled.

Of the contested case hearings requested in previous fiscal years, four progressed in FY 2022. One had a final settlement agreement and order finalized with a mitigation payment. A second had a draft settlement agreement completed. A third is being resolved through a Restoration Order with a property lien and the last had a Proposed Consent Order drafted.

WETLAND LAND USE NOTIFICATION PROCESS

The wetland land use notification process was initiated in 1989 as part of the Oregon Wetlands Conservation Act. All counties and cities are required to notify the Department of certain development activities proposed in wetlands or waters that are mapped on the Statewide Wetlands Inventory. The Department reviews the notice and provides a written response within 30 days to the applicant and local government as to whether the proposed action is likely to require a removal-fill permit and/or a more precise wetland boundary location (wetland delineation). The objective of the notification process is to provide coordination between local city or county development approvals and state wetland regulations. Overall, the wetland land use notice process has proven to be an effective “early warning” mechanism for landowners and developers that a state permit may be required in addition to the local approval.

The Department continues to receive more notices each year. The increase can be attributed to the Department’s continuing outreach efforts to local government planners and an economy that continues to grow albeit at a slightly slower pace. Table 13 shows the Department responded within 30 days for 1,036 notices but exceeded that time for 192 notices (16%) in FY 2022. The number of notices that took more than a 30-day response time more than doubled from last year even though the total number of notices only increased by 4%. Since the average response time was 23 days, which is only one day longer than in FY 2021, the data support delays are likely in certain counties. The Department continues to look for ways to increase efficiencies and reduce review times. In December 2021, the Department implemented a new distribution system of notices to staff based on order received, which will distribute notices more evenly across staff rather than a few staff receiving a disproportionate number of notices based on the county they are assigned. We anticipated this new system will reduce the number of over 30-day response times and that next year’s data will show those results.

Table 13. Department Response Time for Wetland Land Use Notices

Response Time	FY 2020	FY 2021	FY 2022
30 Days or Less	761	1098	1036
More than 30 Days	43	82	192
Totals	804	1180	1228

JURISDICTIONAL DETERMINATIONS AND DELINEATION REPORT REVIEWS

The Department offers free wetland determinations to identify whether wetlands or other waters of the state are present on a site and may be subject to state removal-fill permit requirements. If wetlands and/or waters are present, a delineation report by a wetland consultant may be needed to accurately locate and map the wetlands and waters. Staff review the delineation reports submitted to the Department. Landowners, developers, and local governments use the approved delineation report and maps to avoid or minimize impacts to wetlands and waters of the state, or to determine the impacts that will require a state permit. The Department prepared 321 determinations and reviewed 344 delineation reports in FY 2022 (Table 14).

Table 14. Jurisdictional Determinations and Delineation Report Reviews

Number of Reviews	FY 2020	FY 2021	FY 2022
Determination	317	339	321
Delineation	296	318	344
Totals	613	657	665

COMPENSATORY MITIGATION

Oregon Administrative Rule 141-085-0006(3) defines compensatory mitigation as *“replacement of water resources that are damaged or destroyed by an authorized activity.”*

Applicants have several mitigation options to choose from. They may conduct their own mitigation at the impact site or conduct mitigation nearby by either creating or restoring wetlands, enhancing degraded wetlands, or in certain limited cases, preserving high-value wetlands that are threatened. Some applicants have the option of purchasing wetland credits from a mitigation bank or an in-lieu fee project, or they may pay into the Department’s Removal-Fill Mitigation Fund. The Department promotes mitigation banking because it is ecologically valuable to consolidate mitigation and generally more efficient and cost effective to perform compensatory mitigation on a larger scale.

Mitigation Banking

There were 26 approved mitigation banks in Oregon in FY 2022. Table 15 shows the cumulative sales and balances of these mitigation banks as of June 30, 2022. During the fiscal year, 18 mitigation banks made 63 separate sales totaling 38.49 credits, with an average credit purchase size of 0.62 acre.

One of Oregon’s top-performing mitigation banks sold out in FY 2022. The One Horse Slough Bank near Lebanon sold a total of 68.1 credits in 61 separate sales over a 17-year period. The nearby South Santiam Bank, started two years ago by the same sponsor, is expected to have similar ecological success and mitigation efficiency.

In addition to the wetland banks shown in Table 15, there are two mitigation banks that have non-wetland credit types. The City of Salem operates the Salem Stream Bank, which has stream credits solely for the use of the city. The bank has had 75% of its credits released and approved for sale, and 5% have been sold, but no sales occurred in FY 2022. The Linnton Mill River Restoration Bank is located at river mile 5 on the Willamette River. The project provided credits for both the State removal-fill and Federal Clean Water Act 404 programs, in addition to Natural Resource Damage Assessment credits already approved by the Portland Harbor Natural Resource Trustee Council. The bank has had 20% of the expected credits released and 0.6% have been sold.

During FY 2022, DSL approved two new mitigation banks: Amazon Prairie located northwest of Eugene and Yoncalla Creek located in Yoncalla. Staff began working with the Cow Creek Band of the Umpqua Tribe of Indians on a mitigation bank proposal in

unincorporated Douglas County, between Myrtle Creek and Riddle. The project was unable to come to fruition largely due to access agreements with DSL and the Corps, and difficulty obtaining a long-term agreement with a downstream owner. The Tribe withdrew its proposal in January 2022. DSL will continue to collaborate with Tribes on barriers to Tribal sponsorship of mitigation banks or in-lieu fee programs.

Three bank sponsors are currently working on new mitigation bank agreements that have yet to be approved. Stream mitigation program development work is nearing completion and we expect stream mitigation banks to enter the mitigation market soon.

Table 15. Mitigation Bank Credit Sales and Balances as of June 30, 2022

Mitigation Bank	County	Total possible credits	% of credit released	% sold to date (out of total possible)	Balance of credits remaining (out of total possible)
Amazon Prairie	Lane	92.81	18	0	92.81
Butler	Washington	45.60	71	70	13.68
Claremont	Clatsop	11.62	59	58	4.84
Coyote Prairie North	Lane	77.58	100	92	5.68
Foster Creek	Clackamas	28.1	95	95	1.83
Garret Creek	Clackamas	15.49	81	76	3.71
Long Tom	Lane	61.14	100	84	9.99
Marion	Marion	34.09	95	95	1.66
Mary's River	Benton	71.41	34	21	56.6
Mid-Valley phase 2	Benton	4.73	90	90	0.49
Muddy Creek	Benton	60.33	88	88	7.45
Mud Slough phase 4	Polk	43.80	100	82	7.77
Oak Creek	Linn	38.98	58	58	16.40
ODOT Bobcat Marsh	Washington	5.26	100	85	0.78
ODOT Crooked River	Crook	5.32	90	30	3.75
ODOT Greenhill	Lane	8.11	60	14	6.96
ODOT Lost River	Klamath	13.41	80	32	9.1
ODOT Vernal Pool	Jackson	20.95	95	54	9.54
One Horse Slough	Linn	66.91	100	100	0
Rogue Valley Vernal Pool	Jackson	24.70	80	53	11.54
South Santiam	Linn	50.49	39	13	30.7
Tualatin Valley	Washington	31.13	75	75	7.77
Wilbur Estuary	Lane	44.12	75	7	41.15
Yoncalla Creek	Douglas	26.49	15	13	22.97
Total Wetland Credits		882.57			367.17

Mitigation Bank Program Compliance and Efficiency

Mitigation banking represents an important efficiency for both the Department and for permit applicants. Mitigation banks can provide greater ecological benefits and are more efficient for Department staff to manage than smaller mitigation sites. The economy of scale with larger mitigation projects adds to the profit margin for the bank sponsor's business venture and allows lower per-credit pricing. Purchase of bank credits is generally the preferred option for applicants because the costs are known up front. Additionally, because the obligation for the mitigation requirement is transferred to the bank sponsor once credits are purchased, the credit purchaser has no further responsibilities to maintain, monitor, report, or remediate their own mitigation project.

Department staff inspect each active mitigation bank annually to evaluate whether expectations have been met, to verify information in the monitoring reports, and to discuss and resolve emerging issues. Staff have also been working with bank sponsors and new potential long-term stewards to promote the establishment of long-term stewardship plans to ensure the ecological and societal benefits provided by the mitigation bank are sustained even after all the credits are sold.

Compensatory Mitigation – Department In-Lieu Programs

In-lieu fees are accepted into the Oregon Removal-Fill Mitigation Fund as a form of compensatory mitigation for unavoidable adverse effects on waters of this state. The funds are used by the Department to construct mitigation sites and compensate for lost functions and values. There are two DSL in-lieu fee programs available:

- The Payment In-Lieu (PIL) program allows payment for compensatory mitigation for small impacts (generally less than 0.2 acres) to waters of this state when other methods of providing compensatory wetland mitigation are not available or are inadequate. The Corps does not accept PIL mitigation for their federal 404 permits.
- The In-Lieu Fee (ILF) program was approved by the Corps in 2009 and provides compensatory mitigation for both waters of this state and waters of the United States in some areas, i.e., the credits may be used to satisfy mitigation requirements for both Oregon removal-fill permits and federal 404 permits. Under the ILF program, areas are approved to sell a maximum number of "advanced" credits, but a project must be approved and meet performance requirements before credits are released and the mitigation obligation is fulfilled.

The Department's in-lieu programs provided 5.99 mitigation credits for 32 permit authorizations. Credits sales for PIL and ILF, and ILF credit sales and balances are shown in Table 16 and Table 17, respectively.

The Department is providing payments from the Oregon Removal-Fill Mitigation Fund under a contract with North Douglas Betterment for development of mitigation credits at the Yoncalla Creek Mitigation Bank. In exchange, the Department will receive credits to

satisfy the Department's mitigation obligation in the area. DSL provided the final payment of \$214,000 in FY 2022. The Yoncalla Creek Mitigation Bank was approved in FY 2022 and the first credit transfer to DSL to satisfy the Department's ILF obligation was made. Additional transfers will occur at each credit release until the contracted amount is fulfilled.

The Department has ongoing projects funded in previous years for the areas shown in Table 16. Three of the advance service areas show a negative balance of credits remaining. The Clear Lake project has been constructed in the Lower Columbia area, but the Department has not yet requested a credit release because the site must undergo a formal delineation to confirm project mitigation acreages. The Kilchis River Preserve has been constructed in the Wilson Trask Nestucca advance credit area, and the Department is currently seeking final approval from the Corps. Credit releases will be requested for both Clear Lake and Kilchis in FY 2023.

Table 16. Deposits into the Oregon Removal-Fill Mitigation Fund in FY 2022

Number of Permits using the PIL Program	18
PIL \$ Totals	\$373,894.54
PIL Credits Sold	2.10
Number of Permits using the ILF Program	14
ILF \$ Totals	\$360,325.81
ILF Credits Sold	3.89
Mitigation Fund Deposits \$ Total	\$734,220.35
Total Mitigation Credits Sold	5.99

Table 17. In-Lieu Credit Sales and Balances as of June 30, 2022

Site Name	County	Credits Released	Cumulative Credits Sold	Balance of Credits Remaining
Tamara Quays	Lincoln	2.16	1.81	0.35
Half Mile Lane	Washingto	13.24	8.22	5.02
Pixieland	Lincoln	4.02	2.52	1.50
Lower Columbia advance credit area	Clatsop	0	4.01	-4.01
Umpqua Interior Foothills advance credit area	Douglas	3	7.52	-4.52
Wilson Trask Nestucca advance credit area	Tillamook	0	2.37	-2.37

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OREGON DEPARTMENT OF STATE LANDS

2022-2026
STRATEGIC PLAN

STATE LAND BOARD PROGRESS REPORT
OCTOBER 2022

STRATEGIC GOALS



EXCEPTIONAL SERVICE

DSL aims to enhance our service to the public and people we do business with.



THRIVING OREGON

DSL aims to support communities and build a natural resource legacy for our state.



SUPPORTING SCHOOLS

DSL aims to increase revenue to the Common School Fund.



GREAT WORKPLACE

DSL aims to ensure the Agency is a great place to work.

FOCUS PROJECTS

Modern Permitting and Information System

Replaces 90s system with a cutting-edge database and easy-to-use online portal for faster and better service and improved agency accountability.

2022–2023 Major Tasks

- ✓ Contractor retained
- System designed to meet all specifications, customer and agency use requirements
- System ready to launch

Overall Outcome

By July 1, 2024: System is live and working as envisioned

Real Estate Asset Management Plan

Creates a framework for managing Common School Fund land assets and sets metrics for evaluating performance and value of those school lands.

2022–2023 Major Tasks

- ✓ Report on previous plan
- Public & stakeholder engagement
- Research & analysis
- Plan presented to Land Board for consideration

Overall Outcome

By December 31, 2023: Land Board has approved a new plan for managing Common School Fund land and building assets

Elliott State Research Forest Project

Transforms the forest into a publicly owned, world-class research forest overseen by a new independent state agency and managed by Oregon State University.

2022–2023 Major Tasks

- Completion of required work to establish Elliott State Research Forest Authority, as identified in Senate Bill 1546
- ✓ Financial obligations to the Common School Fund met

Overall Outcome

January 1, 2024: Elliott State Research Forest Authority assumes ownership and oversight of the forest

South Slough Wasson Creek Watershed Restoration

Restores more than 500 acres of forest and wetlands to improve forest health and stream habitat, reestablish native plants, and protect cultural resources.

2022–2023 Major Tasks

- ✓ Develop restoration plan for forested uplands
- Update restoration plan for wetlands
- Pre-restoration monitoring
- Complete forested uplands restoration work

Overall Outcome

By December 31, 2025: Restoration work is complete

Wetland and Waterway Programs Costs

Ensures removal-fill permitting and waterway use programs protect Oregon’s wetlands and waters, without subsidy by the Common School Fund.

2022–2023 Major Tasks

- ✓ Legislative concept
- Rulemaking on waterway use rate structure
- Reduce waterway lease risks
- Establish abandoned & derelict vessel program

Overall Outcome

By January 1, 2026: Fee structures updated; lease risks reduced; and program established to address ADVs and camping

OUTCOMES ADVANCED

EXCEPTIONAL SERVICE

Improve Service

- Examine current practices for serving and engaging Oregonians

Increase Awareness & Understanding

- Agency-wide communication strategy and communications plan
- Program outreach and communication plans
- New DSL website

- ✓ DSL photo library

Increase Access to Information & Services

- Expanded Statewide Wetlands Inventory map
- Comprehensive customer guide to waterway leases and use authorizations (companion to staff guide)
- Filled lands strategy that includes the completing work required by SB 912 (2015)

Support Staff in Providing Exceptional Service

- Rulemaking policy and procedure
- Comprehensive staff guide to waterway leases and use authorizations (companion to customer guide)
- ✓ Removal-fill enforcement guide

THRIVING OREGON

Enhance Lands and Waters

- ✓ Update the Oregon Wetland Program Plan
- Map, data of priority restoration locations is available online
- Updated removal-fill general authorizations for habitat restoration efforts
- Formal management plans for South Slough Reserve
- Projects to improve forest health and reduce wildfire risk on DSL-managed and surrounding forest lands
- Projects to improve rangeland health and reduce wildfire risk on school rangelands

Widespread Stewardship of Lands & Waters

- Complete report on Wetland and Land Use Change in the Willamette Valley: 2005–2020
- Career development and hands-on volunteer opportunities

Increase Opportunities for Students & Teachers

- Professional development opportunities for teachers
- In-class learning activities and hands-on field trip experiences to teach students about estuarine and coastal systems
- Technical assistance for state STEAM initiatives, career-connected learning, outdoor education, and more

SUPPORTING SCHOOLS

Increase Net Revenue for the Common School Fund

- Complete in-lieu land transfer acquisitions from the Bureau of Land Management
- Develop new and expand existing communication sites that have high market potential
- Increase long-term financial performance of school forestlands through participation in the Oregon Department of Forestry's Western Oregon State Forest Habitat Conservation Plan
- Pursue financial performance of school forestlands through ownership consolidation and decertification

GREAT WORKPLACE

Encourage Engagement and Growth

- Formal program aimed at connecting students and emerging professionals with DSL-related careers

Support Work-Life Balance

- ✓ Expanded opportunities for telework
- Increase ergonomic support and equipment while working from home
- Increase access to electronic resources, such as printing and signatures, while teleworking
- Increase opportunities for work-life balance. 2022-2023 projects include:
 - Offer healthy opportunities, such as yoga and walking clubs, during breaks and other work hours

Retain and Share Acquired Knowledge

- Knowledge retention and transfer is incorporated in onboarding and offboarding processes
- Job shadowing and cross-training opportunities; training plans for new and current employees

STRATEGIC ACTION PLAN FOCUS PROJECT

A person in a light-colored shirt and dark pants is kneeling in a server room, working on a server rack. The room is filled with rows of server racks, and the person is holding a small object, possibly a tool or a component, near one of the racks. The background shows more racks and a perforated metal wall.

**MODERN
PERMITTING AND
INFORMATION SYSTEM**



Oregon

Kate Brown, Governor

Department of State Lands

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State Land Board

Kate Brown

Governor

Shemia Fagan

Secretary of State

Tobias Read

State Treasurer

M E M O R A N D U M

Date October 11, 2022

To: Governor Kate Brown
Secretary of State Shemia Fagan
State Treasurer Tobias Read

From: Vicki L. Walker
Director

Subject: In-Lieu Lands Selection Update

The Department of State Lands is in the process acquiring lands from the Bureau of Land Management to satisfy a federal obligation to provide the state of Oregon with school lands not granted upon the State's admission into the Union.

Upon statehood, U.S. Congress determined that the 16th and 36th sections of every township in Oregon would be set aside as school lands to help fund public education. In some cases, the 16th and 36th sections were already deeded, so the federal government owed the State lands *in lieu* of those not granted. Over the years, the State has received in-lieu lands to satisfy its obligation; however, the federal government still owes the State 1,477.36 acres of land.

The Department has been working with BLM to identify suitable lands for transfer to the State as in-lieu lands, based on a 1995 intergovernmental agreement between the two agencies. Since entering into the agreement 2,926.21 acres have been transferred to the Department.

When DSL considers potential school lands for acquisition, it prioritizes parcels with a high probability to generate long-term revenue for the Common School Fund, based on

land type and characteristics that may impact value, as per DSL's [Real Estate Asset Management Plan](#). In the 1995 agreement, DSL indicated it was most interested in receiving lands in the following categories: forestlands, agriculture lands, and industrial commercial/residential lands. The two agencies have since analyzed BLM's list of available properties potentially available for disposal to find parcels in these categories with similar property values and characteristics as the original school lands owed to the State. DSL staff have visited potential parcels to verify condition and accessibility.

In October 2020, based on this information, DSL staff requested the transfer of 2,529.4 acres of potential in-lieu lands, 1,078.7 acres of forestlands, and 1,441.7 acres of industrial commercial/residential lands. There were no agricultural lands available from BLM. The Department intentionally requested more acres than are owed, knowing further analysis would provide information that may deem a parcel ultimately undesirable or unavailable.

The total acres selected primarily fell between two BLM districts, the Salme (northwest Oregon) district and the Prineville district (see Appendix A).

Selections in Salem BLM district

All lands identified in the Salem district are forested parcels. According to information provided by BLM, studies of cultural resources and biological species have been completed for most of these parcels.

Several parcels have been removed from consideration, due to their proximity to Threatened and Endangered Species or because the parcels have limited amounts of acreage available for timber harvest. Additionally, some parcels have been deemed non-transferable because they are already reserved for other land use.

Three forested parcels in Linn County totaling 244.21 acres are currently moving forward in the acquisition process. If acquired, these forested parcels would likely be added to DSL's Certified Forest portfolio which is managed by Oregon Department of Forestry on the Department's behalf.

BLM has initiated action to approve the Salem BLM district parcels for transfer to the State, targeting a completion date in 2024. Prior to the transfer, BLM will need to take the appropriate steps to clear these parcels for disposal, including publishing a notice in the Federal Register and accepting public comment. BLM will also evaluate the likelihood of cultural resources or minerals of significant value located on the parcels. Archaeological sites have previously been identified on one of the parcels. This may necessitate full archeological testing and tribal consultation, slowing down the transfer. BLM will also need to complete National Environmental Policy Act (NEPA) documentation necessary for the transfer.

Selections in the Prineville BLM district

Requested properties in the Prineville District include:

- 250.5 acres of forested lands in Hood River County

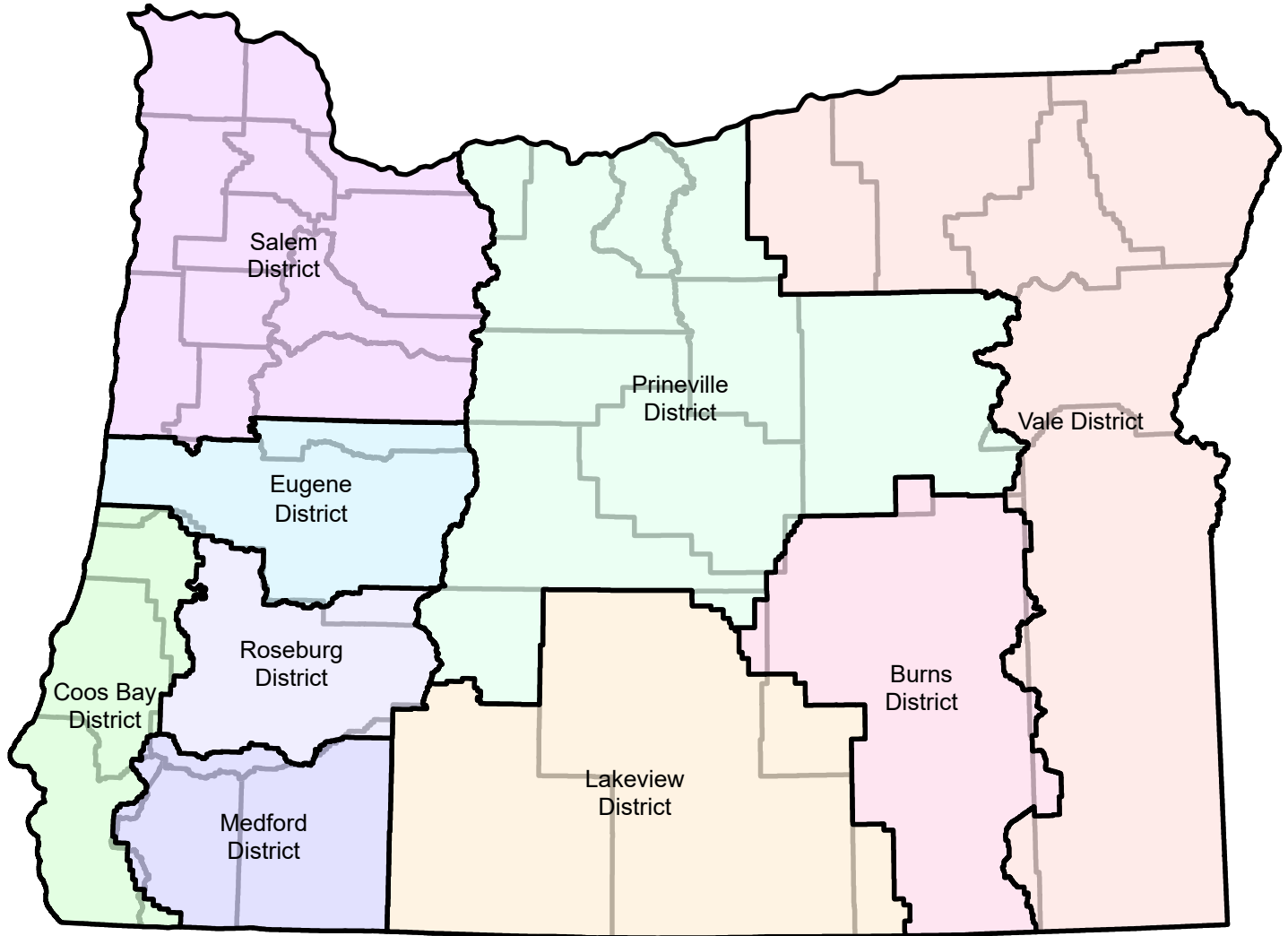
- 113 acres of industrial commercial/residential lands outside of Sisters
- 119.7 acres of industrial commercial/residential lands near Redmond
- 355.4 acres of industrial commercial/residential lands near La Pine.

Cultural resource surveys have not been completed for the majority of these parcels. BLM currently lacks the staff to survey the remaining parcels. DSL may potentially help BLM contract for an archaeologist to complete these surveys in the future to aid this process.

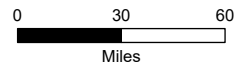
Next Steps

In the immediate term, DSL is focused on moving forward to acquire the Salem District parcels, with the current goal of completing the transfer in 2024. The Department will then work to usher the Prineville properties through the process.

State of Oregon Department of State Lands



Appendix A: BLM District Boundaries



Map Projection:
Oregon Statewide Lambert
Datum NAD83
International Feet

State of Oregon
Department of State Lands
951 SW Simpson Ave. Suite 104
Bend, OR 97702
541-388-6112
www.oregon.gov/DSL

County Boundaries	Eugene District	Roseburg District
District Name	Lakeview District	Salem District
Burns District	Medford District	Spokane District
Coos Bay District	Prineville District	Vale District

This map depicts the approximate location and extent of a Department of State Lands Proprietary authorization for use. This product is for informational purposes only 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.

Date: 9/21/2022

Map Producer: smiltenger