



Oregon Watershed Enhancement Board  
2014 Board Meeting Documents



# Oregon Watershed Enhancement Board

## Meeting Agenda

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### Oregon Watershed Enhancement Board January 28-29, 2014

Red Lion Hotel on the River/Jantzen Beach  
909 N. Hayden Island Drive, Portland  
Timberline Conference Room

Directions: <http://jantzenbeach.redlion.com/map-directions/>

*Tuesday, January 28, 2014*

*Business Meeting – 8:00 a.m.*

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

#### **A. Board Member Comments**

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

#### **B. Review and Approval of Minutes**

The minutes of the following OWEB Board meetings will be presented for Board approval:

September 10-11, 2013, Board meeting in Burns; and

November 4, 2013, Special Board meeting via telephone conference call.

*Action item.*

#### **C. Executive Director Update**

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

**D. Klamath Basin Restoration Agreement**

Richard Whitman, Governor Kitzhaber’s Natural Resources Policy Director, will brief the Board on the Upper Klamath Basin Agreement in Principle. Staff will ask the Board to award funding to act on the State’s commitment to support a water leasing program called for in the Agreement. *Action item.*

**E. Public Comment – General [approximately 10:45 a.m.]**

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

**F. Water Acquisition Grants Guidance**

Renee Davis-Born, Senior Policy Coordinator, will present proposed guidance for Water Acquisition Grants, as required by OWEB’s newly adopted administrative rules, for approval by the Board. *Action item.*

**G. Water Acquisition Project Update**

Renee Davis-Born, Senior Policy Coordinator, will update the Board about status of the previously funded Upper Sevenmile Creek Critical Habitat Instream Transfer Water Acquisition project (Grant# 212-103) and request the Board approve an alternative use of those funds for additional years of instream leasing. *Action item.*

**H. Forest Health Collaboratives Grants Update**

Greg Sieglitz, Monitoring and Reporting Program Manager, will update the Board on the recent grant solicitation and Director’s grant awards in support of collaborative groups working on forest health issues. The Board will be asked to award additional funds for future grant cycles for forest health related grants. *Action item.*

**I. Land Acquisitions**

Meta Loftsgaarden, Deputy Director, will update the Board about the status of the Whychus Creek Discovery Outpost Land Acquisition project (Grant# 208-110). The Board will consider a funding request for this project. *Action item.*

**J. Local Partner Presentations**

Local partners will give presentations to the Board about conservation and restoration efforts around the Portland Metro area. *Information item.*

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***Informal Reception – 5:00-6:00 p.m.***

*The public is invited to join the OWEB Board and staff at a reception sponsored by member organizations of The Intertwine Alliance.*

*Red Lion Hotel on the River / Jantzen Beach  
Washington Room*

**Wednesday, January 29, 2014****Business Meeting - 8:00 a.m.**

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

**K. Long-Term Investment Strategy Update**

Tom Byler, Executive Director, will be joined by Lauri Aunan, Grant Program Manager, Courtney Shaff, Grant Program Coordinator, and Greg Sieglitz, Monitoring and Reporting Program Manager, to update the Board about implementation of OWEB's Long-Term Investment Strategy, including progress on efforts related to Outcome-Based Watershed Council Capacity Grants and Effectiveness Monitoring. *Information item.*

**L. Focused Investments**

Meta Loftsgaarden, Deputy Director, will brief the Board about the process that is underway to update the Focused Investment Program. The Board will be asked to approve a definition and criteria for focused investments, along with a basic process for this program. *Action item.*

**M. Public Comment – General [approximately 10:30 a.m.]**

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

**N. Salmon Strongholds Update**

Meta Loftsgaarden, Deputy Director, and Juniper Davis, Partnerships Coordinator, will be joined by Krystyna Wolniakowski, Director of the Western Partnership Office of the National Fish and Wildlife Foundation (NFWF), to update the Board on the Oregon Plan priority focused on salmon strongholds, including a proposed concept for partnering with NFWF on behalf of the Oregon Governor's Fund. *Information item.*

**O. Budget and Legislative**

Tom Byler, Executive Director, and Renee Davis-Born, Senior Policy Coordinator, will brief the Board on the 2013-2015 OWEB budget, the upcoming 2014 legislative session, and agency activities in preparation for the 2014 legislative session. The Board may be asked to approve initial ideas on 2015 Legislative Concepts. *Action item.*

**P. Other Business**

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

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

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

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

A general public comment period will be held on Tuesday, January 28 at 10:45 a.m. and Wednesday, January 29 at 10:30 a.m., for any matter before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). *The Board encourages persons to limit comments to no more than five minutes.*

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

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

**Questions?** If you have any questions about this agenda or the Board's procedures, please call Brandi Elmer, OWEB Board Assistant, at 503-986-0181. If special physical, language or other accommodations are needed for this meeting, please advise Brandi Elmer (503-986-0181) as soon as possible but at least 48 hours in advance of the meeting.

## Oregon Watershed Enhancement Board Membership

### Voting Members

- Board of Agriculture member: *Doug Krahmer*
- Environmental Quality Commission member: *Morgan Rider*
- Fish and Wildlife Commission member: *Bob Webber*
- Board of Forestry member: *Cindy Deacon Williams*
- Water Resources Commission member: *John Roberts*
- Public member (tribal): *Eric Quaempts, Board Co-Chair*
- Public member: *Lisa Phipps*
- Public member: *Will Neuhauser*
- Public member: *Trish Smith*
- Public member: *Dan Thorndike, Board Co-Chair*
- Public member: *Karl Wenner*

### Non-voting Members

- Representative of NMFS: *Kim Kratz*
- Representative of Oregon State University Extension Service: *Stephen Brandt*
- Representative of U.S. Forest Service: *Debbie Hollen*
- Representative of U.S. BLM: *Mike Haske*
- Representative of U.S. NRCS: *Bill White*
- Representative of U.S. EPA: *Alan Henning*

### Contact Information

Oregon Watershed Enhancement Board  
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 Salem, Oregon 97301-1290  
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 Fax: 503-986-0199  
[www.oregon.gov/OWEB](http://www.oregon.gov/OWEB)

### OWEB Executive Director - Tom Byler

*tom.byler@state.or.us*

### OWEB Assistant to Executive Director and Board – Brandi Elmer

*brandi.elmer@state.or.us*  
 503-986-0181

### 2014-2016 Board Meeting Schedule

<b>2014</b>	<b>2015</b>	<b>2016</b>
January 28-29 in Portland	January 27-28 in Astoria	January 26-27, location TBD
April 29-30 in Bandon	April 28-29 in Salem	April 26-27 location TBD
July 29-30 in The Dalles	July 28-29 in John Day	July 26-27 location TBD
October 28-29 in Grants Pass	October 27-28 in Prineville	

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

## January 28-29, 2014 OWEB Board Meeting Executive Director Update #C-1: Spending Plan Update

### **Background**

At the beginning of each biennium, the Board considers a plan for the distribution of funding for a two-year period. The OWEB Spending Plan guides the agency's grant investments for the biennium. It is comprised of Lottery Funds, federal funds and salmon license plate revenue.

At its June 2013 meeting, the Board adopted a 2013-2015 Spending Plan totaling \$67.47 million. Of that total, the Plan assumed that \$9 million of Pacific Coastal Salmon Recovery Fund (PCSRF) funds from the National Marine Fisheries Service (NMFS) would be available for grants in the first half of the biennium. The Plan also assumed additional PCSRF funds could become available to add to the Plan later in the biennium if sufficient funds were received through pending and future PCSRF grants. As reported at the September 2013 Board meeting in Burns, OWEB has been awarded \$12.2 million of Federal Fiscal Year (FFY) 2013 PCSRF funds. These funds are limited to use for habitat restoration and protection projects and effectiveness monitoring.

Attachment A shows the 2013-2015 Spending Plan, total Board awards to date, and the funds remaining in each line item within the Spending Plan as of January 2014.

### **OWEB's Budget and FFY 2014 PCSRF Funds**

Each biennium, OWEB's budget is developed on the prospect of receiving federal grant funds from the PCSRF. Since 2000, OWEB, on behalf of the State of Oregon, has received PCSRF grants awarded annually by NMFS. PCSRF funds are a significant component of OWEB's resources, accounting for approximately one-third of OWEB's total funds.

While no funding source is guaranteed, thus far PCSRF funds have proven to be a reliable source for OWEB's budget. Reliable enough, in fact, that the Oregon Legislature routinely allocates PCSRF funding in OWEB's biennial budget based on estimated grant awards over two years.

For the 2013-2015 biennium, the Legislature allocated \$23.3 million of PCSRF funds to OWEB. This total includes \$13.9 million to OWEB for grants and staff, \$9.2 million to the Oregon Department of Fish and Wildlife (ODFW) staff and grants, and \$230,687 to the Independent Multidisciplinary Science Team. To meet these allocations, OWEB was able to use \$5 million in unspent FFY 2012 PCSRF funds and needs to receive a combined total of \$18 million from PCSRF grant funds awarded in FFY 2013 and 2014. The FFY 2013 grant award puts OWEB on a positive trajectory to meet the legislative budget allocations for the biennium.

As of the writing of this Director's Update, OWEB staff do not yet know if FFY 2014 PCSRF funds will be available. If grant applications for these funds are solicited, NMFS likely would not make grant decisions until late spring in 2014. With this in mind, staff recommend no PCSRF-related changes to the Spending Plan.

### **Staff Contact**

If you have questions or need additional information, contact Tom Byler at [tom.byler@state.or.us](mailto:tom.byler@state.or.us) or 503-986-0180.

Attachment A

**OWEB 2013-15 Spending Plan  
January 2014 Board Meeting**

	<b>Spending Plan as of Nov 2013</b>	<b>TOTAL Board Awards To- Date</b>	<b>Remaining Spending Plan as of Jan 2014</b>
<b>Open Grants:</b>			
Restoration	26.320	6.665	19.655
Technical Assistance	1.800	0.450	1.350
Action Plans for WC	0.250	0.000	0.250
Monitoring & EM	1.350	0.000	1.350
Outreach	0.600	0.000	0.600
Assessments	0.000	0.000	0.000
Regular Land and Water Acquisition	7.000	1.375	5.625
Weed Grants	2.500	2.500	0.000
Small Grants	2.800	2.800	0.000
CREP TA	0.750	0.750	0.000
CREP	0.500	0.500	0.000
<b>TOTAL</b>	<b>43.870</b>	<b>15.040</b>	<b>28.830</b>
<b>% of assumed Total Budget</b>	<b>64.9%</b>		

<b>Focused Investments:</b>			
Deschutes SIP	4.000	4.000	0.000
Willamette SIP	3.000	3.000	0.000
Klamath SIP	0.800	0.800	0.000
Whole Watershed Restoration Initiative	0.500	0.500	0.000
Effectiveness Monitoring	1.000	0.060	0.940
Oregon Plan/Governor Priorities	1.000	0.000	1.000
Ecosystem Services	0.150	0.090	0.060
<b>TOTAL</b>	<b>10.450</b>	<b>8.450</b>	<b>2.000</b>
<b>% of assumed Total Budget</b>	<b>15.5%</b>		

<b>Operating Capacity:</b>			
Capacity grants (WC/SWCD)	12.200	12.200	0.000
Building Capacity Grants	0.615	0.615	0.000
Lower Columbia Estuary Program	0.300	0.300	0.000
<b>TOTAL</b>	<b>13.115</b>	<b>13.115</b>	<b>0.000</b>
<b>% of assumed Total Budget</b>	<b>19.4%</b>		

<b>Business Practices</b>	<b>0.150</b>	<b>0.150</b>	<b>0.000</b>
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<b>TOTAL OWEB Spending Plan Proposal</b>	<b>67.585</b>	<b>36.755</b>	<b>30.830</b>
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<b>PCSRF Funds Allocated to Other Agencies</b>			
Oregon Department of Fish and Wildlife	4.100	4.100	0.000
IMST (1/2 M76 Operating / 1/2 PCSRF)	0.462	0.462	0.000
<b>TOTAL</b>	<b>4.562</b>	<b>4.562</b>	<b>0.000</b>

<b>Other Funds Allocated</b>			
Forest Health Collaboratives from DOF	0.200	0.200	0.000

<b>TOTAL Including OWEB Spending Plan</b>	<b>72.347</b>	<b>41.517</b>	<b>30.830</b>
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## January 28-29, 2014 OWEB Board Meeting Executive Director Update #C-2: Online Grant Applications and Grant Agreements

### **Background**

As mentioned during the update about Long-Term Investment Strategy priority work item implementation at the September 2013 Board meeting, OWEB is investing in grant application and grant agreement streamlining and developing online applications and agreements during the 2013-2015 biennium. The intent of this work item is to improve effectiveness and efficiency of the agency's grant-making processes for applicants, grantees and OWEB staff.

### **Status of the Project**

Internal project teams, representing each section of the agency, have been convened to: 1) complete focused work on grant application streamlining; 2) make recommendations about the design and development of information-system components that complement OWEB's existing grant management system and support online grant application and agreements, and 3) address technical and technological issues regarding the design and development of online grant applications and agreements.

In addition, an external stakeholder work group—consisting of grantees and reviewers—has been created to inform streamlining of OWEB's grant applications. Application streamlining is an important first step in the process given that OWEB's applications have evolved over many years. Streamlining offers an opportunity to look comprehensively at the applications and ensure these are asking key questions in a way that is efficient for OWEB staff and stakeholders and without redundancy.

By the time of the January 2014 Board meeting, the internal project team focused on application streamlining will have met eight times and the external work group, two times. Project leads have met several times with OWEB's Management Team to advance issues identified by the project team and work group for discussion and decision-making by the agency's leadership.

### **Project Timeline**

The desired goal is to complete scoping for and development of the online grant application/grant agreement web interface by July 1, 2015. Application streamlining is expected to be complete by March 2014. Design and initial build of the information-system components required for online grant application and agreements is anticipated to occur during the March–July 2014 period. Prior to and during this time, an external stakeholder work group focused on system functionality and usability will be convened to inform the design and build. Multiple phases of testing and refinement of the system will occur beginning in August of 2014. Testing is critical to ensure that, at the time it is launched, the system is both technically functional and technologically usable from the perspective of applicants, grantees, reviewers and OWEB staff.

Project leads are providing frequent updates to OWEB staff about the status of the project. Beginning in early 2014, periodic e-mail updates will be provided to OWEB stakeholders to keep them updated about the project as it moves forward.

### **Staff Contact**

If you have questions or need additional information, contact Renee Davis-Born at [renee.davis-born@state.or.us](mailto:renee.davis-born@state.or.us) or 503-986-0029.

## **January 28-29, 2014 OWEB Board Meeting Executive Director Update #C-3: Land Acquisitions Grant Cycle**

The October 2013 grant cycle was the first cycle under new administrative rules and process for OWEB's Land Acquisitions Program. During this cycle, six applications were received, totaling over \$3.5 million and proposing to protect 10,879 acres across the state. All applications were received through the agency's new online acquisition grant application system. One application was withdrawn because it was subsequently funded through another funding source.

The remaining five applications, which request \$3.1 million and propose to protect 10,815 acres, are proceeding through the review process. The review process consists of reviews for ecological benefits, organizational capacity, project soundness, and community benefits and impacts, and includes a public hearing. The Board subcommittee will meet immediately following the January Board meeting to review these applications. Those applications recommended by the subcommittee will have a public hearing prior to the April 2014 Board meeting. In addition, negotiations will begin with applicants for those projects recommended by the subcommittee, so the Board can proceed with consideration of conditional approval of grants at its April 2014 meeting.

### **Staff Contact**

If you have questions or need additional information, contact Meta Loftsgaarden at [meta.loftsgaarden@state.or.us](mailto:meta.loftsgaarden@state.or.us) or 503-986-0203.

## January 28-29, 2014 OWEB Board Meeting Executive Director Update #C-4: Healthy Rangelands

### **Background**

In 2015, the U.S. Fish and Wildlife Service (USFWS) is required to make a decision about listing the Greater Sage-Grouse under the federal Endangered Species Act (ESA). Sage-grouse and their habitat cover nearly 25 percent of the state's land area in southeast, central and northeastern Oregon, in addition to extensive areas across many other western states. As a result, this listing decision and the subsequent related actions and obligations have the potential to impact land management practices in Oregon at a scale similar to the actions related to salmon and spotted owls in the 1990s.

### **The State's Planning Effort**

Governor Kitzhaber is seeking to develop a comprehensive plan that, when combined with updated Bureau of Land Management (BLM) Resource Management Plans, will maintain and improve sage-grouse populations and habitat in Oregon. The short-term objective of the state's planning effort is to inform the USFWS's listing decision in 2015. The Governor's long-term goal is to protect and restore sage-grouse populations and the ecological health of lands across southeast Oregon and other areas of the state. This goal would be accomplished through responsible stewardship that generates and allows for economic use and development of lands vital to healthy rural communities.

OWEB has a vested interest in sage-grouse and their habitat. The habitat area spans three OWEB regions and has been a major focus of watershed restoration investments for the Board. The area comprises large tracts of private, state, and federal lands. Over the years, numerous watershed projects funded by OWEB on private lands have been designed to enhance sage-grouse habitat. Other projects have been conducted in conjunction with federal land managers with the same purpose in mind.

A team of partners including Portland State University, The Nature Conservancy, the Governor's office and myriad local partners and contractors have been moving forward with the effort to complete the State of Oregon's All-Lands, All-Threats approach to Sage Grouse Habitat Protection. This extensive effort, known as SageCon, has involved county commissioners and judges, county planning departments, state and federal agencies, landowners and a variety of non-profit organizations.

### **Accomplishments Following OWEB's Investment in the Effort**

The Board provided \$350,000 in funding for the SageCon effort in early 2013. Since that time, a number of significant accomplishments have been made. These include:

1. Stakeholder outreach to ensure that stakeholders such as the Association of Oregon Counties, Oregon Cattleman's Association, County planners, BLM, Oregon Department of State Lands (DSL), energy interests, conservation organizations, and many others have been involved in the decision-making process being used to develop the State's plan for sage-grouse in response to the 2010 warranted-but-precluded decision.
2. Coordination of ongoing fundamental analyses to quantify the risk of important threats to sage-grouse habitat in Oregon, including conversion to agriculture, energy feasibility, and other anthropogenic disturbance types.

3. Compilation of plot-level vegetation data, gathered between 1988 and present, from BLM, DSL, U.S. Forest Service, Natural Resources Conservation Service, Agricultural Research Service, USFWS, and other sources into a comprehensive and consistent database that can be used for monitoring and mapping and updated to indicate recent impacts (i.e., fire).
4. Collection of over 525 new vegetation plots in areas that have been burned since last sampled.
5. Pilot mapping work on sagebrush, cheatgrass and medusahead, along with processing of satellite imagery, to develop a new vegetation dataset.

In addition, the partners have matched OWEB's investment with additional work including:

1. Ongoing data collection and cataloging work;
2. Development of cartographic products for presentations and publications;
3. Creation of an updated land-status data layer depicting managed and protected areas that can be used for identifying current conservation areas;
4. Ongoing contributions of analysts to complete baseline assessment and methods development for determining current conditions and examine recent habitat trends in Oregon;
5. Creation of updated and calibrated vegetation simulation models for southeastern Oregon to better reflect current knowledge of range management and vegetation responses to management; and
6. In-progress development of initial conditions data for running simulations.

### **Future Request**

Due to the size, scope and potential impacts of this program to private lands and sage-steppe habitats in Eastern Oregon that also support an array of economic activities, the project partners and Governor's Office expect to return to the Board at its April 2014 meeting with an additional funding request to complete this work during the 2014 calendar year.

### **Staff Contact**

If you have questions or need additional information, contact Meta Loftsgaarden at [meta.loftsgaarden@state.or.us](mailto:meta.loftsgaarden@state.or.us) or 503-986-0203.

## January 28-29, 2014 OWEB Board Meeting Executive Director Update #C-5: Budget Category Streamlining

### Background

Over the past year, a team of OWEB staff have been working with external partners to streamline OWEB's budget categories and develop a more transparent budget category system that works for both grantees and OWEB staff. These budget categories are used to document funds requested in the grant applications and funds spent in the grant agreements. The overall goal of this process is to provide easy-to-understand and customer-friendly forms and processes while ensuring the necessary accountability for use of public funds.

With the passage of Ballot Measure 76, some grant costs now are allowed that previously were not under Measure 66. In addition, the Secretary of State Audits Division has asked for documentation to support fiscal administration costs (a current OWEB budget category). These items, combined with the desire of both grantees and staff to have fewer budget categories, resulted in the formation of a team to review all budget categories, including fiscal administration.

### Recent Progress

Since the September 2013 Board meeting, staff have:

- Presented an overview of changes at the Network of Oregon Watershed Councils Gathering in Newport in November of 2013;
- Finalized the new 'Budget Categories: Definitions and Policy' document and the updated 'Grant Billing Instructions' and posted on the OWEB website in November of 2013;
- Sent an email to all grantees on November 26, 2013 to notify them of the upcoming changes (effective for grants awarded after January 1, 2014); and
- Provided training to other staff in both the Grant Program and Focused Investment and Policy sections in November and December; the Monitoring and Reporting section is scheduled for training in January.

### Next Steps

Several training opportunities will be offered to stakeholders beginning in early 2014:

- Training via a webinar is scheduled for the following dates: January 13, 2014, February 11, 2014, and April 7, 2014.
- After the February 11, 2014 training, a frequently asked questions (FAQ) document will be distributed based on questions from both the January and February training sessions.
- The February 11, 2014 training will be recorded and posted on OWEB's website for future use and reference by stakeholders.
- Materials will be developed and distributed in May 2014 for the Small Grant program, which implements the new budget categories as of July 1, 2014.

### Staff Contact

If you have questions or need additional information, please contact Cindy Silbernagel at [cindy.silbernagel@state.or.us](mailto:cindy.silbernagel@state.or.us) or 503-986-0188.

## **January 28-29, 2014 OWEB Board Meeting Executive Director Update #C-6: 2011-2013 Small Grant Program Biennial Report**

### **Background**

In 1999, OWEB was seeking ways to be more responsive to small, straightforward restoration grant applications. During this time, the Oregon Legislature, through a budget noted in OWEB's legislatively adopted budget, encouraged the agency to initiate a local, county-based cost-share program. In January 2002, the Board adopted administrative rules establishing a Small Grant Program (SGP) with the goal of supporting implementation of the Oregon Plan for Salmon and Watersheds by funding small, straightforward restoration projects designed to improve water quality, water quantity, and fish and wildlife habitat.

Since then, twenty-eight Small Grant Teams consisting of representatives from local watershed councils, soil and water conservation districts, and tribes, have each been allocated \$100,000 per biennium for watershed restoration projects of \$10,000 or less. Attachment A shows the 28 SGP areas across the state. As has occurred in past biennia, in June 2013, the Board awarded \$2.8 million to the SGP for the 2013-2015 biennium.

The SGP encourages landowner participation in watershed improvement and continues to be extremely popular because of its ability to fund a variety of restoration projects more quickly than OWEB's Regular Grant Program. To date, approximately 2,332 projects have been funded through the SGP.

### **Long-Term Investment Strategy Direction**

Small Grants are one of OWEB's Open Solicitation Investments, which respond to locally selected ecological priorities based on local, state and regional conservation strategies and plans. The December 2012 proposed Long-Term Investment Strategy (LTIS) Direction included potential changes to the SGP, including increased funding and expanding the type of projects eligible for funding, in order to maintain statewide opportunities for Open Solicitation Investments. During listening sessions for the LTIS, a number of stakeholders were excited about expanding the SGP; others raised questions and concerns about expanding Small Grants. Further exploration of potential changes to the SGP will be discussed after successful completion of other priority work under the LTIS Direction.

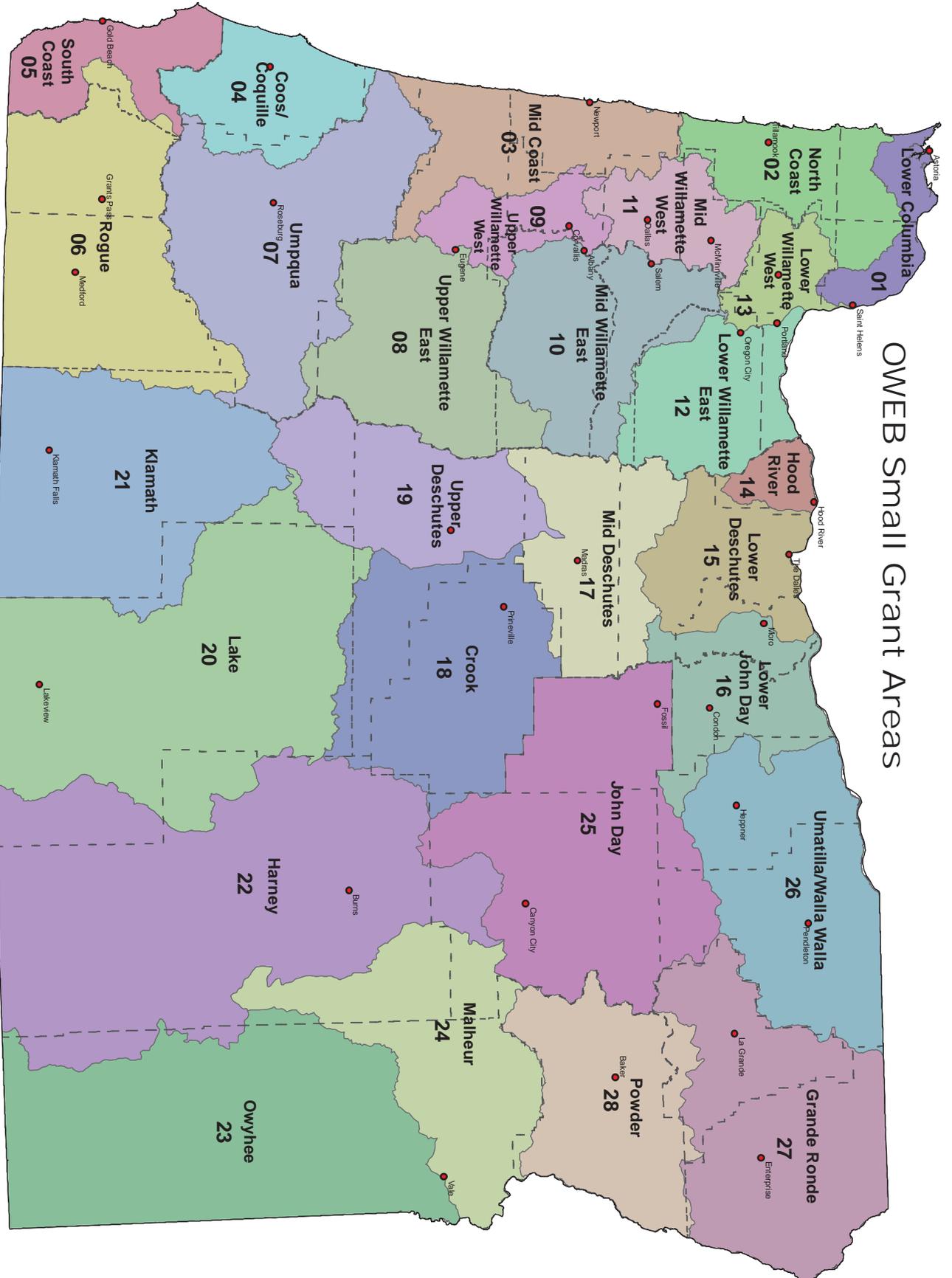
### **2011-2013 Small Grant Program Biennial Report**

Staff prepares the SGP Biennial Report following the close of each biennium. The Biennial Report provides background information about the program and summarizes SGP awards for the biennium. Copies of the 2011-2013 SGP Biennial Report will be available at the January 2014 Board meeting.

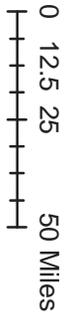
### **Staff Contact**

If you have questions or need additional information, please contact Lauri Aunan at [lauri.g.aunan@state.or.us](mailto:lauri.g.aunan@state.or.us) or 503-986-0047, or Bev Goodreau at [bev.goodreau@state.or.us](mailto:bev.goodreau@state.or.us) or 503-986-0187.

# OWEB Small Grant Areas



-  Small Grant Areas
-  Counties
-  County Seats



Oregon Watershed Enhancement Board  
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# Oregon

John A. Kitzhaber, MD, Governor

## Oregon Watershed Enhancement Board

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January 13, 2014

## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Tom Byler, Executive Director

**SUBJECT: Agenda Item D: Klamath Basin Restoration Agreement, Upper Klamath Basin Agreement in Principle and Water Lease Program Funding Request January 28-29, 2014 OWEB Board Meeting**

### I. Introduction

OWEB and Governor's Office staff will update the Board at the January meeting on the Upper Klamath Basin Agreement in Principle (AIP). As a part of that agreement, the Governor's Office has requested the Board consider funding up to \$750,000 from the Acquisition spending plan line item for a Water Lease Funding Program in the Upper Klamath Basin. The program will be described in more detail during the staff presentation to be provided at the Board meeting.

### II. Background

In early December of 2013, Upper Klamath Basin irrigators, the Klamath Tribes and state and federal officials signed a tentative deal to ensure water for both ranching operations and Tribal needs. The AIP is a necessary part of the to-be-developed Federal legislative package that will provide funding and guide water usage in the basin. The bill could be introduced as early as next year, with funding over ten years proposed to begin in 2015.

A key component of the AIP is a plan to conserve approximately 30,000 acre-feet of water in the Wood, Williamson, Sprague and Sycan sub-basins that would have been used for irrigation. This amount of water equates to approximately 18,000 acres of irrigated land. In the short term, conservation is proposed to take place via a water leasing program that would increase the amount of water protected in-stream. The potential for permanent transfer of water rights over the long term is under discussion.

### III. Current Status

The negotiators of the AIP hope to begin in-stream water leases during the 2014 irrigation season. In order to move this project forward in an expedited fashion, the Governor's Office is requesting OWEB consider providing up to \$750,000 to support the water-leasing program in 2014. This funding would cover costs of the leasing, in addition to programmatic costs to ensure a successful delivery system is in place locally. The State is working with federal agencies to secure support for the water leasing program as well.

#### **IV. Recommendation**

Staff recommend the Board award up to \$750,000 to support a water leasing program in the Upper Klamath Basin and delegate authority to the Executive Director to distribute the funds through appropriate grants and agreements. These grants will be based on guidance for the newly established Water Acquisition Grants process outlined in Agenda Item F, but with an accelerated timeline and slightly refined process, as necessary, to address timing issues around water leasing needs associated with the 2014 irrigation season.

(See the staff report for Agenda Item F, Water Acquisition Grants, for additional information about that process.)



# Oregon

John A. Kitzhaber, MD, Governor

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January 13, 2014

## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Renee Davis-Born, Senior Policy Coordinator

**SUBJECT:** **Agenda Item F: Water Acquisition Grants Guidance  
January 28-29, 2014 OWEB Board Meeting**

### I. Introduction

Staff are requesting the Board consider approval of proposed guidance for Water Acquisition Grants, as required by OWEB's newly adopted administrative rules. The guidance, which is described in this staff report, includes priorities, principles and process for water acquisition grant-making as part of a coordinated funder framework. Grants solicited under the new guidance will come before the Board for consideration and award decisions at the April 2014 meeting in Bandon.

### II. 2013 Rulemaking for Water Acquisition Grants

In January 2013, the Board authorized a Water Acquisitions Rules Advisory Committee to improve the effectiveness and efficiency of OWEB's Water Acquisitions grant program. The intent of the process was to make recommendations about where to invest to achieve high-priority ecological outcomes, how to partner with other organizations and funders, and potential improvements to the water acquisitions grant-making process.

At its June 2013 meeting, the Board approved revised administrative rules for OWEB's water acquisition grants, which:

- Transitioned from a focus on applications that propose individual water acquisition projects to those that propose comprehensive water acquisition programs;
- Broadened the potential interests in water that may be considered for funding under water acquisition grants;
- Expanded eligible costs that can be covered with OWEB funds and revised qualifying matching contributions;
- Created opportunities for coordinating and partnering with other funders of water acquisitions;
- Outlined content areas on which applications will be evaluated; and
- Described the Board and Director approval processes and the process for distribution of funds. (Attachment A)

The revised rules also stated that, following Board consideration and adoption of these rules, the Board would develop and approve guidance for water acquisition investments. Specifically, per Oregon Administrative Rule (OAR) 695-046-0200, the Board must approve guidance that describes the priorities, principles and process for grant-making.

### **III. Guidance for Water Acquisition Grants within a Coordinated Funder Framework**

Following adoption of the revised rules, staff began exploring the potential for a coordinated funder-based framework to soliciting and screening proposals for water acquisition programs, in conjunction with other funders. As part of these discussions, a new, more streamlined process to receive, review and make decisions about water acquisition applications was conceived. The coordinated funder framework discussions to-date have primarily occurred among three entities: Bonneville Power Administration, the National Fish and Wildlife Foundation and OWEB. Other potential funders (including private foundations, state agencies and non-profit organizations) have, however, also participated in or expressed interest in leveraging their investment in water acquisitions through the coordinated funder approach.

Staff have developed proposed guidance for Water Acquisition Grants, as required by the aforementioned OAR. This guidance, which outlines priorities, principles and a process for grant-making, is included in Attachment B. On January 13, 2014, the past OWEB Board Subcommittee on Acquisitions convened to review and comment on the proposed guidance. The proposed guidance in Attachment B reflects suggestions and comments from the subcommittee. The subcommittee supports the staff recommendation to the full Board. If approved by the Board at the January meeting, this guidance will be applied in a solicitation for water acquisitions grants that would come before the Board for award decisions in April of 2014.

### **IV. Recommendation**

Staff request the Board approve the proposed guidance for Water Acquisition Grants, including priorities, principles and process for water acquisition grant-making as part of a coordinated funder framework, as shown in Attachment B of this staff report.

#### Attachment

- A. OAR Chapter 695, Division 46 Rules
- B. Proposed Guidance: Water Acquisition Grants – Coordinated Funder Framework

**OREGON WATERSHED ENHANCEMENT BOARD  
DIVISION 46  
WATER LEASE AND TRANSFER GRANTS**

**695-046-0010**

**Purpose**

The purpose of this rule is to supplement the OWEB Grant Program rules under OAR 695-005 and to add specific guidance regarding the OWEB water acquisition grant program. The Oregon Watershed Enhancement Board does not itself hold an interest in water rights in grants authorized under these rules, but rather allocates funding for water allocation projects to other entities to hold the interest in water rights, subject to their contractual and statutory obligations and the compliance requirements set forth in OAR 695-046-0220.

Stat. Auth.: ORS 541.906

Stats. Implemented: ORS 541.932(9)

Hist.: OWEB 2-2005, f. & cert. ef. 2-1-05; OWEB 2-2013, f. & cert. ef. 6-19-13

**695-046-0020**

**Definition of Water Acquisition Project**

(1) "Water Acquisition Project is a program or project that plans for or implements, or both, the acquisition of an interest or interests in water from a willing seller for the purpose of increasing instream flow to do either or both of the following:

- (a) Address the conservation needs of habitats and species;
- (b) Improve water quality in a water-quality-limited area as determined by the Oregon Department of Environmental Quality.

(2) A water acquisition project may include the following activities:

- (a) Strategic planning and development, project design, landowner outreach, and other activities associated with water acquisitions in a given basin or other defined area;
- (b) Acquisition of an interest in water and associated due diligence;
- (c) Monitoring and other associated activities to ensure the interest is maintained through time.

Stat. Auth.: ORS 541.906

Stats. Implemented: ORS 541.932(9)

Hist.: OWEB 2-2005, f. & cert. ef. 2-1-05; OWEB 2-2013, f. & cert. ef. 6-19-13

**695-046-0175**

**Nature of Application**

In accordance with Section 4(b) of Article XV of the Oregon Constitution, OWEB may consider grant applications in partnership with other funders for projects that plan or implement the acquisition of an interest in water from willing sellers for the purpose of maintaining or restoring watersheds and habitat(s) for native fish or wildlife. Interest in water includes, but is not limited

to, instream leases (including split season use instream leases), water use agreements that result in protectable instream flows, conserved water projects as determined by the Oregon Water Resources Department's Allocation of Conserved Water Program, and permanent and time-limited instream transfers. These projects must be designed to increase instream flow to do either or both of the following:

- (1) Address the conservation needs of habitats and species; or
- (2) Improve water quality in a water-quality-limited area as determined by the Oregon Department of Environmental Quality. Applications must address the conservation and restoration needs of habitat(s) and species consistent with ecological priorities and principles identified by the Board.

Stat. Auth.: ORS 541.906

Stats. Implemented: ORS 541.932(9)

Hist.: OWEB 2-2013, f. & cert. ef. 6-19-13

### **695-046-0180**

#### **Application and Subsequent Grant Processing Requirements**

- (1) Grant applications for water acquisition projects must be submitted on the most current form that conforms with the process prescribed by the Board.
- (2) This Board-prescribed process may be conducted in cooperation with other funders of water acquisition projects.
- (3) In the event of any conflict between these requirements and requirements identified in OAR 695-005, the water acquisition requirements in this division will take precedence.

Stat. Auth.: ORS 541.906

Stats. Implemented: ORS 541.932(9)

Hist.: OWEB 2-2013, f. & cert. ef. 6-19-13

### **695-046-0185**

#### **Use of Grant Funds**

Water acquisition grant funds may be applied towards reasonable costs, as determined by OWEB, related to the planning and/or implementation of acquisition of interest in water from willing sellers, including:

- (1) The purchase price and the purchase option fees associated with acquisition of an interest in water.
- (2) The monetary interest on loans.
- (3) The staff costs incurred as part of acquiring the interest in water.
- (4) The cost of water-owner outreach activities necessary for the funded project.
- (5) The cost of due diligence activities, including appraisal or valuation of the interest to be acquired, title report, assessment of the timing and extent of water use and regulation associated

with the interest in water, Oregon Water Resources Department application costs, and other customary due diligence activities.

(6) The legal fees incurred.

(7) The transfer and closing fees related to the acquisition of an interest in water.

(8) The cost of monitoring the acquisition to certify that the water interest is being used and managed consistent with Section 4(b), Article XV of the Oregon Constitution.

Stat. Auth.: ORS 541.906

Stats. Implemented: ORS 541.932(9)

Hist.: OWEB 2-2013, f. & cert. ef. 6-19-13

### **695-046-0190**

#### **Matching Contributions**

(1) All applicants shall demonstrate at least 25% of the actual water acquisition project cost is being sought as match, with the grant applicant required to provide matching funds and efforts necessary to complete the purchase. The following costs and activities will qualify as match:

(a) All costs listed under OAR 695-046-0185, including in-kind contributions of those costs.

(b) Funding commitments made by others as a result of grant applicant efforts (including funding to be secured from other funders as part of a Board-prescribed process conducted in cooperation with other funders).

(c) Any donated portion of the interest in water.

(2) OWEB funds provided under OAR 695-046-0185 shall not qualify as matching contributions.

(3) The Director retains the discretion to determine that specific matching costs are unreasonable in a particular grant context and would not be recognized as qualifying matching costs.

Stat. Auth.: ORS 541.906

Stats. Implemented: ORS 541.932(9)

Hist.: OWEB 2-2013, f. & cert. ef. 6-19-13

### **695-046-0195**

#### **Coordinating and Partnering with Other Funders**

OWEB may consider grant applications in partnership with other funders for the purpose of creating operational efficiencies and better coordinating investments in water acquisitions to maintain or restore watersheds and habitat(s) for native fish or wildlife that are designed to increase instream flow to do one or both of the following:

(1) Address the conservation needs of habitats and species; or

(2) Improve water quality in a water-quality-limited area as determined by the Oregon Department of Environmental Quality.

Stat. Auth.: ORS 541.906  
Stats. Implemented: ORS 541.932(9)  
Hist.: OWEB 2-2013, f. & cert. ef. 6-19-13

**695-046-0200**

**Application Evaluation Process**

- (1) Grant applications for water acquisition projects shall be evaluated in accordance with guidance (including priorities, principles, and process) adopted and periodically reviewed by the Board and made available to the public via the agency's website and Board meeting materials.
- (2) The evaluation may be conducted in cooperation with other funders.
- (3) The grant application evaluation process shall include reviews for:
  - (a) The consistency of the water acquisition project with the Board's established priorities and principles for water acquisitions.
  - (b) The significance of the projected ecological outcomes.
  - (c) The business plan for the water acquisition project, including:
    - (A) Socio-economic strategy, including the community impacts or benefits resulting from the project (including, but not limited to, description of both current and proposed water uses, potential effects on existing water rights and uses, and other relevant socio-economic information).
    - (B) The capacity of the grant applicant to complete the acquisition and to achieve and sustain the proposed ecological outcomes over time.
    - (C) The soundness of the planning and of the legal and financial terms of the proposed water acquisition project, and its feasibility to achieve the projected ecological outcomes.
    - (D) Priority will be given to projects that are planned or implemented, or both, by grant applicants with a sound program to acquire interests in water rights to address the conservation needs of habitats and species and improve water quality in a water-quality-limited area, as determined by the Oregon Department of Environmental Quality.

Stat. Auth.: ORS 541.906  
Stats. Implemented: ORS 541.932(9)  
Hist.: OWEB 2-2013, f. & cert. ef. 6-19-13

**695-046-0205**

**Public Involvement**

The public shall be provided with opportunities to comment on grant applications for water acquisition projects being considered by the Board. OWEB will provide written notice through its website of the Board's intent to consider water acquisition grant applications. The Board will accept:

- (1) Written comments received at least 14 days before the Board meeting at which the application is to be considered by the Board; and
- (2) Oral comments made at the Board meeting at which the grant application is considered.

Stat. Auth.: ORS 541.906  
Stats. Implemented: ORS 541.932(9)  
Hist.: OWEB 2-2013, f. & cert. ef. 6-19-13

**695-046-0210**  
**Board Approval and Delegation of Authority**

The Board shall conditionally approve grants in accordance with guidance adopted by the Board and made available to the public. The Director is delegated the responsibility of ensuring that funding conditions required by the Board are fully satisfied by the grant applicant.

Stat. Auth.: ORS 541.906  
Stats. Implemented: ORS 541.932(9)  
Hist.: OWEB 2-2013, f. & cert. ef. 6-19-13

**695-046-0215**  
**Director's Funding Approval and Distribution of Funds**

The Director may approve the distribution of grant funds when:

- (1) The terms of the proposed acquisition of an interest in water are approved by the Director.
- (2) A grant agreement is executed by the Director and either the grant applicant or the entity or entities identified under the Board-prescribed process for other funders as referenced under OAR 695-046-0180. In the latter case, the other funder(s) must subsequently execute a grant agreement with the applicant to utilize OWEB funds in support of a water acquisition project. The Director has reconciled conditionally-approved funding with actual costs.
- (3) The grant applicant has satisfied the match requirements under 695-046-0190.

Stat. Auth.: ORS 541.906  
Stats. Implemented: ORS 541.932(9)  
Hist.: OWEB 2-2013, f. & cert. ef. 6-19-13

**695-046-0220**  
**Compliance and Enforcement**

(1) The ongoing use of the water interest acquired with OWEB water acquisition grant funds shall be consistent with the purposes specified in section 4(b) Article XV of the Oregon Constitution. If significant compliance issues cannot be resolved to the full satisfaction of the Director, the Director, after informing the Board and providing reasonable written notice to the recipient of the grant, may in his or her discretion initiate any and all legal remedies available to OWEB, including recovery of the OWEB grant funds that were used to purchase the water interest, and reasonable interest and penalties at the option of the Director.

(2) OWEB, its grantees, contractors and cooperating agencies must be provided sufficient legal access to property to which the water interest acquired with OWEB funds is appurtenant, for the purpose of monitoring to certify that the water interest is being used and managed consistent with Section 4(b), Article XV of the Oregon Constitution.

Stat. Auth.: ORS 541.906  
Stats. Implemented: ORS 541.932(9)  
Hist.: OWEB 2-2013, f. & cert. ef. 6-19-13

**695-046-0225**  
**Subsequent Conveyances**

A water interest acquired with OWEB grant funds shall not be conveyed to another party unless the conveyance is approved by the Board, and may not be conveyed for the purpose of consumptive uses.

Stat. Auth.: ORS 541.906  
Stats. Implemented: ORS 541.932(9)  
Hist.: OWEB 2-2013, f. & cert. ef. 6-19-13

**695-046-0230**  
**Waiver and Periodic Review of Rules**

The Director may waive the requirements of Division 46 for individual grant applications, not including mandatory statutory requirements, when doing so is reasonably calculated to result in more efficient or effective implementation of the Board's water acquisition grant program. Any waiver must be in writing and included in the grant file to which the waiver applies. The administrative rules for water acquisition grants shall be periodically reviewed by the Board and revised as necessary and appropriate.

Stat. Auth.: ORS 541.906  
Stats. Implemented: ORS 541.932(9)  
Hist.: OWEB 2-2013, f. & cert. ef. 6-19-13

## Water Acquisition Grants

### PROPOSED OWEB BOARD APPROVED GUIDANCE

***Note: The 2013-2015 biennium will serve as a pilot of the coordinated funder framework to test this approach to grant-making by OWEB and other funders.***

Under OAR 695-046 for water acquisition grants, the Board must approve guidance that describes the priorities, principles and process for grant-making.

I. Priorities – The Board prioritizes the funding of water acquisition programs or projects that increase instream flow to do one or both of the following:

- 1) Address the conservation needs of habitats and native fish and wildlife species; or
- 2) Improve water quality in a water-quality-limited area as determined by the Oregon Department of Environmental Quality.

II. Principles

- 1) OWEB will fund water acquisition programs or project(s) within a program in partnership with other funders for the purpose of creating operational efficiencies and better coordinating investments in water acquisitions.
- 2) OWEB will fund water acquisition programs or projects that have demonstrated potential to achieve significant ecological outcomes.
- 3) OWEB will fund water acquisition programs or projects that have a business plan, which describes:
  - a. Socio-economic strategy,
  - b. Demonstrated organizational capacity by the grant applicant, and
  - c. Sound program or project planning.

III. Process for Grant-making

- 1) OWEB completes a procurement process for an entity with which to contract to help OWEB develop, oversee and implement the coordinated funder framework for water acquisition grants.
- 2) OWEB contracts with the successful entity (hereafter, “the Contractor”) to build on existing frameworks for coordinated funding in a way that incorporates OWEB water acquisition grants into a broader coordinated funder framework.
- 3) OWEB and the Contractor work to develop additional application requirements (e.g., business plan), evaluation criteria, review process steps (e.g., technical evaluation, due diligence, tribal notification), etc. for the existing frameworks to create a broader coordinated funder framework that satisfies the requirements of OWEB’s administrative rules for water acquisition grants.

- 4) OWEB and the Contractor use 2013-2015 as a pilot test of the coordinated funder framework. This focus results in only approved and qualified local entities that have water acquisition programs or projects already in place (as opposed to emerging programs) being eligible for grants this biennium.
  - a. Between February and April of 2014, OWEB and the Contractor complete solicitation and review process for water acquisition programs and projects, in conjunction with OWEB and other funders.
  - b. Results and funding recommendations, which are developed in a coordinated fashion among the Contractor, OWEB and other funders, are provided to the OWEB Board.
  - c. The OWEB Board retains authority for awarding water acquisition grants. In April of 2014, the OWEB Board reviews the recommendations from the review/evaluation process and awards a single grant to the Contractor for selected water acquisition programs. These grant funds subsequently are distributed to the local implementers of water acquisition programs or projects.
  - d. The Contractor coordinates all grant administration and reporting on behalf of the local implementers funded with the OWEB grant.
  - e. Based on lessons learned from implementation during 2014, the process is adaptively managed and applied again in 2015. The solicitation and review of water acquisition programs and projects would occur between January and April of 2015. The OWEB Board would review recommendations and award a grant to the Contractor, which would subsequently distribute these funds to local implementers, at its April 2015 meeting.
- 5) At the end of the 2013-2015 biennium, OWEB staff will assess the effectiveness and efficiency of its participation in the coordinated funder framework. Based on this assessment, staff will make recommendations to the Board about necessary refinements to the Board approved guidance for water acquisition grants for consideration at the October 2015 Board meeting.
- 6) During the 2013-2015 biennium (and beyond, as appropriate), the OWEB and the Contractor will work to a) secure additional funding for development of the coordinated funder framework, b) expand the pool of co-funders of water acquisitions, and c) reach out to organizations with emerging water acquisitions programs regarding future grant-making opportunities.



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January 13, 2014

## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Renee Davis-Born, Senior Policy Coordinator

**SUBJECT:** **Agenda Item G: Upper Sevenmile Creek Water Acquisition Project Update January 28-29, 2014 OWEB Board Meeting**

### I. Introduction

In September of 2011, the Board awarded \$1,000,000 to Klamath Basin Rangeland Trust (KBRT) to support the Upper Sevenmile Creek Critical Habitat Instream Transfer Water Acquisition Project (Grant Application #212-103). This project proposed to permanently protect water instream in the Wood River Valley in Upper Klamath Basin. A grant agreement has not been completed for this project, pending the resolution of a protest to the permanent transfer claiming injury to another water right. The Oregon Water Resources Department (OWRD) is preparing for a contested case hearing on this matter, but it is not clear when the issue will be resolved.

In the meantime, the water right holder for the Upper Sevenmile water acquisition project is willing to continue leasing these water rights for instream protection, until the contested case hearing occurs and the question of injury is resolved. Staff request that the Board consider approving an alternative use of the funds previously awarded to Application #212-103—specifically, for instream leasing—pending the resolution of the protest on the permanent instream transfer.

### II. Background

The JaCox Ranch on Upper Sevenmile Creek began leasing water rights instream and implementing water conservation and grazing management changes to their operations in 2005. OWEB has funded two projects—one instream lease and the aforementioned permanent transfer—to support flow restoration by the ranch. In June of 2010, the Board awarded \$171,252 to KBRT to support half the costs of a three-year instream lease with the ranch. This lease included an option to negotiate a permanent instream transfer of water rights, using lease payments toward the purchase price. The terms of the final instream lease order issued by OWRD included conditions associated with a voluntary agreement reached with an adjacent landowner, who claimed that the terms of the original instream lease request would injure his water rights.

As noted in the final order from OWRD for the instream leases, approval of that lease does not establish precedent for approval of future leases or transfers, and any future applications for instream transfer of the same water rights requires a full and complete review, including a new injury review analysis.

The results of the changed land management practices and previous leases, including that funded by the 2010 OWEB grant, increased the water right holder's comfort level with pursuing a permanent transfer for instream purposes.

As noted in Section I of this report, in September of 2011, OWEB awarded \$1,000,000 to KBRT to fund half the costs of a project that would result in the permanent instream transfer of water from four JaCox Ranch water rights that historically were used for irrigation purposes. These same four water rights were involved in the previous instream leases. Other funders of the permanent transfer project are the U.S. Fish and Wildlife Service, Bonneville Environmental Foundation (BEF), National Fish and Wildlife Foundation and the U.S. Forest Service. As is the case with all water acquisitions, the grant application submitted to OWEB estimated the amount and total volume of water to be permanently transferred instream. The final determination of these values is made by OWRD after that agency completes an extensive evaluation of transfer applications, following procedures and criteria outlined in OWRD's administrative rules. This process includes a review of whether the proposed transfer would injure other water rights.

### **III. Water Rights Transfer Administrative Process**

After the majority of the funding for this project (including the 2011 OWEB grant) was awarded, OWRD began to process the proposed permanent instream transfer for the Upper Sevenmile project. On August 27, 2013, OWRD issued a Preliminary Determination (PD) on the proposed permanent instream transfer. As a result of OWRD's evaluation process, the PD outlined volumes and rates of flow protection available to be transferred instream without injury to other water rights that were different (in this case, higher) than what was described in the grant application to OWEB. It is not uncommon for the OWRD process—which includes comprehensive analyses of water rights, water availability, and other issues—to determine that the amount of water available for permanent transfer is different from what was originally proposed by the applicant. Overall, the PD confirmed the project was a good conservation investment by OWEB and other funders.

On October 7, 2013, OWEB staff learned that an adjacent landowner had filed a protest with OWRD regarding the permanent transfer and was requesting a contested case hearing. The landowner is claiming injury and enlargement resulting from the proposed changes to the existing water rights based on the PD.

OWRD now is preparing for a contested case hearing regarding the PD for the permanent instream transfer. The timeframe for the legal process is uncertain, but may take as long as one to three years.

#### **IV. Proposed Interim Solution – Continued Instream Leasing**

In anticipation of the permanent instream transfer, previous leases of the JaCox Ranch water rights terminated on September 30, 2013. The water right holder has indicated that during the time until the protest is resolved, the ranch is interested in continuing to temporarily transfer water instream via renewed leases with the same terms as were previously in place. A renewed lease would allow water to be protected instream while the legal process occurs. Staff understand that the adjacent landowner protesting the permanent transfer has indicated that, as long as the stipulated settlement terms from the prior instream leases are maintained, he will not protest the renewal of the Upper Sevenmile lease.

Staff propose the Board provide funding to continue instream leasing under the Upper Sevenmile water acquisition project until the protest on the permanent transfer is resolved. Under the previous lease agreement, the annual lease rate is \$114,120. If OWEB supports 75% of the lease cost, the agency's annual payment for leasing would be \$85,590. Bonneville Environmental Foundation (BEF) has committed to cover the remaining 25% lease balance (and required 25% OWEB match) for 2014 and 2015 irrigation seasons, at a minimum. Both OWEB and BEF funding would be conditioned on the approval of the lease renewal by OWRD. In addition, any lease payments provided by OWEB would be credited toward the permanent transfer of the instream water right in the future, depending on the outcome of the water-right injury question.

On January 13, 2014, the past Board subcommittee on Acquisitions convened to discuss this water acquisition project and the staff recommendation. The subcommittee supports the staff recommendation to the Board.

#### **V. Recommendation**

Staff recommend that the Board approve a revised grant award for the Upper Sevenmile Creek Critical Habitat Instream Transfer Water Acquisition Project (revised Grant Application #212-103) that:

- (a) Allows up to \$300,000 in funding previously awarded for Grant Application #212-103 to be used for temporary instream leasing of the same water rights, with funding conditioned on (1) approval of the lease renewal by OWRD; (2) the lease terms being the same as OWEB's 2010 instream lease grant with KBRT; and (3) the lease payments being credited toward the permanent transfer of the instream water right in the future, depending on the outcome of the water-right injury question, described in the grant application; and
- (b) Conditions funding for the permanent transfer proposed in Grant Application #212-103 to be based on the terms and conditions of the determination and final order for the transfer to be issued by Oregon Water Resources Department.



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January 8, 2014

## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Greg Sieglitz, Monitoring and Reporting Program Manager

**SUBJECT:** **Agenda Item H: Forest Health Collaboratives: Capacity Assistance Grants Update**  
**January 28-29, 2014 OWEB Board Meeting**

### I. Introduction

This report provides an update on the forest health collaboratives grant process approved by the Board at its special meeting on November 4, 2013. At the January 2014 Board meeting, staff will provide information about the specific forest collaborative support grants funded during the recent grant solicitation process. Staff also will request award of funds for an additional forest health collaboratives grant solicitation this biennium.

### II. Background

Fire suppression and other land-use practices during the last century have resulted in overstocked forest stands plagued with uncharacteristically high fuel loads and lower quality habitat for native species. The work of local forest collaborative partnerships has been shown to be an important means for establishing local support and agreement for forest restoration treatments thereby increasing the potential for an acceleration in the pace and scale of forest restoration. Treatments endorsed through this process, when focused on restoring more natural functions and processes, have been shown to be contested far less frequently than traditional planning efforts. Forest collaborative work is parallel to that of watershed councils and soil and water conservation districts with the goals focused on restoration of forested lands in a way that is ecologically sustainable, economically viable, and acceptable to diverse stakeholders.

During the last two decades, a number of forest collaboratives have formed around the state (Attachment A). These groups identify local forest health priorities through a community-based process, develop landscape-scale forest restoration plans, and develop agreement on active management and restoration approaches. Collaboratives bring together representatives from federal, state and local government, conservationists, timber interests, tribes and other local groups to develop a clearly defined vision and strategic goals for cooperative restoration. Several existing and emerging collaboratives include participation by watershed councils and soil and water conservation districts.

The emergence of these collaborative partnerships has been, in large part, to provide recommendations for federal forest management activities occurring within and near the communities that they represent. Starting with a handful of pioneering local partnership efforts in the 1990s, there are now more than 170 organizations participating in Oregon's forest collaboratives. As of 2012, there is at least one community-based collaborative group working within each of the 11 National Forests and seven of the nine Bureau of Land Management districts in the state. Of the 23 existing collaboratives, 14 are focused on "dry-forest" landscapes in eastern and southern Oregon and nine are focused on "west-side forest" landscapes (west of the Cascades' crest).

### **III. Federal Forest Collaborative Capacity Assistance Grants**

New funding was secured through the 2013 legislative session and was included in Senate Bill (SB) 5521, which provided \$2.885 million in non-Measure 76 Lottery Fund revenue to the Oregon Department of Forestry (ODF). These dollars created a new funding opportunity that is known as the Federal Forest Health Project. A budget note included in House Bill 5008 directed ODF to consider funding small grants to be administered by OWEB. At the Board's November Special Meeting, the process, criteria and timeline for this small grant program were approved.

#### *Purposes*

The small grants for forest collaboratives were approved by the Board for the following purposes: meeting support and facilitation for specific forest restoration projects and issues; expenses associated with field tours and meetings; travel expenses; monitoring and evaluation expenses; and communication activities and materials. The grants are designed to address forest collaborative organizational needs that, when satisfied, will achieve specific performance criteria that were established to track the progress and extent to which the pace and scale of forest health treatments and participating organizations attain their planning and implementation goals. These grants are not offered for the implementation of forest-restoration treatments.

#### *Timing*

The timing of the grant solicitation approved by the Board in November was specifically structured to enable a rapid deployment of grants through accelerated grant review and approval processes. In summary, grant applications were due to OWEB in late November 2013, then reviewed and ranked in mid-December, with feedback provided to applicants in mid-January. Based on the November Board award, grant decisions will be made by the Director in late January, with a goal of initiating grant agreements within three months of the application submittal (or by late February 2014).

#### *First-Cycle Grant Process*

There were 10 grant applications submitted to OWEB by the November 2013 deadline, with a total request of \$432,504 competing for the \$200,000 in non-Measure 76 Lottery Funds advertised with the solicitation (Attachment B). A review team comprised of industry representatives, environmental groups, state and federal agency staff, and the Governor's Natural Resources Office recommended that eight of the ten applications be funded. While the full grant review and award process is not yet complete at the writing of this report, staff will update the Board about the outcome of the process at the January meeting.

#### **IV. Second Grant Cycle This Biennium**

As described during the September and November 2013 Board meetings, a total amount of at least \$600,000 has been identified in the ODF Federal Forest Health Project budget of \$2.885 million to support the Federal Forest Health Collaborative Capacity Assistance Grants through OWEB. There are several forest collaborative groups that did not submit applications through the November cycle, as well as some that did apply for funding, but which have additional collaboration funding needs for the remainder of the biennium. Given this and the fact that approximately \$400,000 still is available to OWEB from ODF, staff suggest initiating the second-round funding opportunity of capacity assistance grants as was anticipated and discussed during the November special meeting of the Board.

##### *Process and Timing*

A streamlined process was developed and successfully applied during the first grant cycle between November and January. Staff's preference is to use the same process, including grant application materials, review criteria, review team and grant agreement approach, for the second round. It was imperative in the first cycle to move rapidly to ensure grant funds reached local groups in time to inform early 2014 planning and implementation scheduling. While expedited timing remains an important consideration for the second round, staff are planning to provide a few additional weeks for grant application preparation by applicants and grant review by the review team. With these considerations, staff propose opening the grant offering in April, with applications due in May, review team deliberation in June and awards in July of 2014. A full report about the second cycle will be providing to the Board at its July meeting.

#### **V. Recommendation**

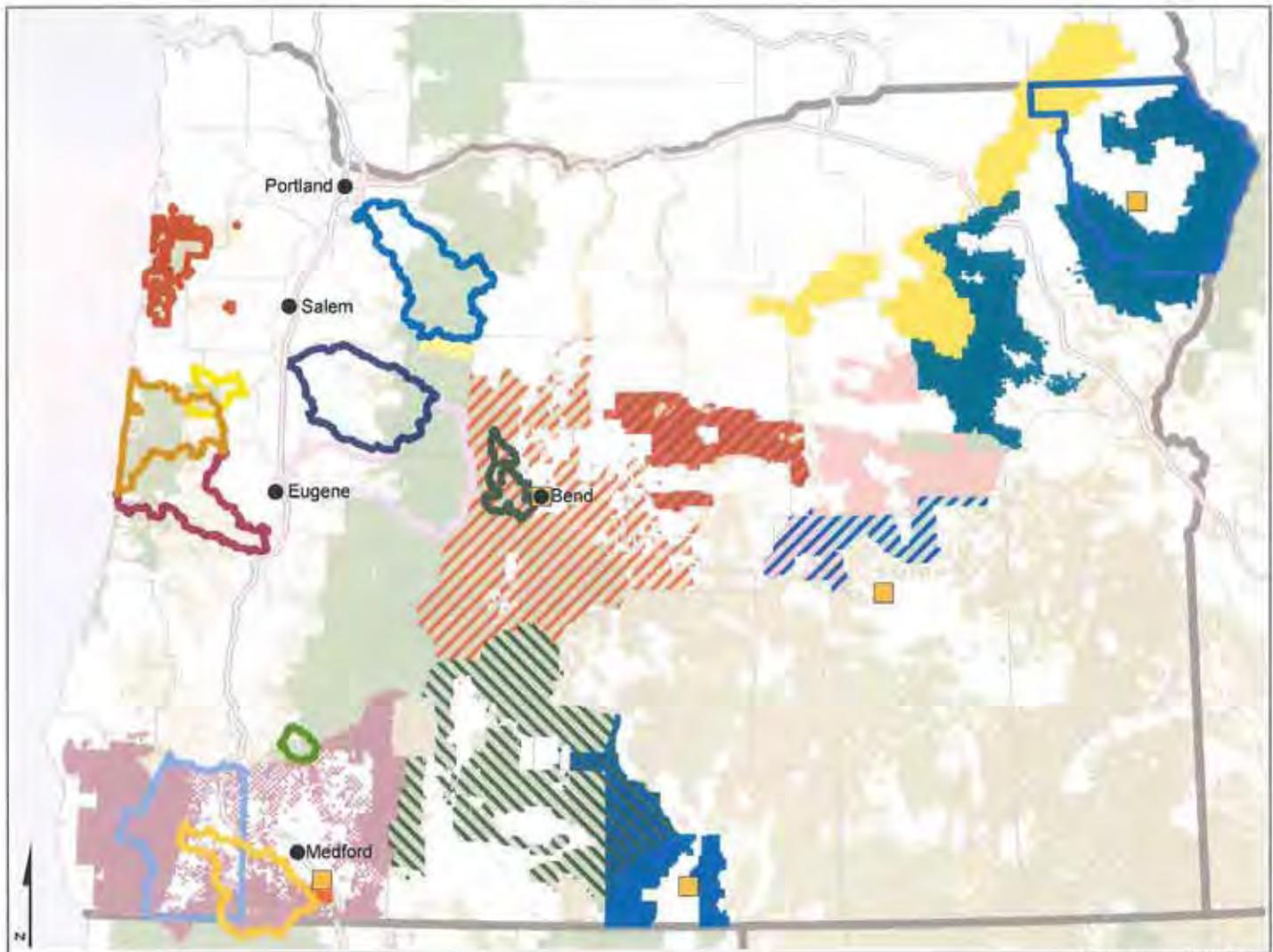
Staff recommend the Board:

- A. Approve a grant cycle for Federal Forest Health Collaborative Capacity Assistance Grants, following the schedule outlined in Section IV of this staff report; and
- B. Award \$400,000 for forest collaborative small grants and delegate distribution authority to the Executive Director. These funds are to be used for the grant cycle described in Section IV of this report.

##### Attachments

- A. Map of Forest Collaboratives in Oregon
- B. List of grant applications received – November 2013 grant cycle

# Multi-stakeholder forest collaborative groups working on public lands Oregon



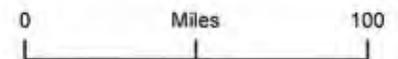
Data collected by EWP

### Public lands collaboratives

- Ashland Forest Resiliency Stewardship Project
- Black Hills Collaborative Project
- Blue Mountains Forest Partners
- Central OR Partnerships for Wildfire Risk Reduction
- Harney County Restoration Collaborative
- Lakeview Stewardship Group
- North Santiam Forest Collaborative
- Ochoco Forest Restoration Collaborative
- Southern OR Forest Restoration Collaborative
- Umatilla Forest Collaborative Group
- Wallowa-Whitman National Forest Collaborative

### All lands collaboratives

- Alsea Stewardship Group
- Applegate Partnership
- Clackamas Stewardship Partners
- Deschutes Collaborative Forest Project
- Hebo Stewardship Group
- Josephine County Stewardship Group
- Marys Peak Stewardship Group
- McKenzie Collaborative Group
- Siuslaw Stewardship Group
- South Umpqua Rural Community Partnership
- Sweet Home All Lands Collaborative
- Wallowa County NRAC



- Cities of over 50,000 people
- Community-based natural resource organizations
- Interstates
- US Forest Service lands
- Other federal lands

**Forest Collaborative Applications  
November 2013**

Attachment B

<b>Application #</b>	<b>Project Name</b>	<b>OWEB Requested</b>
214-8008-11051	Shasta-Agness Planning Area	46,678
214-8008-11052	Wallowa-Whitman Forest Collaborative - Implementation Phase 2	15,000
214-8008-11053	Wolf Creek Forest Monitoring Program	41,781
214-8008-11054	Issue-based Innovation Project	49,905
214-8008-11055	Lakeview Stewardship Group Collaborative	75,000
214-8008-11056	Umatilla Collaborative Capacity	36,012
214-8008-11057	Page Creek Community Forest Project & Coordinated Regional Forest Restoration Strategy	34,400
214-8008-11058	Deschutes Collaborative Forest Landscape Restroation Project	46,325
214-8008-11059	Fremont/Winema Master Stewardship Agreement advanced by local Partners	47,403
214-8008-11060	Ashland Cross-boundary Forest Restoration	40,000
<b>10</b>	<b>Total Requested</b>	<b>\$432,504</b>



# Oregon

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January 10, 2014

## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Deputy Director  
Juniper Davis, Partnerships Coordinator

**SUBJECT: Agenda Item N: Coastal Salmon Conservation and Salmon Strongholds  
January 28-29, 2014 OWEB Board Meeting**

### I. Introduction

This staff report briefs the Board on OWEB programs related to coastal salmon conservation and the implementation of Oregon's Salmon Stronghold Partnership initiative. Staff from OWEB and the National Fish and Wildlife Foundation (NFWF) are in the beginning stages of developing a co-funding partnership aimed at increasing collaboration and conservation success in coastal salmon tributaries, estuaries, and wetlands. OWEB and NFWF staff intend to present a formal program proposal to the OWEB Board at its April 2014 meeting in Bandon.

### II. Background

The North American Salmon Stronghold Partnership initiated by the Wild Salmon Center (WSC), unites public and private resources in a voluntary, incentive-based approach to protect the healthiest remaining salmon ecosystems in North America. Oregon was a founding member of the Salmon Stronghold Partnership in 2009. A key goal of the Salmon Stronghold Partnership is to accelerate protection and restoration in the healthiest rivers and core centers of wild salmon abundance and diversity. Through joint efforts between WSC and NFWF, the Oregon Governor's Fund for the Environment (Governor's Fund) was aligned to focus on supporting the wild salmon strongholds concept in 2013.

At the March 12-13, 2013 OWEB Board meeting, the Board approved \$300,000 of Pacific Coastal Salmon Recovery Fund funding to be used to support Oregon Plan/Governor's Priorities and Governor's Fund initiatives as they overlap with the Salmon Stronghold Partnership. An additional \$40,000 was awarded from the Ecosystem Services line item in the Board's 2013-2015 Spending Plan to assist with testing of the State's stream mitigation framework within salmon strongholds. Since that time, \$199,869 of the Board award has been matched with \$360,674 from the Governor's Fund to fund a total of eight salmon habitat restoration projects in the Umpqua, Sandy-Clackamas, Lower Deschutes, Lower Grand Ronde, and Nehalem-Tillamook Strongholds (Attachment A).

### **III. Updated Partnership Concept**

The diverse geography and limited funding available at this time to the Salmon Stronghold Partnership currently constrains the short- and long-term potential success of the initiative. OWEB staff and its funding partner—NFWF via the Governor’s Fund—believe that more measurable outcomes and opportunities to achieve and track success could be reached by narrowing the geographic focus of the Salmon Stronghold Partnership.

Due to the existing and potential capacity of local conservation partners to develop high-quality projects in salmon strongholds, and the existence of additional funding sources (namely, the U.S. Fish and Wildlife Service’s National Coastal Wetlands Grant Program) that could be immediately leveraged with salmon stronghold investments, OWEB and NFWF staff are examining the opportunity to direct their efforts to address coastal Coho habitat conservation needs. Under the proposed effort, OWEB and NFWF would coordinate and local community leaders and restoration organizations along the coast to develop a Strategic Business Plan for coastal Coho habitat conservation, restoration and protection within the state’s two coho areas (i.e., the Oregon Coast Coho and Southern Oregon/Northern California Coasts evolutionarily significant units [ESUs]) with input from the National Oceanic and Atmospheric Administration (NOAA). The goal of this business plan is to develop—in conjunction with local partners—a strong framework that is beneficial for local partners, while at the same time creating a plan the two funding partners can utilize to leverage additional resources for coastal Coho habitat conservation.

NFWF’s business plan development process has proven a successful strategy in other areas of Oregon and around the U.S. to achieve significant conservation results based on both science and community involvement. In addition, NOAA is poised to release the coastal Coho Salmon recovery plan in early 2014, so development of a Strategic Business Plan to implement the first decade of conservation activities would be well-timed.

### **IV. Recommendation**

This is an informational item. No Board action is requested at this time. Between the January and April Board meetings, OWEB and NFWF staff will fully develop this concept. Staff then will return to the Board at its April 2014 meeting with a funding request for Strategic Business Plan development.

#### Attachments

- A. List of 2013 Oregon Governor’s Fund and OWEB funded projects

2013 Oregon Governor's Fund Full Proposals

EZG #	Applicant Organization	Project Title	Location Description	Project Description	Proposed LongTerm Outcome	Total Requested Amount	Recommended Amount	Total Match
<b>Sandy - Clackamas</b>								
37707	Sandy River Basin Watershed Council Steve Wise 503-668-1428	Sandy River Salmon Stronghold Restoration	Among the most productive spawning areas in the Lower Columbia ESU, Sandy tributaries Salmon River (28 miles) and Still Creek (13 miles) are expected to drive recovery of Chinook, coho and steelhead.	The Sandy Stronghold project will restore anchor habitat for ESA listed Lower Columbia salmonids, increasing channel complexity and reactivating off-channel habitat in the Salmon River and Still Creek	The Watershed Council, federal agencies, non-profits and volunteers partner to implement on-the-ground restoration of key limiting factors and grow community engagement in priority subbasins.	\$50,000.00	\$50,000.00	\$50,000.00
<b>Lower Deschutes</b>								
36833	The Confederated Tribes of the Warm Springs Reservation of Oregon Scott Turo 541-553-2025	Habitat Restoration on Mill Creek at Potter's Springs	The project is located in the lower Deschutes River sub-basin. Mill Creek is a tributary to the Warm Springs River which enters the lower Deschutes River at river mile 85.	The proposed project will reconnect the floodplain, increase sinuosity, remove the lateral floodplain berms, and enhance and increase main and off channel habitat complexity for native salmonids.	This project will help recovery listed Mid-Columbia summer steelhead, increase the production of culturally significant spring Chinook salmon, and restore the natural processes that maintain habitat.	\$75,000.00	\$75,000.00	\$1,279,500.00
<b>Recommended Funding BY by OWEB - 3 grants</b>						<b>\$199,869.00</b>	<b>\$199,869.00</b>	<b>\$1,796,070.00</b>



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January 8, 2014

## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Deputy Director

**SUBJECT: Agenda Item I: Wolfree's Whychus Creek Discovery Outpost Land Acquisition Project Funding Request  
January 28-29, 2014 OWEB Board Meeting**

### I. Introduction

This staff report requests the Board consider awarding funding for a purchase by the Deschutes Land Trust (the Trust) of a property previously acquired by Wolfree Inc. (Wolfree) with OWEB funding. A loan secured by Wolfree to cover a portion of the property purchase is in default. The Trust is willing to take over the property, but is seeking OWEB funding to cover a negotiated pay-off of the loan.

### II. Background

In October 2007, Wolfree submitted a land acquisition grant application (#208-110, Whychus Creek Discovery Outpost Land Acquisition project), requesting \$500,000 for fee-simple purchase of a 58-acre property located on Whychus Creek in Deschutes County, near Sisters.

Wolfree is a 501(c)(3) charitable non-profit corporation that was established in 1994. Their mission is to serve people and their communities through innovative science education, ecosystem restoration, and ecological research.

The application stated that the property is part of a deep-walled canyon and contains approximately 15 acres of aspen forest and wetlands. The application also stated that the property supports an active golden eagle nest, native redband trout, and recently reintroduced steelhead. Wolfree asserted that loss and degradation of Whychus Creek's wetland and riparian habitats created an urgent need to conserve the property. The application stated that management and education plans would directly involve the community of Sisters and that Wolfree would use the property for education, with a focus on small-group, project-based learning.

The Board awarded \$500,000 for acquisition of the property. Wolfree obtained seller financing for the remaining \$300,000 of the \$800,000 purchase price, and completed the purchase in August 2008.

### **III. Current Status**

Since the time the property was acquired, Wolfree has only been able to pay \$30,000 of the \$300,000 in seller financing. With the loan in default for lack of payment, the original seller (who also is the financier of the loan) has the option to take the property back. Subsequent to the \$30,000 payment, Wolfree has been unable to pay off the loan from the seller, secure legal access to the property, or complete management and education plans under the terms specified in the grant documents.

These events place both the original landowner (seller) and OWEB in a complex situation. For the seller, they will be taking back a property that they sold five years ago, and will not receive payment for the loan. In addition, the property will be incredibly difficult to re-sell because it will be encumbered with a conservation easement from OWEB precluding any opportunity for development. This situation leaves a 'conservation buyer' as the only reasonable alternative for the original landowner to seek.

OWEB faces a challenge in this scenario as well. The possibility exists that the conservation easement may not have the same applicability with the previous landowner, which results in OWEB running the risk of losing its previous investment in conservation that was expected under this project. OWEB's conservation easements are, in effect, a right to enforce the conservation values of the property. Easements are generally held with a land trust, cities, counties or other entities that have a conservation mission and purpose in mind for the property. For those properties that continue to be owned by a private landowner, the Conservation Easement has primary enforcement by a Land Trust and OWEB's interest is as a 'third party right of enforcement.' In no instance does OWEB hold the primary right of enforcement over a private landowner, nor is the agency staffed to do so.

### **IV. Proposed Solution**

Deschutes Land Trust has offered to assist with resolving this complex challenge. While this is not a priority property for the organization through their strategic plan, it is located within a priority area. Since it is not a priority property, their board is not inclined to fundraise for its purchase, given other priorities. However, the Trust's Board has agreed to take on ownership and long-term stewardship of the property.

A \$270,000 seller-financed loan remains to be paid off. In OWEB's Land Acquisition Grant Program, the agency has placed a 75 percent limit on OWEB's contribution to the property. In the case of this property, as noted above, OWEB invested only 62 percent of the property value. To reach the 75 percent investment level, OWEB could invest an additional \$100,000.

The Trust has completed extensive negotiations with the seller to find a price that will pay off at least a portion of the loan while transferring the property to the Trust. With the aforementioned amount of additional investment from OWEB in mind, the Trust was able to negotiate a \$100,000 agreement to pay off the loan. When the loan is paid off, Wolfree has agreed to transfer the property directly to the Trust.

In addition to the purchase price, Deschutes Land Trust has identified specific 'site stabilization' needs for the property, including gaining access to the property, removing structures, limiting vehicular access and protecting key sites from further vandalism. These elements are critical for the property to function as a restoration property. The cost for this work is \$27,000.

**V. Recommendation**

Staff recommend the Board provide \$100,000 to pay off the negotiated balance of the loan due for the Wolfree property, conditioned on staff acceptance of all required due-diligence documents. Staff also recommend the Board provide \$27,000 to complete necessary site stabilization. This award, which includes both funding items, will go to Deschutes Land Trust and will come from the Land and Water Acquisition line item in the 2013-2015 Spending Plan.



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December 26, 2013

## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Deputy Director

**SUBJECT:** **Agenda Item J: Local Partner Presentations  
January 28-29, 2014 OWEB Board Meeting**

Several local partners will give presentations to the Board about conservation and restoration efforts around the Portland Metro area:

- East Multnomah Soil and Water Conservation District – Farm Incubator Program
- West Multnomah Soil and Water Conservation District – Forestry conservation in a metropolitan setting
- Johnson Creek Watershed Council – Urban conservation projects
- Intertwine – Regional Conservation Strategy
- City of Portland – Green infrastructure
- Lower Columbia River Estuary Partnership program activities



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January 10, 2014

## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Tom Byler, Executive Director

**SUBJECT: Agenda Item K: Long-Term Investment Strategy Update  
January 28-29, 2014 OWEB Board Meeting**

### I. Introduction

At the June 2013 meeting, the Board adopted its Long-Term Investment Strategy for Conservation (LTIS), which included approval of a framework for grant investments and direction for the LTIS. At the September Board meeting in Burns, staff provided early updates on 2013-2015 priority implementation work items resulting from the LTIS. This report is intended to remind the Board of the numerous tasks undertaken associated with the LTIS. In addition, the report briefs the Board on status of several projects, with a focus on Watershed Council Capacity Grants and Effectiveness Monitoring (see staff reports for Agenda Items K-1 and K-2, respectively). This report is for informational purposes only.

### II. Background

As a result of the passage of Ballot Measure 76 in 2010, OWEB's primary source of funding was no longer time-limited in the Oregon Constitution. From that point forward, OWEB has been reviewing and updating its priorities, policies, programs and practices with the purpose of best positioning the agency as an effective and successful long-term funder of conservation in Oregon.

Nested under the agency's mission and strategic plan goals, the LTIS represents OWEB's review and update effort and touches on nearly all aspects of OWEB's responsibilities. In carrying out this work, OWEB set out guiding principles on how the agency would approach updates and changes in programs. Overall, the effort has involved significant engagement of the OWEB board and staff, as well as stakeholders. OWEB's mission, strategic plan goals, a summary of the LTIS framework and direction, and the guiding principles are included in Attachment A.

#### *Board Committee Restructuring*

In October of 2013, the OWEB Board co-chairs and Executive Director established a new organizational structure for OWEB's board committees. The rationale for the new structure was to better align the committees with the LTIS framework adopted earlier in the year. Recent appointments of several new Board members made this a logical time for the restructuring, from the standpoint of orienting the new members under the new committee structure. Some of the new

subcommittees have met since the restructure took effect. A roster of the current Board committees is contained in Attachment B.

### **III. Status of Priority Work Items**

The following lists the priority work items for OWEB during the 2013-2015 biennium:

1. *Develop online grant applications and grant agreements.* See Agenda Item C-2. In addition to the progress described in that update, staff are planning to complete a Lean-Kaizen review of the Regular Grant Program process during the first half of 2014. Lean-Kaizen is a methodology that increases process efficiency and encourages continuous process improvement through the implementation of best practices. The Lean Kaizen will redesign the Regular Grant application and award process to align with online applications and agreements. After this is completed, results will be shared with all OWEB sections to inform online system design and development for the full suite of OWEB business processes.
2. *Update watershed council capacity program.* See Agenda Item K-1.
3. *Update focused investment program.* See Agenda Item L.
4. *Continue and augment effectiveness monitoring efforts.* See Agenda Item K-2.
5. *Launch updated land acquisitions grant process and design and implement updated water acquisition grant process.* See Agenda Items C-3 and F, respectively.
6. *Streamline grant budget categories.* See Agenda Item C-5.

The items above involve a considerable amount of work for OWEB above and beyond its typical workload. Staff's goal is to carry out these efforts without diminishing the quality of services our stakeholders regularly expect from the agency. Good communication is critical to the overall success of these efforts. Toward that end, OWEB managers have been meeting regularly to coordinate activities and position the agency to make as much progress as possible over the biennium. In addition, OWEB is utilizing internal cross-sectional teams for many of these tasks to ensure we have the expertise needed to inform our direction on policies and processes. Lastly, all work items will include board and stakeholder involvement, with the level of engagement dependent upon the nature of the issue.

Staff will continue to update the Board on the implementation status of work priorities at future meetings.

### **IV. Recommendation**

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

#### Attachments

- A. OWEB Strategic Plan Goals and Long-Term Investment Strategy Overview
- B. OWEB Board Committee Membership



# OWEB Strategic Direction and Principles

**OWEB** **OWEB's Mission:** To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

## Goals

### Goals from OWEB's 2010 Strategic Plan

In 2010, the OWEB Board approved a strategic plan with five goals. With the passage of Constitutional Measure 76 and permanent Lottery funding, the Board continues to operate under the strategy.

#### **Goal 1: Adaptive Investment**

Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs.

#### **Goal 2: Local Infrastructure Development**

Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.

#### **Goal 3: Public Awareness and Involvement**

Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

#### **Goal 4: Partnership Development**

Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations, and private landowners for watershed and habitat restoration and conservation.

#### **Goal 5: Efficient and Accountable Administration**

Ensure efficient and accountable administration of all investments.

## Long-Term Investment Strategy

### OWEB's Framework for Grant Investments

In 2013, the Board adopted a Long-Term Investment Strategy that guides its investments of Lottery, federal and salmon plate funding. All of OWEB's investments in ecological outcomes also help build communities and support the local economy. The Board also approved a direction for the investments outlined below. They will continue operating capacity and open solicitation grants and continue focused investments with a gradual increase over time.

#### **Operating Capacity**

Operating Capacity Investments support the operating costs of effective watershed councils and soil and water conservation districts. Councils and districts are specifically identified in OWEB's statutes.

#### **Open Solicitation**

OWEB offers responsive grants across the state for competitive proposals based on local ecological priorities.

#### **Focused Investments**

OWEB helps landscape-scale collaborative partnerships achieve collaboratively prioritized ecological outcomes.

#### **Effectiveness Monitoring**

OWEB evaluates and reports on the progress and outcomes of watershed work it supports.



## Guiding Principles

### Guiding Principles

As the Board developed the Investment Strategy, they did so under established principles for how any changes in OWEB's programs would operate.

**Build on accomplishments.** The commitment and work of our local partners have resulted in a nationally and internationally recognized approach with unmatched environmental accomplishments. OWEB will build on this foundation.

**Effective communication.** OWEB is committed to active, two-way communication of ideas, priorities, and results with its staff, partners, potential partners, and the public as a means for developing and maintaining a strong investment strategy and successful cooperative conservation.

**Transparency.** OWEB values transparency and develops its Long-Term Investment Strategy through an open, transparent process that involves input and dialogue with stakeholders and staff.

**Maximize service, minimize disruption.** The Board considers how OWEB's grant portfolio impacts partner organizations and staff resources to maximize effectiveness without adversely affecting service delivery.

**Responsive.** The Long-Term Investment Strategy will adjust to changes in revenue and be responsive to changes in ecological priorities from the Governor, Legislature, the Board, and local partners.

**Adapt based on monitoring and evaluation.** OWEB's staff and Board monitor and evaluate the effectiveness and implementation of the Long-Term Investment Strategy. The Board shall adapt and modify the strategy as needed to meet its desired goals and outcomes and to improve overall investment success.

**Phase-in Change.** OWEB's Long-Term Investment Strategy will guide future efforts, is designed to accommodate changes and adjustments made by stakeholders and OWEB staff, and will be periodically revisited.

## Operating Principles

### Operating Principles to Enhance OWEB Team Work

We will do all we can, individually and as a group, to:

- **Use Good communication--at all levels and in all directions;**
- **Operate with a Team approach;**
- **Follow through on conversations in order to build and maintain needed trust;**
- **Empower staff wherever it is appropriate to do so; and**
- **Have fun while doing important work!**

## OWEB Board Committee Organization

### Co-Chairs

Dan Thorndike, Eric Quaempts

The co-chairs meet regularly with the Executive Director to plan board meetings and discuss agency policy and budget issues. They also serve in an ex-officio capacity on all subcommittees.

### Executive Committee

Dan Thorndike	Eric Quaempts
Debbie Hollen	Will Neuhauser
Morgan Rider	Mike Haske

The chair of each subcommittee serves with the co-chairs on the Executive Committee. The Executive Committee meets as needed to discuss agency policy, program and budget issues.

### Subcommittee membership

<b>Operating Capacity</b>	<b>Focused Investment</b>	<b>Open Solicitation</b>	<b>Monitoring/Reporting</b>
Debbie Hollen (ch)	Will Neuhauser (v) (ch)	Morgan Rider (v) (ch)	From OC: Karl Wenner (v) Debbie Hollen
<i>WRC pending</i> (v)	Bob Webber (v)	Cindy Deacon-Williams (v)	From FI: Bill White Alan Henning
Doug Krahmer (v)	Lisa Phipps (v)	<i>OSU Ext pending</i> (v)	From OS: Mike Haske (ch) Kim Kratz
Karl Wenner (v)	Alan Henning	Mike Haske	
<i>New public-at-large pending</i>	Bill White	Kim Kratz	

### Issue areas for the subcommittees:

<b>Operating Capacity</b>	<b>Focused Investment</b>	<b>Open Solicitation</b>	<b>Monitoring/Reporting</b>
Watershed council support program	FI criteria and process	Regular grant program	Effectiveness Monitoring
SWCDs	SIPs	Outreach	Biennial report
NOWC/OACD	WWRI	Land and Water Acquisition	EM for FI
Policy issues re local infrastructure	Land and Water Acquisition	CREP	EM for OS
Building capacity		Weeds	



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January 10, 2014

## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Aunan, Grant Program Manager  
Courtney Shaff, Grant Program Coordinator

**SUBJECT: Agenda Item K-1: Long-Term Investment Strategy -- Transition to Outcome-Based Watershed Council Capacity Grants January 28-29, 2014 OWEB Board Meeting**

### I. Introduction

This informational item provides an update on the transition to outcome-based watershed council capacity grants, including discussions regarding how OWEB can encourage strategic collaboration for building capacity. In July 2014, staff will propose for Board adoption new administrative rules and implementation guidance for the council capacity grant program. This report is for informational purposes only.

### II. Background

#### A. Watershed Councils, Local Government Role, and State Role

Council capacity grants support the capacity of a watershed council or group of councils to conduct activities necessary for watershed protection, enhancement, and restoration.

Applications are evaluated for merit based on detailed criteria and processes in OWEB's rules, and funding is awarded based on factors outlined in OWEB's rules. Grant awards cover the two years coinciding with OWEB's biennial state budget (e.g., July 1, 2011–June 30, 2013).

Watershed councils are locally based, voluntary in nature, and under Oregon law, "designated by a local government group convened by a county governing body, to address the goal of sustaining natural resource and watershed protection, restoration and enhancement within a watershed" (Oregon Revised Statute [ORS] 541.890(15)).

OWEB does not create or oversee watershed councils. OWEB has the discretion to provide capacity grants to councils that represent a balance of interests in their watersheds and demonstrate the potential to protect and enhance the quality of their watersheds. Councils also are expected to assure a high level of citizen involvement in the development and implementation of watershed action programs (ORS 541.910).

## **B. OWEB Strategic Plan and Long-Term Investment Strategy**

OWEB has provided operating grants to watershed councils for more than 15 years. In 2010, the OWEB Board Strategic Plan directed staff to “evaluate and adjust watershed council support grant review and funding processes to build capacity, provide base funding, and promote strategic partnerships” (Goal 2, Strategy 2). The Strategic Plan also included a strategy to “provide technical assistance to build capacity, secure additional funding and increase local organizational resilience” (Goal 2, Strategy 3).

Council capacity grants are a core element of OWEB’s Long-Term Investment Strategy for Conservation (LTIS). Operating Capacity investments “support operating costs for effective watershed councils; are performance and outcome-based; and contain high standards for eligibility, reporting and accountability.”

## **C. Summary of Program Review**

OWEB staff worked with a Board subcommittee and numerous stakeholder work groups to develop proposed program changes. The OWEB Operating Capacity Subcommittee continues the work begun by the Board Watershed Council Support Subcommittee to advise staff on development of agency policy for Operating Capacity investments.

OWEB’s review of the program began in 2010 with the following goals:

- Streamline and simplify the application and funding processes;
- Improve reporting;
- Incorporate effectiveness indicators for continued accountability for investment of public funds;
- Refine grant eligibility criteria; and
- Address long-standing policy issues including the scale of investment in councils.

OWEB’s review also responded to direction from the 2011 Legislature to:

- a) Work with appropriate local government entities to review the process for establishing and overseeing watershed councils;
- b) Enhance council reporting to OWEB for accountability and tracking of accomplishments; and
- c) Review capacity grant eligibility criteria, to better ensure that investments go to groups that reflect the interests of the watershed and have proven successful in accomplishing their work plans in the past.

In June 2013, the OWEB Board authorized staff to begin rulemaking, and adopted the following policy direction: Build capacity through increased council sharing, combining, collaborating, and reducing the number of individual support grants over 5-10 years.

OWEB has provided individual capacity grants to a total of 64 councils over time. The Board’s direction is to cap the number of individual *grants* at no more than 64. Councils’ geographic areas can change, but OWEB would not fund areas smaller than currently recognized areas that have received individual support grants (see Attachment A for the map of boundaries of watershed councils currently eligible to apply for a support grant).

With a vision of resilient councils with strong organizational processes, diverse, stable funding and diverse skillsets, OWEB can better support council capacity by encouraging and incentivizing strategic partnerships to build capacity, and reducing the number of individual capacity *grants* over time. The Board directed staff to convene a work group to help develop meaningful incentives for councils to combine or share staff to reduce the number of individual grants over time.

Attachment B, ‘Guide to Outcome-Based Watershed Council Capacity Grants,’ outlines timelines and stakeholder involvement, explains how OWEB is helping councils during this transition, sets forth the policy direction of encouraging strategic collaboration to build capacity, and overviews proposed new eligibility and merit criteria.

### **III. Approach to Incentives for Strategic Collaboration**

#### **A. Background**

The goal of encouraging partnerships and collaboration is not a new one. OWEB’s rules have attempted to encourage coordination and sharing by allowing the Board to add funding to base capacity grants for “umbrella councils.”

From 2005-2013, OWEB awarded extra funding for councils that meet definitions in the agency’s current administrative rules:

- (a) Provide support and coordination for at least three watershed groups, have a coordinating council, shared staff and one council support grant, and
- (b) Councils that serve an area of three or more 4<sup>th</sup> field hydrologic units.

In 2013, 13 umbrella councils received an overall \$183,000 in addition to their base award amount.

#### **B. 2013 Incentive Work Group**

Following direction from the Board at its June 2013 meeting, staff convened the Incentives Work Group to advise OWEB on how to encourage councils to share staff or resources, or combine organizations, in order to build capacity. The work group consisted of watershed council coordinators from each OWEB region, and representatives from Bonneville Environmental Foundation, Network of Oregon Watershed Councils, Oregon Association of Conservation Districts, and Cascade Pacific Resource Conservation & Development (RC&D).

The work group was split on the type of incentive OWEB should provide. Some wanted OWEB to continue permanent added funding for existing “umbrella” councils and councils that form new collaborations or mergers. Others thought OWEB should provide short-term financial incentives and other tools and resources to help address barriers and assist with organizational transitions.

#### **C. Other Funders Encourage Strategic Collaboration With Transition Resources**

As shown in the literature review developed by Travis Miller, OWEB’s PSU Fellow summer intern (Attachment C), private foundations across the country seek to increase their funding

impact by supporting strategic alliances (including reduction of duplicative administrative infrastructure) and integrations including mergers. OWEB staff are in discussions with several private foundations about potential funder-to-funder partnerships for strategic collaborations to build capacity for local watershed restoration and protection.

Based on the literature review and funder conversations, staff have not found examples of other funders that provide *permanent* added funding for groups that combine or increase collaboration. Foundations advise that the groups should drive the decision to merge and collaborate based on their own needs and benefits. Funders have provided transition resources.

#### **D. Technical Assistance Grants for Strategic Collaborations to Build Capacity**

The Board's 2013-2015 spending plan allocated \$200,000 for "building capacity/watershed council transition" grants. The Board delegated authority to the Executive Director to award grants to support councils' transition to new organizational/operating structures to improve capacity for watershed restoration and community engagement outcomes.

OWEB received 11 pre-applications by the deadline of August 19, 2013. Six applicants were interviewed and two proposals were selected for second interviews. Based on the second round of interviews, staff decided to fund two proposals: one to expand shared administrative services for watershed councils, and another to pursue consolidation of four councils. Staff will keep the Board updated on the progress of both grants. For councils that make the decision to consolidate, OWEB staff will develop for Board consideration a funding approach that supports implementation of the transition over a period of time.

#### **E. Umbrella Funding Proposal**

Based on comments received in the watershed council listening sessions, work groups and discussions with councils and other funders, as well as our experience over the past decade, staff conclude:

- The extra funding for "umbrella" councils is valued by those councils, and they do not want to lose the funding. However, OWEB staff conclude that the eight years of extra funding did not result in successful strategic collaborations. Rather, where successful strategic collaborations and resulting increased local capacity exist, they are driven by council board and staff leadership.
- Continuing the added umbrella funding does not support a clear outcome for increased local capacity.
- It is time to transition to a funding model that better encourages strategic collaborations among watershed councils and other partners, with a focus on continuous improvement in organizational effectiveness, on-the-ground restoration, and community engagement.

A proposal was shared with watershed councils at the November 2013 Network Gathering and discussed by the Operating Capacity Subcommittee in November 2013 and January 2014. As a result of the Operating Capacity Subcommittee discussions staff propose the following changes to the added umbrella funding:

- a) In 2015, only eligible councils that meet umbrella definitions and all merit criteria would receive the added umbrella funding amount (subject to OWEB's legislatively adopted budget). Eligible councils that do not meet all of the merit criteria would not be eligible to receive the added umbrella funding.
- b) Starting in 2017, OWEB would no longer award "umbrella" funding and would implement new merit criteria for strategic collaborations in its evaluation for council capacity grants.

#### **IV. Council Capacity Rulemaking**

OWEB convened a Rulemaking Advisory Committee (RAC) in October 2013 to advise staff on rule language and implementation guidance for outcome-based Watershed Council Capacity Grants. The RAC includes representatives of watershed councils from each of OWEB's six regions and the Network of Oregon Watershed Councils. RAC members have provided excellent advice and suggestions and their input will greatly improve the draft rules and guidance.

By the end of February, the RAC will have met at least five times. Draft rules and guidance will be released for public comment and public hearings around the state in March (see Attachment D for the rulemaking schedule). After the public comment period, the RAC will reconvene for a final review of rule language and implementation guidance to be presented to the OWEB Board for consideration in July 2014.

Staff also will continue to meet with the Operating Capacity Subcommittee to review draft rules and guidance in preparation for the July Board meeting.

#### **V. Recommendation**

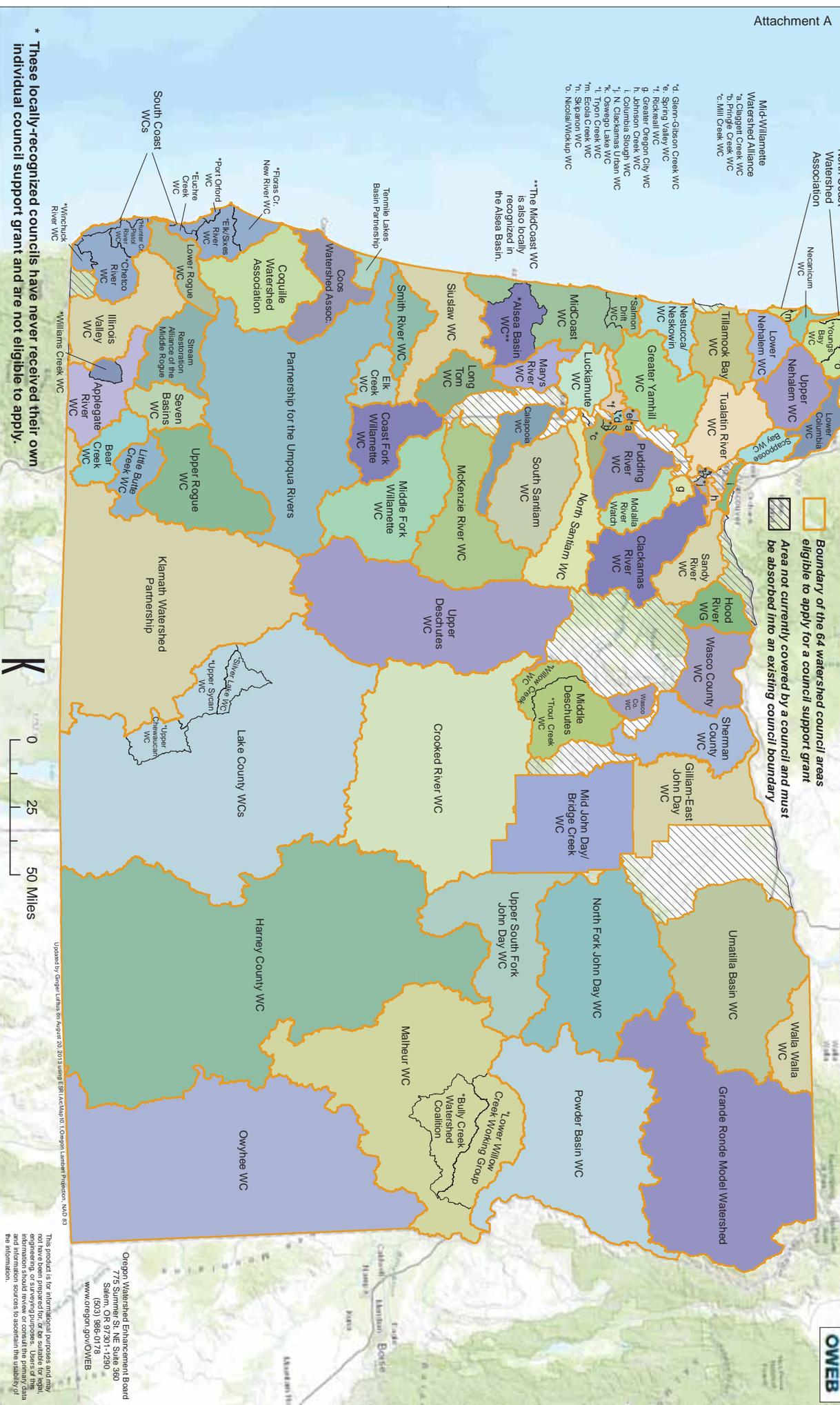
This is an informational item. No Board action is requested at this time.

#### Attachments

- A. Map of Watershed Council Boundaries
- B. Guide to Outcome-Based Watershed Council Capacity Grants
- C. Literature Review: Funders Invest in Strategic Alliances, and Integrations
- D. Schedule for Transition to Outcome-Based Watershed Council Capacity Grants

# Oregon Watershed Councils

# Scale Option A

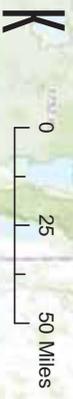


Mid-Willamette Watershed Alliance  
 \*a. Claggett Creek WC  
 \*b. Fringe Creek WC  
 \*c. Mill Creek WC

\*d. Glenn-Gibson Creek WC  
 \*e. Spring Valley WC  
 \*f. Rickfall WC  
 \*g. Johnson Creek WC  
 \*h. Johnson Creek WC  
 \*i. Columbia Slough WC  
 \*j. N. Clackamas Urban WC  
 \*k. Oswego Lake WC  
 \*l. Tyron Creek WC  
 \*m. Ecole Creek WC  
 \*n. Skrapton WC  
 \*o. Nicolai/Waskamp WC

\*\*The MidCoast WC is also locally recognized in the Alesia Basin.

\* These locally-recognized councils have never received their own individual council support grant and are not eligible to apply.



Unalutted by Google Earth on August 20, 2013 using ESRI's ArcMap 10.1 Concept Lambert Projection, NAD 83

This product is for informational purposes and may not have been prepared for or be suitable for legal, information, or other purposes. Users should review the information and information sources to ascertain the usability of the information.

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# Guide to Outcome-Based Watershed Council Capacity Grants

## Oregon's statewide approach to watershed restoration has evolved.

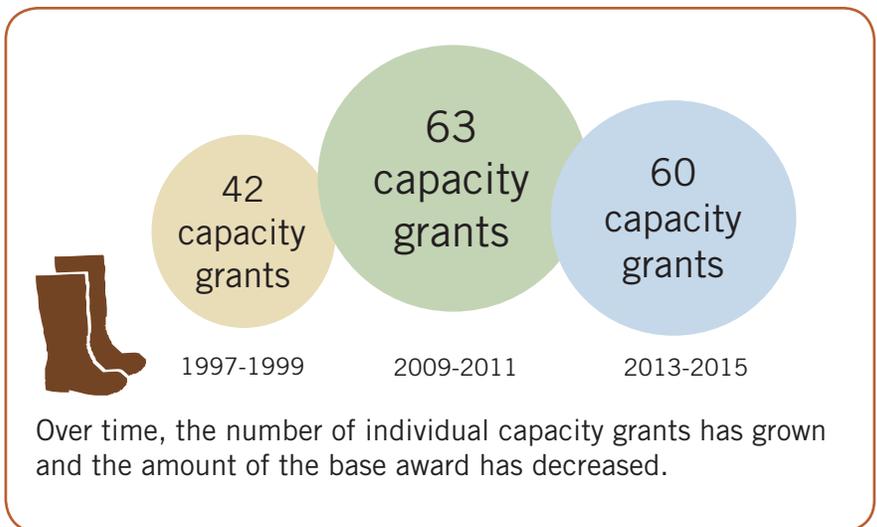
In the 15 years since the Oregon Watershed Enhancement Board (OWEB) began funding council capacity grants, Oregon's waterways, uplands and natural habitats are healthier because of the dedicated work of watershed councils.

During that time, a number of fiscal and operational realities developed for councils and for OWEB that were not anticipated when OWEB first offered council capacity grants. Additionally, the number of applicant councils has grown and the geographic scale for grant applicants has trended smaller.

Passage of Ballot Measure 76 provided long-term funding for Oregon's voluntary, collaborative conservation, yet *councils today need more funding and resources than OWEB alone can provide.*

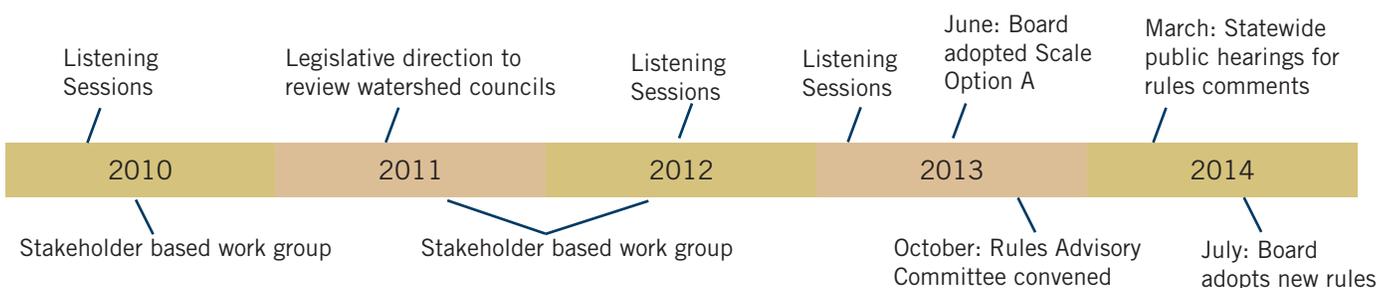
Council capacity grants are a core element of OWEB's Long-Term Investment Strategy for Conservation. The grants support operating costs for effective watershed councils.

Following direction from OWEB's board and the Oregon legislature, OWEB is updating its watershed council capacity grant program.



*OWEB envisions a statewide watershed restoration system that is resilient, sustainable and achieves ecological outcomes.*

## Timeline of OWEB's council capacity grant policy change process



## OWEB is implementing a new policy direction to reflect today's realities and raise the bar for performance and continuous improvement

Streamlined funding process

Transparent criteria

Increased accountability

Improved reporting

After nearly four years of stakeholder input and staff research, OWEB's board adopted a policy direction for outcome-based council capacity grants. It meets the statewide watershed restoration system where it is today and supports its future health.

- Build capacity through increased resource sharing and strategic collaboration
- Funding criteria are performance and outcome-based, and contain high standards for eligibility, reporting and accountability
- Maximum number of council capacity *grants* is 64, with the goal to reduce the number of individual support *grants* over 5-10 years

### How is OWEB helping councils during this transition?

This funding model is a new approach for OWEB as well as councils. We will continue to work closely with councils to address unknowns and provide early and frequent communications. Councils are effective and collaborative problem solvers, and we will learn from councils that have solutions in place, or develop new solutions. OWEB will:

1. Continue to provide operating support to previously funded councils that meet the eligibility and merit criteria;
2. Offer council action plan grants during 2013 and 2014 to help councils meet new eligibility criteria;
3. Offer technical assistance grants in 2013 and 2014 to help cover costs of developing new strategic collaborations and business models that show a likelihood of success for building capacity;
4. Network with other funders and organizations to learn what has and has not worked, and explore funder-to-funder capacity building partnerships;
5. Meet with council boards and members to talk about the changes and answer questions; and
6. Share examples and models for building capacity through resource sharing and strategic collaboration.



*OWEB can't predict or control future funding. OWEB is working with and encouraging councils to find solutions to reduce risk for tomorrow's unknown.*

# OWEB believes councils that explore or expand collaborations to build organizational capacity will increase their ability to achieve restoration and community engagement goals.

OWEB is not trying to change or limit the number of *councils* that exist today or in the future. We believe that a reduction in the number of *individual council capacity grants* will increase each grant's impact.

OWEB encourages councils to tap into the innovative and creative minds on their boards, the larger watershed community and nonprofit professionals around the state to explore solutions for building capacity.

## Councils have choices for building capacity

Rely primarily on OWEB?

OWEB is not able to cover all capacity costs; its funding may be reduced in the future and it can't guarantee funding for every council that applies.

Diversify Funding?

Councils with a diversified funding strategy that includes OWEB as just one component could increase resiliency and reduce risk.

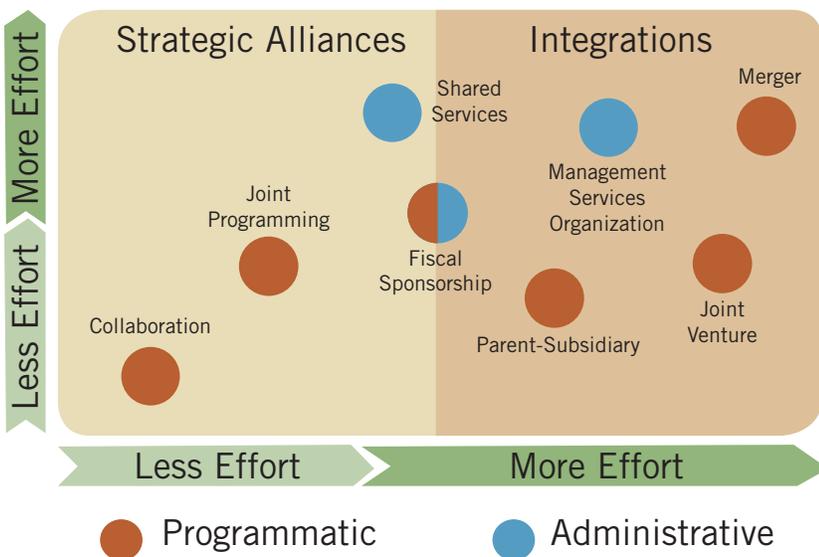
Collaborate or Integrate?

Strategic collaboration with other councils and/or natural resources groups may increase organizational effectiveness.



*OWEB wants to see councils that are strong organizations with access to diverse skillsets.*

## Strategic collaborations are not one-size-fits-all; they need to work for your council.



Strategic collaborations take many forms, and councils can maintain their autonomy and connection to the local community. Sharing administrative services may be the right answer for some councils, while a merger could work better for others. Collaborations can:

- Build economies of scale and increase cost savings;
- Strengthen partners' infrastructure, management capacity or service delivery;
- Create strategies and solutions to address common problems; and
- Cover skill gaps.

## Overview of eligibility and merit criteria for outcome-based council capacity grants

The framework below provides an overview of the proposed eligibility and merit criteria. The full text of the criteria will be presented to councils and the public for comment in March 2014

**Eligibility Overview** | In October 2013, OWEB distributed a detailed checklist to help councils prepare for new eligibility criteria.

Category	Current Criteria	Proposed Criteria
Governance	None	- Mission, bylaws, policies and procedures; action plan
Council Membership	OWEB rules not clear	- Balance of interests (required by statute)
Recognition	Any local government (unless formed before September 9, 1995)	- County-level (new or reorganized councils)
Scale for individual council capacity grants	- Open-ended - No duplicative coverage	- Encourage collaboration/resource sharing - Number of individual grants capped at no more than 64; we will not fund geographic areas smaller than are currently supported

**Merit Overview** | OWEB will distribute a detailed checklist to help councils prepare for new merit criteria.

Proposed Merit Criteria	How Evaluated
1. Strong organizational processes; engaged community.	- Effective, regular council meetings - Balanced participation
2. Demonstration of effective leadership by council board and staff.	- Adopted and implemented staff and board roles and responsibilities - Performance evaluations
3. Demonstration of ability to reach agreement and prioritize work among stakeholders.	- Outcomes-based planning - Annual work plan
4. Implementation of restoration projects that address priority watershed limiting factors.	- Progress toward the council's priority restoration actions (linked to watershed limiting factors and action plan) - Ability to address challenges
5. Successful community engagement in service towards voluntary land stewardship and restoration outcomes.	- Progress toward increased involvement - Ability to address challenges

For questions, more information or to schedule a board and/or member presentation on the changes to council support grants, please contact

**Courtney Shaff**

Grant Program Coordinator

503-986-0046

Courtney.Shaff@state.or.us

**Background**

OWEB has provided operating grants (“council support grants”) to watershed councils for more than 15 years. In 2010, the OWEB Board Strategic Plan directed staff to “evaluate and adjust watershed Council Support grant review and funding processes to build capacity, provide base funding, and promote strategic partnerships.”

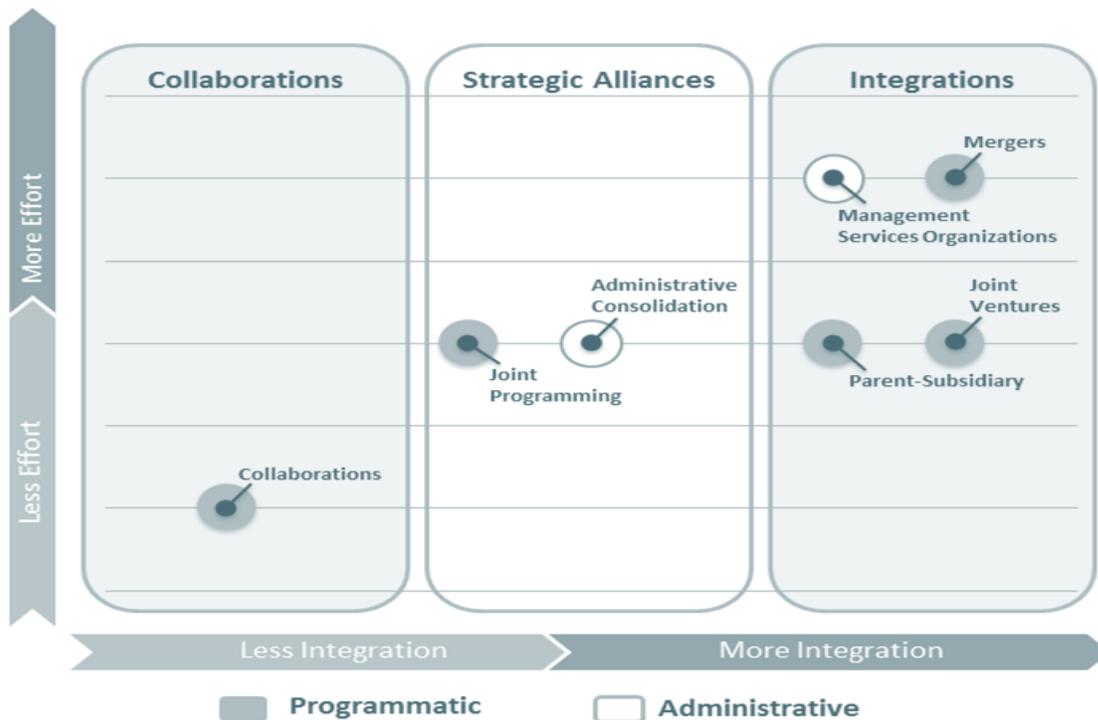
After more than two years of stakeholder outreach, in June 2013 the OWEB Board authorized staff to begin council support rulemaking, and adopted the following policy direction:

**Build capacity through increased council sharing, combining, collaborating, and reducing the number of individual support grants over 5-10 years.** OWEB has provided individual support grants to a total of 64 councils over time. The Board’s direction is to cap the number of individual grants at no more than 64. Councils’ geographic areas can change, but OWEB would not fund areas smaller than currently recognized areas that have received individual support grants. With a vision of resilient councils with strong organizational processes, diverse, stable funding and diverse skillsets, OWEB’s goal is to promote and encourage partnerships to build capacity, and reduce the number of individual support grants over time.

**Other Funders Are Also Investing in New Business Models**

OWEB is not alone in recognizing its funding cannot support all needs. Private foundations also offer programs and tools to test and support new business models to build capacity and improve results. As shown by the graphic, below, from La Piana’s 2010 study, there are different models that take different levels of effort.

Partnership Matrix (La Piana, 2010)



La Piana’s proposition is that there are too many nonprofits chasing too few dollars. This study described the problem as duplication of nonprofit infrastructure -- management, information systems, human resources, budgeting and accounting processes – as well as an overall lack of coordination among organizations that have similar visions.

### **Minnesota: MAP for Nonprofits**

In 2007, MAP launched a three-year initiative to help nonprofit organizations merge. This effort sought to address the growing demands on nonprofit organizations, including increased complexity of the services they deliver and reduction in available funding. The initiative focused on educating nonprofit boards and executives on the strategic opportunities of mergers, and how a successful merger can promote organizational sustainability and preserve services.

Subsequently, four Minnesota funders evaluated 41 nonprofit mergers completed between 1999 and 2010. The study concluded:

- Most mergers occur for a combination of strategic (i.e. increase service delivery area) and survival (i.e. increase long-term financial viability) reasons.
- Mergers are most successful when there is clear executive leadership, consultants are involved to help facilitate discussions, and financial due diligence is completed early in the process.
- Organizations that successfully merged demonstrated improved image, improved and expanded services, increased quality and efficiency of their operations, improved financial stability, and were able to develop a positive organizational culture in the new merged organization.

### **Oregon: Meyer Memorial Trust**

Meyer Memorial Trust provides short-term grants to help organizations with the added cost of exploring, developing and implementing mergers and shared services for other nonprofits. Grants range from \$40,000 to \$200,000. The Trust's staff offered the following advice:

- Mergers are more about effectiveness than efficiencies, although there may be some cost savings some years following successful consolidation.
- Funders and organizations should not underestimate the time, work and costs involved.
- The merger or alliance needs to work for the organizations for their own reasons, and the funder should be careful not to drive it too much.
- Organizations should involve an experienced facilitator (e.g., see Nonprofit Association of Oregon resources website).
- The Trust has a list of questions they recommend funders ask as part of their due diligence before awarding grants.

### **Ohio: Center for Nonprofit Resources**

- In response to the growing number of nonprofits and inadequate funding to support all of them effectively, this funder partnered with two other funders to develop a grant program called Strategic Alliance Partnerships. The purpose is to "support the exploration and formation of collaborations that would enable. . . nonprofits to enhance program delivery and/or achieve more effective and efficient use of financial and human resources." Grants range from \$10,000 - \$50,000.
- The program receives 4 to 20 Letters of Inquiry every year (2 cycles a year) and awards 2 to 6 grants per year.
- In the 5 years this grant has been offered, it has supported 6 successful mergers.
- Even if organizations do not merge, the results of going through the process makes them more effective, typically with clearer missions, more engaged boards, and new partnerships.
- Early engagement by the organizations' boards is critical to success.
- Grants often fund consultants, CPAs, and legal assistance to explore how the collaboration or merger would work.
- Involving more than one funder has been a key to the success of the grant program.

# Literature Review: Funders Invest in Strategic Alliances, and Integrations

## ATTACHMENT C

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### Literature

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**Schedule for Transition to Outcome-Based Watershed Council Capacity Grants**

<b>Actions</b>	<b>Schedule</b>
Board Authorization of Rulemaking	June 2013
Incentives Work Group	August–October 2013
Eligibility Checklist Letter to Councils	October 2013
Presentations at Network Gathering	November 2013
Rules Advisory Committee Meetings	October–March 2013
Operating Capacity Subcommittee Meetings	January–July 2014
OWEB meetings with council boards	August 2013–August 2014
OWEB Board meeting	January 2014
Proposed rules published and guidance posted <ul style="list-style-type: none"> <li>• Letters and emails to councils and stakeholders</li> </ul>	February 2014
Rulemaking public hearings around the state	March 2014 <ul style="list-style-type: none"> <li>• 3/4/14: Region 5, Baker City</li> <li>• 3/5/15: Region 6, Pendleton</li> <li>• 3/7/14: Region 4, Bend</li> <li>• 3/10/14: Region 3, Salem</li> <li>• 3/12/14: Region 2, White City</li> <li>• 3/14/14: Region 1, Bay City</li> </ul>
Response to comments document prepared	April–May 2014
Staff report to Board	June 2014
OWEB Board Meeting <ul style="list-style-type: none"> <li>• Adoption of council capacity rules and guidance</li> </ul>	July 2014
Online eligibility criteria submittal available	August 2014
Communication and training	August 2014–January 2015
Operating Capacity Subcommittee meetings	September–October 2014
Eligibility criteria deadline	November 2014
Application deadline	February 2015
Merit evaluation	March–May 2015
Operating Capacity Subcommittee meetings	March–July 2015
Staff report – funding recommendations	June 2015
OWEB Board meeting – funding decisions	July 2015



# Oregon

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January 10, 2014

## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Greg Sieglitz, Monitoring and Reporting Program Manager

**SUBJECT:** **Agenda Item K-2: Long-Term Investment Strategy – Effectiveness Monitoring**  
**January 28-29, 2014 OWEB Board Meeting**

### I. Introduction

This report provides an update about OWEB's Effectiveness Monitoring Program, and is for informational purposes only.

### II. Background

There are two of the seven priority work areas that the Board was presented with following completion and adoption of the Long-Term Investment Strategy that have direct implications for the agency's Effectiveness Monitoring Program.

The first priority area is a discrete charge—"Design effectiveness monitoring for focused investments"—and links to Goal 1 of the Board's Strategic Plan. The purpose of implementing this priority is to create a mechanism for the Board and the public to understand and evaluate the extent of progress made under each focused investment toward their respective goals. A derivative of this process is to create alignment between the goals established for the investment partnership and the monitoring goals aligned to mid and long-term outputs and outcomes.

The second work priority is much broader and, while squarely related to effectiveness monitoring, also ties to the agency's reporting and outreach activities. Specifically, this second priority states "Emphasize monitoring and reporting to communicate the outcomes of OWEB's investments and local partners' efforts... Provide monitoring results about what has worked, and what has not worked, to inform policy direction and restoration investments." The latter priority links to Goals 1 and 3 of the Board's Strategic Plan.

### III. Work Plans for the Broader Monitoring and Reporting Priority

Given the broad nature of the latter priority, staff developed discrete work plans for each of the major elements associated with the work. The primary thrust of these elements, that are scheduled to be staggered throughout the remainder of the biennium, are depicted as follows:

### *Programmatic Effectiveness Monitoring*

The purpose of work in this category is to generate information about the accomplishments and goals attained under the more significant OWEB investments in restoration actions over time. This information will feed directly into both the Adaptive Management and Reporting Results work areas. Generally the actions include continuing the effectiveness monitoring evaluation of significant Board investments over time, including ongoing work and start-ups for certain restoration project types.

### *Adaptive Management*

The purpose of this work area is to improve the flow of information generated from monitoring, and effectiveness monitoring in particular, into the grant review and evaluation processes to improve decision making through making available the best and most recent available science and information. This will take place for both the grant review processes at the regional and statewide levels.

### *Reporting Results*

The purpose of this work area is to continue the delivery of monitoring results and lessons learned through the agency's website and to enhance reporting capabilities through online tools and inter-agency and inter-program efforts. The information generated through the programmatic effectiveness monitoring and the evaluation of focused investments are significant contributors to this effort.

### *Open Solicitation*

The purpose of this work area is to focus the effectiveness monitoring investments made by the agency through the regular Open Solicitation process on target areas that compliment monitoring that occurs through focused investments and programmatic evaluation. This approach will result in more guidance to prospective grant applicants and it will focus the role for effectiveness monitoring offered through the regular Open Solicitation grant offerings.

More information will be provided at the Board meeting about specific deliverables, the relationship of the various components to each other and the timelines throughout the remainder of the biennium.

## **IV. Recommendation**

This is an informational item. No Board action is requested at this time. Staff will work with the Monitoring/Reporting Board Subcommittee to seek their input and guidance as the aforementioned work plans are implemented throughout the remainder of this biennium and beyond.



# Oregon

John A. Kitzhaber, MD, Governor

Oregon Watershed Enhancement Board

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January 8, 2014

## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Deputy Director

**SUBJECT: Agenda Item L: Focused Investment Definition, Criteria Categories and Solicitation Process  
January 28-29, 2014 OWEB Board Meeting**

### **I. Introduction**

Staff are requesting the Board consider approval of a definition, criteria categories and a solicitation approach for Focused Investments. Once approved, these items will assist the Board Subcommittee on Focused Investments and the work groups that are informing development of the Focused Investments Program, as they develop program design, specific criteria and an application process for the program. Information about these components of the program will come before the Board in draft form at the April Board meeting, with final process approval proposed for July 2014.

### **II. Background**

In June of 2013, the OWEB Board approved its Long Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring.

Though OWEB has participated in 'focused investments' in the past, there has been no formal definition, process or solicitation approach for the program. In October of 2013, OWEB kicked off a nine-month process to develop a definition, criteria, solicitation approach, program design and process for the Focused Investment category of OWEB funding.

To assist with this effort, the agency has organized a set of external and internal (OWEB staff) work groups. In selecting the external work group, members were recruited from every region of the state as well as representatives from soil and watershed conservation districts (SWCDs), watershed councils, land trusts, Tribes and other non-profit organizations. The executive boards of the Oregon Association of Conservation Districts, Network of Oregon Watershed Councils and Coalition of Oregon Land Trusts also are represented. Members of the work groups are listed in Attachment A of this staff report. These individuals are meeting together this winter and spring to provide input to the Board on the program's design and implementation.

### **III. Current Status**

The work groups, along with the Board Focused Investment Subcommittee, have been developing wording for the Board's consideration at the January meeting for the definition of Focused Investments, general criteria categories and a solicitation approach. The groups are still refining these items. A draft will be provided to Board members and the public prior to the January Board meeting.

In addition, a timeline has been established for specific meetings and decision points. Milestones for input and decision points include:

- January 28-29, 2014 (Portland, OR) – OWEB Board will review and approve the definition, general criteria and solicitation approach for Focused Investments.
- March–April, 2014 (all six regions) – OWEB staff will hold listening sessions in all regions of the state to receive input on the first draft of the solicitation process for Focused Investments. This feedback will be taken to the April Board meeting.
- April 29-30, 2014 (Bandon, OR) – OWEB Board will receive public comment on the draft solicitation process.
- July 29-30 (The Dalles, OR) – OWEB Board will approve a final solicitation process and announce solicitation for Focused Investments to be awarded in 2015.

### **IV. Recommendation**

Prior to the January Board meeting, staff will provide final language for the definition, criteria categories and solicitation approach for Focused Investments for the Board's consideration. At the meeting, staff will request Board approval of this wording to enable the work groups to move forward in designing the specific solicitation process (i.e., , program design, specific criteria and an application process) for consideration by the OWEB Board at future meetings.

#### Attachments

- A. Membership of work groups for Focused Investments

Internal Work Group	
Ken Fetcho	Effectiveness Monitoring Coordinator
Rick Craiger	Region 4 Regional Program Representative
Mark Grenbemer	Region 2 Regional Program Representative
Randy Emch	Grant Payment Coordinator
Renee Davis-Born	Senior Policy Coordinator
Wendy Hudson	Willamette Partnerships Coordinator
Juniper Davis	Partnerships Coordinator

External Work Group	
Jan Lee, Region 3	Oregon Association of Conservation Districts, Clackamas SWCD
Ryan Houston, Region 4	Network of Oregon Watershed Councils, Upper Deschutes Watershed Council
Michael Pope, Region 3	Coalition of Oregon Land Trusts, Greenbelt Land Trust
Jared Bottcher, Region 4	Klamath Basin Rangeland Trust
Marty Suter, Region 5	Harney SWCD
Catherine Pruett, Region 1	Salmon-Drift Creek Watershed Council
Amy Charette, Region 6	Confederated Tribes of the Warm Springs
Liesl Coleman, Region 2	Curry SWCD

Kitchen Cabinet	
Todd Reeve	Bonneville Environmental Foundation
Tod Heisler	Deschutes River Conservancy
Pam Wiley	Meyer Memorial Trust
Krystyna Wolniakowski	National Fish & Wildlife Foundation
Cathy Macdonald	The Nature Conservancy
Bruce Taylor	Oregon Habitat Joint Venture

Focused Investments  
*Definition, Criteria and Solicitation Approach*

Focused Investment Definition

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A Focused Investment is an OWEB investment that:

- Achieves significant, clear and measurable *ecological outcomes*;
- Is implemented by an existing, high-functioning *partnership* that can leverage other resources; and
- Uses integrated, results-oriented *approaches* as identified through the Partnership's *Strategic Action Plan*

OWEB's investments will be made in two categories:

- 1) For an investment with an existing Strategic Action Plan that is ready for implementation, an initial Focused Investment will be made by OWEB for a defined dollar amount over a limited time. Partners can apply to renew funding after the initial investment.
- 2) The Board will also provide two-year funding for existing, high-functioning partnerships to strengthen their capacity and to strengthen Strategic Action Plans for a Focused Investment priority.

Criteria Categories *The definition is further refined by criteria in the following categories that will be used by the OWEB Board to select investments.*

Focused Investments will have both limited funding and duration. As such, groups selected for a Focused Investment will need to justify that their proposals meet a high standard of achievement. Board investments will be determined within the following criteria categories:

- Significant, clear and measurable *ecological outcomes* that solve a set of natural resource challenges that have clear significance to the state. Outcomes must be clearly defined to ensure they are achievable given resources and constraints. Outcomes must include metrics, milestones and established benchmarks for success.
- The applicants must clearly demonstrate the *Partners* involved are necessary and sufficient to implement the Strategic Action Plan. Partners must have a defined relationship that clearly describes the roles and responsibilities of each partner. Partners must have demonstrated capacity to take on their identified roles and operate under a common vision. The partnership is synergistic, and describes the capacity necessary to implement conservation work at a scale larger than a single project. The partnership must have capacity at the scale necessary to realistically accomplish the identified ecological outcomes. The partnership must also leverage OWEB funding with other resources. This may be achieved by recruiting funding partners, or by accessing other resources critical to implementation.
- The partners must have an existing *Strategic Action Plan* that employs integrated, results-oriented *approaches*. The Strategic Action Plan will clearly define the

measurable ecological outcomes as identified above and include adaptive management. It will clearly articulate achievable goals, an identified geography and a realistic scale and time period. The adaptive management approach will include monitoring procedures to evaluate the success of goals and objectives described in the Strategic Action Plan.

Based on the limitations of OWEB funding requested and length of the investment, the Strategic Action Plan must be realistic in terms of conservation impact, outcomes, partnerships and effectiveness monitoring.

### Solicitation Approach

---

Over the next six to nine months, OWEB will develop three solicitation processes for the Focused Investment solicitation as well as associated rigorous criteria for the Focused Investments Program. The three processes include:

- (1) A Board process for identifying and biennially updating a set of Focused Investment Priorities that have clear significance to the state, drawing from proposals by groups, organizations, agencies, individuals, OWEB, the Governor's office, and others. Proposed priorities should be based on sources such as the state's Conservation Strategy, the Oregon Plan for Salmon and Watersheds, Governor's priorities, the Agricultural Water Quality Program, the Integrated Water Resources Strategy, etc.
- (2) A process for evaluating applications for Focused Investment funding, in which applicants must:
  - (a) Identify the Focused Investment Priority the proposal addresses,
  - (b) Identify the specific Ecological Outcomes addressing (a);
  - (c) Clearly show those outcomes are within each organization's current mission and scope;
  - (d) Demonstrate that the partners individually have a strong track record of conservation achievement;
  - (e) Demonstrate they have formed a productive partnership; and
  - (f) Have a Strategic Action Plan that is ready for implementation.
- (3) A process for selecting among proposals for investments up to two years that support existing partnerships to:
  - (a) Enhance or strengthen a Strategic Action Plan for a Focused Investment Priority; and/or
  - (b) Strengthen the capacity of the existing, high-functioning partnerships.Applications must:
  - Identify which Focused Investment Priority they will be addressing,
  - Demonstrate a high potential to meet the Focused Investment criteria in the future, and
  - Have clearly identified how this funding will help them achieve the steps to meet that criteria.
  - Participation in this program does not result in a guaranteed Focused Investment from OWEB.



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January 8, 2014

## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Tom Byler, Executive Director  
Renee Davis-Born, Senior Policy Coordinator

**SUBJECT: Agenda Item O: Budget and Legislative Update  
January 28-29, 2014 OWEB Board Meeting**

### I. Introduction

The report updates the Board about budget planning in preparation for the 2015 legislative session and agency activities in preparation for the upcoming 2014 and 2015 legislative sessions. At the writing of this staff report, OWEB staff do not intend to propose any 2015 legislative concepts for consideration by the Board. However, if this approach changes prior to the January Board meeting, staff will request the Board approve draft legislative concepts for further development in advance of upcoming deadlines for the 2015 session.

### II. Budget Preparations for the 2015 Legislative Session

In advance of the 2013 session, Governor Kitzhaber launched the 10-Year Plan for Oregon as a way to redesign how state government builds its budget and makes investment decisions. The 10-Year Plan sought to move from a two-year budget-balancing process to budgeting aimed at achieving long-term outcomes. The process for developing state agency budgets for the 2013-2015 biennium was different than in previous years. The new process organized the state budget into five major outcome areas—Education, Healthy People, Economy and Jobs, Healthy Environment, and Safety. State agency budget programs were considered within the appropriate outcome area, rather than as individual state agency budgets.

Although the 2015 legislative session does not begin for another year, state agencies will soon begin to prepare budget proposals. Staff are awaiting guidance for development of agency budgets for the 2015-2017 biennium. In the meantime, the OWEB Management Team has begun outlining agency needs and developing ideas for budget requests for next biennium. Lottery revenues continue to be relatively flat, and staff remain mindful of this as they develop budget ideas in preparation for the 2015 Legislative session.

At the January meeting, staff will update the Board about budget-request ideas and provide any new information that is available regarding the budget development process for 2015-2017. Board discussions about OWEB's budget request for next biennium will continue at the April 2014 meeting in Bandon.

### **III. 2014 Legislative Session and 2014 Interim**

The 2014 session begins on February 3, 2014, and runs for no longer than 35 days. The Oregon Legislature has adopted a schedule with adjournment scheduled for March 9, 2014. With respect to policy issues during the 2014 session, OWEB staff currently are not aware of any policy issues that will have a direct effect on the agency. That said, staff will monitor policy discussions prior to and during the course of the session.

Staff do, however, expect activity on several policy and budget issues relevant to OWEB during the 2014 interim following the February session. These issues include:

- A) *Trends and effects of non-farm uses on agricultural economic sustainability* – In November 2013, Governor Kitzhaber announced that he has instructed staff from the Governor's Office and relevant state agencies to study trends and effects of non-farm uses, including conservation and public recreation uses, on agriculture. The study will conclude prior to the 2015 legislative session, and is a follow-up to bills that were introduced during the 2013 session. OWEB staff have been contacted about participating in this study.
- B) *Additional expenditure limitation for forest-health collaboratives capacity grants* – As described in the staff report for Agenda Item H, OWEB is administering capacity assistance grants for forest-health collaboratives on behalf of the Oregon Department of Forestry (ODF) with non-Measure 76 Lottery Funds included in ODF's 2013-2015 budget. Currently, OWEB is using existing budget expenditure limitation that originally was anticipated to be used for other fund sources, to cover the additional funds provided to the agency by ODF for forest-health collaborative grants. Given this, OWEB may need to request additional expenditure limitation prior to the 2015 session in order to sufficiently cover both the originally anticipated fund sources and the ODF funds.
- C) *Ecosystem services* – During the November 2013 legislative days, staff met with several legislators, including a few with interest in ecosystem services. Discussions around this topic continue, despite HB 3337 not passing during the 2013 session. Staff will track these discussions, especially as they relate to ongoing ecosystem services pilot projects in which OWEB is engaged.
- D) *Hatchery research* – Prior to and during the November legislative days, staff also learned about interest from at least one legislator in funding for the Oregon Hatchery Research Center, which is a cooperative research effort between the Oregon Department of Fish and Wildlife and Oregon State University. Some interest exists in exploring if legislative action is needed to enable Measure 76 funds to be used for research in the future, given the 2011 repeal of the previous statute that had created a research fund under Measure 66.

### **IV. 2015 Legislative Session**

Similar to the timeframe for budget development, state agencies also are beginning to prepare policy proposals. State agency legislative concepts are submitted to the Legislature by the Governor after a nearly nine-month development and review process. For consideration in 2015, legislative concepts must be submitted by agencies to the Department of Administrative Services (DAS) by May 2, 2014. Once approved by DAS, legislative concepts are sent to Legislative Counsel for drafting prior to pre-session filing by the Governor in December 2014.

Staff do not propose any legislative concepts at this time.

#### **IV. Recommendation**

At the writing of this staff report, OWEB staff do not intend to propose any 2015 legislative concepts for consideration by the Board. However, if this approach changes prior to the January Board meeting, staff will request the Board approve draft legislative concepts for further development.

**APPROVED BY THE BOARD APRIL 29, 2014**  
**Oregon Watershed Enhancement Board**  
**January 28, 2014**  
**OWEB Board Meeting**  
**Portland, Oregon**

**Minutes**

**OWEB Members Present**

Eric Quaempts  
Dan Thorndike  
Debbie Hollen  
Cindy Deacon Williams  
Bill White  
Stephen Brandt  
Will Neuhauser  
Lisa Phipps  
Morgan Rider  
John Roberts  
Bob Webber  
Karl Wenner  
Alan Henning

**OWEB Staff Present**

Bonnie Ashford  
Lauri Aunan  
Tom Byler  
Juniper Davis  
Renee Davis-Born  
Brandi Elmer  
Mark Grenbemer  
Karen Leiendecker  
Meta Loftsgaarden  
Liz Redon  
Tom Shafer  
Courtney Shaff  
Greg Sieglitz

**Others Present**

Ryan Gordon  
Tom Paul  
Diane Lloyd  
Bruce Taylor  
Jane VanDyke  
Mark Stern  
Chrysten Lambert  
Diane Daggett  
Wayne Hoffman  
Cheryl McGinnis  
Ryan Gordon  
Heather Bartlett  
Eric Riley  
Michael Ahr  
Crista Gardner

**Members Not Present**

Doug Krahmer  
Patricia Smith  
Kim Kratz  
Mike Haske

**A. Board Member Comments**

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

**B. Review and Approval of Minutes**

Minutes of the September 9-10, 2013, Board meeting in Burns were unanimously approved. Minutes of the November 4, 2013 Special Meeting of the Board by teleconference were unanimously approved.

**C. Executive Director Update**

Tom Byler, Executive Director, updated Board members on OWEB's 2013-15 Spending Plan, which consists of Lottery Funds, federal funds and salmon license plate revenue. At the beginning of each biennium, the Board considers a plan for the distribution of funding for a two-year period. The OWEB Spending Plan guides the agency's grant investments for the biennium. At its June 2013 meeting, the Board adopted a 2013-15 spending plan totaling \$67.7 million. Of that total, \$9 million was available for Pacific Coastal Salmon Recovery Funds from the National Marine Fisheries Service (NMFS) available for grants in the first half of the biennium. He explained that the plan also assumes additional Pacific Coastal Salmon and Recovery Funds

(PCSRF) that could become available to add to the plan later in the biennium if sufficient funds were received through pending and future PCSRF grants. He noted the importance of the Pacific Coastal Salmon Recovery Funds (PCSRF), to OWEB's budget including critical grant funds as well as supporting programs for Oregon Department of Fish and Wildlife. This type of funding is awarded on a yearly basis, and for 2014 the budget had just been announced at \$65 million. He explained that Congress appropriates the monies and then the tribes and states must go through the application process, he stated that we will know later in the year what those funds are and then our Spending Plan would get updated accordingly, when those funds are awarded to OWEB.

Director Byler updated the Board on Online Grant Applications and Grant Agreements. He talked about the development of the online application system as part of the Long-Term Investment Strategy and streamlining efforts that are underway for the 2013-15 biennium. The outcome is to improve effectiveness and efficiency of the agency's grant-making processes for applicants, grantees and OWEB staff. The timeline for the finalization of the project is to have the development of the online grant application/grant agreement web interface complete by July 1, 2015.

Director Byler updated the Board on the Land Acquisitions Grant Cycle. He talked about this being the first cycle under the new administrative rules and processes for OWEB's Land Acquisitions Program. Six applications were received totaling over \$3.5 million and proposing to protect 10,879 acres across the state, all the applications were received through OWEB's new online acquisition grant application system. One application was withdrawn due to being funded through another funding source. The remaining five applications totaling \$3.1 million are moving through the review process with a public hearing and negotiations with applicants for the projects recommended to be considered by the Board at its April 2014 Board meeting.

Director Byler updated the Board on Healthy Rangelands. One of the biggest efforts underway surrounds the Sage-Grouse and a decision which has to be made by the U.S. Fish and Wildlife Service (USFWS) to list it under the federal Endangered Species Act (ESA). This is one of the biggest listing decisions since the salmon and spotted owls in the 1990s and has the potential to impact land management practices in Oregon. Governor Kitzhaber is interested in developing a comprehensive plan that combines with the Bureau of Land Management (BLM) to maintain and improve sage-grouse populations and habitat in Oregon. OWEB's vested interest in sage-grouse and their habitat spans three regions and has been a major focus of watershed restoration investments for the Board. Due to the size scope and potential impacts of this program to private lands and sage-steppe habitats in Eastern Oregon the project partners and Governor's Office expect to return to the Board in April 2014 with an additional funding request.

Director Byler updated the Board on Budget Category Streamlining. He talked about this being part of OWEB's process improvements to provide better services to our customers, with the goal being to update and streamline OWEB's budget categories to develop a more transparent budget category system that works for both grantees and OWEB staff. Some of these updates to the budget categories were necessary due to the passage of Ballot Measure 76, where some grant costs are now allowed that previously were not under Ballot Measure 66. As well as adding a budget category to support fiscal administration costs that the Secretary of State's Audits Division had asked for. The overall goal is to provide easy-to-understand and customer-friendly forms and processes while ensuring the necessary accountability for use of public funds. There

have been several training opportunities available and offered to stakeholders starting in early January 2014.

Director Byler updated the Board on the 2011-13 Biennial Report and Small Grant Program. The goal of the small grant program is to support implementation of the Oregon Plan for Salmon and Watersheds by funding small, straightforward restoration projects designed to improve water quality, water quantity and fish and wildlife habitat. This is a valuable opportunity to work with landowners that we may not otherwise have an opportunity to work with. Since the implementation of this program, there have been twenty-eight Small Grant Teams consisting of representatives from local watershed councils, soil and water conservation districts, and tribes. As in past biennia the Board awarded \$2.8 million to the Small Grant Program for the 2013-15 biennium. To date, approximately 2,332 projects have been funded through the Small Grant Program. The 2011-13 Small Grant Program Biennial Report is prepared at the close of each biennium. The Biennial Report provides background information about the program and summarizes the SGP awards for the biennium. Copies of the 2011-13 SGP Biennial Report was available at the January Board Meeting.

#### **D. Klamath Basin Restoration Agreement**

Richard Whitman, Governor Kitzhaber's Natural Resources Policy Director, briefed the Board on the Upper Klamath Basin Agreement in Principle. He gave some background and history to the Board by starting with the signing of the KBRA in 2010 by then Governors Kulongoski and Schwarzenegger. Then a Task Force convened by Senators Merkley and Wyden to try and reduce costs surrounding power and water, beginning in June and ending in November of 2013. Richard stated that a Final Agreement is still a few months out. This is a huge priority for the state and OWEB can help with the \$750,000 water leasing piece.

In early December of 2013, Upper Klamath Basin irrigators, the Klamath Tribes and state and federal officials signed a tentative deal to ensure water for both ranching operations and Tribal needs. The AIP is a necessary part of the to-be-developed Federal legislative package that will provide funding and guide water usage in the basin. The bill could be introduced as early as next year, with funding over ten years proposed to begin in 2015. The negotiators of the AIP hope to begin in-stream water leases during the 2014 irrigation season. In order to move this project forward the Governor's Office is requesting OWEB consider providing up to \$750,000 to support the water-leasing program in 2014. This funding would cover the costs of the leasing in addition to programmatic costs to ensure a successful delivery system is in place locally. The State is working with federal agencies to secure support for the water leasing program as well. Staff asked the Board to award funding to act on the State's commitment to support a water leasing program in the Upper Klamath Basin.

*Board members unanimously voted to award \$750,000 in funding to support a water leasing program in the Upper Klamath Basin and delegate authority to the Executive Director to distribute the funds through appropriate grants and agreements.*

#### **E. Public Comment - General**

- Ryan Gordon, Network of Watershed Councils, talked jointly with Jerry Nicolescu about their two entities merging and the plans surrounding that undertaking
- Jerry Nicolescu, Executive Director, Oregon Association of Conservation Districts
- Diane Daggett, State Director, The Trust for Public Land, spoke in support of Acquisitions and the importance of it. She looks forward to partnering with OWEB
- Kelly Beamer, Executive Director, Coalition of OR Land Trust spoke in support of Land Acquisitions moving forward
- Mark Stern, The Nature Conservancy, spoke regarding Forest Conservation in Oregon

#### **F. Water Acquisition Grants Guidance**

Renee Davis-Born, Senior Policy Coordinator, presented proposed guidance for Water Acquisition Grants, as required by the newly adopted administrative rules for approval by the Board. In January 2013 the Board authorized a Water Acquisition Rules Advisory Committee to improve the effectiveness and efficiency of OWEB's Water Acquisitions grant program. The intent of the process was to make recommendations about where to invest to achieve high-priority ecological outcomes, how to partner with other organizations and funders and potential improvements to the water acquisitions grant making process. At its June 2013 meeting the Board approved revised administrative rules for OWEB's water acquisition grants. The revised rules stated that following Board consideration and adoption of these rules, the Board would develop and approve guidance for water acquisition investments. Specifically, per Oregon Administrative Rule (OAR) 695-046-0200 the Board must approve guidance that describes the priorities, principles and process for grant-making. The Board was asked to approve the proposed guidance for Water Acquisition Grants, including priorities, principles and process for water acquisition grant-making as part of a coordinated funder framework, as shown in Attachment B of this staff report.

*Board members unanimously voted to approve the proposed guidance for Water Acquisition Grants, including priorities, principles and process for water acquisition grant-making as part of a coordinated funder framework as shown in Attachment B of the staff report.*

#### **G. Water Acquisition Project Update**

Renee Davis-Born, Senior Policy Coordinator, updated the Board about the status of the previously funded Upper Sevenmile Creek Critical Habitat In-stream Transfer Water Acquisition project (Grant# 212-103) and requested the Board approve an alternative use of those funds for additional years of in-stream leasing. In September of 2011 the Board awarded \$1,000,000 to Klamath Basin Rangeland Trust (KBRT) to support the Upper Sevenmile Creek Critical Habitat In-stream Transfer Water Acquisition Project (Grant Application #212-103). This project proposed to permanently protect water in-stream in the Wood River Valley in Upper Klamath Basin. A grant agreement has not yet been completed for this project, pending the resolution of a protest to the permanent transfer claiming injury to another water right. The Oregon Water Resources Department (OWRD) is preparing for a contested case on this matter, but it is not clear when the issue will be resolved.

In the meantime, the water right holder for the Upper Sevenmile water acquisition project is willing to continue leasing these water rights for in-stream protection, until the contested case hearing occurs and the question of injury is resolved. Staff request that the Board consider

approving an alternative use of the funds previously awarded to Application #121-103 specifically for in-stream leasing, pending the resolution of the protest on the permanent in-stream transfer.

Staff propose the Board provide funding to continue in-stream leasing under the Upper Sevenmile water acquisition project until the protest on the permanent transfer is resolved. Under the previous lease agreement, the annual lease rate is \$114,120. If OWEB supports 75% of the lease cost, the agency's annual payment for leasing would be \$85,590. Bonneville Environmental Foundation (BEF) has committed to cover the remaining 25% lease balance (and required 25% OWEB match) for 2014 and 2015 irrigation seasons, at a minimum. Both OWEB and BEF funding would be conditioned on the approval of the lease renewal by OWRD. In addition, any lease payments provided by OWEB would be credited toward the permanent transfer of the in-stream water right in the future, depending on the outcome of the water-right injury question.

On January 13, 2014 the past Board subcommittee on Acquisitions convened to discuss this water acquisition project and the staff recommendation. The subcommittee supports the staff recommendation to the Board.

The Board was asked to approve a revised grant award for the Upper Sevenmile Creek Critical Habitat In-stream Transfer Water Acquisition Project (revised Grant Application #212-103) that:

- (a) Allows up to \$300,000 in funding previously awarded for Grant Application #212-103 to be used for temporary in-stream leasing of the same water rights, with funding conditioned on: 1) approval of the lease renewal by OWRD; 2) the lease terms being the same as OWEB's 2010 in-stream lease grant with KBRT ; and 3) the lease payments being credited toward the permanent transfer of the in-stream water right in the future, depending on the outcome of the water-right injury question, described in the grant application; and
- (b) Conditions funding for the permanent transfer proposed in Grant Application #212-103 to be based on the terms and conditions of the determination and final order for the transfer to be issued by Oregon Water Resources Department.

*The Board unanimously approved the revised grant award for the Upper Sevenmile Creek Critical Habitat In-stream Transfer Water Acquisition Project (revised Grant Application #212-103) that (a) Allows up to \$300,000 in funding previously awarded for Grant Application #212-103 to be used for temporary in-stream leasing of the same water rights, with funding conditioned on: 1) approval of the lease renewal by OWRD; 2) the lease terms being the same as OWEB's 2010 in-stream lease grant with KBRT ; and 3) the lease payments being credited toward the permanent transfer of the in-stream water right in the future, depending on the outcome of the water-right injury question, described in the grant application; and (b) Conditions funding for the permanent transfer proposed in Grant Application #212-103 to be based on the terms and conditions of the determination and final order for the transfer to be issued by Oregon Water Resources Department.*

## **H. Forest Health Collaboratives: Capacity Assistance Grants Update**

Greg Sieglitz, Monitoring and Reporting Program Manager, updated the Board on the recent grant solicitation and Director's grant awards in support of collaborative groups working on forest health issues. Greg updated the Board on the forest health collaboratives grant process approved by the Board at its special meeting on November 4, 2013. The need for forest collaborative efforts has arisen due to fire suppression and other land-use practices during the last century. The work of local forest collaborative partnerships has been shown to be an important asset for establishing local support and agreement for forest restoration treatments thereby increasing the potential for an acceleration in the pace and scale of forest restoration. Forest collaborative work is parallel to that of watershed councils and soil and water conservation districts with the goals focused on restoration of forested lands in a way that is ecologically sustainable, economically viable, and acceptable to diverse stakeholders.

New funding was secured through the 2013 legislative session and was included in Senate Bill (SB) 5521, which provided \$2.885 million in non-Measure 76 Lottery Fund revenue to the Oregon Department of Forestry (ODF). These dollars created a new funding opportunity that is known as the Federal Forest Health Project. A budget note included in House Bill 5008 directed ODF to consider funding small grants to be administered by OWEB. At the Board's November Special Meeting, the process, criteria and timeline for this small grant program were approved.

The Board had previously been briefed during the September and November 2013 Board meetings of the budget surrounding support for Forest Collaboratives, a total amount of at least \$600,000 has been identified in the ODF Federal Forest Health Project budget of \$2.885 million to support the Federal Forest Health Collaborative Capacity Assistance Grants through OWEB. There are several forest collaborative groups that did not submit applications through the November cycle, as well as some that did apply for funding, but which have additional collaboration funding needs for the remainder of the biennium. Given this and the fact that approximately \$400,000 still is available to OWEB from ODF, staff suggest initiating the second-round funding opportunity of capacity assistance grants as was anticipated and discussed during the November special meeting of the Board.

### *Process and Timing*

A streamlined process was developed and successfully applied during the first grant cycle between November and January. Staff's preference is to use the same process, including grant application materials, review criteria, review team and grant agreement approach, for the second round. It was imperative in the first cycle to move rapidly to ensure grant funds reached local groups in time to inform early 2014 planning and implementation scheduling. While expedited timing remains an important consideration for the second round, staff are planning to provide a few additional weeks for grant application preparation by applicants and grant review by the review team. With these considerations, staff propose opening the grant offering in April, with applications due in May, review team deliberation in June and awards in July of 2014. A full report about the second cycle will be providing to the Board at its July meeting.

The Board was asked to A) approve a grant cycle for the Federal Forest Health Collaborative Capacity Assistance Grants, following the schedule outlined in Section IV of this staff report; and B) award \$400,000 for forest collaboratives small grants and delegate distribution authority to the Executive Director. These funds are to be used for the grant cycle described in Section IV of the staff report.

*The Board unanimously approved A) the grant cycle for the Federal Forest Health Collaborative Capacity Assistance Grants, following the schedule outlined in Section IV of this staff report; and B) award \$400,000 for forest collaboratives small grants and delegate distribution authority to the Executive Director. These funds are to be used for the grant cycle described in Section IV of the staff report.*

### **I. Wolfree's Whychus Creek Discovery Outpost Land Acquisition Project Funding Request**

Meta Loftsgaarden, Deputy Director, updated the Board on the status of the Whychus Creek Discovery Outpost Land Acquisition project (Grant #208-110). In October 2007, Wolfree submitted a land acquisition grant application (#208-110, Whychus Creek Discovery Outpost Land Acquisition project), requesting \$500,000 for fee-simple purchase of a 58-acre property located on Whychus Creek in Deschutes County, near Sisters. Wolfree is a 501(c)(3) charitable non-profit corporation that was established in 1994. Their mission is to serve people and their communities through innovative science education, ecosystem restoration, and ecological research. The application stated that the property is part of a deep-walled canyon and contains approximately 15 acres of aspen forest and wetlands. The application also stated that the property supports an active golden eagle nest, native redband trout, and recently reintroduced steelhead. Wolfree asserted that loss and degradation of Whychus Creek's wetland and riparian habitats created an urgent need to conserve the property. The Board awarded \$500,000 for acquisition of the property. Wolfree obtained seller financing for the remaining \$300,000 of the \$800,000 purchase price, and completed the purchase in August 2008.

Since the time the property was acquired, Wolfree has only been able to pay \$30,000 of the \$300,000 in seller financing. With the loan in default for lack of payment, the original seller (who also is the financier of the loan) has the option to take the property back. Subsequent to the \$30,000 payment, Wolfree has been unable to pay off the loan from the seller, secure legal access to the property, or complete management and education plans under the terms specified in the grant documents.

OWEB faces a challenge in this scenario as well. In no instance does OWEB hold the primary right of enforcement over a private landowner, nor is the agency staffed to do so.

Deschutes Land Trust has offered to assist with resolving this complex challenge. While this is not a priority property for the organization through their strategic plan, it is located within a priority area.

A \$270,000 seller-financed loan remains to be paid off. In OWEB's Land Acquisition Grant Program, the agency has placed a 75 percent limit on OWEB's contribution to the property. In the case of this property, as noted above, OWEB invested only 62 percent of the property value. To reach the 75 percent investment level, OWEB could invest an additional \$100,000.

In addition to the purchase price, Deschutes Land Trust has identified specific ‘site stabilization’ needs for the property, including gaining access to the property, removing structures, limiting vehicular access and protecting key sites from further vandalism. These elements are critical for the property to function as a restoration property. The cost for this work is \$27,000.

The Board was asked to consider funding A) \$100,000 to pay off the negotiated balance of the loan due of the Wolfree property, conditioned on staff acceptance of all required due-diligence documents, and B) \$33,500 to complete the necessary site stabilization.

*The Board unanimously approved funding A) \$100,000 to pay off the negotiated balance of the loan due of the Wolfree property, conditioned on staff acceptance of all required due-diligence documents, and B) \$33,500 to complete the necessary site stabilization.*

#### **J. Local Partner Presentations**

Meta Loftsgaarden, Deputy Director, introduced several local partners. Dan Roix, Columbia Land Trust Conservation Manager, discussed “The Intertwine Alliance” and “The Regional Conservation Strategy” consisting of 75 organizations, including different land types for the greater Portland/Vancouver area.

Jane Bacchieri, Watershed Services Group Manager, City of Portland, discussed Green Infrastructure.

Kaitlyn Lovell, Science, Fish & Wildlife Program Manager, City of Portland, discussed the “Crystal Springs Restoration Project” which included removing culverts along Johnson Creek to improve fish passage.

Michael Ahr, Forest Conservationist for West Multnomah Soil & Water Conservation District talked about the “Forest Conservation Program” a project that involved reaching out to landowners and involving Oregon Department of Forestry (ODF), to remove invasive species including invasive weed removal.

Matt Clark, Director, Johnson Creek Watershed Council discussed Urban Conservation talked about utilizing multiple partners to complete a project and the recovery of Johnson Creek.

Rowan Steele, East Multnomah Soil and Water Conservation District, talked about the “Headwaters Incubator Program” and how they work to keep local farmland in production and promote conservation agriculture.

Catherine Corbitt, Chief Scientist for the Lower Columbia Estuary Partnership, discussed Ecosystem-based Management.

At the conclusion of the day’s meeting, Board members, staff, and visitors attended an informal reception sponsored by the Intertwine Alliance.

**APPROVED BY THE BOARD APRIL 29, 2014**  
**Oregon Watershed Enhancement Board**  
**January 29, 2014**  
**OWEB Board Meeting**  
**Portland, Oregon**

**Minutes**

**OWEB Members Present**

Eric Quaempts  
Dan Thorndike  
Debbie Hollen  
Will Neuhauser  
Lisa Phipps  
Morgan Rider  
Bob Webber  
Karl Wenner  
Cindy Deacon Williams  
Bill White  
Stephen Brandt  
John Roberts  
Alan Henning

**Members Not Present**

Mike Haske  
Kim Kratz  
Doug Krahmer  
Patricia Smith

**OWEB Staff Present**

Tom Byler  
Brandi Elmer  
Bonnie Ashford  
Lauri Aunan  
Renee Davis-Born  
Mark Grenbemer  
Karen Leiendecker  
Meta Loftsgaarden  
Liz Redon  
Tom Shafer  
Courtney Shaff  
Greg Sieglitz  
Juniper Davis  
Ken Fetcho  
Miriam Hulst  
Gretchen Kirchner

**Others Present**

Bruce Taylor  
Kristen Larson  
Steve Wise  
Wayne Hoffman  
Ken Bierly  
Rob Walton  
Alex Sifford  
Jerry Nicolescu  
Ryan Gordon  
Kendra Smith  
Chrissy Smith  
David Simmons  
JL Liddane  
Luke Westphal  
David Colben  
Zach Siector  
Sandy Lyon  
Cathy Kellon  
Krystyna Wolniakowski  
Kate Carone  
Catherine Purett  
Maggie Peyton  
Damon Hess  
Eric Riley  
Alex Sifford  
Karlene McCabe  
Mark Trenhulm  
Margaret Magruder  
Sabrina Hollander  
Kari Hollander  
Julie DiLeone

**K. Long Term Investment Strategy Update**

Director Byler discussed the change in structure with the passage of Measure 76 and the need for strategic direction and guiding principles. At the June 2013 meeting, the Board adopted its Long-Term Investment Strategy for Conservation (LTIS), which included approval of a framework for grant investments and direction for the LTIS. At the September Board meeting in Burns, staff provided early updates on 2013-2015 priority implementation work items resulting from the LTIS. This report is intended to remind the Board of the numerous tasks undertaken associated with the LTIS. In addition, the report briefs the Board on status of several projects,

with a focus on Watershed Council Capacity Grants and Effectiveness Monitoring (see staff reports for Agenda Items K-1 and K-2, respectively). This report is for informational purposes only.

As a result of the passage of Ballot Measure 76 in 2010, OWEB's primary source of funding was no longer time-limited in the Oregon Constitution. From that point forward, OWEB has been reviewing and updating its priorities, policies, programs and practices with the purpose of best positioning the agency as an effective and successful long-term funder of conservation in Oregon.

In October of 2013, the OWEB Board co-chairs and Executive Director established a new organizational structure for OWEB's board committees. The rationale for the new structure was to better align the committees with the LTIS framework adopted earlier in the year. Recent appointments of several new Board members made this a logical time for the restructuring, from the standpoint of orienting the new members under the new committee structure. Some of the new subcommittees have met since the restructure took effect.

The following lists the priority work items for OWEB during the 2013-2015 biennium:

1. *Develop online grant applications and grant agreements.* See Agenda Item C-2. In addition to the progress described in that update, staff are planning to complete a Lean-Kaizen review of the Regular Grant Program process during the first half of 2014. Lean-Kaizen is a methodology that increases process efficiency and encourages continuous process improvement through the implementation of best practices. The Lean Kaizen will redesign the Regular Grant application and award process to align with online applications and agreements. After this is completed, results will be shared with all OWEB sections to inform online system design and development for the full suite of OWEB business processes.
2. *Update watershed council capacity program.* See Agenda Item K-1.
3. *Update focused investment program.* See Agenda Item L.
4. *Continue and augment effectiveness monitoring efforts.* See Agenda Item K-2.
5. *Launch updated land acquisitions grant process and design and implement updated water acquisition grant process.* See Agenda Items C-3 and F, respectively.
6. *Streamline grant budget categories.* See Agenda Item C-5.

No Board action was required, this is an informational item only.

#### **L. Focused Investment Definition, Criteria Categories and Solicitation Process**

Meta Loftsgaarden, Deputy Director, briefed the Board about the process that is currently underway to update the Focused Investment Program. Staff are requesting the Board consider approval of a definition, criteria categories and a solicitation approach for Focused Investments. Once approved, these items will assist the Board Subcommittee on Focused Investments and the work groups that are informing development of the Focused Investments Program, as they develop program design, specific criteria and an application process for the program. Information about these components of the program will come before the Board in draft form at the April Board meeting, with final process approval proposed for July 2014.

In June of 2013, the OWEB Board approved its Long Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring.

To assist with this effort, the agency has organized a set of external and internal (OWEB staff) work groups. In selecting the external work group, members were recruited from every region of the state as well as representatives from soil and watershed conservation districts (SWCDs), watershed councils, land trusts, Tribes and other non-profit organizations. The executive boards of the Oregon Association of Conservation Districts, Network of Oregon Watershed Councils and Coalition of Oregon Land Trusts also are represented. Members of the work groups are listed in Attachment A of this staff report. These individuals are meeting together this winter and spring to provide input to the Board on the program's design and implementation.

The work groups, along with the Board Focused Investment Subcommittee, have been developing wording for the Board's consideration at the January meeting for the definition of Focused Investments, general criteria categories and a solicitation approach.

In addition, a timeline has been established for specific meetings and decision points. Milestones for input and decision points include:

- January 28-29, 2014 (Portland, OR) – OWEB Board will review and approve the definition, general criteria and solicitation approach for Focused Investments.
- March–April, 2014 (all six regions) – OWEB staff will hold listening sessions in all regions of the state to receive input on the first draft of the solicitation process for Focused Investments. This feedback will be taken to the April Board meeting.
- April 29-30, 2014 (Bandon, OR) – OWEB Board will receive public comment on the draft solicitation process.
- July 29-30 (The Dalles, OR) – OWEB Board will approve a final solicitation process and announce solicitation for Focused Investments to be awarded in 2015.

The Board took Public Comment on this agenda item.

- Steve Wise, Sandy River Basin Watershed Council, commented on the need to be a statewide investment.
- Kristen Larson, Luckiamute Watershed Council, commented on her appreciation for receiving OWEB funding.
- Bruce Taylor, Defenders of Wildlife and Oregon Habitat Joint Venture, commented regarding fish, Carp in the Malheur and native fish/birds.

The Board was asked to approve draft language for the definition, criteria categories and solicitation approach for Focused Investments, as outlined in the Addendum to the staff report.

*The Board unanimously approved the draft language for the definition, criteria categories and solicitation approach for Focused Investments, as outlined in the Addendum to the staff report.*

#### **M. Public Comment – General**

- Wayne Hoffman commented on Agenda Item K, Council Capacity.
- Ken Bierly, Glenn Gibson Creek Watershed Council commented on Agenda Item K-1, Watershed Council Capacity Grants.
- Rob Walton, NOAA Fisheries, commented on Agenda Item N, Coastal Salmon Conservation and Strongholds.
- Alex Sifford, Nestucca-Neskowin Watershed Council, commented on Council Capacity, Agenda Item K-1.
- Jerry Nicolescu, Oregon Association of Conservation Districts and Ryan Gordon, Network of Watershed Councils provided general comments about Agenda Items K, Long Term Investment Strategy and L, Focused Investments.

#### **N. Salmon Strongholds**

Meta Loftsgaarden, Deputy Director, and Juniper Davis, Partnerships Coordinator were joined by Krystyna Wolniakowski, Director of the Western Partnership Office of the National Fish and Wildlife Foundation to brief the Board on updates and progress made on Coastal Salmon Conservation and Salmon Strongholds. Staff from OWEB and the National Fish and Wildlife Foundation (NFWF) are in the beginning stages of developing a co-funding partnership aimed at increasing collaboration and conservation success in coastal salmon tributaries, estuaries, and wetlands. OWEB and NFWF staff intend to present a formal program proposal to the OWEB Board at its April 2014 meeting in Bandon.

The North American Salmon Stronghold Partnership initiated by the Wild Salmon Center (WSC), unites public and private resources in a voluntary, incentive-based approach to protect the healthiest remaining salmon ecosystems in North America. Through joint efforts between WSC and NFWF, the Oregon Governor’s Fund for the Environment (Governor’s Fund) was aligned to focus on supporting the wild salmon strongholds concept in 2013.

The diverse geography and limited funding available at this time to the Salmon Stronghold Partnership currently constrains the short and long-term potential success of the initiative. OWEB staff and its funding partner—NFWF via the Governor’s Fund—believe that more measurable outcomes and opportunities to achieve and track success could be reached by narrowing the geographic focus of the Salmon Stronghold Partnership.

Due to the existing and potential capacity of local conservation partners to develop high-quality projects in salmon strongholds, and the existence of additional funding sources (namely, the U.S. Fish and Wildlife Service’s National Coastal Wetlands Grant Program) that could be immediately leveraged with salmon stronghold investments, OWEB and NFWF staff are examining the opportunity to direct their efforts to address coastal Coho habitat conservation needs. Under the proposed effort, OWEB and NFWF would coordinate and local community leaders and restoration organizations along the coast to develop a Strategic Business Plan for coastal Coho habitat conservation, restoration and protection within the state’s two coho areas (i.e., the Oregon Coast Coho and Southern Oregon/Northern California Coasts evolutionarily significant units [ESUs]) with input from the National Oceanic and Atmospheric Administration (NOAA). The goal of this business plan is to develop—in conjunction with local partners—a strong framework that is beneficial for local partners, while at the same time creating a plan the two funding partners can utilize to leverage additional resources for coastal Coho habitat conservation.

NFWF's business plan development process has proven a successful strategy in other areas of Oregon and around the U.S. to achieve significant conservation results based on both science and community involvement. In addition, NOAA is poised to release the coastal Coho Salmon recovery plan in early 2014, so development of a Strategic Business Plan to implement the first decade of conservation activities would be well-timed.

Between the January and April Board meetings, OWEB and NFWF staff will fully develop this concept. Staff then will return to the Board at its April 2014 meeting with a funding request for Strategic Business Plan development.

#### **O. Budget and Legislative**

Tom Byler, Executive Director, and Renee Davis-Born, Senior Policy Coordinator briefed the Board on the 2013-15 OWEB budget, the upcoming 2014 Legislative Session and agency activities in preparation for 2014 legislative session.

Director Byler discussed the preparations in advance of the 2013 session, Governor Kitzhaber launched the 10-Year Plan for Oregon as a way to redesign how state government builds its budget and makes investment decisions. The 10-Year Plan sought to move from a two-year budget-balancing process to budgeting aimed at achieving long-term outcomes. The process for developing state agency budgets for the 2013-2015 biennium was different than in previous years. The new process organized the state budget into five major outcome areas—Education, Healthy People, Economy and Jobs, Healthy Environment, and Safety. State agency budget programs were considered within the appropriate outcome area, rather than as individual state agency budgets.

Although the 2015 legislative session does not begin for another year, state agencies will soon begin to prepare budget proposals. Staff are awaiting guidance for development of agency budgets for the 2015-2017 biennium. In the meantime, the OWEB Management Team has begun outlining agency needs and developing ideas for budget requests for next biennium. Lottery revenues continue to be relatively flat, and staff remain mindful of this as they develop budget ideas in preparation for the 2015 Legislative session.

At the January meeting, staff updated the Board about budget-request ideas and provided new information that was available regarding the budget development process for 2015-2017. Board discussions about OWEB's budget request for next biennium will continue at the April 2014 meeting in Bandon.

Renee Davis-Born, Senior Policy Coordinator, briefed the Board on the preparations for the upcoming 2014 Legislative Interim Session. The 2014 session begins on February 3, 2014, and runs for no longer than 35 days. The Oregon Legislature has adopted a schedule with adjournment scheduled for March 9, 2014. With respect to policy issues during the 2014 session, OWEB staff currently are not aware of any policy issues that will have a direct effect on the agency. That said, staff will monitor policy discussions prior to and during the course of the session.

She discussed expectations on several budget and policy issues relevant to OWEB during the 2014 interim following the February session, these included:

- A) *Trends and effects of non-farm uses on agricultural economic sustainability* – In November 2013, Governor Kitzhaber announced that he has instructed staff from the Governor’s Office and relevant state agencies to study trends and effects of non-farm uses, including conservation and public recreation uses, on agriculture. The study will conclude prior to the 2015 legislative session, and is a follow-up to bills that were introduced during the 2013 session. OWEB staff have been contacted about participating in this study.
- B) *Additional expenditure limitation for forest-health collaboratives capacity grants* – As described in the staff report for Agenda Item H, OWEB is administering capacity assistance grants for forest-health collaboratives on behalf of the Oregon Department of Forestry (ODF) with non-Measure 76 Lottery Funds included in ODF’s 2013-2015 budget. Currently, OWEB is using existing budget expenditure limitation that originally was anticipated to be used for other fund sources, to cover the additional funds provided to the agency by ODF for forest-health collaborative grants. Given this, OWEB may need to request additional expenditure limitation prior to the 2015 session in order to sufficiently cover both the originally anticipated fund sources and the ODF funds.
- C) *Ecosystem services* – During the November 2013 legislative days, staff met with several legislators, including a few with interest in ecosystem services. Discussions around this topic continue, despite HB 3337 not passing during the 2013 session. Staff will track these discussions, especially as they relate to ongoing ecosystem services pilot projects in which OWEB is engaged.
- D) *Hatchery research* – Prior to and during the November legislative days, staff also learned about interest from at least one legislator in funding for the Oregon Hatchery Research Center, which is a cooperative research effort between the Oregon Department of Fish and Wildlife and Oregon State University. Some interest exists in exploring if legislative action is needed to enable Measure 76 funds to be used for research in the future, given the 2011 repeal of the previous statute that had created a research fund under Measure 66.

Similar to the timeframe for budget development, state agencies also are beginning to prepare policy proposals. State agency legislative concepts are submitted to the Legislature by the Governor after a nearly nine-month development and review process. For consideration in 2015, legislative concepts must be submitted by agencies to the Department of Administrative Services (DAS) by May 2, 2014. Once approved by DAS, legislative concepts are sent to Legislative Counsel for drafting prior to pre-session filing by the Governor in December 2014.

There are no proposals for legislative concepts at this time.

**P. Other Business**

There was no other business to discuss.

Having no further business, the meeting was adjourned



# Oregon Watershed Enhancement Board

## Meeting Agenda

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### Oregon Watershed Enhancement Board April 28, 29 and 30 2014

*Monday, April 28, 2014*

Owen Building  
201 N. Adams Street  
Coquille, OR 97423

Directions: [201 N. Adams Street, Coquille, OR](#)

#### *Pre-Meeting Town Hall Discussion*

*Following a tour of local projects, a subset of OWEB Board members will hold a "town hall" meeting from 2:30 p.m. until 4:30 p.m., to discuss cooperative conservation and restoration in the South Coast area with interested community members.*

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*Tuesday, April 29, 2014*

"The Barn" Bandon Community Center  
1200 W. 11<sup>th</sup> Street SW  
Bandon, OR 97411

Directions: <http://www.bandonbarn.com/contactus.html>

#### *Business Meeting – 8:00 a.m.*

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During the public comment periods (Agenda Items E and F) anyone wishing to speak to the Board on specific agenda items is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. At the discretion of the Board co-chairs, public comment for agenda items on which the Board is taking action may be invited during that agenda item. *The Board encourages persons to limit comments to three to five minutes.*

#### **A. Board Member Comments**

Board representatives from state and federal agencies will provide an update on issues related to the natural resource agency they represent. This is also an opportunity for public and tribal Board members to report on their recent activities and share

information and comments on a variety of watershed enhancement and community conservation-related topics. *Information item.*

**B. Board Co-Chair Election**

The current term of Oregon Watershed Enhancement Board Co-Chair Dan Thorndike ended in January 2014. Co-Chair Eric Quaempts will lead a discussion and vote by Board members to elect one Board Co-Chair position for a new two-year term. *Action item.*

**C. Review and Approval of Minutes**

The minutes of the January 28-29, 2014, Board meeting in Portland will be presented for Board approval. *Action item.*

**D. Executive Director Update**

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

**E. Pending Regular Grant Applications**

Introduction

Prior to hearing public comment, Lauri Aunan, Grant Program Manager, will provide background information on the October 21, 2013, grant cycle.

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

This time is reserved for public comment on pending restoration, technical assistance, monitoring and outreach grant applications to be considered for funding by the Board. Only comments pertaining to these specific grant applications will be accepted during the meeting. The Board will not accept any written materials at this time. Any written comments pertaining to pending grant proposals must be received by agency staff by the April 11, 2014, deadline. *The Board encourages persons to limit comments to three to five minutes.*

Board Consideration of Pending Regular Grant Applications

The Board will consider grant applications submitted by the October 21, 2013, application deadline for restoration, technical assistance, monitoring and outreach grants. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

**F. Public Comment [approximately 1:40 p.m.]**

This time is reserved for public comment on Agenda Items G, H, I and J, as well as other matters before the Board.

**G. OWEB Effectiveness Monitoring Program**

Greg Sieglitz, Monitoring and Reporting Program Manager, will update the Board on the accomplishments and priorities of OWEB's Effectiveness Monitoring Program. Staff also will request the Board award funding for effectiveness monitoring of the Oregon Conservation Reserve Enhancement Program and other priority initiatives. *Action item.*

**H. Land Acquisition Grant Awards**

Meta Loftsgaarden, Deputy Director, and Miriam Hulst, Acquisitions Specialist, will request Board action on land acquisition grant applications that were received during the October 2013 grant cycle. *Action item.*

**I. Water Acquisition Grant Awards and Program Update**

Renee Davis-Born, Senior Policy Coordinator, will request Board action on water acquisition grant applications received and reviewed under the newly approved Board guidance for water acquisition grants. Staff also will provide an update about the status of the pilot coordinated funder framework approach and the Upper Klamath Basin Water Lease Funding program. *Action item.*

**J. Oregon Coastal Coho Business Plan**

Meta Loftsgaarden, Deputy Director, will be joined by Krystyna Wolniakowski, Director of the Western Partnership Office of the National Fish and Wildlife Foundation (NFWF), and will brief the Board on a proposal for a joint grant-making partnership for coastal salmon strongholds and request funding for the development of local plans. *Action item.*

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***Informal Reception – 5:00-6:15 p.m.***

*The public is invited to join the OWEB Board and staff at a reception sponsored by the Wild Rivers Coast Alliance.*

*“The Barn” Bandon Community Center  
1200 W. 11<sup>th</sup> Street SW  
Bandon, OR 97411*

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*Wednesday, April 30, 2014*

*Business Meeting - 8:00 a.m.*

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During the public comment periods (Agenda Items L and N) anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. At the discretion of the Board co-chairs, public comment for agenda items on which the Board is taking action may be invited during that agenda item. *The Board encourages persons to limit comments to three to five minutes.*

**K. Watershed Council Capacity**

Lauri Aunan, Grant Program Manager, and Courtney Shaff, Grant Program Coordinator, will update the Board about the proposed administrative rules and implementation guidance for Outcome-Based Watershed Council Capacity Grants and the status of the rulemaking process. The Board then will engage in a discussion about council capacity grants. *Information item.*

*Note: The public comment period for this rulemaking closed on March 31, 2014. The Board will not accept public comment on the proposed rules at its April 2014 meeting.*

**L. Focused Investments**

Meta Loftsgaarden, Deputy Director, will brief the Board about the process that is underway to update the Focused Investment Program. The Board will hear public comment about this process, and discuss progress to date. *Information item.*

**M. Budget and Legislative**

Tom Byler, Executive Director, and Renee Davis-Born, Senior Policy Coordinator, will update the Board about the final outcomes of the 2014 legislative session and discuss budget preparation for the 2015-2017 biennium and legislative concept development in advance of the 2015 legislative session. *Information item.*

**N. Public Comment – General [approximately 12:00 p.m.]**

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

**O. Healthy Rangelands Update**

Meta Loftsgaarden, Deputy Director, will provide an update about Oregon's Sage-grouse conservation efforts and recent progress under the Governor's initiative. The Board will be asked to award funding in support of this initiative. *Action item.*

**P. ODFW Funding Request**

Tom Byler, Executive Director, and Greg Sieglitz, Monitoring and Reporting Program Manager, will request the Board's approval of additional Pacific Coastal Salmon Recovery Fund (PCSRF) funding in support of the Oregon Department of Fish and Wildlife's legislatively adopted budget for the 2013-2015 biennium. *Action item.*

**Q. Other Business**

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

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

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

**Public Testimony:** The Board encourages public comment on any agenda item.

A public comment period for pending grant applications will be held on Tuesday, April 29 at 10:10 a.m. The Board will not accept any written materials at that time. Any written comments pertaining to pending regular and acquisition grant proposals must be received by the April 11, 2014 deadline. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). *The Board encourages persons to limit comments to three to five minutes.*

General public comment periods will be held on Tuesday, April 29 at 1:40 p.m. and Wednesday, April 30 at 12:00 p.m. for any matter before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). *The Board encourages persons to limit comments to three to five minutes.*

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

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

**Questions?** If you have any questions about this agenda or the Board's procedures, please call Brandi Elmer, OWEB Board Assistant, at 503-986-0181. If special physical, language or other accommodations are needed for this meeting, please advise Brandi Elmer (503-986-0181) as soon as possible but at least 48 hours in advance of the meeting.

## Oregon Watershed Enhancement Board Membership

### Voting Members

- Board of Agriculture member: *Doug Krahmer*
- Environmental Quality Commission member: *Morgan Rider*
- Fish and Wildlife Commission member: *Bob Webber*
- Board of Forestry member: *Cindy Deacon Williams*
- Water Resources Commission member: *John Roberts*
- Public member (tribal): *Eric Quaempts, Board Co-Chair*
- Public member: *Lisa Phipps*
- Public member: *Will Neuhauser*
- Public member: *Randy Labbe*
- Public member: *Dan Thorndike, Board Co-Chair*
- Public member: *Karl Wenner*

### Non-voting Members

- Representative of NMFS: *Kim Kratz*
- Representative of Oregon State University Extension Service: *Stephen Brandt*
- Representative of U.S. Forest Service: *Debbie Hollen*
- Representative of U.S. BLM: *Mike Haske*
- Representative of U.S. NRCS: *Bill White*
- Representative of U.S. EPA: *Alan Henning*

### Contact Information

Oregon Watershed Enhancement Board  
 775 Summer Street NE, Suite 360  
 Salem, Oregon 97301-1290  
 503-986-0178  
 Fax: 503-986-0199  
[www.oregon.gov/OWEB](http://www.oregon.gov/OWEB)

### OWEB Executive Director - Tom Byler

[tom.byler@state.or.us](mailto:tom.byler@state.or.us)

### OWEB Assistant to Executive Director and Board – Brandi Elmer

[brandi.elmer@state.or.us](mailto:brandi.elmer@state.or.us)  
 503-986-0181

### 2014-2016 Board Meeting Schedule (Proposed)

2014	2015	2016
January 28-29 in Portland	January 27-28 in Astoria	January 26-27, location TBD
April 29-30 in Bandon	April 28-29 in Salem	April 26-27 location TBD
July 29-30 in The Dalles	July 28-29 in John Day	July 26-27 location TBD
October 28-29 in Grants Pass	October 27-28 in Prineville	

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

## April 29-30, 2014 OWEB Board Meeting

### Executive Director Update #D-1: Long-Term Investment Strategy Update

Last year, the Board adopted its Long-Term Investment Strategy for Conservation (LTIS), which included approval of a framework for grant investments and direction for the LTIS. This report updates the Board on the numerous tasks undertaken associated with the LTIS.

#### **Background**

As a result of the passage of Ballot Measure 76 in 2010, OWEB's primary source of funding was no longer time-limited in the Oregon Constitution. From that point forward, OWEB has been reviewing and updating its priorities, policies, programs and practices with the purpose of best positioning the agency as an effective and successful long-term funder of conservation in Oregon.

In June of 2013, the OWEB Board approved its Long Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring. The LTIS is nested within the agency's mission and strategic plan goals, and touches on nearly all aspects of OWEB's responsibilities. In carrying out work to implement the LTIS, OWEB set out guiding principles about how the agency would approach updates and changes in programs. Overall, the effort has involved significant engagement of the OWEB Board and staff, as well as stakeholders. OWEB's mission, strategic plan goals, a summary of the LTIS framework and direction, and the guiding principles are included in Attachment A.

The LTIS implementation items listed below involve a considerable amount of work for OWEB staff above and beyond the typical workload. Staff's goal is to carry out these efforts without diminishing the quality of services our stakeholders regularly expect from the agency. Toward that end, OWEB managers have been meeting regularly to coordinate activities and position the agency to make as much progress as possible over the biennium. In addition, OWEB is utilizing internal cross-sectional teams for many of these tasks to ensure we have the expertise needed to inform our direction on policies and processes.

#### **Status of Priority Work Items**

The following lists the priority work items for OWEB during the 2013-2015 biennium:

1. *Develop online grant applications and grant agreements.* OWEB is investing in grant application and grant agreement streamlining and developing online applications and agreements during the 2013-2015 biennium. The intent of this work item is to improve effectiveness and efficiency of the agency's grant-making processes for applicants, grantees and OWEB staff.

OWEB's goal is to complete scoping for and development of the online grant application/grant agreement web interface to launch in the 2015-2017 biennium. Application streamlining is expected to be complete by early May of 2014. Design and initial build of the information-system components required for online grant application and agreements is anticipated to occur during the May–December 2014 period. An external stakeholder work group focused on system functionality and usability will be convened to inform the design and build. Multiple phases of testing and refinement of

the system will occur beginning in January of 2015. Testing is critical to ensure that, when launched, the system is both technically functional and technologically usable from the perspective of applicants, grantees, reviewers and OWEB staff.

Staff are planning to complete a Lean-Kaizen review of the Regular Grant Program process in the early fall of 2014. Lean-Kaizen is a methodology that increases process efficiency and encourages continuous process improvement through the implementation of best practices. The intent is to redesign the Regular Grant application and award process to align with online applications and agreements. When completed, results will be shared with all OWEB sections to inform online system design and development for the full suite of OWEB business processes.

2. *Update watershed council capacity program.* OWEB is in the midst of a process to update its administrative rules pertaining to grants that support the capacity of watershed councils. More detailed information on this can be found in Agenda Item K.
3. *Update focused investment program.* In October of 2013, OWEB kicked off a nine-month process to develop a definition, criteria, solicitation approach, program design and process for the Focused Investment category of OWEB funding. For more information, see Agenda Item L.
4. *Continue effectiveness monitoring efforts.* Monitoring and reporting on OWEB's conservation grant investments to determine their effectiveness is critical to our long-term success. Efforts to track conservation outcomes at meaningful scales are essential to determine progress on achieving goals and to inform future actions and priorities. Agenda Item G reports on several funding requests related to effectiveness monitoring.
5. *Launch updated land acquisitions grant process and design and implement updated water acquisition grant process.* Both of the land and water acquisition programs were updated in the last year. Agenda Items H and I ask the Board to consider awarding funds under the new processes.
6. *Streamline grant budget categories.* Over the past year, a team of OWEB staff have been working with external partners to streamline OWEB's budget categories and develop a more transparent budget category system that works for both grantees and OWEB staff. These budget categories are used to document funds requested in the grant applications and funds spent in the grant agreements. The overall goal is to provide easy-to-understand and customer-friendly forms and processes while ensuring the necessary accountability for use of public funds. The new budget categories apply to grants awarded after January 1, 2014.

Staff will continue to update the Board on the implementation status of work priorities at future meetings.

#### **Staff Contact**

If you have questions or need additional information, contact Tom Byler at [tom.byler@state.or.us](mailto:tom.byler@state.or.us) or 503-986-0180.



# OWEB Strategic Direction and Principles

**OWEB** **OWEB's Mission:** To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

## Goals

### Goals from OWEB's 2010 Strategic Plan

In 2010, the OWEB Board approved a strategic plan with five goals. With the passage of Constitutional Measure 76 and permanent Lottery funding, the Board continues to operate under the strategy.

#### **Goal 1: Adaptive Investment**

Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs.

#### **Goal 2: Local Infrastructure Development**

Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.

#### **Goal 3: Public Awareness and Involvement**

Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

#### **Goal 4: Partnership Development**

Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations, and private landowners for watershed and habitat restoration and conservation.

#### **Goal 5: Efficient and Accountable Administration**

Ensure efficient and accountable administration of all investments.

## Long-Term Investment Strategy

### OWEB's Framework for Grant Investments

In 2013, the Board adopted a Long-Term Investment Strategy that guides its investments of Lottery, federal and salmon plate funding. All of OWEB's investments in ecological outcomes also help build communities and support the local economy. The Board also approved a direction for the investments outlined below. They will continue operating capacity and open solicitation grants and continue focused investments with a gradual increase over time.

#### **Operating Capacity**

Operating Capacity Investments support the operating costs of effective watershed councils and soil and water conservation districts. Councils and districts are specifically identified in OWEB's statutes.

#### **Open Solicitation**

OWEB offers responsive grants across the state for competitive proposals based on local ecological priorities.

#### **Focused Investments**

OWEB helps landscape-scale collaborative partnerships achieve collaboratively prioritized ecological outcomes.

#### **Effectiveness Monitoring**

OWEB evaluates and reports on the progress and outcomes of watershed work it supports.



## Guiding Principles

### Guiding Principles

As the Board developed the Investment Strategy, they did so under established principles for how any changes in OWEB's programs would operate.

**Build on accomplishments.** The commitment and work of our local partners have resulted in a nationally and internationally recognized approach with unmatched environmental accomplishments. OWEB will build on this foundation.

**Effective communication.** OWEB is committed to active, two-way communication of ideas, priorities, and results with its staff, partners, potential partners, and the public as a means for developing and maintaining a strong investment strategy and successful cooperative conservation.

**Transparency.** OWEB values transparency and develops its Long-Term Investment Strategy through an open, transparent process that involves input and dialogue with stakeholders and staff.

**Maximize service, minimize disruption.** The Board considers how OWEB's grant portfolio impacts partner organizations and staff resources to maximize effectiveness without adversely affecting service delivery.

**Responsive.** The Long-Term Investment Strategy will adjust to changes in revenue and be responsive to changes in ecological priorities from the Governor, Legislature, the Board, and local partners.

**Adapt based on monitoring and evaluation.** OWEB's staff and Board monitor and evaluate the effectiveness and implementation of the Long-Term Investment Strategy. The Board shall adapt and modify the strategy as needed to meet its desired goals and outcomes and to improve overall investment success.

**Phase-in Change.** OWEB's Long-Term Investment Strategy will guide future efforts, is designed to accommodate changes and adjustments made by stakeholders and OWEB staff, and will be periodically revisited.

## Operating Principles

### Operating Principles to Enhance OWEB Team Work

We will do all we can, individually and as a group, to:

- **Use Good communication--at all levels and in all directions;**
- **Operate with a Team approach;**
- **Follow through on conversations in order to build and maintain needed trust;**
- **Empower staff wherever it is appropriate to do so; and**
- **Have fun while doing important work!**

## April 29-30, 2014 OWEB Board Meeting Executive Director Update D-2: Ecosystem Services Program

### **Background**

OWEB's Ecosystem Services work continues to provide meaningful progress toward documenting ecological outcomes and uplift associated with watershed restoration actions. The program also allows for measures to be organized and described in a manner that has the potential to address information needs of many interested parties.

Staff also continue to work with leaders in the conservation community, such as the Willamette Partnership and The Freshwater Trust (TFT), that are leaders in the field of ecosystem services. Other agencies focusing resources on the measurement of ecological outcomes and describing accomplishments include the Oregon Department of Environmental Quality, Natural Resources Conservation Service, and Oregon Department of Forestry. OWEB staff are currently working with these agencies through the Conservation Effectiveness Partnership and other projects to develop shared strategies and test common methods for measuring and describing progress made in watershed protection and restoration programs throughout the state.

With previous feedback from the Board, staff have focused the agency's efforts on developing and engaging in pilot projects that test tools for measuring and verifying the attainment of ecological outcomes delivered through restoration project activities. The following provides an update about the progress made since the last update to the Board about the program.

### **Willamette Basin Ecosystem Services Project Update**

OWEB and TFT entered into a grant agreement for \$338,097 in 2013. The collaboration followed a national NRCS Conservation Innovation Grant award in the amount \$966,722 to TFT for piloting work in the Pacific Northwest to advance ecosystem services projects testing recently develop tools and methodologies for quantifying ecological benefits resulting from watershed restoration actions. Specifically, nutrient tracking and water temperature are the two focal areas for the partners involved in this work. OWEB and TFT established a pilot location for the work in the Willamette Basin, and restoration work began last year in the lower Calapooia River above the town of Brownsville. With the current funding provided by the Board, OWEB will pay for the restoration project and associated thermal credits once certain conditions have been met.

Some conditions unique to this grant are:

- Confirmation that the project site has been fully documented and loaded into StreamBank (a database platform operated and maintained by TFT) with completed estimates of thermal credit, or benefits, that are expected from the project;
- Verification and certification reports from an independent third-party verifier documenting that project design standards as outlined in The Willamette Partnership Protocols have been fulfilled and the thermal credit value estimate is accurate within a 15% margin of error of the third-party verifier's;
- Proof of registration once thermal credits have been registered and retired on behalf of OWEB on a publicly-accessible credit registry; and
- A detailed Stewardship and Monitoring Plan that outlines the specific adaptive management actions required to maintain the site for the 20-year lifetime of the project,

describes the potential risks to the project that could cause failure, and outlines a contingency plan for dealing with these potential risks.

This so-called “conservation purchase” mimics the functionality and capacity of an ecosystem market infrastructure by applying these tools in the context of purchasing completed restoration projects (with ecosystem credits), while attracting private financing to fund restoration with measurable ecological outcomes. OWEB’s “conservation purchase” does differ from a market transaction, however, because the ecosystem service credits attained will be retired and unavailable for subsequent purchase, sale, or trade. Project performance monitoring has started and is scheduled for years 1-5, 10, 15, and 20, with incremental success evaluated according to the standards outlined in the grant agreement.

### **Eugene Water & Electric Board (EWEB)’s Voluntary Incentives Program Update**

OWEB entered into an agreement with EWEB in the last several months to assist the utility with its work, in conjunction with a number of partners, to develop an investment mechanism that establishes an economic case for protecting natural systems. The program, which has a specific focus on healthy riparian forests, wetlands, and floodplains in the McKenzie River watershed, is known as the Voluntary Incentives Program (VIP) and is unique in the nation.

The McKenzie River is the source of drinking water for the Eugene metropolitan area and a significant contributor to overall water quality in the Willamette River. It also is the last remaining stronghold for native Upper Willamette River spring Chinook and Columbia River bull trout, and provides critical habitat for the Oregon Chub. Taking actions now to protect the watershed has present and future value through avoided water treatment costs, reduced threats from water quality problems, diminished need for complex and expensive restoration investments, and the potential for mitigating risks associated with climate change.

The VIP concept is simple: payments are made to landowners who agree to the long-term preservation of critical landscapes, such as healthy riparian forests, as a way to maintain and improve water quality within the watershed. Restoration opportunities on adjacent lands would be pursued and, once completed, rolled into a longer term maintenance program.

Through payments to landowners, the inherent value of the natural environment and the habitat for listed species and drinking water for the residents of Eugene and Springfield is quantified and translated into a monetary value. Further, a stewardship movement is incentivized, which may lead to a greater interest in and additional opportunities for restoration actions.

An OWEB technical assistance grant for \$150,000 was awarded to Cascade Pacific RC&D in January 2014 to implement VIP on a pilot scale over the next year. Current near-term work tasks include:

- Finalizing landowner VIP agreement templates,
- Developing riparian forest metrics data and field collection protocols,
- Collecting and processing field metric data at reference sites and landowner properties,
- Developing and testing a fiscal management system,
- Developing, testing and ground truthing LiDAR analysis using algorithms, and
- Designing, developing and testing web dashboard to track watershed health and VIP activities.

More information about this exciting and innovative program will be presented at the July Board meeting.

### **Salmon Strongholds and Stream Restoration Planning and Mitigation**

Stream management decisions are often made with limited information and understanding of how a site-level action is influenced by its watershed context, and how that action will affect stream functions. In March 2013, the Board awarded \$40,000 to the Willamette Partnership to help test a Stream Assessment Methodology within Salmon Stronghold areas. This methodology evaluates functions and values at the site level, but considers these within the broader watershed context. Prior to methodology development, extensive work was done to identify and describe eleven functions that represent the majority of the stream and riparian processes necessary to sustain stream ecosystems. A stream classification system was also developed to inform site level scores based on the functional expectation of different stream types.

An initial season of field testing the Stream Assessment Methodology was conducted in Fall 2013. Thirty-nine sites were evaluated across Oregon according to desired site attributes in terms of climate, flow duration, stream order, stream gradient and adjacent land use. Testers completed scoring according to the methodology and compared that to their best professional judgment of how sites ranked for providing hydrologic, geomorphic, biological, and chemical/nutrient/thermal functions. Results of this initial testing are guiding revisions of the methodology and further testing to be conducted in Spring 2014. A presentation at the July Board meeting about the ecosystem services program will include summary information about this field testing and results.

### **Staff Contact**

If you have questions or need additional information, please contact Greg Sieglitz, at [greg.sieglitz@state.or.us](mailto:greg.sieglitz@state.or.us) or 503-986-0194 or Dana Hicks at [dana.m.hicks@state.or.us](mailto:dana.m.hicks@state.or.us) or 503-986-0079.

## **April 29-30, 2014 OWEB Board Meeting**

### **Executive Director Update #D-3: 2013-2015 Oregon Plan Biennial Report**

#### **Background**

ORS 541.420 requires OWEB to submit a report that assesses the statewide and regional implementation and effectiveness of the Oregon Plan for Salmon and Watersheds to the Governor and appropriate committees of the Legislative Assembly. The report must address each drainage basin in the state and include watershed and key habitat conditions, an assessment of data and information needs, an overview of state agency programs and voluntary restoration activities, a summary of Board investments, and observations and recommendations from the Board for enhancing Oregon Plan effectiveness. The 2013-2015 Oregon Plan Biennial Report is due by January 15, 2015.

#### **Plans for the 2013-2015 Biennial Report**

Staff intend to follow a similar approach to developing the 2013-2015 biennial report as to that taken in 2012 for last biennium's report. The report will consist of two major structural components. First, as required by the Legislature, will be a two-page Executive Summary available both electronically and in hard copy. Second, the full report will be produced entirely electronically and be made accessible through the OWEB and via links from other agencies' web sites.

As with the last biennial report, staff anticipates that the online version of the 2013-2015 report will include access to data and information about all of the 15 Oregon Plan reporting basins through web-based resources such as the maps and tools. (Previous biennial reports are also available through the OWEB website at <http://www.oregon.gov/oweb>)

The production of the Oregon Plan Biennial Report is always a challenging endeavor from a variety of fronts. This complexity is due in part to the planning and drafting of materials less than a year into the biennium, and also because of the significant breath of what is required by statute to be addressed in the report. In order to accommodate the needs of these drivers and to begin tapping the expertise and assistance from other agency staff, OWEB staff plan to begin making progress on the report later this spring.

Staff will assist the Board in developing observations and recommendations for the improved implementation of the Oregon Plan, while providing progress updates on the report's development during the summer and fall Board meetings.

#### **Staff Contact**

If you have questions or need additional information about the Oregon Plan Biennial Report, please contact Greg Sieglitz at [greg.sieglitz@state.or.us](mailto:greg.sieglitz@state.or.us) or 503-986-0194.

## **April 29-30, 2014 OWEB Board Meeting Executive Director Update #D-4: Spending Plan Update**

### **Background**

After the Oregon Legislature approves OWEB's budget at the beginning of each biennium, the Board considers a plan for the distribution of grant funding for a two-year period. The OWEB Spending Plan guides the agency's grant investments for the biennium. Available funding for the Board to distribute includes Measure 76 lottery funds, federal funds and salmon license plate revenue.

At its June 2013 meeting, the Board adopted a 2013-2015 Spending Plan totaling \$67.47 million. Attachment A shows the 2013-2015 Spending Plan, total Board awards to date, and the funds remaining in each line item within the Spending Plan as of April 2014.

### **OWEB's Budget and PCSRF Funds**

Each biennium, OWEB's budget is developed on the prospect of receiving federal grant funds from the Pacific Coastal Salmon Recovery Fund (PCSRF). Since 2000, OWEB, on behalf of the State of Oregon, has received PCSRF grants awarded annually by NOAA Fisheries. PCSRF funds are a significant component of OWEB's budget, accounting for approximately one-third of OWEB's total funds.

The PCSRF program has been funded by Congress every year since 2000. The Oregon Legislature routinely allocates PCSRF funding in OWEB's biennial budget based on estimated federal grant awards over two years. While not guaranteed, the funds have proven to be a reliable source for OWEB's budget.

For the 2013-2015 biennium, the Legislature allocated \$23.3 million of PCSRF funds to OWEB. Of this total, \$13.9 million is directed to OWEB for grants and staff, \$9.2 million to the Oregon Department of Fish and Wildlife (ODFW), and \$230,687 to the Independent Multidisciplinary Science Team. To meet these allocations, OWEB was able to use \$5 million in unspent Federal Fiscal Year (FFY) 2012 PCSRF funds and needs to receive a combined total of \$18 million from PCSRF funds awarded in FFY 2013 and 2014 to meet the full budgeted needs for the biennium. OWEB was awarded \$12.2 million of FFY 2013 PCSRF funds. The FFY 2013 grant award put OWEB on a positive trajectory to meet the legislative budget allocations for the first year of the biennium.

In January of this year, NOAA announced the FFY 2014 PCSRF funding opportunity with a total available budget of \$65 million. The total PCSRF program funding amount has remained level for the past three federal fiscal years. The FFY 2014 funding opportunity announcement included both a preliminary application deadline and a final application deadline of February 24 and March 24, 2014, respectively.

OWEB staff submitted the required materials in advance of both deadlines requesting the maximum allowable of \$25 million on behalf of the State of Oregon. That request consisted of nearly \$19.5 million to support OWEB grants for on-the-ground restoration actions, almost \$750,000 for OWEB monitoring grants and funding to support seven staff positions, agency wide. The requested budget also includes approximately \$4.8 million to support the ODFW Fish Screening and Passage, Western Oregon Stream Restoration, Conservation and Recovery Plan

Implementation, Technical Support, and Oregon Plan Salmon and Steelhead Monitoring programs.

In most years, OWEB staff are contacted by NOAA in the month of May with a preliminary annual PCSRF award notification and any additional required modifications to the grant application are discussed. After the FFY 2014 PCSRF award to Oregon is known, staff will recommend updates to the Spending Plan for the Board to consider at its July 2014 meeting.

**Staff Contact**

If you have questions or need additional information, contact Tom Byler at [tom.byler@state.or.us](mailto:tom.byler@state.or.us) or 503-986-0180.

Attachments

- A. OWEB 2013-2015 Spending Plan

**OWEB 2013-15 Spending Plan  
January 2014 Board Meeting**

	<b>Spending Plan as of Jan 2014</b>	<b>January 2014 Board Awards</b>	<b>TOTAL Board Awards To- Date</b>	<b>Remaining Spending Plan as of Jan 2014</b>
<b>Open Grants:</b>				
Restoration	26.320		6.665	19.655
Technical Assistance	1.800		0.450	1.350
Action Plans for WC	0.250		0.000	0.250
Monitoring & EM	1.350		0.000	1.350
Outreach	0.600		0.000	0.600
Assessments	0.000		0.000	0.000
Regular Land and Water Acquisition	7.000	0.884	2.259	4.742
Weed Grants	2.500		2.500	0.000
Small Grants	2.800		2.800	0.000
CREP TA	0.750		0.750	0.000
CREP	0.500		0.500	0.000
<b>TOTAL</b>	<b>43.870</b>	<b>0.884</b>	<b>15.924</b>	<b>27.947</b>
<b>% of assumed Total Budget</b>	<b>64.9%</b>			

<b>Focused Investments:</b>				
Deschutes SIP	4.000		4.000	0.000
Willamette SIP	3.000		3.000	0.000
Klamath SIP	0.800		0.800	0.000
Whole Watershed Restoration Initiative	0.500		0.500	0.000
Effectiveness Monitoring	1.000		0.060	0.940
Oregon Plan/Governor Priorities	1.000		0.000	1.000
Ecosystem Services	0.150		0.090	0.060
<b>TOTAL</b>	<b>10.450</b>	<b>0.000</b>	<b>8.450</b>	<b>2.000</b>
<b>% of assumed Total Budget</b>	<b>15.5%</b>			

<b>Operating Capacity:</b>				
Capacity grants (WC/SWCD)	12.200		12.200	0.000
Building Capacity Grants	0.615		0.615	0.000
Lower Columbia Estuary Program	0.300		0.300	0.000
<b>TOTAL</b>	<b>13.115</b>	<b>0.000</b>	<b>13.115</b>	<b>0.000</b>
<b>% of assumed Total Budget</b>	<b>19.4%</b>			

<b>Business Practices</b>	<b>0.150</b>		<b>0.150</b>	<b>0.000</b>
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<b>TOTAL OWEB Spending Plan Proposal</b>	<b>67.585</b>	<b>0.884</b>	<b>37.639</b>	<b>29.947</b>
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<b>PCSRF Funds Allocated to Other Agencies</b>				
Oregon Department of Fish and Wildlife	4.100		4.100	0.000
IMST (1/2 M76 Operating / 1/2 PCSRF)	0.462		0.462	0.000
<b>TOTAL</b>	<b>4.562</b>	<b>0.000</b>	<b>4.562</b>	<b>0.000</b>
<b>Other Funds Allocated</b>				
Forest Health Collaboratives from DOF	0.600	0.400	0.600	0.000

<b>TOTAL Including OWEB Spending Plan</b>	<b>72.747</b>	<b>1.284</b>	<b>42.801</b>	<b>29.947</b>
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## April 29-30, 2014 OWEB Board Meeting Executive Director Update #D-5: Partnership Updates

### **Background**

OWEB has four investments within the Board's newly created Focused Investment category. These investments date back to 2006 and include the Whole Watershed Restoration Initiative, Deschutes Special Investment Partnership (SIP), Willamette SIP and Upper Klamath SIP. Full updates will be provided at the July 2014 OWEB Board meeting on each of these investments. This report serves as an interim update on the progress of each investment.

### **Whole Watershed Restoration Initiative (WWRI)**

In June 2012, the OWEB Board approved as part of its spending plan an allocation of \$500,000 to the WWRI for the 2013-2015 biennium. This amount was added to \$4,235 is carried over from the 2011-2013 biennium, for a total of **\$504,235** available for the current biennium. Grant cycles are held annually, typically in October. However, due the federal furlough in October 2013, the first grant cycle of the biennium was delayed until January 2014. In January, Ecotrust, which coordinates the WWRI, received 31 proposals: 20 from Oregon and 11 from Washington. In February, a multi-agency review team, including OWEB staff, evaluated all 31 applications (though OWEB staff reviewed only the Oregon proposals). Regarding the Oregon proposals of interest to OWEB, the review team recommended that 11 of 20 projects be considered for funding. In March, the funding partners convened to develop final award recommendations and proposed allocations among the funding organizations. The funders recommended an allocation of up to **\$179,500** of the OWEB funds for five projects, with total partner match of \$155,197. In light of the 2014 award, \$324,735 remains for the 2015 WWRI grant cycle. In addition to supporting the 2015 grant cycle, these funds may be used for the WWRI partners to engage in a strategic planning effort to determine the best ways to focus the WWRI partnership over the next ten years.

### **Deschutes SIP**

In June 2013, the OWEB Board approved as part of its spending plan an allocation of \$4,000,000 to the Deschutes SIP for the 2013-2015 biennium. Currently, OWEB has awarded the program approximately \$2,056,000 of that allocation for six projects:

- \$258,806 to the Crooked River Watershed Council for the removal of Stearns Dam and associated floodplain and riparian restoration on the Crooked River;
- \$582,171 to the Deschutes River Conservancy for a portion of an irrigation piping project that will permanently allocate instream flows to the Deschutes River and the Crooked River;
- \$300,000 to the Deschutes River Conservancy for a portion of an irrigation piping project that will permanently allocate instream flows to Whychus Creek;
- \$800,000 to the Upper Deschutes Watershed Council for the removal of Sokol Dam and associated floodplain and riparian restoration on Whychus Creek;
- \$55,000 to the Upper Deschutes Watershed Council for a landowner outreach program operating in the communities along Whychus Creek and the Metolius River; and
- \$60,000 to the Upper Deschutes Watershed Council for effectiveness monitoring along Whychus Creek and the Metolius River.

Currently, the Deschutes SIP has two additional projects under consideration for funding under the 2013-2015 allocation, totaling \$99,000 in requests by the Crooked River Watershed Council. Finally, OWEB anticipates receiving an out-of-cycle submission for \$36,000 by the Upper Deschutes Watershed Council for coordination of the partnership.

OWEB staff will be meeting with the Deschutes partners in Bend on April 6 to discuss, among other topics, the timeframe for grant application submissions for the approximately \$2,000,000 remaining 2013-2015 allocation.

### **Willamette SIP**

In June 2012, the OWEB Board approved as part of its spending plan an allocation of \$3 million to the Willamette SIP for the 2013-2015 biennium. The Willamette SIP includes the Model Watershed and Mainstem Willamette programs. Currently, the program has \$1,081,345 remaining, which includes some carry-over from the 2011-2013 biennium.

- The Model Watershed grant cycle occurred in June of 2013 (prior to the OWEB Board meeting) and projects were awarded in August for a total of \$1 million. By previous agreement with MMT, Model Watershed grants are awarded once a biennium for riparian revegetation only and the total may not exceed \$1 million. MMT awarded an additional \$450,000.
- The Mainstem Willamette held a grant cycle in summer 2013, and ultimately awarded five of eight projects for a total of \$1 million (\$285,492 in Lottery funds and \$714,508 in PCSRF funds). MMT awarded an additional \$745,890 and BPA an additional \$700,000. In total, the funding partners awarded \$2,445,890. A second grant cycle will occur this summer for which the remaining \$1,081,345 in Board-allocated funds will be available.

### **Upper Klamath SIP**

In June 2013, the OWEB Board approved as part of its spending plan an allocation of \$800,000 to the Upper Klamath SIP for the 2013-2015 biennium. No OWEB funds have been awarded to date, as the Upper Klamath SIP partners—operating as a collaborative entity named the Upper Klamath Conservation Action Network, or UKCAN—have engaged with staff from the Deschutes River Conservancy to complete enterprise-scale process of niche identification for UKCAN partner organizations and development of a basin-wide restoration strategy. This important and valuable process currently is underway, with UKCAN scheduled to complete niche identification by the end of March 2014. In parallel, UKCAN has nearly completed an update of its internal process for evaluating and advancing projects for consideration by funders, including OWEB and the National Fish and Wildlife Foundation (NFWF), which funds the Upper Klamath Keystone Initiative as a complement to the Upper Klamath SIP.

In order to allow the aforementioned steps to be completed, the first solicitation cycle for 2013-2015 Upper Klamath SIP funding will result in applications being received by OWEB by April 18, 2014. Staff will convene the SIP Technical Review Team in early May to review and comment on the applications, and anticipate staff recommendations will be provided to the Executive Director by the end of May 2014.

Staff are working with NFWF to design a joint Upper Klamath solicitation by the two funders that will occur Summer-Fall of 2014. The intent of the joint solicitation is to better coordinate investments at a funder-to-funder level, and to streamline the internal evaluation and proposal/application development processes for local partners in the Upper Klamath Basin. Staff also expect that by the time of the joint solicitation, the local partners will have a better understanding about how their work connects with the priorities and activities outlined in the recently released *Proposed Upper Klamath Basin Comprehensive Agreement*. Currently, \$837,143 is available for the UKSIP (including a small amount of remaining funds from the 2011-2013 biennium).

**Staff Contact**

If you have questions or need additional information, contact Meta Loftsgaarden at [meta.loftsgaarden@state.or.us](mailto:meta.loftsgaarden@state.or.us) or 503-986-0203.

## **April 29-30, 2014 OWEB Board Meeting Executive Director Update #D-6: Upper Klamath Basin Water-Use Program Update**

### **Background**

At the January 2014 Board meeting, the Governor's Office and OWEB staff requested that the Board award \$750,000 in support of an Upper Klamath Basin water-use program to allow for early action under the Upper Klamath Basin Agreement in Principle (AIP) that was released in December of 2013. The AIP outlined at high level an agreement that would ensure water for both Tribal needs and ranching operations in the Upper Klamath Basin. The Board's award provided funding for temporary water leasing and programmatic costs to ensure a credible and successful delivery system is in place locally to carry out the funded program.

### **Progress and Recent Developments**

On March 4, 2014, the Proposed Upper Klamath Basin Comprehensive Agreement (Proposed UKBCA) was released, providing additional detail the terms and conditions of an agreement for water use and habitat restoration (among other issues) in the basin.

Since the release of the Proposed UKBCA, staff have been working closely with signatories to the agreement and other parties to design the transitional water-use program outlined in the agreement and set the stage for early implementation that will reduce net consumptive water use by approximately 5,000 acre-feet by June 1, 2014. Activities to date include, but are not limited to:

- Putting in place a contract with the National Fish and Wildlife Foundation to assist with design and implementation of the water-use program;
- Coordinating with the Klamath Tribes, the Oregon Water Resources Department, the Governor's Office and representatives of local ranching interests to articulate expectations for the water-use program in the next 1-3 years to lay the foundation for design of the program and the process that will be used to protect water; and
- Coordinating with other funders to proactively pool resources in a way that leverages the resources of each funder and maximizes the potential for ecologically significant actions on the ground.

On April 9, 2014, the Klamath Tribes voted to approve the Proposed UKBCA. At the time of writing this report, a signing ceremony for the agreement was scheduled to occur on April 18, 2014.

### **Staff Contact**

If you have questions or need additional information, contact Renee Davis-Born at [renee.davis-born@state.or.us](mailto:renee.davis-born@state.or.us) or 503-986-0029.



# Oregon

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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Aunan, Grant Program Manager  
Greg Sieglitz, Monitoring and Reporting Program Manager

**SUBJECT: Agenda Item E: OWEB Regular Grant Program Overview  
and Statewide Monitoring Recommendation  
April 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This staff report provides an overview of the October 21, 2013, regular grant cycle and budget considerations.

### II. October 2013 Cycle Background and Summary

#### A. Applications Submitted

Application types solicited in this funding cycle were Restoration, Land Acquisition, Monitoring, Outreach, Technical Assistance, and Technical Assistance for Watershed Council Action Plans. The Agenda Item H staff report explains the evaluation process and staff funding recommendations for Land Acquisition applications.

The Technical Assistance for Watershed Council Action Plans was a limited offering. Councils were eligible to apply only if they 1) previously received a watershed council support grant and 2) do not have a council action plan. Proposed council capacity grant eligibility criteria require councils to have action plans.

A total of 202 grant applications, seeking more than \$21 million, were received by the October 21, 2013, deadline. Attachment A shows applications submitted by region, project type, and dollar amount.

#### B. Applications Withdrawn

Following the application deadline, one Technical Assistance application (214-2027) was withdrawn by the applicant before review.

#### C. Development of Staff Recommendations

Regional applications were sent to the six Regional Review Teams (RRTs), which reviewed them for merit and made prioritized funding recommendations to OWEB staff.

One statewide Monitoring application was reviewed by the statewide Oregon Plan Monitoring Team (OPMT), which made recommendations to OWEB staff. The OPMT also provided feedback on regional monitoring applications.

OWEB staff considered the Board's 2013-2015 spending plan and integrated the separate RRT funding recommendations into the staff funding recommendation to the Board. Attachment B is a table of the overall recommendations, including details by region of the number of applications recommended by the RRTs and staff, and the dollar amounts recommended by staff. Following this overview are staff reports containing the staff funding recommendations for each region.

#### **D. Review Process**

The RRTs were sent packets or CDs of eligible grant proposals to read and consider. OWEB staff in each region then scheduled visits to as many sites as possible, emphasizing new applications and the more complicated projects. All RRT members were invited on these visits and some members were able to participate.

The RRTs met in December and January. In their RRT meetings, reviewers considered the ecological significance of the proposed project, technical merit, feasibility, likelihood of success, experience of the applicant, and whether the budget supports the proposed work. Given the increasing competitiveness of applications, together with reduced availability of OWEB grant funds, reviewers also considered the overall cost-benefit of applications, as contemplated by OWEB's administrative rule 695-010-0070(e) ("whether the overall budget reflects the expected watershed health benefit").

After classifying Restoration, Monitoring, Outreach, Technical Assistance and Technical Assistance for Watershed Council Action Plan applications as "fund" or "no fund," the RRTs then prioritized the projects recommended for funding by application type. The RRT recommendations are included in each applicable regional staff report. The recommended funding amount and any special conditions are identified in the tables attached to each regional staff report.

The review teams' evaluations and recommendations in summary form are distributed to all applicants whose proposals were reviewed by that team. Prior to the Board meeting, staff forward to the Board all written comments received from applicants regarding the review team and staff recommendations.

### **III. Overview of Spending Plan and Staff Funding Recommendations**

As shown in Table 1 below, the funding recommendations for Restoration, Technical Assistance for Watershed Council Action Plans, Outreach and Monitoring applications fall within the Board's overall spending plan.

Staff funding recommendations for Technical Assistance applications exceeds the "per-cycle" spending plan (\$450,000) by \$32,508 in order to fund two applications in each region. The demand for Technical Assistance grants is far greater than available funding. Staff's recommendation funds only 12 of the 28 RRT-recommended Technical Assistance applications.

As explained in more detail in the staff reports for Region 1 and Region 3, staff determined that two of the five TA for Watershed Council Action Plan applications were not eligible for funding because the councils have existing action plans.

**Table 1**  
**2013-2015 Spending Plan and**  
**October 2013 Cycle Staff Funding Recommendations**

<b>Grant Type</b>	<b>Remaining Spending Plan as of Jan. 2014</b>	<b>Staff Recommendations</b>	<b>Grant Funds Remaining</b>
Restoration	\$19,655,000	\$6,510,878	\$13,144,642*
Technical Assistance	1,350,000	482,508	867,492*
TA for Watershed Council Action Plans	250,000	55,812	194,188**
Outreach	600,000	600,000	0***
Monitoring	1,350,000	1,342,941	7,059***
<b>TOTAL</b>	<b>\$23,205,000</b>	<b>\$8,992,139</b>	<b>\$14,185,534</b>

\* Two remaining 2013-15 grant cycles for Restoration and Technical Assistance

\*\* Funds needed for April 2014 Watershed Council Action Plans (potential for up to 8 applicants).

\*\*\* October 2014 Outreach and Monitoring offering to be determined based on FY 2014 PCSRF award

**A. Regional Application Funding Recommendations**

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

Staff recommend funding for:

- 54 of the 76 Restoration applications recommended by the RRTs;
- 12 of the 28 Technical Assistance applications recommended by the RRTs;
- 3 of the 5 Technical Assistance for Watershed Council Action Plan applications recommended by the RRTs;
- All 25 Outreach applications recommended by the RRTs; and
- 18 of the 19 regional Monitoring applications recommended by the RRTs.

Details are contained within each of the attached regional staff reports. The Agenda Item H, Land Acquisition, staff report outlines the details of the land acquisition applications and the associated staff recommendations.

**B. Statewide Monitoring Application Funding Recommendations**

Staff recommend funding for the one statewide Monitoring application received for the October 2013 cycle (indicated on Attachment C by gray shading).

Attachments

- A. Grant Applications Submitted for the October 2013 Grant Cycle
- B. RRT and Staff Funding Recommendations for the October 2013 Grant Cycle
- C. Staff Funding Recommendations for Statewide Monitoring Application

# Oregon Watershed Enhancement Board

## October 21, 2013 Application Cycle

### Types of Application Received

	Land Acquisition	Monitoring	Outreach	Technical Assistance	TA - WC Action Plans	Restoration	Totals
Region 1	1	4	7	4	1	9	26
Region 2	0	4	7	5	0	14	30
Region 3	3	5	9	9	1	21	48
Region 4	2	3	1	7	1	7	21
Region 5	0	6	3	6	2	29	46
Region 6	0	0	2	5	0	23	30
Statewide	0	1	0	0	0	0	1
<b>Totals</b>	<b>6</b>	<b>23</b>	<b>29</b>	<b>36</b>	<b>5</b>	<b>103</b>	<b>202</b>

### Dollar Amounts by Application Type

	Land Acquisition	Monitoring	Outreach	Technical Assistance	TA - WC Action Plans	Restoration	Totals
Region 1	1,620,152	293,104	150,282	139,067	24,563	2,211,194	\$4,438,362
Region 2	0	536,293	210,579	236,483	0	2,034,005	\$3,017,360
Region 3	1,213,182	358,233	307,761	325,084	24,840	3,293,395	\$5,522,495
Region 4	733,689	394,298	20,000	297,208	25,000	1,914,827	\$3,385,022
Region 5	0	288,816	67,504	220,717	34,483	1,906,057	\$2,517,577
Region 6	0	0	67,538	188,085	0	2,236,001	\$2,491,624
Statewide	0	34,439	0	0	0	0	\$0
<b>Totals</b>	<b>\$3,567,023</b>	<b>\$1,905,183</b>	<b>\$823,664</b>	<b>\$1,406,644</b>	<b>\$108,886</b>	<b>\$13,595,479</b>	<b>\$21,372,440</b>

## Funding Recommendations for the October 21, 2013 Grant Cycle

### Number of Applications Recommended by Review Teams and Staff for Funding

Region	Technical Assistance		TA Watershed Council Action Plan		Monitoring		Outreach		Restoration	
	RRT	Staff	RRT	Staff	RRT	Staff	RRT	Staff	RRT	Staff
Region 1	3	2	1	0	4	4	7	7	8	5
Region 2	4	2	0	0	4	4	6	6	11	8
Region 3	8	2	1	0	3	2	7	7	15	9
Region 4	4	2	1	1	2	2	0	0	5	4
Region 5	5	2	2	2	6	6	3	3	22	18
Region 6	4	2	0	0	0	0	2	2	15	10
Statewide	0	0	0	0	N/A	1	0	0	0	0
Total	28	12	5	3	19	19	25	25	76	54

### Dollar Amounts by Application Type Recommended by Staff for Funding

Region	Technical Assistance	TA Watershed Council Action Plan	Monitoring	Outreach	Restoration
Region 1	\$64,487	\$0	\$286,109	\$144,152	\$890,175
Region 2	\$90,000	\$0	\$392,000	\$119,680	\$1,517,323
Region 3	\$81,722	\$0	\$83,601	\$203,126	\$1,106,953
Region 4	\$82,090	\$25,000	\$265,742	\$0	\$890,102
Region 5	\$79,964	\$30,812	\$281,050	\$67,504	\$1,064,328
Region 6	\$84,245	\$0	\$0	\$65,538	\$1,041,997
Statewide	\$0	\$0	\$34,439	\$0	\$0
Total	\$482,508	\$55,812	\$1,342,941	\$600,000	\$6,510,878

**Statewide**  
**Monitoring Applications Recommended for Funding by the OWEB Staff**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-7000	StatNat Ecological and Environmental Statistics Support	34,439	1
<b>Total Monitoring Projects Recommended for Funding by Staff</b>		<b>\$34,439</b>	



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Aunan, Grant Program Manager  
Tom Shafer, North Coast Regional Program Representative

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations  
Region 1, North Coast  
April 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This staff report summarizes the North Coast Regional Review Team (RRT) and staff recommendations for funding.

### II. Summary of Regional Review Team Recommendations

Applicants submitted 26 applications for a total request of more than \$4.4 million, including one Land Acquisition application discussed in the Agenda Item H staff report. The North Coast RRT met in January 2014 to review the applications and make recommendations to OWEB staff. Restoration, Technical Assistance, Outreach, and Monitoring applications were reviewed for merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The North Coast RRT recommended and ranked for funding 23 applications: Eight Restoration applications, three Technical Assistance applications, one Technical Assistance for Watershed Council Action Plan application, seven Outreach applications, and four Monitoring applications. (For additional information, see the summaries of the Review Team Evaluations.)

The RRT also reviewed and recommended for funding (but did not rank) Application 214-3073, World Salmon Council’s Salmon Watch, which proposed outreach activities in Regions 1, 3 and 4 for students from Region 3 (Willamette Basin). Application 214-3073 is discussed in more detail in the Region 3 staff report.

### III. Staff Recommendation

For the April Board meeting, staff recommends funding for 18 applications for a total award of \$1,384,923: \$890,175 for Restoration, \$64,487 for Technical Assistance, \$144,152 for Outreach, and \$286,109 for Monitoring.

**A. Technical Assistance Staff Recommendation**

Staff recommends funding Technical Assistance applications ranked first and third by the RRT, rather than applications ranked first and second. Staff agrees the second-ranked application (214-1021, Patterson Creek Fish Passage Feasibility Study) is a very good project that is worthy of funding. Staff’s recommendation is based on the limited funding available for Technical Assistance this cycle, the timing urgency for the third-ranked application (214-1026, Waite Ranch Tidal Wetland Restoration Design), and the belief that 214-1021 is not time-sensitive. OWEB funding of the Waite Ranch application would provide the required state match for a \$592,735 federal Coastal Wetlands grant that has been approved by the U.S. Fish and Wildlife Service. If Application 214-1026 is not funded, the Coastal Wetlands grant will not have the required match.

This situation is rare, but not unique. In past grant cycles, staff has made similar recommendations because of timing urgency for a particular project.

**B. TA for Watershed Council Action Plan Recommendation**

The RRT recommended funding for 214-1042, Lower Columbia River Watershed Council Action Plan. However, after the RRT meeting, staff confirmed with the applicant that the council has an existing action plan. As a result, the application is ineligible for funding. As explained in OWEB’s July 2013 Guidance for Limited Offering for TA for Watershed Council Action Plans, the offering was only for councils that *do not have an action plan*. Councils must have an action plan to be eligible to apply for Council Capacity grants in 2015.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. Attachment A also indicates OWEB staff “do fund” recommendations for the April Board meeting, shown in gray shading.

For some “do fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

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

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

Attachments

- A. Applications Recommended for Funding by the RRT
- B. Applications Not Recommended for Funding by the RRT

ATTACHMENT A

**Region 1 - North Coast**  
**Restoration Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-1030	Grant Creek Stream and Wetland Restoration PE \$4,928	107,189	1
214-1034	Kilchis Estuary Preserve Restoration Project * ^	428,613	2
214-1031	Fiddle & Morris Creeks Riparian Restoration PE \$43,243	216,219	3
214-1033	Mill Creek Habitat Enhancement Project ^	44,065	4
214-1025	Five Rivers Subbasin Restoration LFA Prescriptions Phase I * ^ PE \$21,768	94,089	5
214-1023	Lower Salmon River Tributary Fish Passage Enhancement *	94,906	6
214-1032	Warneke Creek Large Wood Placement ** ^	52,343	7
214-1044	Oak Ranch Creek - Salmon Passage & Habitat Improvement - Phase 1 *	423,462	8
<b>Total Restoration Projects Recommended for Funding to Staff by RRT</b>		<b>\$1,460,886</b>	
<b>Total Restoration Projects Recommended for Funding by Staff to Board</b>		<b>\$890,175</b>	

\* Listed Amount Reflects Recommended Reduction \*\* Listed Amount Reflects Recommended Increase ^ Fund with Conditions PE = Plant Establishment

**Region 1 - North Coast**  
**Technical Assistance Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-1036	Siletz Bay NWR Engineering Design	15,070	1
214-1021	Patterson Creek Fish Passage Feasibility Study	47,380	2
214-1026	Waite Ranch Tidal Wetland Restoration Design	49,417	3
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$111,867</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$64,487</b>	

**Region 1 - North Coast**  
**TA for Watershed Council Action Plan Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-1042	Lower Columbia River Watershed Council Action Plan	24,563	1
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$24,563</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$0</b>	

**Region 1 - North Coast**  
**Outreach Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-1041	Siuslaw Stream Team VIII	10,285	1
214-1040	Siuslaw Middle School Stream Team	8,745	2
214-1022	Restoring Ecosystems and Educating Future ("REEF" Conservation Leaders Program)*	36,000	3
214-1037	Mapleton Schools' Watershed Outreach Program III	22,441	4
214-1039	Siuslaw Watershed Camps 2014	15,181	5
214-1024	Lower Columbia Restoration and Outreach Project (Lower Columbia Project) * ^	28,000	6
214-1038	Natural Resource Restoration and Research Crews*	23,500	7
<b>Total Outreach Projects Recommended for Funding to Staff by RRT</b>		<b>\$150,303</b>	
<b>Total Outreach Projects Recommended for Funding by Staff to Board</b>		<b>\$144,152</b>	

\*Listed Amount Reflects Recommended Reduction ^Fund with Conditions

**Region 1 - North Coast**  
**Monitoring Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-1043	Southern Flow Corridor Effectiveness Monitoring - Baseline ^	125,548	1
214-1035	Volunteer Water Quality Monitoring Program 2014-2015	11,118	2
214-1028	Mid Coast Monitoring Project	121,509	3
214-1045	2014-2015 Salmon-Drift Water Quality Monitoring *	27,934	4
<b>Total Monitoring Projects Recommended for Funding to Staff by RRT</b>		<b>\$286,109</b>	
<b>Total Monitoring Projects Recommended for Funding by Staff to Board</b>		<b>\$286,109</b>	

\*Listed Amount Reflects Recommended Reduction ^Fund with Conditions

**ATTACHMENT B**

**Region 1 - North Coast  
Restoration Application Not Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-1029	Elk Valley Tree Farm Creek Crossing	105,025

**Region 1 - North Coast  
Technical Assistance Application Not Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-1027	Lower Yachats Riparian Restoration Project	27,200



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Anan, Grant Program Manager  
Mark Grenbemer, Southwest Oregon Regional Program Representative

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations  
Region 2, Southwest Oregon  
April 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This staff report summarizes the Southwest Oregon Regional Review Team (RRT) and staff recommendations for funding.

### II. Summary of Regional Review Team Recommendations

Applicants submitted 30 applications for a total request of more than \$3 million. Technical Assistance application 214-2027 was withdrawn by the applicant prior to review. The Southwest Oregon RRT met in January 2014 to review the applications and make recommendations to OWEB staff. Restoration, Technical Assistance, Outreach and Monitoring applications were reviewed for merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The Southwest Oregon RRT recommended funding for 25 applications: 11 Restoration applications, four Technical Assistance applications, six Outreach applications and four Monitoring applications. (For additional information, see the summaries of the Review Team Evaluations.)

### III. Staff Recommendations

For the April Board meeting, staff recommends funding for 20 applications for a total award of \$2,119,003: \$1,517,323 for Restoration, \$90,000 for Technical Assistance, \$119,680 for Outreach, and \$392,000 for Monitoring.

During the RRT evaluation of Technical Assistance applications 214-2047 (Wimer Dam Removal Phase I) and 214-2048 (Fielder Dam Removal Phase I), it was noted that if both grants were awarded, the location of the two project sites would allow some cost efficiencies in implementation. To help the applicant realize these cost efficiencies, OWEB will administer these two awards under one grant agreement instead of two separate grant agreements.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. Attachment A also indicates OWEB staff “do fund” recommendations, shown in gray shading.

For some “do fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

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

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

#### Attachments

- A. Applications Recommended for Funding by the RRT
- B. Applications Not Recommended for Funding by the RRT

**ATTACHMENT A**

*Revised 4/15/2014*

**Region 2 - Southwest Oregon  
Restoration Applications Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
<b>Project #</b>	<b>Project Name</b>	<b>Total Amount</b>	<b>Priority</b>
214-2051	Sullivan Gulch Bottomland Restoration ^ PE <b>\$21,214</b>	337,945	1
214-2040	Camp Creek and Tributaries Instream Restoration *	218,501	2
214-2036	Catching Slough Rural Residential Integrated WS Restoration ^ PE <b>\$9,880</b>	134,122	3
214-2037	Joe's Creek Stream Restoration	96,434	4
214-2038	Yankee Run Instream Restoration Project	65,808	5
214-2049	New River Ag WQ Management * ^	109,410	6
214-2035	Williams River Habitat Improvements: End of the Lines	261,179	7
214-2042	Brush Creek Subwatershed Restoration 2014 *	293,924	8
214-2026	Upper Jones Creek Fish Passage Restoration	31,682	9
214-2045	Lutsinger Creek Instream Restoration 2014 ^	142,665	10
214-2023	Beeson-Robinson Fish Passage Improvement ^	121,751	11
<b>Total Restoration Projects Recommended for Funding to Staff by RRT</b>		<b>\$1,813,421</b>	
<b>Total Restoration Projects Recommended for Funding by Staff to Board</b>		<b>\$1,517,323</b>	

\* Listed Amount Reflects Recommended Reduction ^ Fund With Conditions PE = Plant Establishment

**Region 2 - Southwest Oregon**  
**Technical Assistance Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-2048	Fielder Dam Removal Phase I * ^ +	45,000	1
214-2047	Wimer Dam Removal Phase I * ^ +	45,000	2
214-2032	North Slough, Catching Slough, and Larson Slough Restoraton Project Development	36,778	3
214-2033	South Fork Coos River Aquatic Inventory Surveys	49,727	4
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$176,505</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$90,000</b>	

\* Listed Amount Reflects Recommended Reduction ^ Fund with Conditions + To realize cost efficiencies, administer 214-2047 and 214-2048 under one grant agreement numbered 214-2047

**Region 2 - Southwest Oregon**  
**TA for Watershed Council Action Plan Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
	NONE SUBMITTED		
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$0</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$0</b>	

**Region 2 - Southwest Oregon**  
**Outreach Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-2029	Master Watershed Stewards youth program: community stewardship for at-risk youth * ^	33,000	1
214-2025	Nonpoint Source Pollution and Stream Wise Watershed Outreach Package * ^	34,907	2
214-2041	Salmon Schools II - Fish Eggs to Fry ^	6,790	3
214-2028	Watershed Science for 6th Graders ^ *	14,097	4
214-2024	Bear Creek Outreach Project * ^	28,007	5
214-2044	Umpqua Basin Cleanup Recruitment	2,879	6
<b>Total Outreach Projects Recommended for Funding to Staff by RRT</b>		\$119,680	
<b>Total Outreach Projects Recommended for Funding by Staff to Board</b>		<b>\$119,680</b>	

\*Listed Amount Reflects Recommended Reduction ^Fund with Conditions

**Region 2 - Southwest Oregon**  
**Monitoring Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Project #	Project Name	Total Amount	Priority
214-2046	South Umpqua Collaborative Monitoring 2014-2015 * ^	79,324	1
214-2022	Tenmile Watershed Biological and Water Quality Monitoring * ^	127,315	2
214-2031	Coho life history in tide gated lowland coastal streams, 2014 - 2016 *	145,361	3
214-2050	Curry Watershed Monitoring Program 2014 * ^	40,000	4
<b>Total Monitoring Projects Recommended for Funding to Staff by RRT</b>		<b>\$392,000</b>	
<b>Total Monitoring Projects Recommended for Funding by Staff to Board</b>		<b>\$392,000</b>	

\*Listed Amount Reflects Recommended Reduction ^ Fund with Conditions

**ATTACHMENT B**

**Region 2 - Southwest Oregon  
Restoration Applications Not Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-2034	Butcherknife Creek Culvert Replacement Project	88,555
214-2039	Munger Creek Stream Restoration	44,144
214-2043	North Fork Deer Creek Restoration - 2014	78,367

**Region 2 - Southwest Oregon  
Outreach Applications Not Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-2030	Seven Basins Youth Watershed Council	11,775

**Region 2 - Southwest Oregon  
Technical Assistance Application Withdrawn by the Applicant  
October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-2027	COMING HOME' Myrtle Creek Wild Salmon Habitat Rest, Wildlife View & Ed	49,978



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Aunan, Grant Program Manager  
Liz Redon, Willamette Basin Regional Program Representative  
Greg Sieglitz, Monitoring and Reporting Program Manager

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations  
Region 3, Willamette Basin  
April 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This staff report summarizes the Willamette Basin Regional Review Team (RRT) and staff recommendations for funding.

### II. Summary of Regional Review Team Recommendations

Applicants submitted 48 applications for a total request of more than \$5.5 million. Three Land Acquisition applications were submitted and are discussed in detail in the Agenda Item H staff report. The Willamette Basin RRT met in January 2014 to review the applications and make recommendations to OWEB staff. Restoration, Technical Assistance, Outreach and Monitoring applications were reviewed for merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The Willamette Basin RRT recommended funding for 34 applications: 15 Restoration applications, eight Technical Assistance applications, one TA for Watershed Council Action Plan application, seven Outreach applications and three Monitoring applications. (For additional information, see the summaries of the Review Team Evaluations.)

### III. Staff Recommendations

For the April Board meeting, staff recommend funding for 20 applications for a total award of \$1,475,402: \$1,106,953 for Restoration, \$81,722 for Technical Assistance, \$203,126 for Outreach and \$83,601 for Monitoring.

#### A. TA for Watershed Council Action Plan Recommendation

The RRT recommended funding for 214-3062, McKenzie Watershed Action Plan. However, after the RRT meeting, staff confirmed with the applicant that the council has an existing action plan. As a result, the application is ineligible for funding. As explained in OWEB’s July 2013 Guidance for Limited Offering for TA for Watershed Council Action Plans, the offering was only for councils that *do not have an action plan*. Councils must have an action plan to be eligible to apply for Council Capacity grants in 2015.

## **B. Outreach Application Recommendation**

Application 214-3073 (World Salmon Council's Salmon Watch) proposed outreach activities for students from the Willamette Basin (Region 3), taking place in OWEB Regions 1, 3 and 4. As a result, the application was reviewed by Region 1, 3 and 4 RRTs, but only ranked for funding in Region 3. As explained in the Review Team Evaluation, the Region 3 RRT did not recommend it for funding. The Region 1 RRT raised issues with the quality of the application, but ultimately recommended it for funding. The Region 4 RRT did not have an opinion about funding. OWEB staff considered the different recommendations from the three regions and concluded that the proposal is not ready for funding at this time.

## **C. Monitoring Application Recommendations**

Following the RRT meeting, staff consulted with ODFW and NOAA regarding application 214-3040, Assessing Salmon Use of Off-Channel Wetlands Along the Multnomah Channel. The agencies confirmed that this project is programmatic effectiveness monitoring, and results can inform future projects for wetlands and salmon recovery. As a result, staff removed this application from the October 2013 cycle and propose to fund it by separate action as programmatic Effectiveness Monitoring.

This situation is rare, but not unique. In past grant cycles, staff has made similar recommendations based on the programmatic nature of monitoring proposals.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. Attachment A also indicates OWEB staff “do fund” recommendations, shown in gray shading.

For some “do fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

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

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

### Attachments

- A. Applications Recommended for Funding by the RRT
- B. Applications Not Recommended for Funding by the RRT

ATTACHMENT A

**Region 3 - Willamette Basin  
Restoration Applications Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-3034	Upper Sandy River Habitat Restoration Project	182,593	1
214-3039	Jack Creek Fish Habitat Restoration: Phase II	25,268	2
214-3068	Little Fall Creek Channel Enhancement Phase 2 ^	156,049	3
214-3045	Smithfield Oak Restoration * <b>PE \$15,345</b>	134,303	4
214-3066	Lost Creek Fish Passage and Habitat Enhancement Project Implementation Phase I * ^	184,828	5
214-3058	Upper Coyote Creek: Kingzett Oak Savanna Restoration and Wetland Enhancement	119,874	6
214-3052	Shotpouch Creek Habitat Restoration	29,575	7
214-3032	Thousand Acres Floodplain Restoration Project * ^ <b>PE \$44,933</b>	127,499	8
214-3054	Plants for People: Bringing Traditional Ecological Knowledge to Restoration * ^ <b>PE\$7,447</b>	146,964	9
214-3033	Multnomah and Wahkeena Creeks Restoration Project * <b>PE \$4,980</b>	85,239	10
214-3035	Meadowlark Prairie & Oak Savanna Restoration <b>PE \$13,520</b>	216,250	11
214-3063	Upper Ferguson Creek Fish Passage and Habitat Enhancement	97,982	12
214-3043	Upper Price Creek Barrier Removal and Fish Habitat Enhancement *	94,082	13
214-3046	WindCreek Fish Passage Restoration	72,185	14
214-3069	Forest Park Watershed Health Improvements	76,400	15
<b>Total Restoration Projects Recommended for Funding to Staff by RRT</b>		<b>\$1,749,091</b>	
<b>Total Restoration Projects Recommended for Funding by Staff to Board</b>		<b>\$1,106,953</b>	

\*Listed Amount Reflects Recommended Reduction ^Fund with Conditions PE= Plant Establishment

**Region 3 - Willamette Basin**  
**Technical Assistance Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-3064	Lower South Fork McKenzie River Enhancement Design	49,937	1
214-3037	Oak Creek Open Space Restoration and Conservation Management Plan	31,785	2
214-3036	Lower North Santiam Floodplain Restoration Alternatives Analysis	50,000	3
214-3053	Middle and Upper Marys Rapid Bio Assessment and Landowner Recruitment	49,412	4
214-3057	Johnson Creek Fish Passage Prioritization	23,452	5
214-3041	Restoration Design of lower-Chicken Creek - Tualatin River NWR	29,690	6
214-3047	Rowell Creek Fish Passage Design	24,814	7
214-3042	South Yamhill Floodplain Restoration Design	21,541	8
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$280,631</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$81,722</b>	

**Region 3 - Willamette Basin**  
**TA for Watershed Council Action Plan Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-3062	McKenzie Watershed Action Plan	24,840	1
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$24,840</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$0</b>	

**Region 3 - Willamette Basin**  
**Outreach Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-3038	South Santiam-Calapooia Youth Watershed Councils *	28,000	1
214-3061	McKenzie Watershed Education Outreach Project *	32,000	2
214-3065	Watershed Rangers Stewardship Development Project *	27,000	3
214-3049	Evergreen Riparian Stewards: Phase II	18,772	4
214-3030	Clackamas Basin Pesticide Stewardship Partnership * ^	37,662	5
214-3031	The Meldrum Bar Restoration and Outreach Project (Meldrum Bar Project) * ^	20,357	6
214-3059	Business Outreach for Urban Stewardship in the Southern Willamette Valley *	39,335	7
<b>Total Outreach Projects Recommended for Funding to Staff by RRT</b>		\$203,126	
<b>Total Outreach Projects Recommended for Funding by Staff to Board</b>		<b>\$203,126</b>	

\*Listed Amount Reflects Recommended Reduction ^Fund with Conditions

**Region 3 - Willamette Basin**  
**Monitoring Applications Recommended for Funding by the RRT**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-3072	Volunteer-based Effectiveness Monitoring in Crystal Springs	53,743	1
214-3040	Assessing salmon use of off-channel wetlands along the Multnomah Channel * ^ +	167,442	2
214-3067	Santiam-Calapooia Water Quality Project 2 ^	29,858	3
<b>Total Monitoring Projects Recommended for Funding to Staff by RRT</b>		<b>\$251,043</b>	
<b>Total Monitoring Projects Recommended for Funding by Staff to Board</b>		<b>\$83,601</b>	

\* Listed amount reflects recommended reduction ^Fund with Conditions + Removed from October cycle for funding under programmatic effectiveness monitoring

**ATTACHMENT B**

**Region 3 - Willamette Basin  
Restoration Applications Not Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-3044	Fishers Bend Phase I - Alcove	278,593
214-3048	Crystal Springs (Bybee & Glenwood) Culvert Replacement and Habitat Restoration	200,000
214-3051	Lower Molalla Floodplain Restoration and Demonstration	210,684
214-3060	Cedar Creek Riparian Enhancement Phase I	65,794
214-3070	Rickreall Ck LWD Placement	454,518
214-3071	Spring Park Natural Area Project	65,000

**Region 3 - Willamette Basin  
Technical Assistance Applications Not Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-3055	LCC Russell Creek Restoration Plan	44,453

**Region 3 - Willamette Basin  
Outreach Applications Not Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-3029	NAYA Neerchokikoo Eco-Cultural Restoration Project	50,000
214-3073	World Salmon Council's Salmon Watch	20,000

**Region 3 - Willamette Basin**  
**Monitoring Applications Not Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-3050	Milk Creek Rapid Bio Assessment	32,136
214-3056	2014 Tryon Creek Watershed Monitoring	31,811



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Aunan, Grant Program Manager  
Rick Craiger, Central Oregon Regional Program Representative

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations  
Region 4, Central Oregon  
April 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This staff report summarizes the Central Oregon Regional Review Team (RRT) and staff recommendations for funding.

### II. Summary of Regional Review Team Funding Recommendations

Applicants submitted 21 applications for a total request of nearly \$3.4 million. Two Land Acquisition applications were submitted and are discussed in detail in the Agenda Item H staff report. The RRT met in January 2014 to review the applications and make recommendations to OWEB staff. The Restoration, Technical Assistance, Outreach and Monitoring applications were reviewed for merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The Central Oregon RRT recommended funding for 12 applications: five Restoration applications, four Technical Assistance applications, one TA for Watershed Council Action Plan application, and two Monitoring applications. The RRT did not recommend funding for the one Outreach application submitted.

The RRT also reviewed (but did not prioritize) application 214-3073, World Salmon Council’s Salmon Watch, which proposed outreach activities in Regions 1, 3 and 4 for students from Region 3 (Willamette Basin). Application 214-3073 is discussed in more detail in the Region 3 staff report.

### III. Staff Recommendation

For the April Board meeting, staff recommends funding for nine applications for a total award of \$1,262,934: \$890,102 for Restoration, \$82,090 for Technical Assistance, \$25,000 for TA for Watershed Council Action Plan, and \$265,742 for Monitoring. (For additional information, see the summaries of the Review Team Evaluations.)

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. Attachment A also indicates: OWEB staff “do fund” recommendations, shown in gray shading.

For some “do fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

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

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

Attachments

- A. Applications Recommended for Funding by the RRT
- B. Applications Not Recommended for Funding by the RRT

ATTACHMENT A

**Region 4 - Central Oregon  
Restoration Applications Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-4024	Crooked Creek Restoration Phase II ^	372,486	1
214-4016	Upper Williamson River Habitat Enhancement	44,272	2
214-4021	Lateral 58-11 Water Initiative - Phase 3 ^	297,848	3
214-4025	Summer Lake Wildlife Area - Bullgate Unit Wetland Enhancement * ^	175,496	4
214-4017	Horse Heaven Creek Instream Restoration ^	192,145	5
<b>Total Restoration Projects Recommended for Funding to Staff by RRT</b>		<b>\$1,082,247</b>	
<b>Total Restoration Projects Recommended for Funding by Staff to Board</b>		<b>\$890,102</b>	

\* Listed Amount Reflects Recommended Reduction ^Fund with Conditions

**Region 4 - Central Oregon  
Technical Assistance Application Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-4018	Odell Creek Dam Removal & Restoration Design ^	50,000	1
214-4013	Elder Creek Passage Alternative Analysis and Design	32,090	2
214-4022	Upper Deep Creek Fish Passage Design & Stream Reconnaissance Plan	39,851	3
214-4026	Mosier Groundwater Restoration Evaluation	50,000	4
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$171,941</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$82,090</b>	

^Fund with conditions

**Region 4 - Central Oregon**  
**TA for Watershed Council Action Plan Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-4031	Middle Deschutes Watershed Council Action Plan ^	25,000	1
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$25,000</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$25,000</b>	

^ Fund with Conditions

**Region 4 - Central Oregon**  
**Outreach Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
	NONE RECOMMENDED FOR FUNDING		
<b>Total Outreach Projects Recommended for Funding to Staff by RRT</b>		<b>\$0</b>	
<b>Total Outreach Projects Recommended for Funding by Staff to Board</b>		<b>\$0</b>	

**Region 4 - Central Oregon**  
**Monitoring Application Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-4014	Deschutes River Fish Monitoring - Phase II	131,300	1
214-4029	Restoration of spotted frogs and wetlands at Jack Creek	134,442	2
<b>Total Monitoring Projects Recommended for Funding to Staff by RRT</b>		<b>\$265,742</b>	
<b>Total Monitoring Projects Recommended for Funding by Staff to Board</b>		<b>\$265,742</b>	

**ATTACHMENT B**

**Region 4 - Central Oregon  
Restoration Applications Not Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-4023	Muddy Creek Juniper Management	238,520
214-4030	Klamath Marsh NWR River and Floodplain - Phase 1	560,097

**Region 4 - Central Oregon  
Technical Assistance Applications Not Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-4015	Greater Spring Creek Phase 1	46,161
214-4020	Dry River Water Quality Control	29,106
214-4027	White River Watershed Irrigation Survey	50,000

**Region 4 - Central Oregon  
Outreach Application Not Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-4019	Central Oregon Youth Watershed Council	20,000

**Region 4 - Central Oregon  
Monitoring Application Not Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-4028	Lake Abert Monitoring Project (LAMP)	128,556



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Anan, Grant Program Manager  
Karen Leiendecker, Eastern Oregon Regional Program Representative

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations  
Region 5, Eastern Oregon  
April 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This staff report summarizes the Eastern Oregon Regional Review Team (RRT) and staff recommendations for funding.

### II. Summary of Regional Review Team Recommendations

Applicants submitted 46 applications for a total request of more than \$2.5 million. The Eastern Oregon RRT met in December 2013 to review the applications and make recommendations to OWEB staff. Restoration, Technical Assistance, Outreach and Monitoring applications were reviewed for merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The Eastern Oregon RRT recommended 38 applications for funding: 22 Restoration applications, five Technical Assistance applications, two TA for Watershed Council Action Plan applications, three Outreach applications and six Monitoring applications. (For additional information, see the summaries of the Review Team Evaluations.)

### IV. Staff Recommendation

For the April Board meeting, staff recommends funding for 31 applications for a total award of \$1,523,658: \$1,064,328 for Restoration, \$79,964 for Technical Assistance, \$30,812 for TA for Watershed Council Action Plan, \$67,504 for Outreach, and \$281,050 for Monitoring.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. Attachment A also indicates OWEB staff “do fund” recommendations, shown in gray shading.

For some “do fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

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

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

Attachments

- A. Applications Recommended for Funding by the RRT
- B. Applications Not Recommended for Funding by the RRT

ATTACHMENT A

**Region 5 - Eastern Oregon  
Restoration Applications Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-5062	Powder River Riparian Restoration at Mile Post 22 ^	36,534	1
214-5073	Rimrock Water Quality Improvement ^	26,181	2
214-5053	Jamieson Livestock Waste Water Elimination - Phase II * ^	29,058	3
214-5059	Jamieson Water Quality and Wildlife Enhancement * ^	41,064	4
214-5076	Upper Fletcher Gulch Water Quality Improvement * ^	46,351	5
214-5078	Kettle-Buck WQ Improvement ^	40,153	6
214-5047	Eight Fields Water Quality Improvement * ^	167,500	7
214-5075	Salty Dawg WQ Improvement *	57,613	8
214-5061	Denny Creek Restoration and Protection	62,232	9
214-5070	North Fork Malheur River Stream Restoration **	77,976	10
214-5057	Mud Flat Enhancement *	71,488	11
214-5063	View Point Aspen Restoration	37,740	12
214-5069	Lower Willow Creek Water Quality Enhancement * ^	27,915	13
214-5056	Moon Beam Juniper Control * ^	107,806	14
214-5065	Durkee Sage-Grouse Habitat Enhancement ^	66,739	15
214-5058	Bridge Creek Enhancement ^	22,386	16
214-5071	Harper Riparian Enhancement Project	96,468	17
214-5066	Dogtown Creek Aspen & Wetland Restoration	49,124	18
214-5064	Hibbard Gulch Riparian and Water Quality Improvement	34,084	19
214-5046	Bench Ground Flood to Sprinklers * ^	26,037	20
214-5074	French Flat Water Management	56,767	21
214-5077	Dad's Hill Water Quality Improvement *	54,883	22
<b>Total Restoration Projects Recommended for Funding to Staff by RRT</b>		<b>\$1,236,099</b>	
<b>Total Restoration Projects Recommended for Funding by Staff to Board</b>		<b>\$1,064,328</b>	

\*\* Listed Amount Reflects Recommended Increase \*Listed Amount Reflects Recommended Reduction ^ Fund with Conditions

**Region 5 - Eastern Oregon**  
**Technical Assistance Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-5039	Lostine River/Sheep Ridge Fish Passage Improvement	38,945	1
214-5038	Imnaha River/Grouse Creek Ditch Fish Passage Improvement	41,019	2
214-5041	Lower Clear Creek Restoration Design	26,333	3
214-5050	Lick Creek Culvert Replacement Project	41,690	4
214-5051	Whiskey Creek Culvert Replacement Project	37,730	5
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$185,717</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$79,964</b>	

**Region 5 - Eastern Oregon**  
**TA for Watershed Council Action Plan Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-5081	Owyhee Watershed Council Action Plan ^	12,712	1
214-5082	Malheur Watershed Council Action Plan * ^	18,100	2
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$30,812</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$30,812</b>	

\*Listed Amount Reflects Recommended Reduction ^ Fund with Conditions

**Region 5 - Eastern Oregon**  
**Outreach Application Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-5040	Powder Basin Outreach Initiative	23,383	1
214-5049	Wallowa Resources' Watershed Evaluation Teams (WET) Program	15,282	2
214-5083	Oregon Habitat Monitoring Program	28,839	3
<b>Total Outreach Projects Recommended for Funding to Staff by RRT</b>		<b>\$67,504</b>	
<b>Total Outreach Projects Recommended for Funding by Staff to Board</b>		<b>\$67,504</b>	

**Region 5 - Eastern Oregon**  
**Monitoring Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-5072	Snake River/Hells Canyon TMDL Ag Drain Monitoring, Phase 5 and Report ^	98,456	1
214-5044	Harney Basin Groundwater Project - Monitoring	13,363	2
214-5068	Monitoring the Malheur: What Needs to be Done? ^	63,339	3
214-5042	Powder Basin Monitoring Program Expansion	63,162	4
214-5043	Powder Basin Headwaters Habitat Survey ^	27,730	5
214-5054	Spaldings Catchfly Monitoring at Wallowa Lake *	15,000	6
<b>Total Monitoring Projects Recommended for Funding to Staff by RRT</b>		<b>\$281,050</b>	
<b>Total Monitoring Projects Recommended for Funding by Staff to Board</b>		<b>\$281,050</b>	

\*Listed Amount Reflects Recommended Reduction    ^Fund with Conditions

ATTACHMENT B

**Region 5 - Eastern Oregon**  
**Restoration Applications Not Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-5045	Livestock Grazing Management and Water Quality Control Improvement	110,482
214-5048	Graham Boulevard Flood to Sprinkler	29,832
214-5052	Catherine Creek Water Conservation and Irrigation Efficiency	158,031
214-5055	Poison Creek Juniper Control	126,008
214-5060	Lateral 227 Tie-In	28,464
214-5067	Lee Creek Off-Stream Water	32,186
214-5080	Phase II - Divide Allotment - 3900 Road Fence	78,564

**Region 5 - Eastern Oregon**  
**Technical Assistance Applications Not Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-5079	Irrigation Canal and Oro Dell Ditch Diversion Consolidation and Water Conservation Project.	35,000



# Oregon

John A. Kitzhaber, MD, Governor

Oregon Watershed Enhancement Board

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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Aunan, Grant Program Manager  
Sue Greer, Mid-Columbia Regional Program Representative

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations  
Region 6, Mid-Columbia Region  
April 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This staff report summarizes the Mid-Columbia Regional Review Team (RRT) and staff recommendations for funding.

### II. Summary of Regional Review Team Recommendations

Applicants submitted 30 applications for a total request of nearly \$2.5 million. No Monitoring applications were submitted. The Mid-Columbia RRT met in January 2014 to review the applications and make recommendations to OWEB staff. Restoration, Technical Assistance, and Outreach applications were reviewed for merit and given a “do fund” or “no fund” recommendation. The RRT then prioritized the applications recommended for funding.

The RRT recommended 21 applications: 15 Restoration applications, four Technical Assistance applications and two Outreach applications. (For additional information, see the summaries of the Review Team Evaluations.)

### III. Staff Recommendations

For the April Board meeting, staff recommend funding for 14 applications for a total award of \$1,191,780: \$1,041,997 for Restoration, \$84,245 for Technical Assistance, and \$65,538 for Outreach.

#### A. Technical Assistance Staff Recommendation

Staff recommends funding Technical Assistance applications ranked first and third by the RRT, rather than applications ranked first and second. Staff agrees the second-ranked application (214-6034, Bridge-Bear Phase 3 and 4 Design) is worthy of funding. Staff’s recommendation is based on the limited funding available for Technical Assistance this cycle, the timing urgency for the third-ranked application (214-6024, Dillon Dam Removal Phase I), and the belief that 214-6034 is not as time-sensitive. As discussed in the RRT evaluation, the partners involved in the Dillon Dam removal discussion have reached agreement on challenging issues, and the RRT and OWEB staff agree that funding this project now is critical to keep momentum.

This situation is rare, but not unique. In past grant cycles, staff has made similar recommendations because of timing urgency for a particular project.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. Attachment A also indicates OWEB staff “do fund” recommendations, shown in gray shading.

For some “do fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

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

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

#### Attachments

- A. Applications Recommended for Funding by the RRT
- B. Applications Not Recommended for Funding by the RRT

ATTACHMENT A

**Region 6 - Mid Columbia  
Restoration Applications Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-6030	Mountain Creek Restoration Phase #4 ^	150,500	1
214-6028	Olsen Diversion Phase Two ^	75,096	2
214-6021	John Day Fish Habitat Enhancement Program ^	153,623	3
214-6027	Lonerock Steelhead Passage Barrier Removals	164,057	4
214-6025	Lower Cottonwood Fish Passage Improvements - Phase I	40,892	5
214-6040	Nursery Bridge Fish Passage Walla Walla River ^	221,399	6
214-6044	Indian Creek Passage Improvement	44,851	7
214-6031	Badger Creek Habitat #2 * ^	69,515	8
214-6018	Deer Creek Fish Passage ^	67,110	9
214-6043	Bull Run/Deep Cr Culvert Replacements	54,954	10
214-6035	Indian Creek Diversions & Pipeline	143,115	11
214-6033	Upper Bridge Creek Watershed Improvement	126,199	12
214-6020	Columbia Plateau Cooperative Habitat Improvement	47,479	13
214-6038	Portuguese Canyon Aspen Protection	17,358	14
214-6029	Holmes Upland Erosion Control	27,443	15
<b>Total Restoration Projects Recommended for Funding to Staff by RRT</b>		<b>\$1,403,591</b>	
<b>Total Restoration Projects Recommended for Funding by Staff to Board</b>		<b>\$1,041,997</b>	

\*Listed Amount Reflects Recommended Reduction ^Fund with Conditions

**Region 6 - Mid Columbia**  
**Technical Assistance Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-6032	Mountain Creek Tributary Reach Evaluation ^	34,245	1
214-6034	Bridge - Bear Phase #3 & #4 Design	47,840	2
214-6024	Dillon Dam Removal - Phase I: Alternate Irrigation Design ^	50,000	3
214-6041	East Little Walla Walla River Inventory/Analysis	6,000	4
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$138,085</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$84,245</b>	

^Fund with Conditions

**Region 6 - Mid Columbia**  
**TA for Watershed Council Action Plan Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
	NONE SUBMITTED		
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$0</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$0</b>	

**Region 6 - Mid Columbia**  
**Outreach Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
214-6017	Watershed Field Days *	40,302	1
214-6022	STELLAR Watershed Community Outreach	25,236	2
<b>Total Outreach Projects Recommended for Funding to Staff by RRT</b>		<b>\$65,538</b>	
<b>Total Outreach Projects Recommended for Funding by Staff to Board</b>		<b>\$65,538</b>	

\*Listed Amount Reflects Recommended Reduction

**Region 6 - Mid Columbia**  
**Monitoring Applications Recommended for Funding by the RRT**  
**October 21, 2013 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
	NONE SUBMITTED		
<b>Total Monitoring Projects Recommended for Funding to Staff by RRT</b>		<b>\$0</b>	
<b>Total Monitoring Projects Recommended for Funding by Staff to Board</b>		<b>\$0</b>	

**ATTACHMENT B**

**Region 6 - Mid Columbia  
Restoration Applications Not Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-6019	Walla Walla Nursery Irrigation Recycling Project	126,243
214-6026	Cavender Wetland Protection	100,237
214-6036	Harper Creek Upland Improvement	38,487
214-6037	Alder Creek Upland Improvement	17,040
214-6039	Muleshoe Creek Headwater Improvement Phase I	47,320
214-6042	Fox Reach R16 Phase II	227,346
214-6045	Mallory Creek Road Re-Route	236,399
214-6046	Long Creek Springs	27,543

**Region 6 - Mid Columbia  
Technical Assistance Applications Not Recommended for Funding by the RRT  
October 21, 2013 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
214-6023	Birch Creek Lidar Analysis	50,000



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Greg Sieglitz, Monitoring and Reporting Program Manager

**SUBJECT: Agenda Item G: Effectiveness Monitoring Program  
April 28-29, 2014 OWEB Board Meeting**

### I. Introduction

This report seeks board action to award funds for three effectiveness monitoring efforts. This work compliments the agency's Long-Term Investment Strategy framework pertaining to effectiveness monitoring.

The funding will support: (1) A comprehensive, statewide evaluation of riparian restoration that has occurred under the Conservation Reserve Enhancement Program in Oregon; (2) Continued field monitoring for the Upper Middle Fork John Day Intensively Monitored Watershed; and (3) Off-channel wetland monitoring along the Multnomah Channel that will have programmatic uses. These awards will be funded from the OWEB's spending plan Effectiveness Monitoring line item within the Focused Investments category.

The funding is intended to conduct programmatic effectiveness evaluation in support of OWEB Strategic Plan Goal 1 (Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs) and Goal 3 (Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds).

### II. Proposals for Effectiveness Monitoring

#### A. Conservation Reserve Enhancement Program

In 1998, an agreement between the Farm Services Agency (FSA) and the State of Oregon developed the Oregon Conservation Reserve Enhancement Program (CREP), which is intended to restore healthy riparian area in agricultural lands through a partnership in which the State provides a 25% cost-share match through OWEB funding. Since that time, the program has been highly successful at recruiting land owners to participate in the program and to date more than 41,000 acres have been enrolled in CREP. As part of the terms within the MOA between Oregon and the federal government, the State is required to develop and implement an annual monitoring program.

Over the past several months staff have been working internally and with a variety of external partners including the FSA, the Natural Resources Conservation Service, Soil and Water Conservation Districts, and the Oregon Departments of Agriculture and Forestry to draft the study plan and initiate preparations for a more comprehensive and state-wide evaluation of CREP to launch in the summer of 2014. There is also substantial benefit to the agency and its partners in better capturing the performance and ecological outcomes attained through CREP over the state and over the 15 years it has been an active program for the State.

A description of the study plan is contained in Attachment A to this report. Staff request the Board award \$250,000 in support of this effort.

### **B. Upper Middle Fork John Day River Intensively Monitored Watershed**

Partners for the Upper Middle Fork John Day River Intensively Monitored Watershed (IMW) have been conducting work in the area in a coordinated fashion to evaluate and document watershed restoration action and resulting ecological findings since 2007. The IMW partners include the: Oregon Department of Fish and Wildlife; North Fork John Day Watershed Council; U.S. Forest Service; Confederated Tribes of Warm Springs Reservation in Oregon; Oregon State University, University of Oregon, Nature Conservancy, Bureau of Reclamation, NOAA Fisheries; Bonneville Power Administration; Freshwater Trust; Washington State University; Oregon Parks and Recreation Department, and private landowners.

The Upper Middle Fork John Day River IMW is designed to evaluate the implementation of watershed restoration projects over a large geography and a 10-year study period with the intent to describe the collective benefits provided to salmon and steelhead populations, habitat and water quality. This IMW is unique in also evaluating social measures of success as informed by the local communities within and surrounding the study area. OWEB's role in the IMW is to provide overall direction and guidance to the study through linkage to OWEB's Effectiveness Monitoring Program and to secure a significant portion of the funding for the monitoring aspects of the study.

In Attachment B, staff describe the purpose of the \$25,000 funding request to contribute to IMW monitoring efforts.

### **C. Programmatic Monitoring Opportunity**

On occasion, grant applications submitted through the regular grant program cycles present a better fit for OWEB to be supported through other agency programs. Such is the case with Region 3 grant application 214-3040 (Assessing Salmon Use of Off-Channel Wetlands along the Multnomah Channel).

In Attachment C, staff describe their proposal that the Board fund the \$167,442 requested in the application using funds from the Effectiveness Monitoring spending plan line item.

## **III. Recommendation**

- A. Staff recommend the Board award up to \$250,000 in funding from the Board's effectiveness monitoring line-item in the spending plan to support the Conservation Reserve Enhancement Program state-wide effectiveness monitoring program as described

in Attachment A to this report. Staff further recommend the board delegate authority to the Director to distribute the funds to appropriate agreements to carry out the work.

- B. Staff recommend the Board award up to \$25,000 in funding from the Board's effectiveness monitoring line-item in the spending plan for the Upper Middle Fork John Day River Intensively Monitored Watershed study for the purposes described in Attachment B to this report. Staff also recommend the board delegate authority to the Director to distribute the funds to appropriate agreements to carry out the work.
- C. Staff recommend the Board award \$167,442 in Pacific Coastal Salmon Recovery Fund dollars to grant application number 214-3040 *Assessing Salmon Use of Off-channel Wetlands along the Multnomah Channel* for the purpose of including it in OWEB's programmatic Effectiveness Monitoring portfolio.

#### Attachments

- A. Conservation Reserve Enhancement Program Proposal
- B. Upper Middle Fork John Day Intensively Monitored Watershed Monitoring
- C. Programmatic Effectiveness Monitoring Opportunity

## Conservation Reserve Enhancement Program Proposal

### Background

In 1998, an agreement between the Farm Services Agency and the State of Oregon developed the Oregon Conservation Reserve Enhancement Program (CREP), which is intended to restore healthy riparian area in agricultural lands through a partnership in which the State provides a 25% cost-share match through OWEB funding. Since that time, the program has been highly successful at recruiting land owners to participate in the program and to date more than 41,000 acres have been enrolled in CREP. As part of the terms within the MOA between Oregon and the federal government, the State is required to develop and implement an annual monitoring program.

Previous CREP and other OWEB riparian evaluation studies that have been completed in the last 12 years include: Anderson 2002, Bartuszevige et. al., 2009, and Demeter Design 2010 and are found on the OWEB web site. These studies although differing in space and time and scope have yielded a variety of mixed results. The 2002 study found that CREP projects, on average, had a somewhat higher success rate than regular OWEB riparian restoration projects and speculatively proposed that this may be due to programmatic landowner maintenance requirements under the CREP. Tree mortality from numerous factors was documented on each project site visited but the report did not quantify the extent of that mortality.

The OWEB-sponsored 2009 study found that aquatic macro-invertebrate communities that represent healthy stream conditions were present in slightly higher percentages in the CREP buffers than non-buffered streams. However, invasive species were also found to be the dominant species in some CREP study areas at rates comparable to adjacent untreated areas.

And in the 2010 study of riparian restoration projects implemented from 1995-1999 in the South Coast and Grande Ronde River basins, discovered that a vast majority of the projects could not be located. Those that could be located did not demonstrate improvements to the riparian condition when compared to untreated riparian areas nearby.

The past studies are helpful, but given the substantial amount of riparian work that has occurred across the state, a more comprehensive review of the effectiveness of riparian planting projects is needed. A statewide evaluation of CREP is a significant step in that direction.

### State-wide CREP Evaluation Proposal

Over the past several months staff have been working internally and with a variety of external partners including the FSA, NRCS, SWCDs, ODF and ODA to draft the study plan for a more comprehensive and state-wide evaluation of CREP to launch in the summer of 2014. This work is a complimentary action to the agency's Long-Term Investment Strategy framework pertaining to monitoring. There is also substantial benefit to the agency and its partners in better capturing the performance and ecological outcomes attained through CREP over the state and over the 15 years it has been an active program for the State.

The overarching plan consists of three tiers of effectiveness monitoring due to the large time span of previous project implementation and new projects being enrolled into CREP every year.

Each tier is distinct from the other but provides linkage to the others and all feed into an assessment at the state-wide level in a manner that has not been undertaken, to date. The goals of this study plan are to:

- 1) Report on the status and condition of previously implemented CREP projects.
- 2) Establish a long-term monitoring program to evaluate the effectiveness of CREP projects implemented across Oregon on a reoccurring basis.

#### *Tier 1 Assessment*

Tier 1 of this study design will consist of office work to provide background information on the existing CREP projects across the state. Data collected by the various districts that implement CREP will be compiled to summarize the status of projects implemented in prior years. The intent is to determine how projects are distributed across Oregon, which Conservation Practices (CPs) are being enrolled and the current condition all based on the use of existing data. This information will help establish the sampling universe for more detailed sampling that will occur under Tiers 2 and 3.

In addition to the information compiled above, a map of all CREP projects will be developed in coordination with CREP partners, at the state and district level, to establish the sampling universe for sites to be included in Tier 2. As part of this process, landowners may be contacted to gain permission to access their land to perform more detailed monitoring in the future. These CREP project sites may also be mapped with local, state, federal and tribal long-term monitoring sites. This information will be used to determine where opportunities exist to measure any relationships that exist between with CREP buffers and trends in water quality, water quantity and/or fish abundance.

A final report will be written including the following information: a description of sites and statewide map showing distribution of sites selected; CREP data summarized and in graph formats; a discussion of the monitoring results; and a discussion of next steps necessary to proceed with the Tier 2 Assessment

#### *Tier 2 Assessment*

Tier 2 will consist of a more detailed evaluation of existing CREP projects that involves data collected in the field. The level of field data collected in Tier 2 is dependent upon the outcome of the Tier 1 assessment. And, the availability of sufficient information to evaluate existing CREP projects will determine how much information is collected through Tier 2. The Tier 2 Assessment description is broken into two different levels of field data collection based on the observations afforded through the Tier 1 evaluation.

The first approach contemplates a lighter assessment of existing projects. This lighter assessment will collect a limited amount of field data to evaluate the current vegetation and fencing conditions of existing CREP projects. The second option prescribes an approach to collect more detailed field data to assess the development of vegetation and the condition of stream banks and includes a comparison to those sites utilizing suitable reference sites. The objectives of the Tier 2 work are to:

- 1) Determine the overall use by livestock of the riparian area excluded;
- 2) Determine the percent woody cover provided by riparian re-vegetation effort; and

- 3) Quantify to overall contribution to invasive species management and control through CREP projects.

### *Tier 3 Assessment*

Newly established CREP projects will be assessed following a Before-After-Control-Impact (BACI) experimental design to test for changes associated with livestock exclusions and riparian planting projects. A BACI design samples the control and impact simultaneously at both locations at designated times before and after the impact has occurred. For this type of restoration, riparian plantings and livestock exclusion would be the impact and a location upstream of the riparian plantings would represent the control.

This BACI study will follow the specific protocols developed in the State of Washington and are the same as those used by OWEB and its contractor, TetraTec Inc., to evaluate the Livestock Exclusion projects, which began in 2006. OWEB and its contractors will work closely with the local CREP personnel to identify properties that have been approved for CREP funding and conduct pre-restoration baseline surveys in the treatment and suitable control areas. A total of 15 treatment sites will be selected for this BACI study.

### **CREP Evaluation Timeline**

The following outlines implementation of key activities to each of the major elements of the state-wide CREP study plan:

#### Tier 1

- January 2014: Contact FSA and NRCS for CREP data compilation
- February 2014: Initiate identification of CREP sites
- May 2014: Map potential sampling sites for Tier 2 assessment
- June/July 2014: Complete map to identify CREP sites and other agency monitoring sites
- June/July 2014: Draft Report on CREP district data summary
- August 2014: Final Report on CREP district data summary

#### Tier 2

- May 2014: Issue RFP
- June 2014: Issue contract
- June 2014: Identify potential sampling and reference sites
- June/July 2014: Initiate data collection
- September 2014: Report preliminary findings
- October 2014: Draft Report for review
- November 2014: Release Final Report

#### Tier 3

- January/February 2015: Issue RFP
- March 2015: Issue contract
- March/April 2015: Identify new projects that have enrolled in CREP and control areas
- Summer 2015: Pre-treatment data collection and control areas

## **Attachment A**

- Summer 2016: Year 1 post treatment data collection and control areas
- Summers of 2015 (Year 0), 2016 (Year 1), 2018 (Year 3), 2020 (Year 5), 2025 (Year 10)
- Draft Summary Reports to be produced in December of each sampling year
- Draft Final Report summarizing study findings December 2025

With significant planning and designed work accomplished and an eminent field season and sizeable work ahead under each of the Tiers of study, staff recommend funding \$250,000 from the Board's spending plan line item for effectiveness monitoring to advance this initiative.

## Upper Middle Fork John Day River Intensively Monitored Watershed Monitoring

The Upper Middle Fork John Day Intensively Monitored Watershed (IMW) has been conducting work in the area in a coordinated fashion to evaluate and documents watershed restoration action and resulting ecological findings since 2007.

There are two principle areas within the IMW study boundary where large-scale effectiveness monitoring methods have been employed; Camp Creek and the main stem of the Middle Fork John Day River. In the 2008 field season there were 10 sites selected in the Camp Creek sub-watershed to be surveyed and 15 sites in the Middle Fork John Day River visited in 2009. Each site has been incorporated in the federal program for monitoring watershed health referred to as the Pac.Fish/InFish Biological Opinion (PIBO) monitoring. The IMW utilizes the same protocols and field crews to maintain consistency and quality control with the federal effort.

Camp Creek - The monitoring sites are being used to evaluate the removal of stream spanning log weirs installed in Camp Creek during the 1980's as a watershed restoration technique. The technique has since been proven to be an unsuccessful method for the area concerned and have been removed as a result of recent restoration actions. These sites will be monitored to determine the changes in the stream resulting from the removal of the log weirs.

Middle Fork John Day River - These monitoring sites are being utilized to evaluate the watershed study area's overall status and trends of critical habitats that have been the focus of recent restoration actions. Change detected from these sites can reflect the individual restoration actions and other contributing factors such as: forest management, land use changes, high water events, wild fires, etc.

With the IMW entering its seventh year of the ten year study plan, the importance of repeating the sampling at these sampling locations is especially timely. Information gathered through this work will be an important compliment to the on-going smaller scale evaluation through the IMW and the regionally level evaluation occurring through the federal agencies. This sampling should reveal whether certain key habitat variables have been changing over the five-six years of intensive watershed restoration activities. The Malheur National Forest has contributed at least \$10,000 toward the effort and staff are requesting that the Board award \$25,000 of the spending plan line-item for Effectiveness Monitoring in support of this collaborative effort.

## Programmatic Effectiveness Monitoring Opportunity

### Monitoring Application Recommendations

As referenced in Agenda Item E Region 3 grant award recommendations, occasionally grant applications are submitted through the regular grant program process that fit better under goals for programmatic Board funded actions such as Special Investment Partnerships or Effectiveness Monitoring.

In past grant cycles, some projects have been removed from funding consideration through the regular open solicitation grant cycle to be considered for support through other funding. An example of this situation pertaining to effectiveness monitoring was the Niles'tun (Coquille River estuary restoration project) monitoring project that had broad implications for estuarine restoration up and down the Oregon coast. As such it was treated as a programmatic rather than project level monitoring effort and was funded with dollars designated for that specific purpose.

Grant Application number 214-3040 *Assessing Salmon Use of Off-channel Wetlands along the Multnomah Channel* is similar in nature to the Niles'tun project from the standpoint that work that is being monitored has broad implications for restoration practitioners over a broad geographic region. In the case of this project, the information gained will be useful to restoration practitioners, salmon managers and for the agencies that are responsible for reviewing and approving permits for within channel actions associated with barriers to salmon (and other aquatic life) migration up and down the lower Columbia and Willamette Rivers.

OWEB staff consulted with ODFW and NOAA regarding this application and the agencies confirmed that this project that is underway was designed to programmatic effectiveness monitoring, and results can inform future projects for wetland restoration and salmon recovery. The information will also be made available to restoration permit reviewers and issuing agencies to ensure that results relevant for future permit applicants will be utilized.

As a result, staff removed this application from the October 2013 regular grant cycle awards. Instead, staff propose to fund it by separate action as programmatic Effectiveness Monitoring. The application has had favorable reviews from both the regional and state review process and the reduced budget resulting from the reviews serves as the proposed staff recommendation under programmatic umbrella. Staff recommend the board award \$167,442 for this grant application with funds from the Effectiveness Monitoring line item within the Focused Investment section of the OWEB spending plan.



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Deputy Director  
Miriam Hulst, Acquisitions Specialist

**SUBJECT: Agenda Item H: OWEB Land Acquisition Grant Program Overview  
April 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This staff report provides an overview of the October 21, 2013, land acquisition grant cycle and budget considerations.

### II. October 2013 Cycle Background and Summary

#### A. Applications Submitted

The October 2013 grant cycle is the first of two annual land acquisition grant cycles for the 2013-2015 biennium. The total budget for land and water acquisitions for this biennium is \$7 million.

Six land acquisition grant applications, totaling a request of approximately \$3.6 million, were received in this grant cycle. The applications are summarized in Attachment A. Information contained in the attachment is further described in Section II.B of this staff report and in the application evaluations which were provided separately to the Board. Application No. 214-9901 was withdrawn before review because the applicant received other funds for the property purchase.

#### B. Review Process

The land acquisition applications were reviewed in accordance with the new process adopted by the Board at its January 2013 meeting. The process evaluates ecological outcomes, project soundness, organizational capacity, and community benefits and impacts. It also includes submission of public comment by interested parties.

Site visits were conducted by staff and teams of ecological reviewers, consisting of subject matter experts either selected by the applicant or chosen by staff from the regular grant program's regional review teams. Each ecological reviewer completed a project evaluation form, and the input of all ecological reviewers was summarized by staff.

Project soundness reviews were conducted by a team consisting of staff, the land acquisition program's due-diligence technical assistance contractor, and the Oregon Department of Justice. The reviews included identifying project soundness concerns, which were described in terms of yellow and red flags. A yellow-flag concern is a

matter that reviewers felt is concerning, but resolvable in the 18-month timeframe the new process allows for closing transactions after the Board awards funding. A red-flag concern is a matter that reviewers felt is insurmountable in the granting timeframe.

Staff and the due-diligence contractor reviewed organizational capacity and public benefits and impacts. Public comments were solicited through several means, including notices and a public hearing that staff held for each project recommended for funding by the past Acquisitions Subcommittee of the Board.

Staff prepared an evaluation of each project that summarizes the review outcomes, identifies yellow and red flags, and provides a score for each project. The scores were calculated from specific sections of the grant application. The process by which projects would be scored was described in advance to applicants.

The evaluations were sent to the applicants, in addition to being previously provided to the Board.

### **C. Overview of Funding Recommendations**

Application No. 214-9905 is not recommended for funding. The remaining four applications, which staff recommend for funding, total a grant request of approximately \$2.8 million.

## **III. Staff Funding Recommendations**

Staff recommend the Board award funding for land acquisition as specified in Attachment A, with the project-specific conditions specified in Attachment B.

Attachment

- A. Land Acquisition Applications, October 2013 Grant Cycle
- B. Project-specific Conditions (to be provided to the Board at its meeting)

**Land Acquisition Applications  
October 21, 2013 Grant Cycle**

Staff Do-Fund Recommendations to the Board are Highlighted in Gray					
Application #	Region	Project Name	Total Amount	Score*	Flags <sup>o</sup>
214-9900	3	Joyce Carnegie Trust Property <sup>^</sup>	134,182	53	
214-9902	4	Mill Creek Ridge Oak Savanna <sup>^</sup>	383,689	54	
214-9903	1	Southern Flow Corridor - Landowner Preferred Alternative <sup>^</sup>	1,620,152	49	Yellow
214-9904	3	Hayden Island <sup>^</sup>	700,000	45	Yellow
214-9901	3	Turtle Flats Confluence Acquisition - WITHDRAWN BEFORE REVIEW	379,000		
214-9905	4	Lower Deschutes River Ranch - NO FUND	350,000	37	Yellow-red
<b>Total Land Acquisition Projects Recommended for Funding</b>			<b>\$2,838,023</b>		
<b>Total Land Acquisition Projects Submitted in the October Cycle</b>			<b>\$3,567,023</b>		

<sup>^</sup> Fund as Specified in the Project Evaluation

\* 60 Possible Points

<sup>o</sup> Flags Are Explained in the Project Evaluation:

Yellow: concerning but likely resolvable in OWEB's granting timeframe

Red: insurmountable in OWEB's granting timeframe

## EXHIBIT C

### REQUIRED CONDITIONS

In addition to other requirements specifically provided for in the Agreement, the disbursement of the Grant Funds is further conditioned on:

1. **Standard Conditions.** Unless otherwise agreed by the Director, Grant Funds will not be disbursed under this Agreement until the following standard conditions have been fulfilled to the full satisfaction of the Director.
  - A. Grantee imposes title restrictions on the Property consistent with OWEB’s standard form conservation easement, as it may be revised from time to time.
  - B. The Director approves of the legal and financial terms of the acquisition, including, but not limited to:
    - i. The acquisition agreement (e.g., option, purchase and sale agreement, etc.); the Contingency Agreement, if applicable; and the agreement to transfer the Property to another party, if planned;
    - ii. The purchase price for the Property Interest, which shall be based on an appraisal and review appraisal completed in accordance with applicable appraisal standards, including the Uniform Standards of Professional Appraisal Practice, and if required, the Uniform Appraisal Standards for Federal Land Acquisitions;
    - iii. The Phase 1 Environmental Site Assessment, as well as additional investigative reports and action plans resulting from the Phase 1 Assessment;
    - iv. The Property survey, if required;
    - v. The baseline inventory completed for the Property;
    - vi. The water rights, if applicable;
    - vii. The access rights to the Property;
    - viii. The planning and zoning circumstances associated with the Property, as evidenced by the OWEB Land Use Information Form submitted with the grant application, as well as other information obtained during the OWEB due diligence review process;
    - ix. The legal description of the Property;
    - x. The warranty deed for a fee transaction, or easement for a conservation easement acquisition;
    - xi. The condition of title and the title insurance policy, including specific exceptions to the policy;
    - xii. The matching contribution;
    - xiii. Grantee’s demonstrated compliance with applicable federal and state laws regarding relocation of displaced persons, including but not limited to requirements contained in ORS 35.510, as may be revised from time to time; and
    - xiv. Other conditions that the Director deems reasonably necessary as a result of OWEB due diligence review efforts after the Agreement has been signed by the Parties.

2. **Project-Specific Conditions.** In addition to the above, Grant Funds will not be disbursed under this Agreement until the following Project-specific conditions have been fulfilled to the full satisfaction of the Director:
- A. Grantee resolves, to the Director's satisfaction, any issues pertaining to Exceptions 13 and 14 in the preliminary title report dated October 18, 2013;
  - B. Grantee provides, and the Director approves, an updated preliminary title report showing that the fee simple estate is vested in Grantee;
  - C. The Director approves of the 2013 survey of the Property, and boundary line clarifications;
  - D. The Director determines that existing farm leases, if any, do not violate the Prohibited Uses provision of the standard form conservation easement to be granted to OWEB;
  - E. Consistent with Section 2 of the standard form conservation easement to be granted to OWEB, Grantee prepares and the Director approves a Description of Restored Conditions in the baseline inventory; and
  - F. Consistent with Section 6 of the standard form conservation easement to be granted to OWEB, Grantee develops a management plan that contains all necessary actions to phase out farming and restore the Property accordingly, including any actions a hydrologic assessment indicates are reasonable for improving hydrologic connections between the Willamette River and the Property and improving water quality in Horseshoe Lake.

Agenda Item H: Land Acquisition  
Application No. 214-9902  
Project Name: Mill Creek Ridge Oak Savanna

Miriam Hulst

**From:** Meta Loftsgaarden  
**Sent:** Monday, February 24, 2014 4:27 PM  
**To:** Mary Leighton  
**Subject:** RE: Public hearing on OWEB Land Grant application

Mary – thanks for your patience in waiting for a return email. In response to your questions, here is some information that covers the areas you mention below:

- 1) OWEB will not own the property – you are correct that we grant the money to Columbia Land Trust who will own the property. OWEB will reimburse based on an appraisal of the property and our review of that appraisal to make sure that it meets appraisal standards.
- 2) Columbia Land Trust is purchasing the property to conserve a large area of rare, mature pine-oak woodland and grassland. This purchase will also enlarge the existing conservation area, increasing overall habitat diversity, function and connectivity. They do not plan to graze the property, and will be focusing their management on weed eradication to ensure the property remains as a high quality property in the area. They may use controlled burns as a part of their project. They are currently in process of assessing whether the property is open range to determine what fencing requirements would exist.
- 3) In terms of your question about our grant funding, we do not provide grants to private landowners to acquire properties. Eligible grantees include land trusts, non-profits or units of government (city, county).

It is my understanding that Columbia Land Trust will contact you directly to discuss their management plans for the property, and as the long-term owner, they are in the best position to share with you their goals for the project.

Thanks again for taking time to raise your questions, and I hope this information along with your conversation with Columbia Land Trust, can answer any questions you may have.

Meta

Meta Loftsgaarden, Deputy Director  
Oregon Watershed Enhancement Board  
775 Summer St, NE Suite 360  
Salem, OR 97301-1290  
[meta.loftsgaarden@oweb.state.or.us](mailto:meta.loftsgaarden@oweb.state.or.us)  
503-986-0203

**From:** Mary Leighton [<mailto:maryasandoz@gmail.com>]  
**Sent:** Thursday, February 20, 2014 8:39 AM  
**To:** Meta Loftsgaarden  
**Subject:** Public hearing on OWEB Land Grant application

Good Morning Meta,

I just received by e-mail a notice of the hearing for the Land Grant Application No 214-9902. I do not take the local paper and my property is not touching the property being evaluated therefore I am late in getting a notice,

as my cousin did receive the notice and forwarded it to me. I hope I am able to ask a few questions.

First you should know that the property in question is my brother's property that he is trying to sell to the Columbia Land Trust. You should also know that this property has been in the Sandoz family for a very long time. As a final note you should know that I am the person that currently grazes 12 head of cattle from April to July on the property and this has been part of the cattle routine for 60 years.

My questions are this.

What will the OWEB be doing with the property? I think that I understand that the money will come from OWEB and go to Columbia Land Trust, but you will have some requirements as to what they can or cannot do with the land.

As a person that has used this property for the grazing of a few head of cattle for a few months when would I have had any information forwarded to me as to how this is going to affect me? Even my brother knew nothing of this meeting or how this is going to affect me.

I also am wondering about Grants. It seems that this money is government money and it is given out pretty freely. Can I myself write a grant and follow whatever rules apply and obtain this property that has been in our family forever? Or does it have to be some organization that already has a ton of money?

I am saddened that part of our family farm is being sold off, but my brother has made this decision and I personally do not have the money to buy the property as Columbia Land Trust came in and offered an unreasonable amount of money for the property, putting our entire family out of the picture. I feel that land conservation is important and we try to practice good conservation on our farm. I am concerned as to what the future may hold for this piece of property. Will it turn to a patch of noxious weeds, will it burn every year because of lightning strikes, what will happen if one of my cows trespasses accidentally, will I be fined? And then again, can I write a Grant and be the person that follows your rules for maintaining the land?

Please respond to some of my questions. I will have a representative at the meeting, but unfortunately I am not in town on that day.

Thank you for taking the time to read my e-mail.

Mary Leighton  
Co-Owner of Sandoz Farm

Agenda Item H: Land Acquisition  
Application No. 214-9902  
Project Name: Mill Creek Ridge Oak Savanna

Dan Richardson  
The Dalles, Oregon 97058  
current@gorge.net

Meta Loftsgaarden, OWFB Deputy Director  
Oregon Watershed Enhancement Board  
[meta.loftsgaarden@state.or.us](mailto:meta.loftsgaarden@state.or.us)

February 22, 2014

Re: Mill Creek Ridge Natural Area  
Grant Application No. 214-9902

Ms. Loftsgaarden:

I'm a resident of The Dalles and I'm writing to support Columbia Land Trust's grant application (No. 214-9902) to make a purchase of property for the ongoing "Mill Creek Ridge Natural Area" project.

This 170-acre purchase would be a key parcel along the ridge. It would help bind together other efforts to create a substantial natural area project - so the investment, from a taxpayer's perspective, seems prudent and highly cost-effective.

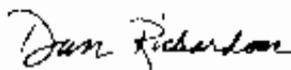
The property itself is well worth conserving. It boasts some intact native grass and plant communities, which are relatively rare in this area of the Columbia Gorge. The larger ridge conservation project, of which this property is central, will link habitats from the National Scenic Area to the national forest. This will provide a conservation corridor for wildlife, including both resident taxa and migrating bird populations. It's worth noting that this project protects habitat area in the East Cascades eco-region, a narrow (~20 miles wide) band of unique Oregon oak and mixed woodlands between the Cascade Range and the high desert of the Columbia Plateau.

There is also opportunity here for direct benefit to human Oregonians: Mill Creek Ridge could provide a hiking experience of stunning beauty in the eastern Columbia Gorge.

Finally, Columbia Land Trust is a worthy partner for this sort of property conservation effort. The Land Trust manages numerous parcels in the region. It's work has been characterized by a collaborative style, science-driven best management practices, and effective, long-term commitment to their projects.

Please fund Grant Application No. 214-9902.

Regards,



Dan Richardson



KRISTIN CURRIN

Numberoots@gorge.net

2355 OSBORNE CRT. OFF, MOSIER

### Project Benefits:

- much needed conservation & restoration of native plant communities
- much needed protection & enhancement of sensitive species such as Lewis woodpecker, western grey squirrel, etc...
- protection & enhancement of sensitive ecotype & bunch grass communities & <sup>endemic</sup> species.
- involvement & connecting local knowledgeable people, educate & involve public as stewards, volunteers & eventually as visitors
- native pollinator habitat - benefits local farms.
- management of invasive species
- ~~more~~ appropriate fire management.
- asset to community.

Submitted by  
Phil Brady

822 W. 19th St. The Dalles, OR  
philipbrady@emborgmail.com

## Benefits

The Oak Savannah parcel will allow wildlife migration between Browns Creek and Mill Creek drainages.

Agenda Item H: Land Acquisition  
Application No. 214-9902  
Project Name: Mill Creek Ridge Oak Savanna

## Concerns

The Dalles may see increased bicycle tourism, including trail riding. If access becomes available, and if trail riding becomes very popular, then ~~the~~ some riders may enter this area. An evaluation of the area for trail bike use may be necessary with potential regulation.

## EXHIBIT C

### REQUIRED CONDITIONS

In addition to other requirements specifically provided for in the Agreement, the disbursement of the Grant Funds is further conditioned on:

1. **Standard Conditions.** Unless otherwise agreed by the Director, Grant Funds will not be disbursed under this Agreement until the following standard conditions have been fulfilled to the full satisfaction of the Director.
  - A. Grantee imposes title restrictions on the Property consistent with OWEB's standard form conservation easement, as it may be revised from time to time.
  - B. The Director approves of the legal and financial terms of the acquisition, including, but not limited to:
    - i. The acquisition agreement (e.g., option, purchase and sale agreement, etc.); the Contingency Agreement, if applicable; and the agreement to transfer the Property to another party, if planned;
    - ii. The purchase price for the Property Interest, which shall be based on an appraisal and review appraisal completed in accordance with applicable appraisal standards, including the Uniform Standards of Professional Appraisal Practice, and if required, the Uniform Appraisal Standards for Federal Land Acquisitions;
    - iii. The Phase 1 Environmental Site Assessment, as well as additional investigative reports and action plans resulting from the Phase 1 Assessment;
    - iv. The Property survey, if required;
    - v. The baseline inventory completed for the Property;
    - vi. The water rights, if applicable;
    - vii. The access rights to the Property;
    - viii. The planning and zoning circumstances associated with the Property, as evidenced by the OWEB Land Use Information Form submitted with the grant application, as well as other information obtained during the OWEB due diligence review process;
    - ix. The legal description of the Property;
    - x. The warranty deed for a fee transaction, or easement for a conservation easement acquisition;
    - xi. The condition of title and the title insurance policy, including specific exceptions to the policy;
    - xii. The matching contribution;
    - xiii. Grantee's demonstrated compliance with applicable federal and state laws regarding relocation of displaced persons, including but not limited to requirements contained in ORS 35.510, as may be revised from time to time; and
    - xiv. Other conditions that the Director deems reasonably necessary as a result of OWEB due diligence review efforts after the Agreement has been signed by the Parties.

2. **Project-Specific Conditions.** In addition to the above, Grant Funds will not be disbursed under this Agreement until the following Project-specific conditions have been fulfilled to the full satisfaction of the Director:
- A. Grantee completes a county-approved lot line adjustment to legally separate the Property being purchased from the existing legal parcel;
  - B. Grantee resolves any issues pertaining to Exceptions 7, 8, 10, and 11 in the preliminary title report dated August 6, 2013;
  - C. Grantee provides, and the Director approves, an updated preliminary title report that pertains only to the Property; and
  - D. Grantee agrees that the management plan required by OWEB's standard form conservation easement will include consideration of:
    - i. The latest bark beetle management strategies, including an assessment of the risks and benefits of leaving affected pines in place as wildlife snags;
    - ii. Coordination with experts regarding the latest control techniques for invasive plant species such as knapweed;
    - iii. Rapid implementation of invasive plant management;
    - iv. Seasonal use restrictions to protect native animals such as ground-nesting birds and wintering ungulates;
    - v. Actions for a wide range of native species;
    - vi. Signage, fencing, and collaboration with neighbors and horseback riders and other recreationists to reduce disturbances and the spread of invasive species; and
    - vii. Any fire management actions that are compatible with protection and enhancement of the Property's conservation values.

**Miriam Hulst**

**Agenda Item H: Land Acquisition**  
**Application No. 214-9903**  
**Project Name: Southern Flow Corridor - Landowner Preferred Alternative**

**From:** Meta Loftsgaarden  
**Sent:** Tuesday, February 18, 2014 10:24 AM  
**To:** Miriam Hulst; Gretchen Kirchner; Paul Levesque  
**Subject:** Fwd: Hearing for Conservation Easement in Tillamook County & TBHEID Board Meeting

Gretchen - add this to what will become the official record. Thanks!

Sent from my iPhone

Begin forwarded message:

**From:** Tilda <[Tbheid@tillamookoffice.com](mailto:Tbheid@tillamookoffice.com)>  
**Date:** February 18, 2014 at 9:01:06 AM PST  
**To:** Meta Loftsgaarden <[meta.loftsgaarden@state.or.us](mailto:meta.loftsgaarden@state.or.us)>  
**Cc:** Bob Garrigues <[bg-capemeares@charter.net](mailto:bg-capemeares@charter.net)>  
**Subject: FW: Hearing for Conservation Easement in Tillamook County & TBHEID Board Meeting**

Bob Garrigues written comments for Feb. 18 OWEB Public Hearing on Tillamook land buy outs grant is submitted below. Please include in records.

Thank you, Tilda @ TBHEID Office

---

**From:** Bob Garrigues [<mailto:bg-capemeares@charter.net>]  
**Sent:** Friday, February 14, 2014 12:54 PM  
**To:** Tilda  
**Subject:** Re: Hearing for Conservation Easement in Tillamook County

Tilda,

Email is not recognizing Meta's email address from Mexico.

Bob

Sent from my iPod

Meta,

It is my personal opinion that our dry winter and coast range forest fires in January place increased emphasis on including impounding water on the upper reaches of Tillamook Bay streams/creeks. At this point I do not support the SFC project without impoundments moving into the top 10 on the [Oregon Solutions Projects Priority](#)

List from its current position at 29th. Nor will I sign an easement agreement without Hall Slough being opened up with the water being directed to this 500+ acres of buyout rather than the current path back into the Wilson. Dredging Hoquarion and Dougherty are also high on my list. Dredging the mouth of the Wilson River is appropriate too.

When the project was first conceived, a number of sub-committees were formed to bring back recommendations on how best to reduce the impact of flooding in the Tillamook basin. I personally was not a part of that process, but I have had conversations and email exchanges with a number of people who were. One of those was Greg Beaman, this areas state regional watermaster, who has been on this job for decades. The number one recommendation out of the sub-committee he participated in was impounding water. Instead of embracing the recommendation it was shot down and picked part almost immediately.

Too much unknown information, who owns the land, federal, state, or private, too much paperwork, etc., etc.

The benefits listed were at the top of everyone's list. Reduction of flow into the lower basin during heavy rain, increased water flow during low flow summer months, increased access to irrigation water in lower basin (there is zero water available now, every drop is spoken for), available water for fire in forest land, possible power generation, recreational areas within an hour drive of large metropolitan area. The list went on, I'm working from memory on my iPod at a remote location so I don't have the complete list.

My point is if we are really serious about reducing flood impact in the Tillamook basin, money needs to be spent on researching placement, costs, benefit impact, and more of impounding water. This is the time to do it. Not further down the road with some other program in the misty future.

Global climate changes are affecting us all. Tillamook County is no different. There is a shortage of fresh, clean water in our own community, and we should be making every effort to conserve each drop, and not let it pass through and over our land without [attempting to maximize the benefit](#).

Respectfully,

Bob Garrigues

Cape Meares, Oregon

**Agenda Item H: Land Acquisition**

**Application No. 214-9903**

**Project Name: Southern Flow Corridor - Landowner Preferred Alternative**

**Public Statements via voice recorder**

**Dan Biggs**, Executive Director of the Economic Development Council of Tillamook County and the Executive Director of the Small Business Development Center of Tillamook County

“Our office touches a lot of different people in different businesses so this is critical from a small business development perspective and from an economic development perspective. It really affects people we talk with throughout the state and the nation as we try to bring them into the county. The final thing I’d like to state is that through the passage of this we’re going to be spending significant dollars to promote Tillamook County and especially in what’s called the shoulder season, not the summer session. A project like this is going to have a significant impact on tourism if it’s not approved.”

**Senator Betsy Johnson**

“These acquisitions are that final piece that’s gonna let us do this hardest restoration on the west coast and I just couldn’t let the opportunity pass and not weigh in with how supportive I am.”

“We’ve been through this huge public process. These acquisitions are the last pieces we need to do this. It also fully maximizes the previous acquisition that was done with OWEB funds. And I just can’t think of a more consequential project that marries both flood reduction and ecosystem restoration and I appreciate OWEB’s partnership and I hope that the funds are available. They are critical to us finishing this project.”



Agenda Item H: Land Acquisition  
Application No. 214-9903  
Project Name: Southern Flow Corridor -  
Landowner Preferred Alternative

*Land of Cheese, Trees and Ocean Breeze*

Board of Commissioners  
Bill Baertlein, Tim Josi, Mark Labhart  
201 Laurel Avenue  
Tillamook, Oregon 97141  
Phone 503-842-3403  
Fax 503-842-1384  
TTY Oregon Relay Service

February 12, 2014

Oregon Watershed Enhancement Board  
775 Summer Street NE, Suite 360  
Salem, OR 97301

To Whom It May Concern:

The Tillamook County Board of Commissioners strongly supports and is committed to the Oregon Solutions Southern Flow Corridor Landowner Preferred Alternative Project.

Not only are these acquisitions the final piece necessary to enable the 521 acre restoration, but the purchase of these properties provides the only alternative to fully restore the original 377 acres acquired a decade ago with OWEB funds and other federal and local investments.

As a direct consequence of this project, flooding will be reduced over 3,000 acres thereby directly benefitting 540 structures and resulting in \$9.2 million in avoided flood damage over the life of the project.

The requested OWEB funds are critical to the success of this project.

Sincerely,

BOARD OF COMMISSIONERS FOR  
TILLAMOOK COUNTY, OREGON

Bill Baertlein, Chair

Tim Josi, Vice Chair

Mark Labhart, Commissioner

Agenda Item H: Land Acquisition  
Application No. 214-9903  
Project Name: Southern Flow Corridor -  
Landowner Preferred Alternative

Dale & Jackie Buck

**From:** Gretchen Kirchner <gretchen.kirchner@state.or.us>  
**Sent:** Friday, January 31, 2014 12:20 PM  
**To:** aaron.hartwell@fema.dhs.gov; albertd@hort.oregonstate.edu; apalter@potb.org; bbaertle@co.tillamook.or.us; betsy@betsyjohnson.com; LANDRUM Carrie; dalebuck@centurylink.net; GOODY Dan B; dennypastega@gmail.com; Donald.L.Erickson@usace.army.mil; garry.gall@fema.dhs.gov; gmccraw@co.tillamook.or.us; gusmeyer9@gmail.com; hurlimanchucksue@yahoo.com; info@prsolutions.org; jdovetillangers@embarqmail.com; jennifer.purcell@state.or.us; jjohnson@nhc-sea.com; Jmulder@tillamook.com; Helm, John; julie.slevin@oem.state.or.us; Karen.L.Nelson@usace.army.mil; SKINNER Kate; ken.phippen@noaa.org; Larry.MCKINLEY@odot.state.or.us; lauren.senkyr@noaa.gov; lbeeney@pdx.edu; Lois.Lopez@fema.dhs.gov; WARNER-DICKASON Lori; lphipps@tbnep.org; mark.eberlein@fema.dhs.gov; Bradley, Michele; megan.hilgart@noaa.gov; Melanie.gange@noaa.gov; mhenry@hbh-consulting.com; Michael.R.Turaski@usace.army.mil; mlabhart@co.tillamook.or.us; mtrenholm@wildsalmoncenter.org; Nehalemmarine@gmail.com; Peter.D.Dickerson@usace.army.mil; plevesqu@co.tillamook.or.us; pwyntergreen@tillamookor.gov; rachel@tbnep.org; rfenk@embarqmail.com; KLUMPH Rick L; science.kilner@fema.dhs.gov; tbennett@nhc-sea.com; tbheid@tillamookoffice.com; vCollins@nhc-sea.com; victordairy@centurylink.net; william.kerschke@fema.dhs.gov; york@tbnep.org  
**Cc:** Gretchen Kirchner; Meta Loftsgaarden; Miriam Hulst  
**Subject:** Hearing for Conservation Easement in Tillamook County  
**Attachments:** 214-9903 map.pdf

You've received this message because Tillamook County has indicated that you might be interested in knowing about a pending acquisition project.

**PUBLIC HEARING NOTICE**  
In Accordance with OAR 695-045-0185 and ORS 271.735

**OWEB Land Acquisition Grant Program**  
Concerning Approximately 120 Acres in the Vicinity of Tillamook  
Grant Application No. 214-9903

The Oregon Watershed Enhancement Board (OWEB) is a state agency that provides grants to help Oregonians take care of local streams, rivers, wetlands, and natural areas.

OWEB is considering a grant of funds to Tillamook County for the purpose of purchasing certain property rights on approximately 120 acres in the vicinity of the City of Tillamook (map attached), under Grant Application No. 214-9903. OWEB will hold a conservation easement, or third party rights of enforcement in a conservation easement, if the property rights are purchased with OWEB funds.

OWEB will hold a public hearing on **February 18, 2014** for the purpose of providing interested parties with a meaningful opportunity to comment on the OWEB grant application. Questions or comments about the grant application, or public hearing, are to be directed to the OWEB representative identified below.

Requests for special accommodations in order to participate in the public hearing must be made at least seven (7) days prior to the hearing. Written comments concerning the grant application must be received by OWEB on or before April 15, 2014.

Hearing Location: Tillamook City Hall  
210 Laurel Avenue  
Tillamook, OR 97141

Hearing Date & Time: February 18, 2014  
11:00 AM - 12:00 PM

OWEB Representative: Meta Loftsgaarden, OWEB Deputy Director  
775 Summer St. NE, Suite 360  
Salem, OR 97301-1290  
(503) 503-986-0203  
[meta.loftsgaarden@state.or.us](mailto:meta.loftsgaarden@state.or.us)

A map indicating the location of the proposed project is attached for your information.

Commissioner Labhart:  
I support the item in this meeting

Dale Buck

Sorry I just can not attend.



# Oregon

John A. Kitzhaber, M.D., Governor

## Department of Fish and Wildlife

Northwest Region  
4907 3<sup>rd</sup> Street  
Tillamook, OR 97141  
(503) 842-2741  
Fax (503) 842-8385  
[www.dfw.state.or.us](http://www.dfw.state.or.us)



**Agenda Item H: Land Acquisition**  
**Application No. 214-9903**  
**Project Name: Southern Flow Corridor -**  
**Landowner Preferred Alternative**

February 18, 2014

To Whom It May Concern:

The Oregon Department of Fish and Wildlife strongly supports the Southern Flow Corridor Landowner Preferred Alternative (SFC) OWEB application submitted by Tillamook County. The Oregon Department of Fish and Wildlife has been directly involved in the development of this project from the very beginning. Our staff has most recently served as a member of the overall Project Team and as chairperson of the Design Team. Our biologists remain committed to assisting with development of local, state, and federal permit applications, as well as with both pre- and post-project monitoring design and implementation. In short, we are a strong advocate and partner in this project.

The SFC project area lies between the confluence of the Wilson and Trask rivers – historically, two of the most productive salmon producing rivers on the Oregon Coast. We believe that the primary factor limiting the current production of Chinook salmon in these rivers, and other rivers within the Tillamook Bay watershed, is related directly to the historic loss of critical estuarine rearing habitat of which juvenile Chinook salmon are extremely dependent. ODFW has estimated that restoring the tidal marshes and channels within the SFC project area will potentially produce several thousand additional adult fall and spring Chinook salmon annually. This additional production will provide for sustainable populations and fish for important sport and commercial fisheries in the ocean, as well as the popular sport fishery in Tillamook Bay. Other salmonid species will also directly benefit from this project including estuarine-dependent chum salmon and subyearling coho (ESA listed *Threatened*) who enter the upper estuary months before they are ready for ocean entry.

The SFC project area encompasses 10% of the historic tidal acreage in the Tillamook Bay basin. With 521 acres and 14 miles of restored tidal channels, this is from an ecological perspective, one of the most significant habitat restoration projects undertaken in Oregon. We strongly urge OWEB to fund the acquisition of the much-needed additional ~120 acres.

Sincerely,

Chris Knutsen  
District Fish Biologist  
ODFW - North Coast Watershed District



TILLAMOOK BAY HABITAT & ESTUARY  
IMPROVEMENT DISTRICT

Post Office Box 700 • Tillamook, Oregon 97141  
503-815-8164 • TBHEID@tillamookoffice.com

Agenda Item H: Land Acquisition  
Application No. 214-9903  
Project Name: Southern Flow Corridor - Landowner Preferred Alternative

November 26, 2013

Commissioner Mark Labhart  
201 Laurel Avenue  
Tillamook, OR 97141

Senator Betsy Johnson  
Post Office Box R  
Scappoose, OR 97056

Re: Oregon Solutions Southern Flow Corridor Project Land Buy Outs

Dear Oregon Solutions Co-Conveners Mark & Betsy,

To sustain the local community socially and economically, the Tillamook Bay Habitat & Estuary Improvement District (TBHEID) formed in 2002 to protect private property and public infrastructure from mounting flood damages occurring in the lower Tillamook Bay watershed between City of Tillamook and Bay City. District revenues and works supplement the areas vital tax base and public safety.

TBHEID has consistently supported flood measures with "no net loss" of local industry and private property in a county that is now 86% publicly owned according to realtor figures. Specifically, TBHEID advocates no more private property buy outs for unfunded and unimplemented public projects, such as occurred in the 2003 public buy out of 377 acres on southeast Tillamook Bay.

Tax base revenues legislated for agencies such as the Oregon Watershed Enhancement Board (OWEB grants) and non-profits like The Nature Conservancy (TNC) undermines 150 years of Tillamook private sector social and economic development needed to sustain its future.

The September \$97,000 county contract with William F Paulus to finalize the \$1.6M OWEB grant and 121 acres of additional land buy outs when in July TBHEID, Region X FEMA grantors, and other locals publicly stated no buy outs prior to finalization of FEMA's Environmental Impact Study (EIS), triggered the writing of this letter reiterating the "no net loss" public statements made to commissioners, Oregon Solutions Teams, agencies, grantors, officials, and nonprofits.

Respectfully,  
TBHEID Board & Associates

*B. J. Mammario*  
*Doug Rosenberg*  
*Judy Fenk*

*Judith A. Mammario*  
*Don Cohen*  
*Ch. Mayer*

*Ch. V. W.*  
*Tilda Jones*  
*Denny Pastega*

Cc: Paul Levesque/SFC Project Manager, Aaron Palter & Michelle Bradley/POTB Board, Joe Rocha/TCCA Board, Rudy Fenk/SWCD Board, Karl Zweifel/Farm Bureau Board, Bill Kerschke/Region X FEMA Environmental Specialist, Ken Bierely/OWEB, Rachel Hagerty/TEP

TILLAMOOK BAY HABITAT & ESTUARY IMPROVEMENT DISTRICT BOARD  
Chad Allen 801-1097 • Bub Boquist 842-2019 • Jon Cummings 815-8301 • Kathleen Didier 815-292  
Judy Mammario 355-2520 • Denny Pastega 801-8000 • Doug Rosenberg 842-4191 • Staff: Tilda Jones

FEMA REGION X

DEC 5 2013

RECEIVED

Agenda Item H: Land Acquisition  
Application No. 214-9903  
Project Name: Southern Flow Corridor - Landowner Preferred Alternative

***RBS Investments, Inc.  
PO Box 224  
Tillamook, OR 97141***

Date: February 24, 2014

To: [Meta.loftisgaarden@state.or.us](mailto:Meta.loftisgaarden@state.or.us)

Re: OWEB Land Acquisition Grant Program

As a local property owner with over 60 acres of land in the affected area, and long-time owner of Rosenberg Builders Supply, we are opposed to public buyout of additional land in the county. Prior to construction of flood protection facilities, our builders supply was one of the major flood loss businesses in the area. We have been involved in solutions to flooding problems since the 1970's

We have been directly involved with the Tillamook Bay Habitat and Estuary Improvement District, which was the creator of the original lower basin restoration plan. The District's plan was the only one that was recommended by the \$3.3 million ACOE Feasibility Study in 2004. At the time, that plan could have been accomplished at a total cost of under \$1 million.

Since the TBHEID plan is still viable, since little flood reduction is shown in much of the flood plain by the new SFC project, and since a vast portion of Tillamook County is already in the ownership of multiple governments, We are opposed to further government buyouts. The fact is that a very small percentage of county land is in private ownership and available to support local business, industry and private uses.

Another major factor in our opposition is that little flood relief is generated by the Southern Flow Corridor project. Very small reduction in water level is shown for much of the flood plain. The cost, and removal of more private property from the tax roles, is not justified by the predicted flood reductions. The SFC engineering shows such small reduction in the area of the builders supply, and our remaining 60+ acres, that no reduction in damages will result.

We have committed to support the SFC project, subject to it meeting the goals of the TBHEID. Until further flood level reductions are proven, the SFC does not meet those goals.

Yours truly,

Doug Rosenberg, Pres.

## EXHIBIT C

### REQUIRED CONDITIONS

In addition to other requirements specifically provided for in the Agreement, the disbursement of the Grant Funds is further conditioned on:

1. **Standard Conditions.** Unless otherwise agreed by the Director, Grant Funds will not be disbursed under this Agreement until the following standard conditions have been fulfilled to the full satisfaction of the Director.
  - A. Grantee imposes title restrictions on the Property consistent with OWEB’s standard form conservation easement, as it may be revised from time to time.
  - B. The Director approves of the legal and financial terms of the acquisition, including, but not limited to:
    - i. The acquisition agreement (e.g., option, purchase and sale agreement, etc.) and the agreement to transfer the Property to another party, if planned;
    - ii. The purchase price for the Property, which shall be based on an appraisal and review appraisal completed in accordance with applicable appraisal standards, including the Uniform Standards of Professional Appraisal Practice, and if required, the Uniform Appraisal Standards for Federal Land Acquisitions;
    - iii. The Phase 1 Environmental Site Assessment, as well as additional investigative reports and action plans resulting from the Phase 1 Assessment;
    - iv. The Property survey, if required;
    - v. The baseline inventory completed for the Property;
    - vi. The water rights, if applicable;
    - vii. The access rights to the Property;
    - viii. The planning and zoning circumstances associated with the Property, as evidenced by the OWEB Land Use Information Form submitted with the grant application, as well as other information obtained during the OWEB due diligence review process;
    - ix. The legal description of the Property;
    - x. The warranty deed for a fee transaction, or easement for a conservation easement acquisition;
    - xi. The condition of title and the title insurance policy, including specific exceptions to the policy;
    - xii. The matching contribution;
    - xiii. Grantee’s demonstrated compliance with applicable federal and state laws regarding relocation of displaced persons, including but not limited to requirements contained in ORS 35.510, as may be revised from time to time; and
    - xiv. Other conditions that the Director deems reasonably necessary as a result of OWEB due diligence review efforts after the Agreement has been signed by the Parties.

2. **Project Specific Conditions.** In addition to the above, Grant Funds will not be disbursed under this Agreement until the following conditions have been fulfilled by Grantee to the full satisfaction of the Director, and all property interests identified in Exhibit A-2 have been acquired by Grantee:
- A. Grantee has secured, and provided OWEB with copies of all options, option extensions, purchase and sale agreements or exchange agreements for the Allen, Diamond F, Gienger, Jones and Sadri properties by September 30, 2014, all which: (i) sufficiently address the specific circumstances of the Project; and (ii) will result in an acquisition outcome acceptable to OWEB.
  - B. The Record of Decision is issued for the environmental impact statement being completed by FEMA.
  - C. Grantee satisfies all Standard Conditions above, except 1(B)(ii) and 1(B)(xii), as to the Allen and Gienger Properties.
  - D. Grantee agrees to grant OWEB an OWEB-approved conservation easement over the Property, the Previous Purchase, and the Allen and Gienger properties.
  - E. Grantee resolves, to the Director’s satisfaction, title issues pertaining to:
    - i. Exceptions 10, 11, 12, and 14 of the preliminary title report for the Diamond F property, dated January 7, 2014;
    - ii. Exceptions 13, 14 15, and 16 of the preliminary title report for the Jones property, dated December 30, 2013;
    - iii. Exceptions 12 and 13 of the preliminary title report for the Sadri property, dated January 7, 2014;
    - iv. Exceptions 8, 9, 13, and 14, and Note F of the preliminary title report for the Gienger property, dated October 3, 2013; and
    - v. Exceptions 8, 15 and 16 of the preliminary title report for the Allen property, dated September 12, 2013;
    - vi. The 60 and 30-foot wide easements provided for in the Sadri vesting deed legal description; and
    - vii. The 35-foot wide easement provided for in the Diamond F vesting deed legal description.
  - F. Grantee’s appraiser takes into consideration valuation impacts, if any, to the Jones property caused by Exception 13 of the preliminary title report for the Jones property, dated December 30, 2013.
  - G. Grantee’s appraiser takes into consideration valuation impacts, if any, resulting from findings and decisions of the Department of Environmental Quality relative to the environmental condition of the Sadri property.
  - H. Grantee obtains a survey of all of the Restoration Property’s boundary lines that abut private ownerships.
  - I. Grantee shares due diligence information with OWEB in a timely manner and does not accept title to the Diamond F, Jones, Sadri, Allen or Gienger properties without OWEB’s prior written approval of the seller’s warranty deed to Grantee.
  - J. Grantee signs a cooperative agreement, acceptable to OWEB, with one or more of its Restoration Project partners regarding the parties’ roles and responsibilities for long-term stewardship of the Restoration Property.
  - K. Grantee demonstrates that the restoration as contemplated by the Project partners will not be hindered by any environmental remediation required for the Sadri property.

- L. Grantee agrees to ensure that the Restoration Property is restored to full tidal inundation by December 31, 2016.
- M. Grantee agrees that the use of revenue, if any, generated from the Property will be restricted to restoration or management of the Restoration Property, with priority placed on restoration and stewardship of tidal wetlands. Grantee further agrees that revenue-generating use authorizations on the Restoration Property, if any, will be terminated in a timeframe necessary for Grantee to accomplish the restoration specified in 2(L) above.
- N. Grantee agrees to decommission all infrastructure, including but not limited to the Jones well and manure tanks and the Diamond F septic tank, in accordance with all applicable laws, regulations, and ordinances.
- O. Grantee agrees that the management plan required by OWEB’s standard form conservation easement will include: (i) an assessment, by an independent subject matter expert, of natural revegetation five years after completion of the construction portion of the restoration; (ii) active revegetation of any area of the Restoration Property the vegetation assessment determines is not regenerating robust native vegetation; (iii) invasive species control measures; and (iv) and all other management actions necessary to enhance and protect the Restoration Property’s Conservation Values.
- P. Grantee acknowledges that if restoration designs determine that it is necessary to acquire any other property interest in order to accomplish the OWEB-required restoration of the Restoration Property, OWEB may apply any of the above funding conditions or other funding conditions to the property interests as determined by the Director to be necessary to ensure the soundness of OWEB’s investment.

**OWEB PUBLIC HEARING, DALLAS, OREGON, FEB. 19, 2014**

**CHRIS ACHTERMAN TESTIMONY**

**MY NAME IS CHRIS ACHTERMAN. I AM HERE TODAY TO SPEAK IN SUPPORT OF  
OWEB FUNDING FOR PURCHASE OF HAYDEN ISLAND BY THE TRUST FOR  
PUBLIC LAND.**

**FOR THE PAST TWO YEARS, I HAVE BEEN WORKING WITH FRIENDS AND  
FAMILY OF MY LATE SISTER, GAIL ACHTERMAN, TO HONOR HER DYING  
REQUEST TO PRESERVE NATURAL AREAS ALONG THE WILLAMETTE RIVER  
SHE SO LOVED.**

**GAIL DIED IN JANUARY 2012 FROM PANCREATIC CANCER AFTER MANY YEARS  
OF DEDICATED PUBLIC SERVICE TO OREGON. SHE WAS ONE OF OREGON'S  
FOREMOST EXPERTS IN RESOURCE CONSERVATION AND MANAGEMENT,  
ENVIRONMENTAL LAW AND POLICY, AND TRANSPORTATION POLICY AND  
PLANNING. SHE WAS A FRIEND AND TEACHER TO MANY, AND A VISIONARY  
LEADER COMMITTED TO <sup>Restoring & Preserving</sup> RESTORING AND PRESERVING THE WILLAMETTE  
RIVER VALLEY IN THE FACE OF POPULATION GROWTH AND INCREASING  
PRESSURE ON THE RIVER'S RESOURCES. <sup>in the valley's</sup>**

**OUR GROUP OF VOLUNTEERS IS PARTNERING WITH THE TRUST FOR PUBLIC  
LAND, THE STRAUB ENVIRONMENTAL LEARNING CENTER, SEVERAL STATE**

**AGENCIES, AND PRIVATE FOUNDATIONS AND DONORS TO CREATE A NATURE PRESERVE ON HAYDEN ISLAND IN GAIL'S NAME. THE ACHTERMAN FAMILY GREW UP IN SALEM, SO THERE IS NO BETTER TRIBUTE TO OUR SISTER THAN PRESERVING THESE ACRES ALONG THE WILLAMETTE IN POLK COUNTY NEAR OUR HOME.**

**I URGE OWEB TO MAKE THIS GRANT TO THE TRUST FOR PUBLIC LAND. THE GRANT, WITH THE OTHER PUBLIC AND PRIVATE FUNDS WE HAVE OBTAINED, WILL BRING US 85% OF THE WAY TO FUNDING ACQUISITION AND CONSERVATION OF THIS ONE-OF-A-KIND NATURAL AREA ALONG THE MID-WILLAMETTE. WE WILL HONOR THE FINAL REQUEST OF MY SISTER, GAIL ACHTERMAN, WHO GAVE SO MUCH TO THE STATE AND CARED SO PASSIONATELY ABOUT PRESERVING OREGON'S NATURAL BEAUTY FOR FUTURE GENERATIONS.**

**THANK YOU.** *This is particularly true for the valley where she wanted to create a public vision regarding the health of the river and a balanced plan for growth which protects the nature & character of the valley.*

## EXHIBIT C

### REQUIRED CONDITIONS

In addition to other requirements specifically provided for in the Agreement, the disbursement of the Grant Funds is further conditioned on:

1. **Standard Conditions.** Unless otherwise agreed by the Director, Grant Funds will not be disbursed under this Agreement until the following standard conditions have been fulfilled to the full satisfaction of the Director.
  - A. Grantee imposes title restrictions on the Property in accordance with ORS 541.960, as provided for more specifically below.
  - B. The Director approves of the legal and financial terms of the acquisition, including, but not limited to:
    - i. The acquisition agreement (e.g., option, purchase and sale agreement, etc.); the Contingency Agreement, if applicable; and the agreement to transfer the Property to another party, if planned;
    - ii. The purchase price for the Property Interest, which shall be based on an appraisal and review appraisal completed in accordance with applicable appraisal standards, including the Uniform Standards of Professional Appraisal Practice, and if required, the Uniform Appraisal Standards for Federal Land Acquisitions;
    - iii. The Phase 1 Environmental Site Assessment, as well as additional investigative reports and action plans resulting from the Phase 1 Assessment;
    - iv. The Property survey, if required;
    - v. The baseline inventory completed for the Property;
    - vi. The water rights, if applicable;
    - vii. The access rights to the Property;
    - viii. The planning and zoning circumstances associated with the Property, as evidenced by the OWEB Land Use Information Form submitted with the grant application, as well as other information obtained during the OWEB due diligence review process;
    - ix. The legal description of the Property;
      - x. The warranty deed for a fee transaction, or easement for a conservation easement acquisition;
      - xi. The condition of title and the title insurance policy, including specific exceptions to the policy;
      - xii. The matching contribution;
      - xiii. Grantee's demonstrated compliance with applicable federal and state laws regarding relocation of displaced persons, including but not limited to requirements contained in ORS 35.510, as may be revised from time to time; and
      - xiv. Other conditions that the Director deems reasonably necessary as a result of OWEB due diligence review efforts after the Agreement has been signed by the Parties.

2. **Project-Specific Conditions.** In addition to the above, Grant Funds will not be disbursed under this Agreement until the following Project-specific conditions have been fulfilled to the full satisfaction of the Director:
- A. Grantee conveys a conservation easement jointly to OWEB and the Bonneville Power Administration (BPA) in a form acceptable to OWEB and BPA.
  - B. An entity acceptable to OWEB agrees to become the long-term owner and manager of the Property in accordance with terms and conditions required by OWEB.
  - C. Grantee clarifies, to the Director's satisfaction, any matters of vacation or encroachment of the public road that leads to the Property;
  - D. Grantee clarifies, to the Director's satisfaction, matters of power lines on the Property, and demonstrating that any power lines on the Property will not impede the intended restoration and management of the Property;
  - E. Grantee resolves, to the Director's satisfaction, any issues pertaining to Exception 11 on the preliminary title report dated October 10, 2013;
  - F. The Director approves of a surveyor's confirmation that the Property's legal description accurately reflects on-the-ground conditions, and that a revised legal description is not necessary; or a Property survey and updated legal description, if necessary;
  - G. Grantee addresses all zoning matters necessary to ensure that the Property can be acquired and used as described in the grant application;
  - H. The OWEB-approved long-term owner of the Property agrees to manage the Property for restoration and protection of its Conservation Values; and
  - I. The Parties and other project partners sign a Memorandum of Understanding regarding roles and mitigation crediting.



# Oregon

John A. Kitzhaber, MD, Governor

## Oregon Watershed Enhancement Board

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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Renee Davis-Born, Senior Policy Coordinator

**SUBJECT: Agenda Item I: Water Acquisitions Program Update and Grant Awards  
April 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This staff report updates the Board about implementation status of the newly refined water acquisition grant-making program, including the pilot test of a coordinated funder framework approved by the Board at its January 2014 meeting. The report also outlines the process being used for the first solicitation of water acquisition grant applications under this framework. At the April Board meeting, staff will provide additional information about these applications, including evaluation summaries for these projects, and make funding recommendations to the Board.

### II. Water Acquisition Program Refinements -- Implementation Status

In June of 2013, the OWEB Board adopted revised administrative rules for OWEB's water acquisition grants. These revised rules created the opportunity for OWEB to coordinate with other funders of water acquisitions to increase efficiency and effectiveness of OWEB's investments in streamflow restoration. Following adoption of the revised rules, staff worked with other funders including Bonneville Power Administration (BPA), the National Fish and Wildlife Foundation (NFWF), and the Bonneville Environmental Foundation (BEF), to draft a coordinated funder framework. This framework outlines a streamlined for soliciting, reviewing and making funding recommendations in a way that leverages funders' collective investments and creates a more efficient process for local implementers of water acquisitions.

At its January 2014 meeting, the Board approved the associated water acquisitions guidance, which describes the priorities, principles and process for water acquisition grant-making (Attachment A). The process section of the guidance outlined that the 2013-2015 biennium would be used as a pilot test of the coordinated funder framework.

Staff have designed and are implementing grant-making processes, beginning with hiring a contractor to assist OWEB in developing and overseeing the coordinated funder framework. The contract was awarded to NFWF based on its strong background in water transactions and demonstrated, extensive experience working with agencies and other funders to design and implement funding programs for streamflow restoration. OWEB and NFWF staff have since designed the solicitation and review process for water acquisition grant applications. The process leverages the Columbia Basin Water Transactions Program (CBWTP) that NFWF already has in place with BPA and supplements this

with additional application materials and review process steps that address the requirements of OWEB's revised administrative rules.

### **III. First Grant Solicitation for the Pilot Coordinated Funding Framework**

The Board-approved guidance noted that only approved and qualified local entities that have water acquisition programs in already in place would be eligible for grants the pilot 2013-15 biennium. This approach reduces the risk to OWEB of funding an entity with an emerging water acquisition program with little experience in carrying out complex water transactions.

Grant proposals were submitted to OWEB and NFWF by two entities: the Deschutes River Conservancy (DRC) and The Freshwater Trust (TFT). The total amount of funding requested from OWEB under these proposals is approximately \$123,000. Technical review of these projects has been completed through the Technical Advisory Committee established under the CBWTP. The second stage of review, which involves OWEB and NFWF staff evaluating the projects based on additional criteria associated specifically with OWEB's requirements, is in progress. Upon completion of this review, staff will convene the past Board Subcommittee on Acquisitions to complete a final review of the application evaluations and make a recommendation to the full Board about funding.

At the April Board meeting, staff will provide summaries and evaluation results for these two proposed programs and request that the Board consider awarding funds based on the outcome of the review process.

### **IV. Recommendation**

Based on the results of the in-progress evaluation of water acquisition grant proposals received under the first solicitation for the pilot coordinated funding framework, staff will provide a funding recommendation to the Board at the April Board meeting.

#### Attachments

- A. Approved Guidance: Water Acquisition Grants – Coordinated Funder Framework
- B. First Solicitation of Water Acquisition Proposals – Program Summaries, Review Findings and Staff Recommendations (*to be provided to the Board at the April 2014 meeting*)

## Water Acquisition Grants

### OWEB BOARD APPROVED GUIDANCE

***Note:*** *The 2013-2015 biennium will serve as a pilot of the coordinated funder framework to test this approach to grant-making by OWEB and other funders.*

Under OAR 695-046 for water acquisition grants, the Board must approve guidance that describes the priorities, principles and process for grant-making. OWEB will only consider individual water acquisition projects if they are part of a larger water acquisition program.

I. Priorities – The Board prioritizes the funding of water acquisition programs or projects that increase instream flow to do one or both of the following:

- 1) Address the conservation needs of habitats and native fish and wildlife species; or
- 2) Improve water quality in a water-quality-limited area as determined by the Oregon Department of Environmental Quality.

II. Principles

- 1) OWEB will fund water acquisition programs or projects in partnership with other funders for the purpose of creating operational efficiencies and better coordinating investments in water acquisitions.
- 2) OWEB will fund water acquisition programs or projects that have demonstrated potential to achieve significant ecological outcomes.
- 3) OWEB will fund water acquisition programs or projects that have a business plan, which describes:
  - a. Socio-economic strategy,
  - b. Demonstrated organizational capacity by the grant applicant, and
  - c. Sound program or project planning.

III. Process for Grant-making

- 1) OWEB completes a procurement process for an entity with which to contract to help OWEB develop, oversee and implement the coordinated funder framework for water acquisition grants.
- 2) OWEB contracts with the successful entity (hereafter, “the Contractor”) to build on existing frameworks for coordinated funding in a way that incorporates OWEB water acquisition grants into a broader coordinated funder framework.
- 3) OWEB and the Contractor work to develop additional application requirements (e.g., business plan), evaluation criteria, review process steps (e.g., technical evaluation, due diligence, tribal notification), etc. for the existing frameworks to create a broader coordinated funder framework that satisfies the requirements of OWEB’s administrative rules for water acquisition grants.

- 4) OWEB and the Contractor use 2013-2015 as a pilot test of the coordinated funder framework. This focus results in only approved and qualified local entities that have water acquisition programs or projects already in place (as opposed to emerging programs) being eligible for grants this biennium.
  - a. Between February and April of 2014, OWEB and the Contractor complete solicitation and review process for water acquisition programs and projects, in conjunction with OWEB and other funders.
  - b. Results and funding recommendations, which are developed in a coordinated fashion among the Contractor, OWEB and other funders, are provided to the OWEB Board.
  - c. The OWEB Board retains authority for awarding water acquisition grants. In April of 2014, the OWEB Board reviews the recommendations from the review/evaluation process and awards a single grant to the Contractor for selected water acquisition programs and projects. These grant funds subsequently are distributed to the local implementers of water acquisition programs or projects.
  - d. The Contractor coordinates all grant administration and reporting on behalf of the local implementers funded with the OWEB grant.
  - e. Based on lessons learned from implementation during 2014, the process is adaptively managed and applied again in 2015. The solicitation and review of water acquisition programs and projects would occur between January and April of 2015. The OWEB Board would review recommendations and award a grant to the Contractor, which would subsequently distribute these funds to local implementers, at its April 2015 meeting.
- 5) At the end of the 2013-2015 biennium, OWEB staff will assess the effectiveness and efficiency of its participation in the coordinated funder framework. Based on this assessment, staff will make recommendations to the Board about necessary refinements to the Board approved guidance for water acquisition grants for consideration at the October 2015 Board meeting.
- 6) During the 2013-2015 biennium (and beyond, as appropriate), the OWEB and the Contractor will work to a) secure additional funding for development of the coordinated funder framework, b) expand the pool of co-funders of water acquisitions, and c) reach out to organizations with emerging water acquisitions programs regarding future grant-making opportunities.

## 2013-2015 Pilot Coordinated Funder Framework for Water Acquisition Grants

<b>Project Name:</b>	Annual Water Leasing Program - 2014		
<b>Local Entity:</b>	Deschutes River Conservancy	<b>Region:</b>	4 - Central Oregon
<b>Basin:</b>	Deschutes	<b>County:</b>	Multiple
<b>OWEB Request:</b>	<b>\$64,735</b>	<b>Total Cost:</b>	<b>\$187,165</b>

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### Application Description

Deschutes River Conservancy (DRC) requests funds to help support its Annual Water Leasing Program (AWLP) that protects water instream in the middle and lower Deschutes River Basin. Through annual leases ranging from one to five years in length, the program will temporarily restoring up to 42 cubic feet per second (cfs) of water to the middle Deschutes River and up to 12 cfs of water to the lower Deschutes River. The program works with a combination of irrigation districts and individual landowners, with leases anticipated for 17 irrigation district related water rights and 30 individual water rights (approximately 4,700 acres of land is appurtenant to these rights). Seniority of the water rights ranges depending on the location, with the oldest rights being between 1880 and 1917. The increased streamflow addresses limiting factors that have been identified in state conservation plans and federal recovery plans for redband trout, Chinook salmon and steelhead; benefits bull trout and spotted frogs; and has the potential to address 303(d) listings for water temperature in the Deschutes Basin. DRC requests funding from OWEB for staff support, contracted services, travel, grant administration, and other (i.e., instream lease payments and state fees) costs.

## REVIEW

### Technical Review

The Columbia Basin Water Transactions Program (CBWTP) Technical Advisory Committee (TAC) reviewed the DRC proposal and scored the AWLP:

- 5 out of 5 for benefitting both ESA-listed species and other at-risk or species of concern,
- 4 out of 5 for securing water for instream flows at locations where and times of year when flow is a limiting factor,
- 4 out of 5 for securing a quantity of water that will incrementally restore flow in the targeted reach,
- 5 out of 5 for linking water acquisition to additional habitat restoration activities,
- 4 out of 5 for monitoring of instream flow benefits, and
- 4 out of 5 for using a cost-effective approach.

The TAC concluded that DRC's Annual Water Leasing Program continues to lease significant quantities of water on an annual basis at a very affordable price.

**Organizational Capacity and Program Planning**

OWEB and NFWF staff reviewed the DRC proposal in regards to organizational capacity and program planning requirements outlined in OWEB's administrative rules and Board approved guidance for water acquisition grants. DRC is an approved "qualified local entity" under the CBWTP. To be approved, entities must demonstrate that they are well positioned to develop and implement successful water transaction programs and innovative strategies to increase tributary flows in the Columbia Basin, while addressing any applicable legal, economic, and social issues. The staff review found that DRC has a long-standing and well planned annual leasing program that has, through time, been responsible for comprising approximately 40% of the 220 cfs of instream flow that DRC has protected in the Deschutes Basin. Regarding community effects, the AWLP engages directly with seven irrigation districts throughout the Deschutes Basin to protect water instream while addressing the needs of water right holders (e.g., providing an opportunity to demonstrate beneficial use once in five years, preventing delivery issues/problems for the irrigation district, and using an adaptive management approach that reviews and refines the program results annually in conjunction with districts).

**Tribal Notice**

As noted in the Board approved guidance for water acquisition grants, OWEB staff provided notice to the Confederated Tribes of Warm Springs about the DRC proposal. Staff received no comments.

**Review by Past Acquisition Subcommittee**

During the week of April 21, 2014, staff reviewed this project with four of the five members of the past Board subcommittee on acquisitions. Board members had no concerns about DRC's annual leasing program and are supportive of it. Some past subcommittee members noted that the majority of the funding requested would support DRC's program costs, as opposed to lease payments. Staff explained that, under the revised administrative rules, the eligible costs for water acquisition grants have been expanded, and that DRC is drawing on other funding sources (some of which have limitations on eligible costs) to pay for the lease costs. To address these comments, staff agreed to track the relationship between programmatic costs and instream flow benefits, and make this information available for the Board and staff to consider when evaluating the pilot of the coordinated funder framework at the end of the 2013-2015 biennium. The past subcommittee members recommend the Board award funding for this program.

**Staff Recommendation**

Staff recommend the Board award \$64,735 for the Deschutes River Conservancy's Annual Water Leasing Program.

## 2013-2015 Pilot Coordinated Funder Framework for Water Acquisition Grants

<b>Project Name:</b>	Fifteenmile Action to Stabilize Temperatures Program		
<b>Local Entity:</b>	The Freshwater Trust	<b>Region:</b>	4 - Central Oregon
<b>Basin:</b>	Deschutes	<b>County:</b>	Wasco
<b>OWEB Request:</b>	<b>\$57,740</b>	<b>Total Cost:</b>	<b>\$93,494</b>

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### Application Description

The Freshwater Trust (TFT) requests funds in support of its Fifteenmile Action to Stabilize Temperatures (FAST) Program. The FAST plan was developed, with assistance from an OWEB grant, following a fish kill on Fifteenmile Creek in 2009 that impacted ESA-listed summer steelhead. The FAST Program was created subsequent to completion of the plan. This innovative program uses a predictive model to identify when low streamflow and increased water temperature may present survival risks for native fish species. When these scenarios are predicted, irrigators involved in the program are alerted and decide if they will voluntarily shut off their irrigation withdrawals with the intent of protecting additional water instream. In 2013, the program engaged seven irrigators (many of whom hold senior water rights) and successfully added 4 cfs of flow to Fifteenmile Creek at a critical low-flow/high-temperature time, thus avoiding a repeat of the 2009 event.

TFT is expanding the program this year to engage additional landowners and offer payments for voluntary shut-offs. The FAST program involves strong community collaboration, including coordination of landowner outreach by the Fifteenmile Watershed Council. It also provides an opportunity for irrigators to voluntarily contribute to instream flow while retaining flexibility for permitted water use that meets the needs of their operations. FAST is one of several tools that TFT is using to achieve flow restoration in the Fifteenmile Watershed, and complements other tools such as short-term leases. The increased streamflow provided by the FAST program at critical low-flow times helps protect steelhead, lamprey and coho salmon, and to some degree addresses 303(d) listings for water temperature in Fifteenmile Creek. TFT requests funding from OWEB for staff support, contracted services, travel, equipment/software, grant administration, and other (i.e., FAST compensation) costs.

## REVIEW

### Technical Review

The CBWTP TAC and OWEB staff reviewed the TFT proposal and scored the FAST program:

- 5 out of 5 for benefitting ESA-listed species,
- 3 out of 5 for other at-risk or species of concern,
- 4 out of 5 for securing water for instream flows at locations where flow is a limiting factor,
- 5 out of 5 for securing water at times of year when flow is a limiting factor,
- 2 out of 5 for securing a quantity of water that will incrementally restore flow in the targeted reach,
- 5 out of 5 for linking water acquisition to additional habitat restoration activities,

- 5 out of 5 for monitoring of instream flow benefits, and
- 3 out of 5 for using a cost-effective approach.

The TAC concluded that TFT's FAST Program is an innovative approach to protecting water instream. At the suggestion of the TAC, NFWF will use federal funding to work with TFT to design an evaluation approach for TAC that will be put in place prior to the 2014 irrigation season. The intent of this work is to provide a framework for evaluating the FAST Program's ecological results in order to inform future adaptive management of the program.

### **Organizational Capacity and Program Planning**

OWEB and NFWF staff reviewed the TFT proposal in regards to organizational capacity and program planning requirements outlined in OWEB's administrative rules and Board approved guidance for water acquisition grants. TFT is an approved "qualified local entity" under the CBWTP. To be approved, entities must demonstrate that they are well positioned to develop and implement successful water transaction programs and innovative strategies to increase tributary flows in the Columbia Basin, while addressing any applicable legal, economic, and social issues. The review found that TFT has a successful streamflow restoration program that protects approximately 176 cfs annually in the Columbia Basin. Specific to FAST, staff noted that TFT partnered with others (including, but not limited to Oregon Department of Fish and Wildlife, the Fifteenmile Watershed Council, and Confederated Tribes of Warm Springs) to develop the FAST critical low-flow plan that serves as the foundation for the FAST program. The FAST Program has strong community engagement and support, as illustrated by its collaboration with the watershed council and consistent irrigator involvement in program planning and implementation. In Fall of 2013, the FAST Program received a special certification of appreciation from NOAA Fisheries for its collaborative, community-based approach to ecological challenges.

### **Tribal Notice**

As noted in the Board approved guidance for water acquisition grants, OWEB staff provided notice to the Confederated Tribes of Warm Springs about the TFT proposal. Staff received no comments.

### **Review by Past Acquisition Subcommittee**

During the week of April 21, 2014, staff reviewed this project with four of the five members of the past Board subcommittee on acquisitions. Board members are supportive of TFT's FAST Program. They appreciate that the program offers flexibility to agricultural operators and the ability to explore how streamflow restoration can mesh with their operations. They indicated that the FAST Program presents new opportunities from what has been offered in the past, and were supportive of the potential for OWEB funding to help expand the use of innovative approaches such as this.

### **Staff Recommendation**

Staff recommend the Board award \$57,740 for The Freshwater Trust's Fifteenmile Action to Stabilize Temperatures (FAST) Program.



# Oregon

John A. Kitzhaber, MD, Governor

## Oregon Watershed Enhancement Board

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**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Deputy Director  
Juniper Davis, Partnerships Coordinator

**SUBJECT: Agenda Item J: Oregon Coastal Coho Business Plan  
April 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This staff report briefs the Board on Oregon Watershed Enhancement Board, (OWEB) programs related to coastal salmon conservation as it relates to the implementation of Oregon's Salmon Stronghold initiative. Staff from Oregon Watershed Enhancement Board (OWEB); the National Fish and Wildlife Foundation (NFWF); the Wild Salmon Center (WSC); National Oceanic and Atmospheric Administration (NOAA) Fisheries; and Oregon Department of Fish and Wildlife (ODFW) have put together a draft proposal to develop a co-funding partnership aimed at increasing collaboration and conservation success in coastal salmon tributaries, estuaries, and wetlands.

Staff are requesting the Board approve a \$350,000 investment in the development of a Coastal Coho Business Plan for three pilot areas along the coast. The pilot areas will be identified through a Letter of Interest (LOI) process that considers innovative models of land management focused on incentivizing the conservation of high value coho habitats. The LOI will describe three categories of innovative approaches: working lands, leveraging habitat benefits across land ownerships through 'all lands' conservation, and incorporating community resiliency models. Once the plan is complete, the NFWF Governor's Fund anticipates investing on-the-ground implementation dollars into the three pilot areas. While no guarantee of OWEB Focused Investment funding in the future, the Business Plan chapters will meet the criteria for OWEB's Focused Investment strategic action plans.

### II. Background

The North American Salmon Stronghold Partnership initiated by WSC unites public and private resources in a voluntary, incentive-based approach to protect the healthiest remaining salmon ecosystems in North America. Oregon was a founding member of the Salmon Stronghold Partnership in 2009. A key goal of the Salmon Stronghold Partnership is to accelerate protection and restoration in the healthiest rivers and core centers of wild salmon abundance and diversity. Through joint efforts between NFWF, OWEB, and WSC in 2013, NFWF's Oregon Governor's Fund for the Environment (Governor's Fund) was aligned to focus on grants that support projects in the identified wild salmon strongholds.

At that time, the OWEB Board approved \$199,869 which was matched with \$360,674 from the Governor's Fund to fund a total of eight salmon habitat restoration projects in the Umpqua,

Sandy-Clackamas, Lower Deschutes, Lower Grand Ronde, and Nehalem-Tillamook Strongholds.

Upon ODFW's approval of the Oregon stronghold map, which was presented to the Board in spring of 2013, numerous federal, state, and NGO partners convened with the Governor's Office to discuss priorities and next steps for Oregon's stronghold program. Consensus was reached that two pilots should be initiated, one on the west-side and one on the east-side of the state. This proposal fits within the collaborative west-side stronghold pilot.

ODFW is currently implementing the Oregon Coast Coho Conservation Plan (OCCCCP) with local stakeholders. NOAA Fisheries has joined that effort and, at the same time, is developing the Federal Recovery Plan for Oregon Coast Coho, which is listed as a threatened species under the Endangered Species Act.

### **III. Coastal Coho Business Plan Proposal**

OWEB, NFWF, ODFW, NOAA-Fisheries and WSC, which are the coastal coho project partners, propose the development of a Coastal Coho Business Plan. The goal of this business plan is to develop—in conjunction with local partners—specific strategies within the framework for coho habitat conservation that are beneficial to local communities and can leverage additional resources. The work will support implementation of the OCCCCP once it is finalized and approved.

Building on the existing and potential capacity of local conservation partners to develop high-quality projects in coho habitats, the partners will work together with local community leaders and conservation organizations along the coast to develop a Strategic Business Plan for coastal coho habitat conservation spanning the length of Oregon's coast. The Business Plan then will help local partners access additional funding sources (including the U.S. Fish and Wildlife Service's National Coastal Wetlands Grant Program and the NOAA Fisheries Restoration Center) that could be immediately leveraged with dedicated NFWF's Governor's Fund investments. The Business Plan will provide a framework for local partners to develop applications for OWEB's open solicitation and focused investment programs, but is not a guarantee for additional restoration funding.

The Coastal Coho Business Plan approach will demonstrate replicable processes to prioritize and incentivize the conservation of high-value habitats to achieve ecological and economic viability, and track conservation outcomes using metrics appropriate for site-specific results. Plan development will utilize the best available science and local community expertise.

The coastal coho partnership will use the NFWF business plan model to supplement recovery efforts by ODFW, NOAA Fisheries and others. The Business Plan will include an overview for coastal coho and three specific 'chapters' that will serve as a demonstration for how local business plans can be developed along the coast and, in the future, in other areas of the state. The three areas will be selected through a LOI submitted by local partners to the partnership. LOIs will be evaluated both on the basis of local interest in utilizing the business plan approach and priority habitat areas that either protect intact habitat or have local support to address

limiting factors for habitat with high intrinsic potential. Priority will also be given for partners interested in overlaying ecological work with approaches that demonstrate working lands, ‘all lands’ or community resiliency models.

NFWF’s business plan development process has proven to be a successful strategy in other areas of Oregon, such as in the Upper Klamath Basin, and around the U.S. to achieve significant conservation results based on both science and community involvement. In addition, NFWF has already developed business plans specifically for Russian River coho salmon, as well as for Southern Oregon-Northern California coho in the Lower Klamath River. The proposal is well-timed to support NOAA Fisheries’ release of the Proposed Recovery Plan for Oregon Coastal Coho Salmon, scheduled for 2014, and ODFW’s ongoing work on the recovery implementation plan.

The outcome of this work will include a Business Plan approach for Oregon coast coho, with three specific chapters that identify ways to implement ecological strategies that also address economic and community health. The plan will be utilized to focus NFWF Governor’s Fund implementation dollars once complete. In addition, these business plan chapters will meet OWEB’s criteria for Focused Investment strategic action plans, though they are not a guarantee for future Focused Investment Partnership dollars. The Plan also provides a tool for the coastal coho project partners (i.e., OWEB, NFWF, ODFW, NOAA, WSC and others, in the future) to assist local partners in accessing new and existing funding in a more strategic manner moving forward.

Funds will be used for local watershed partners to participate in the process. In addition, funds will be invested in Business Plan development including a facilitator, technical expertise, GIS support, and NFWF oversight of the process.

#### **IV. Recommendation**

Staff recommend the Board award \$350,000 to NFWF from the Oregon Plan Priorities spending plan line item for the development of a Coastal Coho Business Plan, which will include chapters for three pilot areas to be selected through a Letter of Interest process, and delegate authority to the Director to enter into appropriate agreements.



# Oregon

John A. Kitzhaber, MD, Governor

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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Aunan, Grant Program Manager  
Courtney Shaff, Grant Program Coordinator

**SUBJECT: Agenda Item K: Update on Council Capacity Rulemaking  
April 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This informational item provides an update on the transition to outcome-based watershed council capacity grants. At the April 2014 Board meeting, staff will provide a summary of the February 24-March 31 rulemaking public comment period. Staff also will present an overview of proposed rule changes and implementation guidance. In July 2014, staff will propose for Board adoption new administrative rules and implementation guidance for the council capacity grant program. This report is for informational purposes only.

### II. Background

#### A. Watershed Councils, Local Government Role, and State Role

Council capacity grants support the capacity of a watershed council or group of councils to conduct activities necessary for watershed protection, enhancement, and restoration. Applications are evaluated for merit based on detailed criteria and processes in OWEB's rules, and funding is awarded based on factors outlined in OWEB's rules. Grant awards cover the two years coinciding with OWEB's biennial state budget (e.g., July 1, 2011–June 30, 2013).

Watershed councils are locally based, voluntary in nature, and under Oregon law, "designated by a local government group convened by a county governing body, to address the goal of sustaining natural resource and watershed protection, restoration and enhancement within a watershed" (Oregon Revised Statute [ORS] 541.890(15)).

OWEB does not create or oversee watershed councils. OWEB has the discretion to provide capacity grants to councils that represent a balance of interests in their watersheds and demonstrate the potential to protect and enhance the quality of their watersheds. Councils also are expected to assure a high level of citizen involvement in the development and implementation of watershed action programs (ORS 541.910).

## **B. OWEB Strategic Plan and Long-Term Investment Strategy**

OWEB has provided operating grants to watershed councils for more than 15 years. In 2010, the OWEB Board Strategic Plan directed staff to “evaluate and adjust watershed council support grant review and funding processes to build capacity, provide base funding, and promote strategic partnerships” (Goal 2, Strategy 2). The Strategic Plan also included a strategy to “provide technical assistance to build capacity, secure additional funding and increase local organizational resilience” (Goal 2, Strategy 3).

Council capacity grants are a core element of OWEB’s Long-Term Investment Strategy for Conservation (LTIS). Operating Capacity investments “support operating costs for effective watershed councils; are performance and outcome-based; and contain high standards for eligibility, reporting and accountability.”

## **C. Summary of Program Review**

OWEB staff worked with a Board subcommittee and numerous stakeholder work groups to develop proposed program changes. The OWEB Operating Capacity Subcommittee continues the work begun by the Board Watershed Council Support Subcommittee to advise staff on development of agency policy for Operating Capacity investments.

OWEB’s review of the program began in 2010 with the following goals:

- Streamline and simplify the application and funding processes;
- Improve reporting;
- Incorporate effectiveness indicators for continued accountability for investment of public funds;
- Refine grant eligibility criteria; and
- Address long-standing policy issues including the scale of investment in councils.

OWEB’s review also responded to direction from the 2011 Legislature to:

- Work with appropriate local government entities to review the process for establishing and overseeing watershed councils;
- Enhance council reporting to OWEB for accountability and tracking of accomplishments; and
- Review capacity grant eligibility criteria, to better ensure that investments go to groups that reflect the interests of the watershed and have proven successful in accomplishing their work plans in the past.

In June 2013, the OWEB Board authorized staff to begin rulemaking, and adopted the following policy direction: Build capacity through increased council sharing, combining, collaborating, and reducing the number of individual support grants over 5-10 years.

OWEB has provided individual capacity grants to a total of 64 councils over time. The Board’s direction is to cap the number of individual *grants* at no more than 64. Councils’ geographic areas can change, but OWEB would not fund areas smaller than currently recognized areas that have received individual support grants (see Attachment A for the map of boundaries of watershed councils currently eligible to apply for a support grant).

With a vision of resilient councils with strong organizational processes, diverse, stable funding and diverse skillsets, OWEB can better support council capacity by encouraging and incentivizing

strategic partnerships to build capacity, and reducing the number of individual capacity *grants* over time. The Board directed staff to convene a work group to help develop meaningful incentives for councils to combine or share staff to reduce the number of individual grants over time.

Attachment B, ‘Guide to Outcome-Based Watershed Council Capacity Grants,’ outlines timelines and stakeholder involvement, explains how OWEB is helping councils during this transition, sets forth the policy direction of encouraging strategic collaboration to build capacity, and overviews proposed new eligibility and merit criteria.

### **III. Council Capacity Rulemaking**

OWEB convened a Rulemaking Advisory Committee (RAC) in October 2013 to advise staff on rule language and implementation guidance for outcome-based Watershed Council Capacity Grants (Attachment C). The RAC includes representatives of watershed councils from each of OWEB’s six regions and the Network of Oregon Watershed Councils. RAC members have provided excellent advice and suggestions and their input will greatly improve the draft rules and guidance. After the public comment period, the RAC will reconvene for a final review of rule language and implementation guidance to be presented to the OWEB Board for consideration in July 2014.

OWEB released draft rules and implementation guidance for public comment on February 21, 2014. The public comment period was open from February 24-March 31, 2014 and included six public hearings around the state. At the public hearings staff provided an overview of proposed changes and highlights of the draft rules and implementation guidance. Attachment D is a chart showing existing watershed council support rules compared to proposed council capacity rules. Attachment E is a flow chart of the proposed process. Proposed rule language can be found at <http://www.oregon.gov/OWEB/GRANTS/docs/Draft%20Watershed%20Council%20Capacity%20Grant%20Rules.pdf>. Draft guidance can be found at <http://www.oregon.gov/OWEB/GRANTS/docs/Draft%20Council%20Capacity%20Grant%20Guidance.pdf>.

A total of 71 stakeholders attended the meetings and three stakeholders provided verbal public comments. Staff will update the Board on the total number of comments received and themes at the Board meeting.

### **IV. Operating Capacity Subcommittee**

Staff met with the Operating Capacity Subcommittee in February and March and will continue to meet with the subcommittee monthly to review draft rules, guidance, and policy questions in preparation for the July Board meeting. Attachment F is a high-level council capacity schedule through July 2015.

Subcommittee discussions in February and March resulted in the following advice to staff:

**A. Funding levels.** The Subcommittee was comfortable with the proposed implementation guidance outlined below:

1. Councils meeting all merit criteria will be placed in the highest merit category and be recommended for the same level of award. OWEB’s goal is to reward these councils by providing the highest possible Council Capacity grant award, considering available funding.

2. Councils that do not meet all merit criteria will be placed in the reduced funding merit category and recommended for the same level of award. The intent of reduced funding is to provide an incentive for the council to improve performance to receive full funding. The reduced funding base award will be 80% of the full base award. For example, if the full base award is \$100,000, the reduced base award will be \$80,000.
3. If a council or group of councils is placed in the reduced base funding category for two grant cycles and does not meet all merit criteria during the third grant cycle, it will be placed in the “do not fund” category.

**B. Eligibility determination appeal.** Subcommittee members participating in March supported the proposed guidance that if staff determines a council does not meet all eligibility criteria, the council can appeal to the Executive Director. The Executive Director’s decision will be final; there will be no appeal to the Board.

The three Subcommittee members all agreed that appeal should be to the Director, not the Board, for the following reasons:

1. The eligibility criteria are meant to be yes/no, black/white. It is appropriate for the Director to decide the appeal.
2. The Board’s role is policy and rulemaking, not detailed staff implementation work.
3. A determination whether a council meets eligibility criteria is not a funding decision. Meeting the eligibility criteria makes one eligible for a funding decision.

**C. Future discussions needed about approach to OWEB spending plan.** The Subcommittee supports continuing technical assistance grants for building council capacity, including short-term funding to support the transition and success of councils that merge (e.g., four Rogue Basin councils are currently pursuing a merger to one council). This will need to be discussed for future OWEB spending plans.

The Subcommittee also needs to discuss the approach to council and district operating capacity grants in future OWEB spending plans.

## **V. Recommendation**

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

### Attachments

- A. Map of Watershed Council Boundaries
- B. Guide to Outcome-Based Watershed Council Capacity Grants
- C. List of Council Capacity RAC members
- D. Rules Comparison Chart
- E. Council Capacity Grant Flow Chart
- F. Schedule for Transition to Outcome-Based Watershed Council Capacity Grants





# Guide to Outcome-Based Watershed Council Capacity Grants

## Oregon's statewide approach to watershed restoration has evolved.

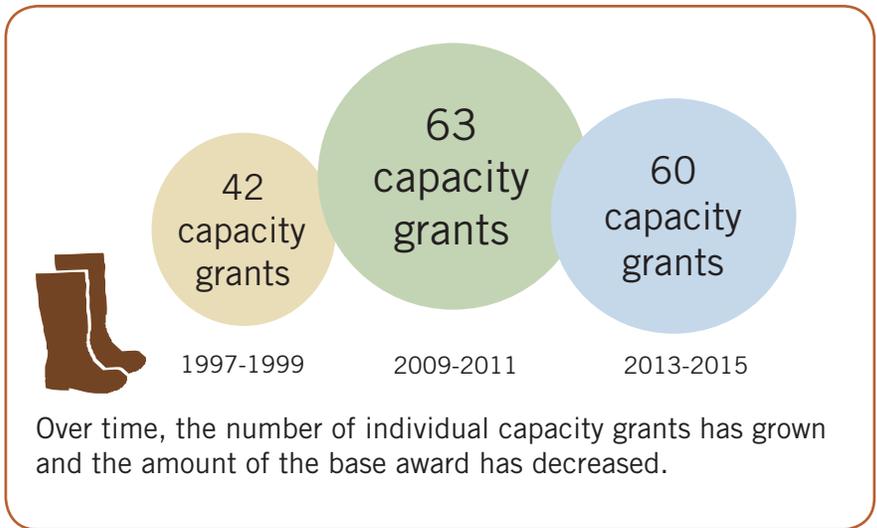
In the 15 years since the Oregon Watershed Enhancement Board (OWEB) began funding council capacity grants, Oregon's waterways, uplands and natural habitats are healthier because of the dedicated work of watershed councils.

During that time, a number of fiscal and operational realities developed for councils and for OWEB that were not anticipated when OWEB first offered council capacity grants. Additionally, the number of applicant councils has grown and the geographic scale for grant applicants has trended smaller.

Passage of Ballot Measure 76 provided long-term funding for Oregon's voluntary, collaborative conservation, yet *councils today need more funding and resources than OWEB alone can provide.*

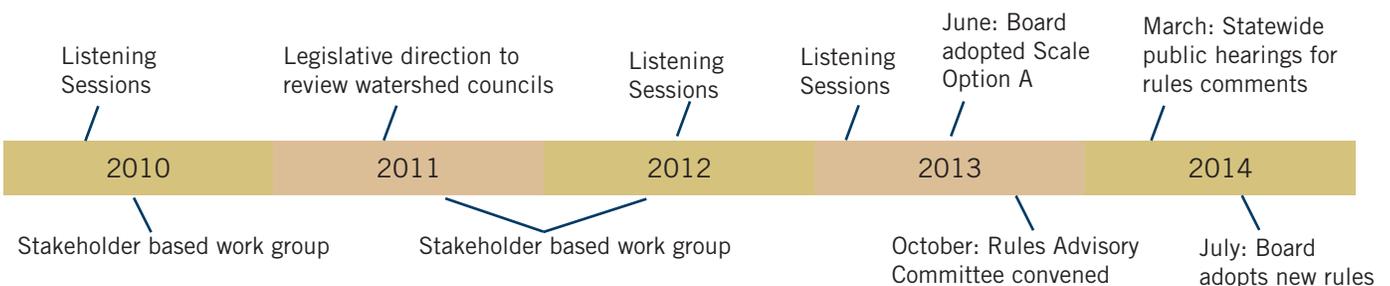
Council capacity grants are a core element of OWEB's Long-Term Investment Strategy for Conservation. The grants support operating costs for effective watershed councils.

Following direction from OWEB's board and the Oregon legislature, OWEB is updating its watershed council capacity grant program.



*OWEB envisions a statewide watershed restoration system that is resilient, sustainable and achieves ecological outcomes.*

## Timeline of OWEB's council capacity grant policy change process



## OWEB is implementing a new policy direction to reflect today's realities and raise the bar for performance and continuous improvement

Streamlined funding process

Transparent criteria

Increased accountability

Improved reporting

After nearly four years of stakeholder input and staff research, OWEB's board adopted a policy direction for outcome-based council capacity grants. It meets the statewide watershed restoration system where it is today and supports its future health.

- Build capacity through increased resource sharing and strategic collaboration
- Funding criteria are performance and outcome-based, and contain high standards for eligibility, reporting and accountability
- Maximum number of council capacity *grants* is 64, with the goal to reduce the number of individual support *grants* over 5-10 years

### How is OWEB helping councils during this transition?

This funding model is a new approach for OWEB as well as councils. We will continue to work closely with councils to address unknowns and provide early and frequent communications. Councils are effective and collaborative problem solvers, and we will learn from councils that have solutions in place, or develop new solutions. OWEB will:

1. Continue to provide operating support to previously funded councils that meet the eligibility and merit criteria;
2. Offer council action plan grants during 2013 and 2014 to help councils meet new eligibility criteria;
3. Offer technical assistance grants in 2013 and 2014 to help cover costs of developing new strategic collaborations and business models that show a likelihood of success for building capacity;
4. Network with other funders and organizations to learn what has and has not worked, and explore funder-to-funder capacity building partnerships;
5. Meet with council boards and members to talk about the changes and answer questions; and
6. Share examples and models for building capacity through resource sharing and strategic collaboration.



*OWEB can't predict or control future funding. OWEB is working with and encouraging councils to find solutions to reduce risk for tomorrow's unknown.*

## OWEB believes councils that explore or expand collaborations to build organizational capacity will increase their ability to achieve restoration and community engagement goals.

OWEB is not trying to change or limit the number of *councils* that exist today or in the future. We believe that a reduction in the number of *individual council capacity grants* will increase each grant's impact.

OWEB encourages councils to tap into the innovative and creative minds on their boards, the larger watershed community and nonprofit professionals around the state to explore solutions for building capacity.

### Councils have choices for building capacity

Rely primarily on OWEB?

OWEB is not able to cover all capacity costs; its funding may be reduced in the future and it can't guarantee funding for every council that applies.

Diversify Funding?

Councils with a diversified funding strategy that includes OWEB as just one component could increase resiliency and reduce risk.

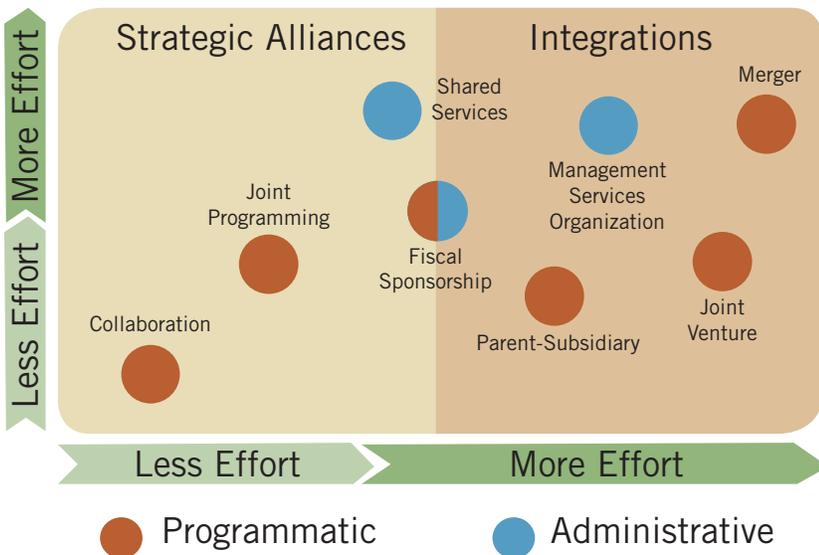
Collaborate or Integrate?

Strategic collaboration with other councils and/or natural resources groups may increase organizational effectiveness.



*OWEB wants to see councils that are strong organizations with access to diverse skillsets.*

## Strategic collaborations are not one-size-fits-all; they need to work for your council.



Strategic collaborations take many forms, and councils can maintain their autonomy and connection to the local community. Sharing administrative services may be the right answer for some councils, while a merger could work better for others. Collaborations can:

- Build economies of scale and increase cost savings;
- Strengthen partners' infrastructure, management capacity or service delivery;
- Create strategies and solutions to address common problems; and
- Cover skill gaps.

# Overview of eligibility and merit criteria for outcome-based council capacity grants

The framework below provides an overview of the proposed eligibility and merit criteria. The full text of the criteria will be presented to councils and the public for comment in March 2014

**Eligibility Overview** | In October 2013, OWEB distributed a detailed checklist to help councils prepare for new eligibility criteria.

Category	Current Criteria	Proposed Criteria
Governance	None	- Mission, bylaws, policies and procedures; action plan
Council Membership	OWEB rules not clear	- Balance of interests (required by statute)
Recognition	Any local government (unless formed before September 9, 1995)	- County-level (new or reorganized councils)
Scale for individual council capacity grants	- Open-ended - No duplicative coverage	- Encourage collaboration/resource sharing - Number of individual grants capped at no more than 64; we will not fund geographic areas smaller than are currently supported

**Merit Overview** | OWEB will distribute a detailed checklist to help councils prepare for new merit criteria.

Proposed Merit Criteria	How Evaluated
1. Strong organizational processes; engaged community.	- Effective, regular council meetings - Balanced participation
2. Demonstration of effective leadership by council board and staff.	- Adopted and implemented staff and board roles and responsibilities - Performance evaluations
3. Demonstration of ability to reach agreement and prioritize work among stakeholders.	- Outcomes-based planning - Annual work plan
4. Implementation of restoration projects that address priority watershed limiting factors.	- Progress toward the council's priority restoration actions (linked to watershed limiting factors and action plan) - Ability to address challenges
5. Successful community engagement in service towards voluntary land stewardship and restoration outcomes.	- Progress toward increased involvement - Ability to address challenges

For questions, more information or to schedule a board and/or member presentation on the changes to council support grants, please contact

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**Rules Advisory Committee**

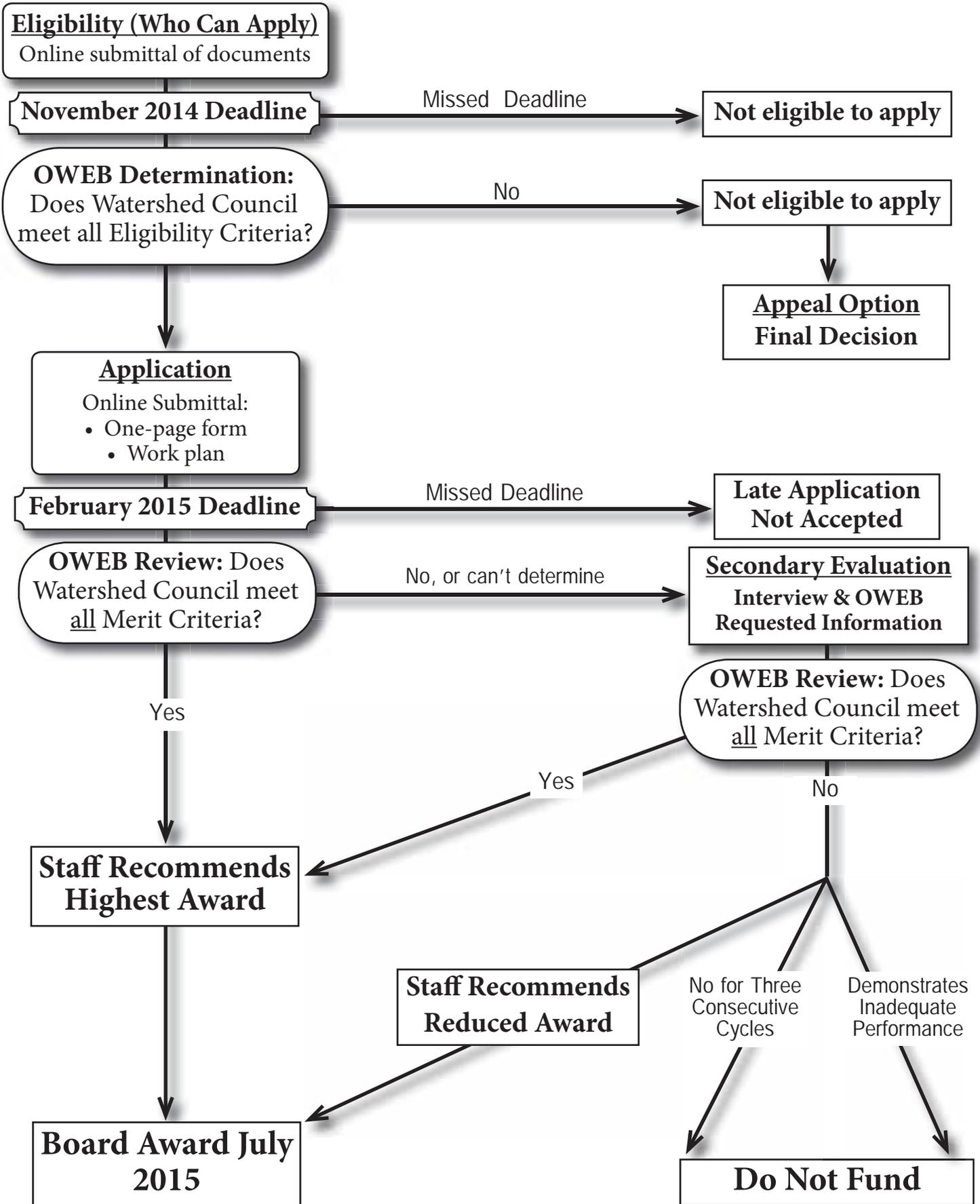
Liz	Vollmer-Buhl	Siuslaw WC
Ryan	Gordon	Network of Oregon Watershed Councils
Melyssa	Graeper	Necanicum WC
Jeff	Oveson	Grande Ronde Model Watershed
Sandy	McKay	Gilliam-East John Day WC
Dana	Dedrick	Long Tom WC
Kelly	Sparks	Lower Rogue WC
Ryan	Houston	Upper Deschutes WC

	Council Support Grants (Before 2015)	Council Capacity Grants (After 2015)	Where to find the information		
			Council Support Grant Rules Citation	Council Capacity Grant Rules Citation	Guidance Document Section and Pages
<b>Purpose of Grants</b>	Supporting the capacity of a watershed council or group of councils to conduct activities necessary for the watershed protection, enhancement and restoration work of the council(s).	1) Help support the operations of watershed councils that engage people and communities in their watershed to participate in the collaborative, voluntary restoration and protection of native fish or wildlife habitat and natural watershed functions to improve water quality or stream flows. 2) Encourage the development of high-capacity local infrastructure and continuous improvement.	695-040-0020(1)	695-040-0010(2)-(3)	Page 2
<b>Eligibility Criteria</b>	<b>Which councils can apply</b>		695-040-0030	695-040-0030	Section II Page 5
• <b>Local Designation</b>	If formed after September 9, 1995, the council must be designated by a local government.	1) For watershed councils previously awarded a Watershed Council Support Grant, the council must be designated as a watershed council by a local government. 2) For new or reorganized watershed councils, the council must be designated as a watershed council by a county commission, county board or county court.	695-040-0030(1)(c)	695-040-0030(1)	Section III page 7
• <b>Geographic Area</b>	Council serves a unique geographic area (one that is not or has not been located entirely or partially within the boundaries of another existing watershed council support grantee. If a council has been awarded shared funding for watershed council support but serves a watershed area that is not served by another watershed council, that council may be eligible to apply independently if it receives prior approval from the OWEB Board.	Geographic area served by a council or group of councils can change, but to be eligible, OWEB must determine that a council or group of councils serves an area: 1) In which a council or group previously received a Watershed Council Support Grant or Council Capacity Grant; 2) Which is the same or larger than the geographic area served by a council or group as of July 1, 2013; 3) the geographic area must include a minimum population of 500 individuals; and 4) No more than one applicant is eligible for the same geographic area.	695-040-0030(1)(a)	695-040-0030(2)	Section III page 7
• <b>Balance of Interests</b>	Council membership reflects the balance of interests or is actively seeking a balance of interests in the affected watershed.	1) Council bylaws or charter must include provisions requiring the council's governing body to represent a balance of interested and affected persons within the watershed as required by ORS 541.910(2). 2) Council policies and procedures must specifically identify the geographic areas and community interests that must be represented on the council's governing body and, if applicable, the council's general membership body, for the purpose of ensuring a balance of interests.	695-040-0030(1)(b)	695-040-0030(3)(a), (b)	Section III pages 8-9
• <b>Organizational Structure and Business Operations</b>	None	1) Council bylaws or charter must include specific provisions including selection and removal of members and officers; powers, roles and responsibilities; organizational structure; and how the council makes decisions. 2) Council policies and procedures must include specific provisions including open and inclusive operations; records of meetings and decisions; Generally Accepted Accounting Practices; will not use litigation to enforce regulations to achieve restoration. 3) Council Action Plan; 4) Registered organization with State of Oregon or has fiscal sponsor.	N/A	695-040-0030(3)	Section III Pages 8-10
<b>Eligibility Determination</b>	None specified	1) Eligibility of a watershed council or group of councils to submit an application shall be determined in accordance with guidance adopted and periodically reviewed by the Board and made available to the public on the OWEB website and Board meeting materials. 2) If a watershed council disagrees with the determination that it is not eligible to submit an application and wishes to appeal, the council must follow the appeal process contained in the guidance adopted by the Board.	N/A	695-040-0090	Section IV pages 10-11
<b>Application Requirements</b>	(a) A scope of work; (b) The organizational capacity of the watershed council(s); (c) The past accomplishments of the watershed council(s); (d) A description of the complexity of the watershed; (e) A proposed biennial budget for the watershed council(s); and, (f) Other information necessary to apply the merit-based criteria.	Council Capacity Grant applications must be submitted on the most current form that conforms to the requirements and process prescribed by the Board.	695-040-0040	695-040-0100	Section V page 12

	Council Support Grants (Before 2015)	Council Capacity Grants (After 2015)	Where to find the information		
			Council Support Grant Rules Citation	Council Capacity Grant Rules Citation	Guidance Document Section and Pages
<b>Merit Criteria</b>	Watershed council support grant applications are evaluated using 33 evaluation criteria listed in the rules.	(1) Applications will be evaluated in accordance with guidance adopted and periodically reviewed by the Board. (2) Merit evaluation seeks to: (a) Ensure strategic and accountable investment of public funds; (b) Encourage continuous improvement in watershed councils' organizational management, operating structure, and functions, and the planning and implementation of on-the-ground watershed protection, restoration, enhancement, and community engagement activities; and (c) Ensure watershed councils are working toward strengthening their role in the watershed through activities focusing on council resilience, leadership, collaboration, and representing a balance of interested and affected persons within the watershed as required by ORS 541.910(2).	695-040-0050	695-040-0110	Section VI Pages 12-14
<b>Evaluation Process</b>	(1) Watershed council support applications will be reviewed and evaluated by a Council Support Advisory Committee. (a) The Committee shall be appointed by the Director and be comprised of: (A) At least two representatives from each of OWEB's regions; and (B) At least three statewide representatives. (b) OWEB regional program representatives may provide comments on the evaluation criteria to the Council Support Advisory Committee regarding watershed council support applications. (2) The Council Support Advisory Committee will evaluate Watershed Council Support applications submitted and make merit category recommendations to the Director. The Committee will make its merit category recommendations based on the quality of response in the application to the evaluation criteria. (3) Information provided by the applicant, the evaluation criteria, the recommendation of the Council Support Advisory Committee, the recommendation of the Director, and the applicant's response to these recommendations will be used by the Board to determine an applicant's merit category placement and grant funding level.	(1) Applications will be evaluated in accordance with the guidance adopted and periodically reviewed by the Board and made available to the public on the OWEB website and in Board meeting materials. (2) Merit evaluation shall include reviews for: (a) Prior performance; (b) Progress in accomplishing council work plans that is demonstrated over time; and (c) Demonstration of progress toward the objectives described in section 2 above, as set forth in guidance adopted by the Board.	695-040-0060	695-040-0110	Section VI Pages 14-16
<b>Board Action on Eligible Applications</b>	Watershed council support grant funding levels based on: (a) An applicant's merit category; (b) Whether the applicant is an umbrella watershed council; and (d) Available funding. NOTE: Section (c) of rules never implemented by OWEB: Whether the applicant is two or more watershed councils serving unique geographic areas in a single Watershed Council Support grant where the application demonstrates operational economies of scale over two separate grant applications.	1) The Board may fund grants to councils or groups of councils. 2) The Board shall take action on eligible applications in accordance with guidance adopted by the Board. 3) Council Capacity grant funding levels are within the Board's discretion based on consideration of: (a) merit evaluation; (b) available funding. NOTE: Section (d) of the rules to indicate Board's discretion to award an individual grant for a larger geographic area in accordance with guidance adopted by the Board. No guidance written yet, so will not be implemented in 2015.	695-040-0060(4)	695-040-0120	Section VII Pages 16-18
<b>Use of Funds</b>	Eligible costs: (a) Council Coordinator salary and benefits; (b) Operating costs including, but not limited to, supplies and materials, utilities, rent, travel and per diem, printing, postage, facilitation, safety equipment, office equipment, and training; (c) Risk management and accountability assurance costs including audit, tax preparation, risk management and insurance; and, (d) Fiscal management of the council support grant award not to exceed 10% of direct costs.	Council Capacity Grants provide funding for day-to-day operations of the watershed council or group of councils.	695-040-0030(2)	695-040-0130	Section VIII Page 18
<b>Grant Agreement Conditions</b>	(1) To complete a self-assessment or a similar evaluation method approved by OWEB for each watershed council receiving support; (2) To submit an annual report to OWEB and local government entities; (3) To obtain insurance or bonding providing coverage for financial decisions and actions as identified by OWEB and, (4) To assure that expenditures of OWEB funds are subject to an audit by an entity independent of the council or its fiscal agent.	a) Submit an online work plan update by the date specified in the Council Capacity grant agreement; b) Submit an annual report to all local government entities that designated the council; and c) Obtain appropriate levels of insurance coverage commensurate with council activities.	695-040-0070	695-040-0140	Section IX Page 18



OREGON WATERSHED ENHANCEMENT BOARD (OWEB)  
 PROPOSED COUNCIL CAPACITY GRANT PROCESS



**Schedule for Transition to Outcome-Based Watershed Council Capacity Grants**

<b>Actions</b>	<b>Schedule</b>
Board Authorization of Rulemaking	June 2013
Incentives Work Group	August–October 2013
Eligibility Checklist Letter to Councils	October 2013
Presentations at Network Gathering	November 2013
Rules Advisory Committee Meetings	October–March 2013
Operating Capacity Subcommittee Meetings	January–July 2014
OWEB meetings with council boards	August 2013–August 2014
OWEB Board meeting	January 2014
Proposed rules published and guidance posted <ul style="list-style-type: none"> <li>• Emails to councils and stakeholders</li> </ul>	February 2014
Rulemaking public hearings around the state	March 2014 3/4/14: Region 5, Baker City 3/5/15: Region 6, Pendleton 3/7/14: Region 4, Bend 3/10/14: Region 3, Salem 3/12/14: Region 2, White City 3/14/14: Region 1, Bay City
Response to comments document prepared	April–May 2014
Staff update to Board	April 2014
OWEB Board Meeting <ul style="list-style-type: none"> <li>• Adoption of council capacity rules and guidance</li> </ul>	July 2014
Online eligibility criteria submittal available	September 2014
Communication and training	August 2014–January 2015
Operating Capacity Subcommittee meetings	September–October 2014
Eligibility criteria deadline	November 2014
Notice of eligibility determination/appeal option	December 2014
Operating Capacity Subcommittee meetings	March–July 2015
Director final decision on eligibility appeal	February 2015
Application deadline (one page plus online work plan)	March 2015
OWEB merit evaluation	March 2015
Secondary/external interview & evaluation for councils that do not meet all merit criteria	May 2015
Staff report – funding recommendations	June 2015
OWEB Board meeting – funding decisions	July 2015



# Oregon

John A. Kitzhaber, MD, Governor

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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Deputy Director

**SUBJECT:** **Agenda Item L: Focused Investment Partnership Update  
April 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This staff report updates the Board on discussions around priority solicitation, timeline, and summary documents for future Focused Investment Partnerships. This agenda item also provides an opportunity for public comment on Focused Investment Partnership draft timelines and processes.

### II. Background

In June of 2013, the OWEB Board approved its Long Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring.

Though OWEB has participated in 'focused investments' in the past, there has been no formal definition, process or solicitation approach for the program. In October of 2013, OWEB kicked off a nine-month process to develop a definition, criteria, solicitation approach, program design and process for the Focused Investment category of OWEB funding.

To assist with this effort, the agency has organized a set of external and internal (i.e., OWEB staff) work groups. In selecting the external work group, members were recruited from every region of the state, as well as including representatives from soil and watershed conservation districts (SWCDs), watershed councils, land trusts, Tribes and other non-profit organizations. The executive boards of the Oregon Association of Conservation Districts, Network of Oregon Watershed Councils and Coalition of Oregon Land Trusts also are represented. These individuals have been meeting together since late 2013 to provide input to the Board on the program's design and implementation.

### III. Current Status

The work groups, along with the Board Focused Investment Subcommittee, have been developing a number of items for Board final approval at the July 2014 board meeting. These include:

- Draft Summary document including the definition, criteria categories and solicitation approach. This document was first presented to the Board at its January 2014 meeting (revised draft provided as Attachment A).
- Draft format for soliciting Focused Investment Priorities from around the state (Attachment B).

- Draft timeline for Focused Investment Priority and Partnership solicitation (Attachment C).
- Listening Session Summaries (Attachment D).

In addition, the subcommittee has discussed a potential length and funding caps for Focused Investment Partnerships. The Board will discuss these ideas at the April meeting and make a final decision in July. The initial proposal from the subcommittee is that Focused Investment Partnerships receiving Implementation funding would have a length of no more than **six years** and a cap of **\$4 million per biennium**. Although this is the cap, the subcommittee proposes the Board consider both small and large investments, seeking an **average biennial investment of \$2 million** per Focused Investment Partnership.

For capacity funding, the subcommittee initially proposes a maximum length of two years. A maximum funding amount has not yet been established, but will be proposed prior to final approval in July.

This work continues the Focused Investment Partnership Program plan described at the January Board meeting. Upcoming milestones for input and decision points include:

- March 2014 (all six regions) – OWEB staff held listening sessions in all regions of the state to receive input on the first draft of the solicitation process for Focused Investment Partnerships.
- April 29-30, 2014 (Bandon, OR) – OWEB Board will receive public comment on the draft solicitation process and other aspects of the Focused Investment Partnerships program as outlined above.
- July 29-30, 2014 (The Dalles, OR) – OWEB Board will approve the following:
  - A final summary document of the Focused Investment Partnership Program
  - Solicitation process for Focused Investment Priorities
  - Solicitation process for Focused Investment Partnerships (including both Implementation and Capacity funding processes)
  - A final timeline for both processes
  - Caps for both the funding amount and length of Focused Investment Partnerships (for both Implementation and Capacity Funding)

#### **IV. Recommendation**

This is an information item only. No decisions are recommended at this time.

#### Attachments

- A. Revised Focused Investment Partnership Draft Definition, Criteria and Solicitation Approach
- B. Proposals for Board Priority Consideration – Draft Questions
- C. Proposed Focused Investment Partnership Timeline
- D. Focused Investment Partnership Listening Session Summary

Focused Investment Partnerships  
*Draft Definition, Criteria and Solicitation Approach*

The OWEB Board will establish a process for identifying and updating a set of Focused Investment Priorities that have clear significance to the state. Within those priorities, the Board will solicit for Focused Investment Partnerships, one of several forms of focused investments.

Focused Investment Partnership Definition

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A Focused Investment Partnership is an OWEB investment that:

- Addresses a Board-identified Focused Investment Priority of significance to the state;
- Achieves clear and measurable *ecological outcomes*;
- Uses integrated, results-oriented *approaches* as identified through a *strategic action plan*; and
- Implemented by a high-performing *partnership*.

OWEB's Focused Investment Partnership investments will be made in two categories:

- 1) For an investment with an existing strategic action plan that is ready for implementation, a Focused Investment will be made by OWEB for a defined dollar amount over a limited time. Partnerships may apply subsequently for a different program in the same or a different Board-identified Focused Investment Priority.
- 2) The Board will also provide two-year funding for partnerships who are prospective FIP applicants to strengthen their capacity and to strengthen strategic action plans for a Focused Investment priority.

Criteria Categories *The definition is further refined by criteria in the following categories that will be used by the OWEB Board to select investments.*

Focused Investment Partnerships will have both limited funding and duration. As such, groups selected for a Focused Investment Partnership will need to justify that their programs meet a high standard of achievement. Board investments will be determined within the following criteria categories:

- Significant, clear and measurable *ecological outcomes* that address a Board-Identified Focused Investment Priority.
- The partners must have an existing *strategic action plan* that employs integrated, results-oriented *approaches*. The strategic action plan will:
  - Clearly define the measurable ecological outcomes as identified above, ensuring they are reasonable given resources and constraints.
  - Clearly articulate achievable goals, an identified geography and a realistic scale and time period for the program.
  - Identify the metrics, milestones and established benchmarks for success for the outcomes.
  - Utilize an adaptive management approach including monitoring procedures to evaluate the success of goals and objectives described in the strategic action plan.

Based on the limitations of OWEB funding requested and length of the investment, the strategic action plan must be realistic in terms of conservation impact, outcomes, partnerships and effectiveness monitoring.

- The applicants must clearly demonstrate the *partners* involved are necessary and sufficient to implement the program outlined in the strategic action plan. Partners must have formed a productive partnership that includes:
  - Defined relationships that clearly describe the roles and responsibilities of each partner.
  - Demonstrated capacity to:
    - Take on their identified roles and operate under a common vision.
    - Implement conservation work at a scale larger than a single project.
    - Realistically accomplish the identified ecological outcomes.
  - A clear link that shows the outcomes are within each organization's mission and scope
  - A demonstrated strong record of conservation achievement by the partners individually and collectively.

The partnership must also leverage OWEB funding with other resources. This may be achieved by recruiting funding partners, or by accessing other resources critical to implementation.

### Solicitation Approach

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OWEB is developing three processes for Focused Investment Prioritization, Partnership Capacity and Implementation solicitation. The three processes are:

- (1) A Board process for identifying and updating a set of Focused Investment Priorities that have clear significance to the state, drawing from proposals by groups, organizations, agencies, individuals, OWEB, the Governor's office, and others. Proposed priorities should be based on sources such as the state's Conservation Strategy, the Oregon Plan for Salmon and Watersheds, Governor's priorities, the Agricultural Water Quality Program, the Integrated Water Resources Strategy, etc.
- (2) A process for selecting among proposals for investments up to two years that support existing partnerships within Board-identified priorities to:
  - (a) Enhance or strengthen a strategic action plan for a Focused Investment Priority; and/or
  - (b) Strengthen the capacity of existing partnerships. Applications must:
    - Demonstrate a strong commitment of the partners to meet the Focused Investment criteria in the future, and
    - Clearly identify how this funding will help them achieve the steps to meet Focused Investment Partnership criteria.

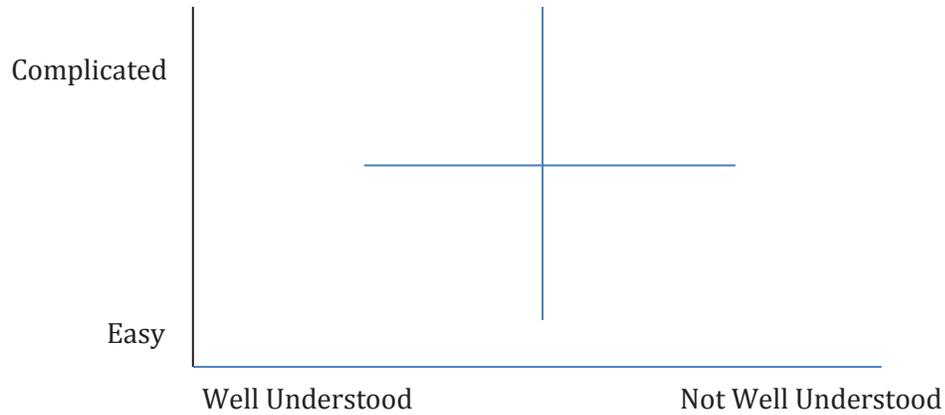
NOTE: Receipt of Capacity funding does not guarantee Focused Investment Implementation funding from OWEB.
- (3) A process for evaluating applications for Focused Investment Partnerships implementation funding as outlined in the criteria, in which applicants must:
  - Identify the Focused Investment Priority the proposal addresses
  - Provide a strategic action plan
  - Demonstrate partnership capacity

Proposal For Board Priority Consideration  
*DRAFT for OWEB Board*

The information below will help the Board frame its consideration of priorities. The bullets under each section provide a guide for what groups should consider within each item.

1. Priority Description
  - What is the habitat to be conserved or the natural resource issue?
  - What is the defined geographic location?
  - Why is this priority of ecological significance to the state?
2. Risk/Opportunity
  - What threats exist to the priority identified? Is the priority time sensitive? What will happen if the risk isn't addressed?
  - Timeline: how much has been done already, how much remaining?
  - Describe the benefits of addressing the outcome and impacts of not addressing it.
3. Significance to the State and Benefits
  - Describe the multiple benefits of addressing this priority including: social, economic, iconic, cultural, etc.?
  - Why is it valuable?
  - Are there any over-arching political, regulatory or other considerations?
  - What makes this priority unique at the state level?
  - Why is this the right time to address the priority?
4. Likelihood of Addressing the Priority
  - What opportunities exist to address the priority? Is there momentum built?
  - What's the likelihood of ecological success (short, medium and long-term) and over what time period?
  - How would you identify outcomes? How would you measure success?
  - What types of actions would address the priority?
  - What's the potential benefit relative to the scale of the issue?
  - Probability of success
  - What can be leveraged to address the priority (funding, acreage impacts, other resources)
  - Describe the political, regulatory and other support for addressing this priority.
5. Science (Identifying ways to recover listed species, habitats at risk)
  - Species
  - Habitat
  - Relate to existing science
  - Are species dependent on system
  - Fits regional & local priorities
6. Social Structure
  - Do partnerships exist to address the priority?
  - Describe the existing framework to address the priority (Recovery Plans, Implementation plans, etc.)

- Should the priority be divided into geographic areas that are appropriate for partners to address?
7. Economic Benefits
- Describe the economic benefits of addressing the ecological priority, including ecosystem services
8. Assess the Priority by locating the priority in one of the quadrants below. Describe why the priority falls in this quadrant.





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# Listening Session Executive Summary

## OWEB Focused Investment Partnerships

March 2014

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## Strategic Action Plan

Plans should:

- Address Board-Identified Priorities and justify how the plan will meet identified outcomes
- Describe how the plan was developed and with whom: the Board needs to know who developed the plan; is there buy-in; age of the plan; evidence partners have worked together
- Show measurable ecological outcomes tied to landscape that are achievable with realistic sequencing and contingencies
- Include a purpose and need statement
- Be rooted in established planning framework; identifying how the plan will be updated
- Describe how the plan is achievable
- Include:
  - A defined geographic area and appropriate scale
  - Metrics, Measurable Goals and Objectives
  - Specific outcomes and outputs/milestones
  - Process for prioritizing
  - Logical phasing of elements
  - Outreach and education component
  - Community engagement
  - Plan for long-term monitoring: 5-10 years, cost effective
  - Timeline, actions and budget
- Address long-term protection of ecological outcomes
- Identify:
  - What needs to be done, what has already been implemented, where does work need to occur?
  - Leveraged funding and other resources, including timelines
  - Processes for updating the plan
- Provide a Gap Analysis and discusses how partnership will fill a gap/need
- Clearly define roles and responsibilities for partnership and describe how partnership is refined by geographic area and outcomes
- Identify clearly core and secondary partner involvement (it's okay for core to be federal/state)
- Provide a strong tie to existing plans
  - How do agency plans/watershed council action plans get used? Tiered?
  - Does the action plan need to be “new” or would existing plans suffice?
- Contain Strong Social/Economic Connections

- Integrate adaptive management into plan, allowing for flexibility. In addition, the process by which decisions are made about shifting priorities needs to be well fleshed out.
- References Supporting Documentation – maps, other plan references, biological references, endorsements

### High-Performing Partnership

- Core Partnership has Track Record and Long-Term Relationship
- Partners have built long-term relationships and have established trust
- Partnership infrastructure is already in place and operating
- Partners have a track record of bringing in funds and managing projects and getting them done with multiple partners
- Partners have stable and complementary staff
- Partnership is Necessary and Sufficient – you don't need everyone, just the partners necessary to accomplish the action plan
- Focus should be on the quality of the partnership, not the number of partners
- Core and secondary partners should be clearly delineated – a core partner in one area may be secondary in another EX: ODFW ↔ Farmers; landowners and other interests
- Some parts of the state can have more difficulty in securing a lot of partners; no numerical criteria: focus on quality of partnerships
- Partners recognize that working together is better than competing
- Good communication within partnership
- Boards or other governing bodies of partner organization have bought in to process
- Aligned missions around the program
- Partners have clear roles and responsibilities; there is clear information on what each partner is bringing to the table: skills, funds, capacity
- Formalized Partner relationship through agreements, identified roles, decision-making processes – can be seen through MOU, management plan, communications plan, formal agreements or other mechanisms
- Each individual entity has leadership track and plan within organization to ensure partners are strong no matter who steps in
- Need to show strong tie between strategic action plan and partnership
- Partnership has addressed long-term stewardship needs (of both the partnership and the ecological outcomes)
- Ability to provide outreach and communications with community
- Partners need to demonstrate respect of stakeholders

### Ecological Outcomes

- Clear tie between ecological outcomes and Board-identified priority – needs to be demonstrated
- Strong basis in science for the ecological outcome; outcome is realistic and achievable given the identified scale and scope
- Clear understanding of historical “drivers” (background) of problem
- Maintain an ecosystem focus (biological diversity)
- Limiting factors clearly described
- Environmental baseline
- Contains evaluation - is outcome relevant to problem and proposed solutions
- Leave it up to partnership to determine scale-based on their capacity to reach a specific outcome
- Actions have a demonstrated link to addressing resource needs
- Ecological outcome contains measurable goals and outputs
- Ecological outcomes should have a strong monitoring component; includes state of the art, sophisticated, defensible monitoring (use existing models) – measurements are science-based.
- Demonstrate and describe that they are using Adaptive Management and how (include socio-economic feedback loop to ensure community support)
- Incremental timeline to achieve ecological outcome and how to track and demonstrate this (interim milestones)
- When ecological outcomes tie to working lands, maintaining whole landscape over time is key
- To achieve outcome, how are you changing opinions in community at the level appropriate to outcome (move to SAC) (help people understand risk)
- Board needs to recognize different priorities equally

### Capacity Funding

#### Costs for the Board to Consider Covering for Capacity Funding

- Facilitation, workshops, travel, training; pay to collaborate option
- Technology
- Fiscal management
- Contractors: assessments, plans, put together the action plan, goals, and monitoring
- Training costs, office supplies
- Baseline monitoring; GIS; data-gathering
- Outreach

- Development of formal partnership structure (MOUs)
- Outreach to landowners
- Research on critical uncertainties that address ecological outcomes
- Technical design to understand capacity needs for implementation and ballpark for funding needs feasibility; identify realistic ecological outcomes
- Funding to scope program and identify barriers to participation
- Mechanisms to identify permanent funding

#### Benefits of Capacity Funding

- Relationship to open solicitation: better-positioned
- Facilitates more rapid move toward partnership and with those you don't partner with currently
- Motivate community to work on a large project
- Motivate partners to be involved
- Assistance with coordinating with landowners to agree on course of action

#### Other Ways OWEB Board can Support Capacity

- Board should “shop” the capacity programs to other funders: ★ OWEB-Approved Partnership



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Tom Byler, Executive Director  
Renee Davis-Born, Senior Policy Coordinator

**SUBJECT:** **Agenda Item M: Budget and Legislative Update  
April 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This report updates the Board about budget preparation for the 2015 legislative session, and seeks input on budget proposal ideas that may be included in the Agency Request Budget. This report also summarizes outcomes of the 2014 legislative session and preparations for the upcoming 2015 session. Staff do not propose that OWEB submit any legislative concepts for the 2015 legislative session.

### II. Budget Preparations for the 2015 Legislative Session

The Oregon Legislature approves budgets for state agencies on a biennial basis. In preparing for the next biennium, budgets are structured so that each agency's current (or "base") budget is recalibrated and submitted without need for specific policy description or justification. Any resources requested to be added to the base budget by agencies must be identified separately with full policy narratives and justification of funds requested. The requested additions to an agency's base budget are called "Policy Packages."

The Governor provides instructions to guide agency development of Policy Packages. Agencies will submit their Agency Request Budgets (base budget plus policy packages) to the Governor and the Department of Administrative Services (DAS) this summer. The Governor's Office then will develop state budget recommendations. Called the "Governor's Recommended Budget," this budget proposal includes agency Policy Packages that reflect the Governor's priorities and initiatives.

The Governor's Recommended Budget (rather than Agency Request Budget) is the beginning point for discussion at legislative budget hearings. During the legislative session, agencies may advocate for their individual Policy Packages only to the extent that they are included in the Governor's Recommended Budget.

In March 2014, Governor Kitzhaber initiated the process for state agencies to prepare budget proposals for the 2015-2017 biennium. This effort continues aspects of the Governor's 10-Year Plan for Oregon that was initiated in advance of the 2013 legislative session. Governor Kitzhaber launched the 10-Year Plan as a way to redesign how state government builds its

budget and makes investment decisions. It seeks to better position the two-year budget process to achieve long-term outcomes.

The 10-Year Plan organizes the state budget into five major outcome areas—Education, Healthy People, Economy and Jobs, Healthy Environment, and Safety. State agency budget programs are considered within the context of the appropriate outcome area. OWEB’s budget is placed entirely within the Healthy Environment outcome area.

OWEB has internally discussed agency needs and ideas for budget requests for next biennium and have begun to share the proposals with stakeholders to get their input. In addition, staff will brief the Board Executive Committee on the budget process and proposals in advance of the April meeting. The budget proposals are contained in Attachment A to this report. At the April meeting, staff will discuss these ideas and seek feedback from the Board.

The schedule for agency budget development is as follows:

- March 2014                      Initiation of budget development process by Governor’s Office and DAS
- March-May 2014                Staff develop budget proposals, get feedback from Board and stakeholders
- June 2014                        Submit Policy Package proposals to DAS
- July-August 2014                Develop Agency Request Budget detail
- September 2014                Submit full Agency Request Budget document
- Sept.-Nov. 2014                Governor’s Office develops Recommended Budget
- December 2014                Governor’s Recommended Budget released

The latest revenue forecast shows lottery revenues continue to be relatively flat. This could influence how many of OWEB’s proposed budget ideas are ultimately included in the Agency Request Budget and Governor’s Recommended Budget. Staff will update the Board on the budget process at its July meeting.

### **III. 2014 Legislative Session**

The 2014 session ended on March 7, 2014. Below are brief summaries of bills that were of interest to OWEB and their status at the end of session.

- House Bill (HB) 4015 – Agency coordination with Regional Solutions program (Signed into law 4/1/14)
- HB 4093 – Public record exemption for voluntary agreements for greater sage-grouse conservation involving soil and water conservation districts (Signed into law 3/13/14)
- HB 4133 – Identification of outdated, obsolete or duplicative statutes (Signed into law 4/1/14)
- HB 4135 – State Chief Information Officer advice to agencies on information technology resources and activities (Signed into law 4/1/14)
- Senate Bill (SB) 1554 – Education funding protection ordinance if majority of county lands are subject to conservation exemption or special assessment programs (Public hearing held, but remained in committee upon adjournment)
- SB 1567 – Modification of reinstatement rights for management service employees who previously were in classified service (Signed into law 3/3/14)

In addition to these bills, the Legislature received reports on a few issues of relevance or potential interest, including a report from the Oregon Department of Forestry about implementation of the dry-side forest collaboratives effort (which contained reference to OWEB's administration of the grant program for collaboratives' capacity), and a report from the Oregon Department of Fish and Wildlife about work by the advisory board of the Oregon Hatchery Research Center.

As a follow-up to bills introduced during both the 2013 and 2014 legislative sessions, the Governor's Office has convened several natural resources agencies to study trends and effects of non-farm uses, including conservation and public recreation uses, on agriculture. The study will conclude prior to the 2015 legislative session. Meta Loftsgaarden, Deputy Director, is the OWEB staff lead for this work.

#### **IV. 2015 Legislative Session**

Similar to the timeframe for budget development noted in Section II of this staff report, state agencies are preparing policy proposals for consideration during the 2015 session. For consideration in 2015, legislative concepts must be submitted by agencies to the Department of Administrative Services (DAS) by May 2, 2014. Once approved by DAS, legislative concepts are sent to Legislative Counsel for drafting prior to pre-session filing by the Governor in December 2014. Staff do not propose any legislative concepts for the 2015 session.

#### **IV. Recommendation**

Staff seek Board input on potential budget proposals to include in OWEB's Agency Request Budget. OWEB staff do not intend to propose any 2015 legislative concepts for consideration by the Board.

Attachment

A. OWEB Budget Policy Option Package Proposals – 2015-2017

**OWEB Budget Policy Option Package Proposals  
2015-2017**

**Program Continuity**

1. Shift two current limited duration positions to permanent status
  - a. Web, Graphics, Administrative Support
  - b. Partnership to Scale (Shift fund source from federal funds to lottery funds)
2. Fund shift for Willamette Partnership Coordinator position (Shift fund sources to ½ lottery funds, ½ federal funds)
3. Contracting needs. OWEB Measure 76 grant funds are not eligible to use for contracting. There are certain work products and functions OWEB needs carried out that are most efficiently and effectively accomplished through personal services contracts. OWEB needs to ensure it has adequate funds available for contracting purposes next biennium.
4. Office rent for Region 4. OWEB Regional Program Representative for Region 4 is moving into a shared office space with staff from the Water Resources Department in Bend.

**Program Enhancement**

5. Grant Program Analyst (2 positions)
  - These positions will assist with routine grant and administrative processing workload, relieving some of this work from OWEB grant managers, thereby allowing them to spend more of their time working in the field with grantees and other stakeholders to build, strengthen and maintain local partnerships.
6. Conservation Outcomes Monitoring Program (2 positions)
  - These positions will lead OWEB's program to measure and report on ecological outcomes at the landscape level. The positions will coordinate with other state and federal agencies to determine priorities and carry out implementation efforts of the Conservation Effectiveness Partnership and other similar initiatives. In addition, the positions will work with staff, other agencies and local stakeholders to develop conservation outcome metrics, coordinate monitoring and data, and report results at the landscape level.
7. Klamath Comprehensive Agreement Implementation
  - This position will act as the agency's local lead to develop and implement actions during the initial transition period under the Upper Klamath Comprehensive agreement. The position will coordinate with other funders, manage grant investments, and serve as the agency's lead on working with the Joint Management Entity and other local partners.

**Program Restoration**

8. Restore M76 Operating Lottery Funds for discretionary funds to:
  - Develop, implement or update state, regional or local strategies or plans to protect or restore habitat for fish and wildlife and water quality; and
  - Support local, watershed councils and SWCD's and other community-based organizations and education activities
  
9. Community Engagement Grant Coordinator
  - This position restores staff capacity to manage grants associated with conservation education and community outreach. This position supports local watershed councils and conservation districts as they seek to increase local community outreach and engagement.



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Deputy Director

**SUBJECT: Agenda Item O: Healthy Rangelands Funding Request  
April 29-30, 2014 OWEB Board Meeting**

### I. Introduction

Staff are requesting the Board consider funding \$300,000 from the Oregon Plan priorities spending plan line item to support continued development and early implementation of Oregon's comprehensive All-Lands, All-Threats approach to Sage-Grouse Habitat Protection.

### II. Background

Governor Kitzhaber's Natural Resources Office is working with landowners, counties, state and federal agencies and non-profit organizations to develop a comprehensive plan that, when combined with updated Bureau of Land Management (BLM) Resource Management Plans, will maintain and improve sage-grouse populations and habitat in Oregon. The short-term objective of the state's planning effort is to inform the U.S. Fish and Wildlife Service (USFWS)'s listing decision under the Endangered Species Act (ESA) in 2015. The Governor's long-term goal is to protect and restore sage-grouse populations and the ecological health of lands across southeast Oregon and other areas of the state and, in so doing, promote the stability and vitality of rural communities and economies. This goal would be accomplished through a planning framework that protects key habitat, undertakes priority conservation actions tied to key sage-grouse and habitat threats, and advances responsible stewardship that generates and allows for economic use and development of lands vital to healthy rural communities.

In 2015, USFWS is required to make a decision about listing the Greater Sage-Grouse under the federal ESA. Sage-grouse and their habitat cover nearly 25 percent of the state's land area in southeast, central and northeastern Oregon, in addition to extensive areas across many other western states. As a result, this listing decision and the subsequent related actions and obligations have the potential to impact land uses and management practices in Oregon at a scale similar to the actions related to salmon and spotted owls in the 1990s.

OWEB has a vested interest in sage-grouse, their habitat, and associated rural communities. The habitat area spans three OWEB regions and has been a major focus of watershed restoration investments for the Board. The area comprises large tracts of private, state, and federal lands. Over the years, numerous watershed projects funded by OWEB on private lands have been designed to enhance sage-grouse habitat. Other projects have been conducted in conjunction with federal land managers with the same purpose in mind.

### **III. Current Status of the State's Planning Effort**

A team of partners including Portland State University, Oregon State University / Institute for Natural Resources, The Nature Conservancy, the Governor's office, state and federal agencies, and myriad local partners and contractors have been moving forward with the effort to complete the State of Oregon's All-Lands, All-Threats Approach to Sage-Grouse Habitat Protection. This extensive effort, known as SageCon, has involved county commissioners and judges, county planning departments, state and federal agencies, landowners and a variety of non-profit organizations. Development of the State's plan and coordination with federal planning efforts is part of the SageCon effort.

The Board provided \$350,000 in funding for SageCon in early 2013. Since that time, a number of significant accomplishments have been made:

1. Outreach to ensure that stakeholders such as the Association of Oregon Counties; Oregon Cattleman's Association; County planners; BLM; Oregon Department of State Lands (DSL); energy interests; conservation organizations, and many others are involved in the decision-making process being used to develop the State's plan for sage-grouse in response to the 2010 warranted-but-precluded decision by USFWS.
2. Coordination of ongoing fundamental analyses to quantify the risk of important threats to sage-grouse habitat in Oregon, including conversion to agriculture, energy development feasibility, wildfire, invasive species, and other anthropogenic and non-anthropogenic disturbances.
3. Compilation of plot-level vegetation data, gathered between 1988 and present, from BLM, DSL, U.S. Forest Service, Natural Resources Conservation Service, Agricultural Research Service, USFWS, and other sources into a comprehensive and consistent database that is tied to monitoring and mapping efforts, establishment of baseline conditions, and updates based on recent and/or future impacts (i.e., fire).
4. Collection of over 525 new vegetation plots in areas that have been burned since last sampled.
5. Pilot mapping work on sagebrush, cheatgrass and medusahead, along with processing of satellite imagery, to develop a new vegetation dataset and related maps.
6. Continued stakeholder outreach and interagency coordination activities.
7. Development of the All-Lands, All-Threats Plan outline and draft portions of the plan.

In addition, the partners have matched OWEB's investment with additional work including:

1. Ongoing data collection and cataloging work;
2. Development of cartographic products for presentations and publications;
3. Creation of an updated land-status data layer depicting managed and protected areas that can be used for identifying current conservation areas;
4. Ongoing contributions of analysts to a) complete baseline assessment and methods development for determining current conditions and b) examine recent habitat trends in Oregon;
5. Creation of updated and calibrated vegetation simulation models for southeastern Oregon to better reflect current knowledge of range management and vegetation responses to management;
6. In-progress development of initial conditions data for running simulations;
7. Drafting of portions of a new mitigation framework related to sage-grouse conservation;
8. Initial draft and refinements of sage-grouse habitat maps; and
9. Development of conifer conditions data set (canopy cover of conifer trees) for all of southeast Oregon.

#### **IV. Recommendation**

Extensive work has been completed to date. Based on the current progress of this work, additional funding is requested to be applied in two specific areas:

- (1) Bringing to completion the SageCon planning effort, including additional facilitated meetings, stakeholder outreach and coordination, data analysis and plan writing; and
- (2) Implementing a limited suite of 'early actions' in the 2014-15 period to advance priority sage-steppe habitat work on the ground, with the intent of demonstrating to USFWS the State's ability to move its plan into meaningful action prior to the ESA listing decision in 2015.

Staff recommend the Board award up to \$300,000 in support of this work and delegate authority to the Director to enter into appropriate agreements to finalize the state's plan and implement early actions consistent with OWEB's mission.



# Oregon

John A. Kitzhaber, MD, Governor

## Oregon Watershed Enhancement Board

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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Greg Sieglitz, Monitoring and Reporting Manager

**SUBJECT: Agenda Item P: PCSRF Funding to Support the Oregon Department of Fish and Wildlife's 2013-2015 Biennial Budget  
April 29-30, 2014 OWEB Board Meeting**

### I. Introduction

Over the years, Pacific Coastal Salmon Recovery Fund (PCSRF) funds have provided critical support for OWEB's overall program, including grants to support on-the-ground habitat work, watershed councils and soil and water conservation district capacity, and OWEB operations. PCSRF also has supported other state agency programs related to salmon conservation and recovery.

In this report, staff recommends the Board award \$513,222 of PCSRF funds to the Oregon Department of Fish and Wildlife to meet their budgeted PCSRF needs for the first year of the biennium.

### II. Background

Board action is needed to carry out legislative allocations of PCSRF funds to other state agencies. As part of awarding PCSRF to a state agency, OWEB enters into interagency agreements to track and report the uses of the funds.

Programs at the Oregon Department of Fish and Wildlife (ODFW) have been supported with PCSRF funds in the state budget since the 2001-2003 biennium. Specific ODFW programs that have been supported recently with PCSRF funds include Fish Screening and Passage, Oregon Plan Monitoring, Western Oregon Stream Restoration, and Oregon Plan Implementation and Technical Support. These programs also are included in the both the Federal Fiscal Year (FFY) 2013 grant and the 2014 PCSRF grant request, along with both the OWEB and ODFW agency biennial budgets approved by the Legislature for 2013-2015.

PCSRF funds are appropriated and awarded annually. The OWEB and ODFW budgets for 2013-2015 assume two years of PCSRF funding. FFY 2013 PCSRF funding was available at the start of the biennium; however, 2014 PCSRF funding for Oregon will not be known until NOAA Fisheries makes its grant awards later this spring. Because second year funding is not known at the beginning of the biennium, it is OWEB's practice to utilize available PCSRF funds to support the first year of the two-year budget for both OWEB and ODFW.

PCSRF FFY 2013 grant funds to Oregon were sufficient to cover the agency budgets for the first year of the biennium. An additional \$2.5 million of PCSRF 2013 funds are available, but have been withheld from the OWEB spending plan, pending resolution of the PCSRF 2014 funding availability. After FFY 2014 PCSRF funds are available, OWEB can then take action to meet the agencies' needs for the second year of their two-year budgets.

### **III. Issue**

At the June 2013 Board meeting, staff anticipated that the Legislature would allocate a total of \$8.3 million of PCSRF funds to support ODFW's 2013-2015 budget. Based on that presumption, the Board awarded \$4.1 million of PCSRF to ODFW to meet the first year funding need for the biennium. Subsequent to the June Board action, the Legislature increased its allocation of PCSRF in the final ODFW budget to a total of \$9.2 million. As a result, ODFW will need a total of \$4.6 million in PCSRF funds to meet its first-year funding need for the biennium.

Staff recommend the Board award \$513,222 in PCSRF funds to ODFW to fully meet the agency's \$4.6 million first year funding need for the biennium. Sufficient PCSRF FFY 2013 funds remain to cover the award. The Board's action will not adversely impact the current OWEB spending plan.

### **IV. Recommendation**

Staff recommends that the Board award \$513,222 of PCSRF funding in support of ODFW funded programs approved for the first half of the 2013-2015 biennium by the Oregon Legislature.

**APPROVED BY THE BOARD, JULY 29, 2014**  
**Oregon Watershed Enhancement Board**  
**April 29, 2014**  
**OWEB Board Meeting**  
**Bandon, Oregon**

**Minutes**

**OWEB Members Present**

Eric Quaempts  
Dan Thorndike  
Debbie Hollen  
Cindy Deacon Williams  
Ron Alvarado  
Stephen Brandt  
Will Neuhauser  
Lisa Phipps  
Morgan Rider  
John Roberts  
Bob Webber  
Karl Wenner  
Alan Henning  
Kim Kratz  
Mike Haske  
Doug Krahmer  
Randy Labbe

**OWEB Staff Present**

Tom Byler  
Meta Loftsgaarden  
Lauri Aunan  
Greg Sieglitz  
Renee Davis-Born  
Juniper Davis  
Brandi Elmer  
Mark Grenbemer  
Karen Leiendecker  
Liz Redon  
Tom Shafer  
Courtney Shaff  
John Amoroso  
Sue Greer  
Miriam Hulst

**Others Present**

Amanda Rich  
Liz Vollmer-Buhl  
Ryan Gordon  
Kelley Beamer  
Jerry Nicolescu  
Melyssa Graeper  
Bob Jones  
Jodi Lemmer  
Troy Laws  
Dawn Weekly  
Rob Walton  
Michael Pope  
Wayne Hoffman  
Jim Seeley  
Mike Mader  
Matt Rumaltd  
Nancy Chen  
Paul Siebert  
Bruce Taylor  
Maggie Peyton  
Owen Wozniak  
Mark Trenholm  
Dean Freeborn  
Sharon Waterman  
Jon Souder

**A. Board Member Comments**

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

**B. Board Co-Chair Election**

Co-Chair Eric Quaempts asked the Board for their nomination for the current open Co-Chair position that ended in January 2014.

*The Board moved to re-elect Co-Chair Dan Thorndike for a new two-year term. Motion passed unanimously.*

### **C. Review and Approval of Minutes**

Minutes of the January 29-30, 2014, Board meeting in Portland were presented for approval.

*The board moved to approve the January 29-30, 2014 Board meeting minutes. Motion passed unanimously.*

### **D. Executive Director Update**

Tom Byler, Executive Director, updated Board members on the Long-Term Investment Strategy. Last year, the Board adopted its Long-Term Investment Strategy for Conservation (LTIS), which included approval of a framework for grant investments and direction for the LTIS. Director Byler updated the Board on the numerous tasks undertaken associated with the LTIS. He reminded the Board that due to the result of the passage of Ballot Measure 76 in 2010, OWEB's primary source of funding was no longer time-limited in the Oregon Constitution. At that point OWEB had decided to review and update its priorities, policies, programs and practices with the purpose of best positioning the agency as an effective and successful long-term funder of conservation in Oregon.

Director Byler reminded the Board of the four major investment areas within the Long Term Investment Strategy, Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring. Within the LTIS and this framework lies the agency's mission, strategic plan goals and touches on all aspects of OWEB's responsibilities. Director Byler gave updates on the status of Priority Work Items, which include: Developing an online grant application and grant agreement system. This development is in process and the development of online applications and agreements with the goal to test extensively and be ready to implement in the 2015-17 biennium. In the Operating Capacity investment area, OWEB has been working to update the council capacity grant program over the past four years, and will propose new administrative rules and implementation guidance for Board adoption in July. Updating the Focused Investment Program, in October of 2013 OWEB kicked off a process to update its process, definition, criteria and solicitation approach for the Focused Investment category of OWEB funding. We are continuing our Effectiveness Monitoring Efforts. Efforts to track conservation outcomes at meaningful scales are essential to determine progress on achieving goals and informing future actions and priorities. The Land and Water Acquisition Grant process was updated in the last year, under this new process the Board was asked to award funding to four of the six projects submitted for consideration at this meeting. Streamlining grant budget categories is the other item that OWEB staff and external stakeholder partners have been working on over the past year. To streamline and develop a more transparent budget category system that works for both grantees and OWEB staff, with the overall goal to provide easy-to-understand and customer-friendly forms and processes while ensuring the necessary accountability for use of public funds. The new budget categories apply to applications received after January 1, 2014 (small grant applications after July 1, 2014).

Director Byler updated the Board on the Ecosystem Services Program. Staff continue to work with leaders in the conservation community, such as the Willamette Partnership and The Freshwater Trust (TFT) on ecosystem service efforts.. Staff are also working with other agencies, the Oregon Department of Environmental Quality, Natural Resources Conservation Service, and the Oregon Department of Forestry while focusing their resources on the measurement of ecological outcomes and describing accomplishments. With previous feedback from the Board, staff have focused the agency's efforts on developing and engaging in pilot projects that test tools for measuring and verifying the attainment of ecological outcomes. One

of the projects that has been in the process is the Willamette Basin Ecosystem Services Project. This is a restoration project that OWEB is funding and has entered into an agreement with TFT and NRCS to develop tools and methodologies for quantifying ecological benefits resulting from watershed restoration actions. Specifically, nutrient tracking and water temperature are the two focal areas for the partners involved in this work. Another is the Eugene Water & Electric Board (EWEB)'s Voluntary Incentives Program (VIP). OWEB and EWEB entered into an agreement to assist with the utility's work in conjunction with a number of partners to develop an investment mechanism that establishes an economic case for protecting natural systems. The program has a specific focus on healthy riparian forests, wetlands, and floodplains in the McKenzie River watershed. The McKenzie River is the source of drinking water for the Eugene metropolitan area and a significant contributor to overall water quality in the Willamette River. It is also the last remaining stronghold for native Upper Willamette River spring Chinook and Columbia River bull trout and provides critical habitat for the Oregon Chub. Through this program, an OWEB technical assistance grant for \$150,000 was awarded to Cascade Pacific RC & D to implement VIP on a pilot scale over the next year. More information about this exciting and innovative program will be presented to the Board at its July Board Meeting.

Director Byler updated the Board on the plans for development of the 2013-15 Oregon Plan Biennial Report. OWEB is required (ORS 541.420) to submit a report that assesses the statewide and regional implementation and effectiveness of the Oregon Plan for Salmon and Watersheds to the Governor and appropriate committees of the Legislative Assembly. The report must address each drainage basin in the state and include watershed and key habitat conditions, an assessment of data and information needs, an overview of state agency programs and voluntary restoration activities, a summary of Board investments and observations and recommendations to the Board for enhancing Oregon Plan effectiveness. The 2013-15 Oregon Plan Biennial Report is due by January 15, 2015. Staff intend to follow a similar approach to developing the 2013-15 biennial report as to that taken in 2012 for last biennium's report. The report will consist of two major structural components. First, as required by the Legislature, will be a two-page Executive Summary available both electronically and in hard copy. Second, the full report will be produced entirely electronically and be made accessible through the OWEB and via links from other agencies' web sites. The production of the Oregon Plan Biennial Report is always a challenging endeavor from a variety of fronts. This complexity is due in part to the planning and drafting of materials less than a year into the biennium, and also because of the significant breath of what is required by statute to be addressed in the report. In order to accommodate the needs of these drivers and to begin tapping the expertise and assistance from other agency staff, OWEB staff plan to begin making progress on the report later this spring.

Director Byler updated the Board on the Spending Plan. He explained that after the Oregon Legislature approves OWEB's budget at the beginning of each biennium, the Board considers a plan for the distribution of grant funding for a two-year period. The OWEB Spending Plan guides the agency's grant investments for the biennium. Available funding for the Board to distribute includes Measure 76 lottery funds, federal funds, and salmon license plate revenue. At its June 2013 meeting the Board adopted a 2013-15 Spending Plan totaling \$67.47 million. Director Byler referred to Attachment A of the staff report, 2013-15 Spending Plan with each line item reflecting the total Board Awards to date and the funds remaining in each line item. Each biennium, OWEB's budget is developed on the prospect of receiving federal grant funds from the Pacific Coastal Salmon Recovery Fund (PCSRF). Since 2000, OWEB, on behalf of the State of Oregon, has received PCSRF grants awarded annually by NOAA Fisheries. PCSRF

funds are a significant component of OWEB's budget, accounting for approximately one-third of OWEB's total funds. OWEB staff submitted the required materials in advance of the February and March 24<sup>th</sup> deadlines to request the maximum allowable \$25 million on behalf of the State of Oregon. Director Byler noted that it is usually the month of May before we have a preliminary annual PCSRF award notification and at that time any additional required modifications to the grant application are discussed. After the FFY 2014 PCSRF award to Oregon is known, staff will recommend updates to the Spending Plan for the Board to consider at its July 2014 Board meeting.

Director Byler updated the Board on OWEB Partnerships. OWEB has four investment partnerships within the Board's newly created Focused Investment category. Those four investments are: The Whole Watershed Restoration Initiative, Deschutes Special Investment Partnership (SIP), Willamette SIP, and Upper Klamath SIP. There will be a full report provided at the July 2014 Board meeting, however, we will provide this interim update:

Whole Watershed Restoration Initiative (WWRI): Grant cycles are held annually typically in October, however due to the federal furlough in October 2013 the first grant cycle of the biennium was delayed until January 2014. In January Ecotrust, which coordinates the WWRI received 31 proposals: 20 from Oregon and 11 from Washington. In February, there was a review done by a multi-agency review team, including OWEB staff, the review team reviewed 31 applications with OWEB staff providing the review of Oregon proposals only. There were a total of 20 Oregon projects considered for funding and OWEB staff recommended 11 of those 20 for funding. In March, the funding partners convened to develop final award recommendations and proposed allocations among the funding organizations. The total allocation of up to \$179,500 of OWEB funds for five projects, with a total partner match of \$155,197. In light of the 2014 award \$324,735 remains for the 2015 WWRI grant cycle. In addition to the 2015 cycle, these funds can be used over the next ten years to engage in a strategic planning effort to determine the best ways to focus the WWRI partnership.

Deschutes SIP: In June of 2013, the OWEB Board approved as part of its spending plan an allocation of \$4,000,000 to the Deschutes SIP for the 2013-2015 biennium. Currently, OWEB has awarded the program approximately \$2,056,000 of that allocation for six projects:

- \$258,806 to the Crooked River Watershed Council for the removal of Stearns Dam and associated floodplain and riparian restoration on the Crooked River;
- \$582,171 to the Deschutes River Conservancy for a portion of an irrigation piping project that will permanently allocate instream flows to the Deschutes River and the Crooked River;
- \$300,000 to the Deschutes River Conservancy for a portion of an irrigation piping project that will permanently allocate instream flows to Whychus Creek;
- \$800,000 to the Upper Deschutes Watershed Council for the removal of Sokol Dam and associated floodplain and riparian restoration on Whychus Creek;
- \$55,000 to the Upper Deschutes Watershed Council for a landowner outreach program operating in the communities along Whychus Creek and the Metolius River; and
- \$60,000 to the Upper Deschutes Watershed Council for effectiveness monitoring along Whychus Creek and the Metolius River.

Currently there are two other projects under consideration for funding under the 2013-15 allocation totaling \$99,000 in requests by the Crooked River Watershed Council for coordination of the partnership.

OWEB staff are planning to meet with the Deschutes partners in Bend April 6<sup>th</sup> to discuss the timeframe for grant application submissions for the approximately \$2,000,000 remaining 2013-15 allocation.

Willamette SIP: In June 2012, the OWEB Board approved as part of its spending plan allocation \$3 million to the Willamette SIP for the 2013-15 biennium. The Willamette SIP includes the Model Watershed and Mainstem Willamette programs. Currently, the program has \$1,081,345 remaining, which includes some carry-over from the 2011-2013 biennium.

- The Model Watershed grant cycle occurred in June of 2013 (prior to the OWEB Board meeting) and projects were awarded in August for a total of \$1 million. By previous agreement with MMT, Model Watershed grants are awarded once a biennium for riparian revegetation only and the total may not exceed \$1 million. MMT awarded an additional \$450,000.
- The Mainstem Willamette held a grant cycle in summer 2013, and ultimately awarded five of eight projects for a total of \$1 million (\$285,492 in Lottery funds and \$714,508 in PCSRF funds). MMT awarded an additional \$745,890 and BPA an additional \$700,000. In total, the funding partners awarded \$2,445,890. A second grant cycle will occur this summer for which the remaining \$1,081,345 in Board-allocated funds will be available.

Upper Klamath SIP: In June 2013, the OWEB Board approved as part of its spending plan an allocation of \$800,000 to the Upper Klamath SIP for the 2013-2015 biennium. No OWEB funds have been awarded to date, as the Upper Klamath SIP partners—operating as a collaborative entity named the Upper Klamath Conservation Action Network, or UKCAN—have engaged with staff from the Deschutes River Conservancy to complete enterprise-scale process of niche identification for UKCAN partner organizations and development of a basin-wide restoration strategy. This important and valuable process currently is underway, with UKCAN scheduled to complete niche identification by the end of March 2014. In parallel, UKCAN has nearly completed an update of its internal process for evaluating and advancing projects for consideration by funders, including OWEB and the National Fish and Wildlife Foundation (NFWF), which funds the Upper Klamath Keystone Initiative as a complement to the Upper Klamath SIP.

In order to allow the aforementioned steps to be completed, the first solicitation cycle for 2013-2015 Upper Klamath SIP funding will result in applications being received by OWEB by April 18, 2014. Staff will convene the SIP Technical Review Team in early May to review and comment on the applications, and anticipate staff recommendations will be provided to the Executive Director by the end of May 2014.

Staff continue to work with NFWF to design a joint Upper Klamath solicitation by the two funders that will occur Summer-Fall of 2014. The intent of the joint solicitation is to better coordinate investments at a funder-to-funder level, and to streamline the internal evaluation and proposal/application development processes for local partners in the Upper Klamath Basin.

Currently, \$837,143 is available for the UKSIP (including a small amount of remaining funds from the 2011-2013 biennium).

Director Byler updated the Board on the Upper Klamath Basin Water-Use Program. At the Board's January 2014 meeting, the Governor's Office and OWEB staff requested that the Board award \$750,000 in support of an Upper Klamath Basin water-use program to allow for early action under the Upper Klamath Basin Agreement in Principle (AIP) that was released in December of 2013. The AIP outlined at high level an agreement that would ensure water for both Tribal needs and ranching operations in the Upper Klamath Basin. The Board's award provided funding for temporary water leasing and programmatic costs to ensure a credible and successful delivery system is in place locally to carry out the funded program.

The most recent developments and progress include:

On March 4, 2014, the Proposed Upper Klamath Basin Comprehensive Agreement (Proposed UKBCA) was released, providing additional detail the terms and conditions of an agreement for water use and habitat restoration (among other issues) in the basin.

Since the release of the Proposed UKBCA, staff have been working closely with signatories to the agreement and other parties to design the transitional water-use program outlined in the agreement and set the stage for early implementation that will reduce net consumptive water use by approximately 5,000 acre-feet by June 1, 2014. Activities to date include, but are not limited to:

- Putting in place a contract with the National Fish and Wildlife Foundation to assist with design and implementation of the water-use program;
- Coordinating with the Klamath Tribes, the Oregon Water Resources Department, the Governor's Office and representatives of local ranching interests to articulate expectations for the water-use program in the next 1-3 years to lay the foundation for design of the program and the process that will be used to protect water; and
- Coordinating with other funders to proactively pool resources in a way that leverages the resources of each funder and maximizes the potential for ecologically significant actions on the ground.

On April 9, 2014, the Klamath Tribes voted to approve the Proposed UKBCA. At the time of writing this report, a signing ceremony for the agreement was scheduled to occur on April 18, 2014.

No Board action was required; this is an informational item only.

#### **E. Pending Regular Grant Applications**

Lauri Aunan, Grant Program Manager, provided background on the October 21, 2013 grant cycle. Six different application types were solicited for this grant cycle: Restoration, Land Acquisition, Monitoring, Outreach, Technical Assistance, and Technical Assistance for Watershed Council Action Plans. A total of 202 grant applications seeking more than \$21 million were received by the October 21, 2013 deadline. She provided an overview of the Regular Grant process, regional review team recommendations to OWEB staff, and OWEB staff's funding recommendations to the Board.

Lisa Phipps, OWEB Board Member, stated that during the Motion process she will recuse herself from Region 1 – Restoration Grant: 214-1034, Technical Assistance Grant: 214-1021 and Monitoring: 214-1043

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

- Lisa Phipps, Executive Director, Tillamook Estuary Partnership, spoke in support of the Technical Assistance Grant Application: 214-1021 Patterson Creek Fish Passage Feasibility Study (Region 1). This grant was not recommended for funding.
- Steve Denney, South Coast Conservation Director, The Nature Conservancy spoke in support of Restoration Grant Application: 214-1034 Kilchis Estuary Preserve Restoration Project (Region 1). This grant was recommended for funding.
- Maggie Peyton, Executive Director, Upper Nehalem Watershed Council, and Troy Laws, ODFW Biologist for North Coast Watershed District spoke in support of Restoration Project Application: 214-1044 Oak Ranch Creek – Salmon Passage & Habitat Improvement (Region 1). This grant was not recommended for funding.
- Melyssa Graeper, Necanicum Watershed Council and Troy Laws ODFW Biologist for North Coast Watershed District spoke in support of Restoration Grant Application: 214-1032 Warneke Creek Large Wood Placement (Region 1). This grant was not recommended for funding.
- Michael Pope, Mary’s River Watershed Council, spoke about Technical Assistance Application: 214-3053 Middle and Upper Mary’s Rapid Bio Assessment and Landowner Recruitment (Region 3). This grant was not recommended for funding.

### **The Board Considered these Grant Applications for Award:**

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

Lauri Aunan, Grant Program Manager

Tom Shafer, Regional Program Representative

Project Highlighted: 214-1034, Kilchis Estuary Preserve Restoration

There were a total of 26 applications submitted for a total request of more than \$4.4 million, this included one Land Acquisition application that was addressed in Agenda Item H, Land Acquisition Grant Awards. The North Coast Regional Review Team recommended and ranked 23 applications: Eight Restoration applications, three Technical Assistance applications, one Technical Assistance for Watershed Council Action Plan application, seven Outreach applications, and four Monitoring applications.

For the April Board meeting, staff recommended funding for 18 applications for a total award of \$1,384,923: \$890,175 for Restoration, \$64,487 for Technical Assistance, \$144,152 for Outreach, and \$286,109 for Monitoring.

#### **REGION 2, SOUTHWEST OREGON**

Lauri Aunan, Grant Program Manager

Mark Grenbemer, Regional Program Representative

Projects Highlighted:

There were a total of 30 applications for a total request of more than \$3 million. Technical Assistance application 214-2027 was withdrawn by the applicant prior to review. The Southwest Oregon Regional Review Team recommended funding for 25 applications: 11 Restoration applications, four Technical Assistance applications, six Outreach applications and four Monitoring applications.

For the April Board meeting, staff recommended funding for 20 applications for a total award of \$2,119,003: \$1,517,323 for Restoration, \$90,000 for Technical Assistance, \$119,680 for Outreach, and \$392,000 for Monitoring.

### **REGION 3, WILLAMETTE BASIN**

Lauri Aunan, Grant Program Manager

Liz Redon, Regional Program Representative

Projects Highlighted: 214-3058, Long Tom Watershed Council; 214-3045, Polk SWCD

There were a total of 48 applications submitted for a total request of more than \$5.5 million. Three Land Acquisition applications were submitted and discussed in detail in the Agenda Item H Land Acquisition Grant Awards.

The Willamette Basin RRT recommended funding for 34 applications: 15 Restoration applications, eight Technical Assistance applications, one TA for Watershed Council Action Plan application, seven Outreach applications and three Monitoring applications.

For the April Board meeting, staff recommend funding for 20 applications for a total award of \$1,475,402: \$1,106,953 for Restoration, \$81,722 for Technical Assistance, \$203,126 for Outreach and \$83,601 for Monitoring.

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

Lauri Aunan, Grant Program Manager

John Amoroso, Regional Program Representative

Project Highlighted: 214-4016, Upper Williamson River Habitat Enhancement Project

There were a total of 21 applications submitted for a total request of nearly \$3.4 million. Two Land Acquisition applications were submitted and are discussed in Agenda Item H, Land Acquisition Grant Awards.

The Central Oregon RRT recommended funding for 12 applications: five Restoration applications, four Technical Assistance applications, one TA for Watershed Council Action Plan application, and two Monitoring applications. The RRT did not recommend funding for the one Outreach application submitted.

For the April Board meeting, staff recommends funding for nine applications for a total award of \$1,262,934: \$890,102 for Restoration, \$82,090 for Technical Assistance, \$25,000 for TA for Watershed Council Action Plan, and \$265,742 for Monitoring.

## **REGION 5, EASTERN OREGON**

Lauri Aunan, Grant Program Manager

Karen Leiendecker, Regional Program Representative

There were a total of 46 applications submitted for a total request of more than \$2.5 million.

The Eastern Oregon RRT recommended 38 applications for funding: 22 Restoration applications, five Technical Assistance applications, two TA for Watershed Council Action Plan applications, three Outreach applications and six Monitoring applications.

For the April Board meeting, staff recommends funding for 31 applications for a total award of \$1,523,658: \$1,064,328 for Restoration, \$79,964 for Technical Assistance, \$30,812 for TA for Watershed Council Action Plan, \$67,504 for Outreach, and \$281,050 for Monitoring.

## **REGION 6, MID-COLUMBIA REGION**

Lauri Aunan, Grant Program Manager

Sue Greer, Regional Program Representative

There were a total of 30 applications for a total request of nearly \$2.5 million. No Monitoring applications were submitted.

The RRT recommended 21 applications: 15 Restoration applications, four Technical Assistance applications and two Outreach applications.

For the April Board meeting, staff recommended funding for 14 applications for a total award of \$1,191,780: \$1,041,997 for Restoration, \$84,245 for Technical Assistance, and \$65,538 for Outreach.

*The Board moved approval of the staff funding recommendations as shown in the gray shaded sections of Attachment A to the Region 1,2,3,4,5 and 6 staff reports, except 214-1034, 214-1021 and 214-1043, the motion was unanimously approved.*

*The Board moved approval of 214-1034 and 214-1043, the motion passed unanimously. Lisa Phipps recused.*

*The Board moved approval of 214-1021 and 214-6034 with the staff recommended conditions for project 214-6034 as noted in the staff report, the motion passed unanimously, with Lisa Phipps recusing herself from the vote.*

*Board Member Cindy Deacon Williams moved to fund 214-1032 with a second by Board Member, Morgan Rider. The motion failed.*

*Special Motion on Waite Ranch TA*

*Based on the Board's approval in June 2013 for OWEB to apply for Coastal Wetlands funding for the Waite Ranch property from the U.S.*

*Fish and Wildlife Service and the subsequent award by U.S. Fish and Wildlife Service of funding for this project, the board moved to approve \$49,417 in Lottery funds and up to*

*\$120,000 in U.S. Fish and Wildlife Service Coastal Wetlands funding for application #214-1026, as described in the Region 1 staff report. The motion unanimously passed.*

*The Board made a motion to approve funding for one statewide monitoring application that was received for the October 2013 application cycle as noted in Agenda Item E – Overview, Attachment C, Project Number 214-7000. The motion unanimously passed.*

**F. Public Comment - General**

- Michael Pope, Coalition of Oregon Land Trust (COLT)/Greenbelt Land Trust talked to the Board regarding the work that has been done with OWEB and more specifically, Special Investment Partnerships and Land Acquisitions.
- Jim Seeley, Executive Director, Wild Rivers Coast Alliance spoke to the Board about the importance of Monitoring and the development of a Salmon Calculator.
- Jerry Nicolescu, Oregon Association of Conservation Districts and Ryan Gordon, Network of Oregon Watershed Councils spoke jointly to update the Board on their progress with their newly formed partnership and statewide activities.
- Kelley Beamer, Executive Director, Coalition of Oregon Land Trusts (COLT) spoke to the Board regarding the Land Acquisitions Program and gave a brief update of their activities.
- Dean Freeborn spoke in opposition of a land acquisition, more specifically, Hayden Island.
- Sharon Waterman, spoke in opposition of a land acquisition, more specifically, Hayden Island.
- Owen Wozniak, Project Manager, the Trust for Public Land, spoke regarding the process surrounding the Land Acquisition Program.
- Bob Jones, Rogue River Watershed Council Consolidation Committee, provided an update of the merger of four watershed councils in the Southern part of the state.
- Liz Vollmer-Buhl, Executive Director, Siuslaw Watershed Council, spoke to the Board regarding her concerns with Agenda Item J and the Coastal Coho Business Plan.
- Wayne Hoffman, MidCoast Watershed Council, spoke regarding his concerns with Agenda Item J and the Oregon Coastal Coho Business Plan.

**G. OWEB Effectiveness Monitoring Program**

Greg Sieglitz, Monitoring and Reporting Manager, presented a request to the Board to award funds for three effectiveness monitoring efforts. This work complements the agency's Long-Term Investment Strategy framework pertaining to effectiveness monitoring. He explained that the funding would support: 1) A comprehensive, statewide evaluation of riparian restoration that has occurred under the Conservation Reserve Enhancement Program in Oregon; (2) Continued field monitoring for the Upper Middle Fork John Day Intensively Monitored Watershed; and (3) Off-channel wetland monitoring along the Multnomah Channel that will have programmatic uses. These awards would be funded from OWEB's spending plan Effectiveness Monitoring line item within the Focused Investments category. He referred to a hand-out that he provided to Board members: Oregon's Conservation Reserve Enhancement Program – 2011 Annual Program Accomplishment Report. He noted that this document is currently in the process of being updated.

The funding is intended to conduct programmatic effectiveness evaluation in support of OWEB Strategic Plan Goal 1 (Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs) and Goal 3 (Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds).

*The Board moved to award up to \$250,000 from the Board's effectiveness monitoring line item in the spending plan to support the Conservation Reserve Enhancement Program state-wide effectiveness monitoring program as described in Attachment A to the staff report, and delegate authority to the Director to distribute the funds to appropriate agreements to carry out the work. The motion passed unanimously.*

*The Board moved to award up to \$25,000 from the Board's effectiveness monitoring line item in the spending plan for the Upper Middle Fork John Day River Intensively Monitored Watershed study for the purposes described in Attachment B to the staff report and delegate authority to the Director to distribute funds to appropriate agreements to carry out the work. The motion passed unanimously.*

*The Board moved to award \$167,442 in Pacific Coastal Salmon Recovery Fund dollars to grant application number 214-3040, Assessing Salmon Use of Off-channel Wetlands along the Multnomah Channel, for the purpose of including it in OWEB's programmatic Effectiveness Monitoring portfolio. The motion passed unanimously.*

## **H. Land Acquisition Grant Awards**

Meta Loftsgaarden, Deputy Director, and Miriam Hulst, Acquisition Specialist requested the Board's action on land acquisition grant applications that were received during the October 2013 grant cycle. Meta Loftsgaarden provided some background regarding the applications submitted during the October 2013 grant cycle. She reminded the Board that the total budget for land and water acquisitions for the biennium is \$7 million.

There were six land grant applications, totaling approximately \$3.6 million received during this grant cycle. The applications received are summarized in Attachment A. There was one application withdrawn before review due to the applicant receiving other funds for the property purchase, this application is number: 214-9901.

The land acquisition applications were reviewed in accordance with the new process adopted by the Board at its January 2013 meeting. The process evaluates ecological outcomes, project soundness, organizational capacity, and community benefits and impacts. It also includes submission of public comment by interested parties.

Staff prepared an evaluation of each project that summarizes the review outcomes, identifies yellow and red flags, and provides a score for each project. The scores were calculated from specific sections of the grant application. The process by which projects would be scored was described in advance to applicants.

The evaluations were sent to the applicants, in addition to being previously provided to the Board.

Application No. 214-9905 was not recommended for funding. The remaining four applications, were recommend for funding, totaling a grant request of approximately \$2.8 million.

*The Board moved to award funding for land acquisitions as specified in Attachment A of the Land Acquisition Grant staff report, with the project-specific conditions as specified in Attachment B of the staff report. Lisa Phipps recused. The motion passed.*

#### **I. Water Acquisition Grant Awards and Program Update**

Renee Davis-Born, Senior Policy Coordinator, requested the Board take action on water acquisition grant applications received and reviewed under the newly approved Board guidance for water acquisition grants. She reminded the Board that the use of the newly implemented process for water acquisition grants as well as the pilot test of a coordinated funder framework approved by the Board at its January 2014 meeting. She also reminded the Board of the newly adopted revised administrative rules for OWEB's water acquisition grants. These revised rules created the opportunity for OWEB to coordinate with other funders of water acquisitions to increase efficiency and effectiveness of OWEB's investments in streamflow restoration. Following adoption of the revised rules, staff worked with other funders including Bonneville Power Administration (BPA), the National Fish and Wildlife Foundation (NFWF), and the Bonneville Environmental Foundation (BEF), to draft a coordinated funder framework. This framework outlines a streamlined for soliciting, reviewing and making funding recommendations in a way that leverages funders' collective investments and creates a more efficient process for local implementers of water acquisitions.

The Board-approved guidance noted that only approved and qualified local entities that have water acquisition programs in already in place would be eligible for grants the pilot 2013-15 biennium. This approach reduces the risk to OWEB of funding an entity with an emerging water acquisition program with little experience in carrying out complex water transactions.

Grant proposals were submitted to OWEB and NFWF by two entities: the Deschutes River Conservancy (DRC) and The Freshwater Trust (TFT). The total amount of funding requested from OWEB under these proposals is approximately \$123,000. Technical review of these projects had been completed through the Technical Advisory Committee established under the Columbia Basin Water Transactions Program, a joint initiative of NFWF and BPA. The second stage of review, which involved OWEB and NFWF staff evaluating the projects based on additional criteria associated specifically with OWEB's requirements, was completed. Staff convened the past Board Subcommittee on Acquisitions to complete a final review of the application evaluations and make a recommendation to the full Board about funding.

Staff Recommendation to the Board was to award \$122,475 to the National Fish and Wildlife Foundation, under the pilot coordinated funding framework for water acquisition grants, in support of two water acquisition programs described in Attachment B of the Water Acquisition Grant staff report: the Deschutes River Conservancy's Annual Water Leasing Program and The Freshwater Trust's Fifteenmile Action to Stabilize Temperatures Program.

*The Board moved to award funding in the amount of \$122,475 to the National Fish and Wildlife Foundation, under the pilot coordinated funding framework for water acquisition grants, in support of two water acquisition programs described in Attachment B of the Water Acquisition Grant staff report: the Deschutes River Conservancy's*

*Annual Water Leasing Program and The Freshwater Trust's Fifteenmile Action to Stabilize Temperatures Program. The motion passed.*

**J. Oregon Coastal Coho Business Plan**

Meta Loftsgaarden, Deputy Director, and Krystyna Wolniakowski, Director of the Western Partnership Office of the National Fish and Wildlife Foundation (NFWF), together briefed the Board on a proposal for a joint grant-making partnership for coastal salmon strongholds and request funding for the development of local plans.

Meta Loftsgaarden provided information regarding Oregon Watershed Enhancement Board, (OWEB) programs related to coastal salmon conservation as it relates to the implementation of Oregon's Salmon Stronghold initiative. Staff from Oregon Watershed Enhancement Board (OWEB); the National Fish and Wildlife Foundation (NFWF); the Wild Salmon Center (WSC); National Oceanic and Atmospheric Administration (NOAA) Fisheries; and Oregon Department of Fish and Wildlife (ODFW) have put together a draft proposal to develop a co-funding partnership aimed at increasing collaboration and conservation success in coastal salmon tributaries, estuaries, and wetlands.

The outcome of this work will include a Business Plan approach for Oregon coast coho, with three specific chapters that identify ways to implement ecological strategies that also address economic and community health. The plan will be utilized to focus NFWF Governor's Fund implementation dollars once complete. In addition, these business plan chapters will meet OWEB's criteria for Focused Investment strategic action plans, though they are not a guarantee for future Focused Investment Partnership dollars. The Plan also provides a tool for the coastal coho project partners (i.e., OWEB, NFWF, ODFW, NOAA, WSC and others, in the future) to assist local partners in accessing new and existing funding in a more strategic manner moving forward.

Funds will be used for local watershed partners to participate in the process. In addition, funds will be invested in Business Plan development including a facilitator, technical expertise, GIS support, and NFWF oversight of the process.

Staff requested the Board approve a \$350,000 investment in the development of a Coastal Coho Business Plan for three pilot areas along the coast. The pilot areas will be identified through a Letter of Interest (LOI) process that considers innovative models of land management focused on incentivizing the conservation of high value coho habitats. The LOI will describe three categories of innovative approaches: working lands, leveraging habitat benefits across land ownerships through 'all lands' conservation, and incorporating community resiliency models. Once the plan is complete, the NFWF Governor's Fund anticipates investing on-the-ground implementation dollars into the three pilot areas. While no guarantee of OWEB Focused Investment funding in the future, the Business Plan chapters will meet the criteria for OWEB's Focused Investment strategic action plans.

The recommendation to the Board was \$350,000 to NFWF from the Oregon Plan Priorities spending plan line item for the development of a Coastal Coho Business Plan, which will include chapters for three pilot areas to be selected through a Letter of Interest process, and delegate authority to the Director to enter into appropriate agreements.

*The Board moved to award \$350,000 to the National Fish and Wildlife Foundation from the Oregon Plan Priorities spending plan line item in OWEB's spending plan for the development of a Coastal Coho Business Plan, which will include chapters for three pilot areas to be selected through a Letter of Interest process, and provide procedures by which the effort will be expanded beyond the three pilot areas, and delegate authority to the Director to enter into appropriate agreements. The motion passed unanimously.*

**APPROVED BY THE BOARD, JULY 29, 2014**  
**Oregon Watershed Enhancement Board**  
**April 30, 2014**  
**OWEB Board Meeting**  
**Bandon, Oregon**

**Minutes**

**OWEB Members Present**

Dan Thorndike  
Debbie Hollen  
Will Neuhauser  
Lisa Phipps  
Morgan Rider  
Bob Webber  
Karl Wenner  
Cindy Deacon Williams  
Ron Alvarado  
Stephen Brandt  
John Roberts  
Alan Henning  
Mike Haske  
Kim Kratz  
Doug Krahmer  
Randy Labbe

**OWEB Staff Present**

Tom Byler  
Brandi Elmer  
Meta Loftsgaarden  
Lauri Aunan  
Renee Davis-Born  
Mark Grenbemer  
Liz Redon  
Tom Shafer  
Courtney Shaff  
Greg Sieglitz  
Juniper Davis  
Miriam Hulst  
John Amoroso

**Others Present**

Amy Amoroso  
Kelly Coates  
Eric Riley  
Bob Jones  
Jerry Nicolescu  
Jim Seeley  
Brian Swift  
Sharon Waterman  
Jon Souder  
John Costa  
Bruce Taylor

**Members Not Present**

Eric Quaempts

**K. Watershed Council Capacity**

Lauri Aunan, Grant Program Manager, and Courtney Shaff, Grant Program Coordinator, updated the Board about the proposed administrative rules and implementation guidance for Outcome-Based Watershed Council Capacity Grants and the status of the rulemaking process. Lauri Aunan and Courtney Shaff discussed the summary of the February 24 – March 31 rulemaking public comment period and provided information regarding the proposed rule changes and implementation guidance.

Council capacity grants support the capacity of a watershed council or group of councils to conduct activities necessary for watershed protection, enhancement, and restoration.

Applications are evaluated for merit based on detailed criteria and processes in OWEB's rules, and funding is awarded based on factors outlined in OWEB's rules. Grant awards cover the two years coinciding with OWEB's biennial state budget (e.g., July 1, 2011–June 30, 2013).

Watershed councils are locally based, voluntary in nature, and under Oregon law, "designated by a local government group convened by a county governing body, to address the goal of sustaining natural resource and watershed protection, restoration and enhancement within a watershed" (Oregon Revised Statute [ORS] 541.890(15)).

OWEB does not create or oversee watershed councils. OWEB has the discretion to provide capacity grants to councils that represent a balance of interests in their watersheds and demonstrate the potential to protect and enhance the quality of their watersheds. Councils also are expected to assure a high level of citizen involvement in the development and implementation of watershed action programs (ORS 541.910).

OWEB staff worked with a Board subcommittee and numerous stakeholder work groups to develop proposed program changes. The OWEB Operating Capacity Subcommittee continues the work begun by the Board Watershed Council Support Subcommittee to advise staff on development of agency policy for Operating Capacity investments.

In June 2013, the OWEB Board authorized staff to begin rulemaking, and adopted the following policy direction: Build capacity through increased council sharing, combining, collaborating, and reducing the number of individual support grants over 5-10 years.

OWEB convened a Rulemaking Advisory Committee (RAC) in October 2013 to advise staff on rule language and implementation guidance for outcome-based Watershed Council Capacity Grants (Attachment C of the staff report). The RAC included representatives of watershed councils from each of OWEB's six regions and the Network of Oregon Watershed Councils. RAC members have provided excellent advice and suggestions and their input will greatly improve the draft rules and guidance. After the public comment period, the RAC will reconvene for a final review of rule language and implementation guidance to be presented to the OWEB Board for consideration in July 2014.

OWEB released draft rules and implementation guidance for public comment on February 21, 2014. The public comment period was open from February 24-March 31, 2014 and included six public hearings around the state. At the public hearings staff provided an overview of proposed changes and highlights of the draft rules and implementation guidance. Attachment D is a chart showing existing watershed council support rules compared to proposed council capacity rules. Attachment E is a flow chart of the proposed process. A total of 71 stakeholders attended the meetings and three stakeholders provided verbal public comments.

Staff met with the Operating Capacity Subcommittee in February and March and will continue to meet with the subcommittee monthly to review draft rules, guidance, and policy questions in preparation for the July Board meeting. Attachment F is a high-level council capacity schedule through July 2015.

At the July 2014 meeting the Board will be asked to adopt new administrative rules and implementation guidance for the council capacity grant program.

No Board action was required; this is an informational item only.

#### **L. Focused Investment Partnership Update**

Meta Loftsgaarden, Deputy Director, updated the Board about discussions as they relate to priority, solicitation, timeline, and summary documents for future Focused Investment Partnerships. There was time during this agenda item for public comment on Focused Investment Partnership draft timelines and processes.

In June of 2013, the OWEB Board approved its Long Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring.

Though OWEB has participated in ‘focused investments’ in the past, there has been no formal definition, process or solicitation approach for the program. In October of 2013, OWEB kicked off a nine-month process to develop a definition, criteria, solicitation approach, program design and process for the Focused Investment category of OWEB funding.

To assist with this effort, the agency has organized a set of external and internal (i.e., OWEB staff) work groups. In selecting the external work group, members were recruited from every region of the state, as well as including representatives from soil and watershed conservation districts (SWCDs), watershed councils, land trusts, Tribes and other non-profit organizations. The executive boards of the Oregon Association of Conservation Districts, Network of Oregon Watershed Councils and Coalition of Oregon Land Trusts also are represented. These individuals have been meeting together since late 2013 to provide input to the Board on the program’s design and implementation.

The work groups, along with the Board Focused Investment Subcommittee, have been developing a number of items for Board final approval at the July 2014 board meeting. These include:

- Draft Summary document including the definition, criteria categories and solicitation approach. This document was first presented to the Board at its January 2014 meeting (revised draft provided as Attachment A of the staff report).
- Draft format for soliciting Focused Investment Priorities from around the state (Attachment B).
- Draft timeline for Focused Investment Priority and Partnership solicitation (Attachment C).
- Listening Session Summaries (Attachment D).

In addition, the subcommittee has discussed a potential length and funding caps for Focused Investment Partnerships. The Board will discuss these ideas at the April meeting and make a final decision in July. The initial proposal from the subcommittee is that Focused Investment Partnerships receiving Implementation funding would have a length of no more than **six years** and a cap of **\$4 million per biennium**. Although this is the cap, the subcommittee proposes the Board consider both small and large investments, seeking an **average biennial investment of \$2 million** per Focused Investment Partnership.

This work continues the Focused Investment Partnership Program plan described at the January Board meeting. Upcoming milestones for input and decision points include:

- March 2014 (all six regions) – OWEB staff held listening sessions in all regions of the state to receive input on the first draft of the solicitation process for Focused Investment Partnerships.
- April 29-30, 2014 (Bandon, OR) – OWEB Board will receive public comment on the draft solicitation process and other aspects of the Focused Investment Partnerships program as outlined above.

- July 29-30, 2014 (The Dalles, OR) – OWEB Board will approve the following:
  - A final summary document of the Focused Investment Partnership Program
  - Solicitation process for Focused Investment Priorities
  - Solicitation process for Focused Investment Partnerships (including both Implementation and Capacity funding processes)
  - A final timeline for both processes

Caps for both the funding amount and length of Focused Investment Partnerships (for both Implementation and Capacity Funding)

No Board action was required; this is an informational item only.

**Public Comment – Item L**

- Amy Amoroso, Cow Creek Band of Umpqua Tribe of Indians, commented on Lamprey and focused investments
- Kelly Coates, Cow Creek Band of the Umpqua Tribe of Indians, commented on Lamprey and focused investments

**M. Budget and Legislative Update**

Tom Byler, Executive Director, and Renee Davis-Born, Senior Policy Coordinator, updated the Board about the final outcomes of the 2014 Legislative Session and discussed budget preparation for the 2015-2017 biennium and legislative concept development in advance of the 2015 legislative session.

Director Byler talked about the preparations for the submittal of the Agency Request Budget for OWEB. The Oregon Legislature approves budgets for state agencies on a biennial basis. In preparing for the next biennium, budgets are structured so that each agency’s current (or “base”) budget is recalibrated and submitted without need for specific policy description or justification. Any resources requested to be added to the base budget by agencies must be identified separately with full policy narratives and justification of funds requested. The requested additions to an agency’s base budget are called “Policy Packages.”

The Governor provides instructions to guide agency development of Policy Packages. Agencies will submit their Agency Request Budgets (base budget plus policy packages) to the Governor and the Department of Administrative Services (DAS) this summer. The Governor’s Office then will develop state budget recommendations. Called the “Governor’s Recommended Budget,” this budget proposal includes agency Policy Packages that reflect the Governor’s priorities and initiatives.

The Governor’s Recommended Budget (rather than Agency Request Budget) is the beginning point for discussion at legislative budget hearings. During the legislative session, agencies may advocate for their individual Policy Packages only to the extent that they are included in the Governor’s Recommended Budget.

In March 2014, Governor Kitzhaber initiated the process for state agencies to prepare budget proposals for the 2015-2017 biennium. This effort continues aspects of the Governor’s 10-Year Plan for Oregon that was initiated in advance of the 2013 legislative session. Governor Kitzhaber launched the 10-Year Plan as a way to redesign how state government builds its

budget and makes investment decisions. It seeks to better position the two-year budget process to achieve long-term outcomes.

OWEB has internally discussed agency needs and ideas for budget requests for next biennium and have begun to share the proposals with stakeholders to get their input. In addition, staff will brief the Board Executive Committee on the budget process and proposals in advance of the April meeting. The budget proposals are contained in Attachment A of the staff report. Staff discussed these ideas and sought feedback from the Board.

The schedule for agency budget development is as follows:

- March 2014 Initiation of budget development process by Governor's Office and DAS
- March-May 2014 Staff develop budget proposals, get feedback from Board and stakeholders
- June 2014 Submit Policy Package proposals to DAS
- July-August 2014 Develop Agency Request Budget detail
- September 2014 Submit full Agency Request Budget document
- Sept.-Nov. 2014 Governor's Office develops Recommended Budget
- December 2014 Governor's Recommended Budget released

The latest revenue forecast shows lottery revenues continue to be relatively flat. This could influence how many of OWEB's proposed budget ideas are ultimately included in the Agency Request Budget and Governor's Recommended Budget. Staff will update the Board on the budget process at its July meeting.

Renee Davis-Born, Senior Policy Coordinator, briefed the Board on the 2014 Legislative Session that ended on March 7, 2014. Below is a brief summary of the bills that were of interest to OWEB and their status at end of session.

- House Bill (HB) 4015 – Agency coordination with Regional Solutions program (Signed into law 4/1/14)
- HB 4093 – Public record exemption for voluntary agreements for greater sage-grouse conservation involving soil and water conservation districts (Signed into law 3/13/14)
- HB 4133 – Identification of outdated, obsolete or duplicative statutes (Signed into law 4/1/14)
- HB 4135 – State Chief Information Officer advice to agencies on information technology resources and activities (Signed into law 4/1/14)
- Senate Bill (SB) 1554 – Education funding protection ordinance if majority of county lands are subject to conservation exemption or special assessment programs (Public hearing held, but remained in committee upon adjournment)
- SB 1567 – Modification of reinstatement rights for management service employees who previously were in classified service (Signed into law 3/3/14)

In addition to these bills, the Legislature received reports on a few issues of relevance or potential interest, including a report from the Oregon Department of Forestry about implementation of the dry-side forest collaborative effort (which contained reference to OWEB's administration of the grant program for collaboratives' capacity), and a report from the Oregon

Department of Fish and Wildlife about work by the advisory board of the Oregon Hatchery Research Center.

As a follow-up to bills introduced during both the 2013 and 2014 legislative sessions, the Governor's Office has convened several natural resources agencies to study trends and effects of non-farm uses, including conservation and public recreation uses, on agriculture. The study will conclude prior to the 2015 legislative session. Meta Loftsgaarden, Deputy Director, is the OWEB staff lead for this work.

For 2015 Legislative Session staff is not proposing any legislative concepts.

No Board action was required; this is an informational item only.

**N. Public Comment - General**

- Jon Souder, Coos Watershed Association, gave a status update on the East Fork Millicoma River Restoration Project
- Sharon Waterman, Bandon landowner, talked about unintended consequences of restoration
- Bruce Taylor, Defenders of Wildlife, spoke to the Board about support for funding for Healthy Rangelands
- John Costa, Citizen of Bandon, talked to the Board about toxic pesticides and their use to kill mosquitos in the Bandon Marsh National Wildlife Refuge, he provided a hand-out to the Board

**O. Healthy Rangelands Funding Request**

Meta Loftsgaarden, Deputy Director, provided an update about Oregon's Sage Grouse conservation efforts and recent progress under the Governor's initiative. The Board was asked to award funding in support of this initiative.

Governor Kitzhaber's Natural Resources Office is working with landowners, counties, state and federal agencies and non-profit organizations to develop a comprehensive plan that, when combined with updated Bureau of Land Management (BLM) Resource Management Plans, will maintain and improve sage-grouse populations and habitat in Oregon. The short-term objective of the state's planning effort is to inform the U.S. Fish and Wildlife Service (USFWS)'s listing decision under the Endangered Species Act (ESA) in 2015. The Governor's long-term goal is to protect and restore sage-grouse populations and the ecological health of lands across southeast Oregon and other areas of the state and, in so doing, promote the stability and vitality of rural communities and economies. This goal would be accomplished through a planning framework that protects key habitat, undertakes priority conservation actions tied to key sage-grouse and habitat threats, and advances responsible stewardship that generates and allows for economic use and development of lands vital to healthy rural communities.

In 2015, USFWS is required to make a decision about listing the Greater Sage-Grouse under the federal ESA. Sage-grouse and their habitat cover nearly 25 percent of the state's land area in southeast, central and northeastern Oregon, in addition to extensive areas across many other western states. As a result, this listing decision and the subsequent related actions and

obligations have the potential to impact land uses and management practices in Oregon at a scale similar to the actions related to salmon and spotted owls in the 1990s.

OWEB has a vested interest in sage-grouse, their habitat, and associated rural communities. The habitat area spans three OWEB regions and has been a major focus of watershed restoration investments for the Board. The area comprises large tracts of private, state, and federal lands. Over the years, numerous watershed projects funded by OWEB on private lands have been designed to enhance sage-grouse habitat. Other projects have been conducted in conjunction with federal land managers with the same purpose in mind.

A team of partners including Portland State University, Oregon State University / Institute for Natural Resources, The Nature Conservancy, the Governor's office, state and federal agencies, and myriad local partners and contractors have been moving forward with the effort to complete the State of Oregon's All-Lands, All-Threats Approach to Sage-Grouse Habitat Protection. This extensive effort, known as SageCon, has involved county commissioners and judges, county planning departments, state and federal agencies, landowners and a variety of non-profit organizations. Development of the State's plan and coordination with federal planning efforts is part of the SageCon effort.

Extensive work has been completed to date. Based on the current progress of this work, additional funding is requested to be applied in two specific areas:

- (1) Bringing to completion the SageCon planning effort, including additional facilitated meetings, stakeholder outreach and coordination, data analysis and plan writing; and
- (2) Implementing a limited suite of 'early actions' in the 2014-15 period to advance priority sage-steppe habitat work on the ground, with the intent of demonstrating to USFWS the State's ability to move its plan into meaningful action prior to the ESA listing decision in 2015.

Staff recommended the Board award up to \$300,000 in support of this work and delegate authority to the Director to enter into appropriate agreements to finalize the state's plan and implement early actions consistent with OWEB's mission.

*The Board moved to award up to \$300,000 from the Oregon Plan Priorities spending plan line item to support continued development and early implementation of Oregon's comprehensive All-Lands, All-Threats approach to Sage-Grouse Habitat Protection, and delegate authority to the Director to enter into appropriate agreements to finalize the state's plan and implement early actions consistent with OWEB's mission.  
The motion was unanimously approved.*

#### **P. PCSRF Funding for ODFW**

Tom Byler, Executive Director, and Greg Sieglitz, Monitoring and Reporting Program Manager, requested the Board's approval of additional Pacific Coastal Salmon Recovery Fund (PCSRF) funding in support of the Oregon Department of Fish and Wildlife's legislatively adopted budget for the 2013-2015 biennium.

Over the years, Pacific Coastal Salmon Recovery Fund (PCSRF) funds have provided critical support for OWEB's overall program, including grants to support on-the-ground habitat work, watershed councils and soil and water conservation district capacity, and OWEB operations.

PCSRF also has supported other state agency programs related to salmon conservation and recovery.

At this time, staff recommended the Board award \$513,222 of PCSRF funds to the Oregon Department of Fish and Wildlife to meet their budgeted PCSRF needs for the first year of the biennium.

Board action is needed to carry out legislative allocations of PCSRF funds to other state agencies. As part of awarding PCSRF to a state agency, OWEB enters into interagency agreements to track and report the uses of the funds.

Programs at the Oregon Department of Fish and Wildlife (ODFW) have been supported with PCSRF funds in the state budget since the 2001-2003 biennium. Specific ODFW programs that have been supported recently with PCSRF funds include Fish Screening and Passage, Oregon Plan Monitoring, Western Oregon Stream Restoration, and Oregon Plan Implementation and Technical Support. These programs also are included in the both the Federal Fiscal Year (FFY) 2013 grant and the 2014 PCSRF grant request, along with both the OWEB and ODFW agency biennial budgets approved by the Legislature for 2013-2015.

PCSRF funds are appropriated and awarded annually. The OWEB and ODFW budgets for 2013-2015 assume two years of PCSRF funding. FFY 2013 PCSRF funding was available at the start of the biennium; however, 2014 PCSRF funding for Oregon will not be known until NOAA Fisheries makes its grant awards later this spring. Because second year funding is not known at the beginning of the biennium, it is OWEB's practice to utilize available PCSRF funds to support the first year of the two-year budget for both OWEB and ODFW.

At the June 2013 Board meeting, staff anticipated that the Legislature would allocate a total of \$8.3 million of PCSRF funds to support ODFW's 2013-2015 budget. Based on that presumption, the Board awarded \$4.1 million of PCSRF to ODFW to meet the first year funding need for the biennium. Subsequent to the June Board action, the Legislature increased its allocation of PCSRF in the final ODFW budget to a total of \$9.2 million. As a result, ODFW will need a total of \$4.6 million in PCSRF funds to meet its first-year funding need for the biennium.

Staff recommend the Board award \$513,222 in PCSRF funds to ODFW to fully meet the agency's \$4.6 million first year funding need for the biennium. Sufficient PCSRF FFY 2013 funds remain to cover the award. The Board's action will not adversely impact the current OWEB spending plan.

*The Board moved to award up to \$513,222 of Pacific Coastal Salmon Recovery Fund monies in support of Oregon Department of Fish and Wildlife-funded programs approved for the first half of the 2013-2015 biennium by the Oregon Legislature. The motion was unanimously approved.*

#### **Q. Other Business**

There was no other business to discuss.

Having no further business, the meeting was adjourned



# Oregon Watershed Enhancement Board

## Meeting Agenda

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### Oregon Watershed Enhancement Board

#### July 28-30, 2014

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*Monday, July 28, 2014*

*Pre-Meeting Briefing and Tour – 12:45 p.m.  
(Optional for OWEB Board members)*

*The Wasco Soil and Water Conservation District (SWCD), the Coalition of Oregon Land Trusts, the Columbia Land Trust and OWEB staff will provide a briefing prior to a tour. The briefing will consist of an overview of the Conservation Reserve Enhancement Program (CREP), including an update about effectiveness monitoring of CREP investments made by OWEB and federal partners; and information about land acquisitions, including standards and accreditation for land trusts carrying out acquisition projects. Wasco SWCD and Columbia Land Trust then will lead a tour that visits a CREP project site and a recent land acquisition project.*

*Anyone is welcome to join the tour, but please be prepared to provide your own transportation.*

Meet at Fairfield Inn & Suites  
Meeting Room  
2014 West 7<sup>th</sup> Street, The Dalles, OR 97058

Directions: <http://www.marriott.com/hotels/maps/travel/dlsfi-fairfield-inn-and-suites-the-dalles/>

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*Tuesday, July 29, 2014*

Fort Dalles Readiness Center  
402 E. Scenic Dr., The Dalles, OR 97058  
Assembly Hall

[Directions - Readiness Center](#)

*Business Meeting – 8:00 a.m.*

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During the public comment periods (Agenda Items E, F and G) anyone wishing to speak to the Board on specific agenda items is asked to fill out a comment request sheet (available at the information table). This helps the Board plan on how many individuals would like to speak, and to schedule accordingly. At the discretion of the Board co-chairs, public comment for agenda items on which the Board is taking action may be invited during that agenda item. *The Board encourages persons to limit comments to three to five minutes.*

**A. Board Member Comments**

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

**B. Review and Approval of Minutes**

The minutes of the April 29-30, 2014 Board meeting in Bandon will be presented for Board approval. *Action item.*

**C. Executive Director Update**

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

**D. 2015-2017 Budget Development Update**

Tom Byler, Executive Director, will update the Board about budget preparation for the 2015-2017 biennium in advance of the 2015 legislative session. *Information item.*

**E. Watershed Council Capacity Administrative Rule and Guidance Adoption\*\***

Lauri Aunan, Grant Program Manager, and Courtney Shaff, Grant Program Coordinator, will present the revised proposed administrative rules and implementation guidance for Outcome-Based Watershed Council Capacity Grants. The Board will hear public comment about the revised proposed rules and guidance. The Board will be asked to adopt the revised proposed administrative rules and guidance for Council Capacity Grants, and approve deadlines for this grant type. *Action item.*

**F. Focused Investment – Program Update and Board Approval**

Meta Loftsgaarden, Deputy Director, will brief the Board about the process to develop the Focused Investment Partnership Program. The Board will hear public comment on this item. The Board will be asked to approve a proposed definition and priority solicitation process, as well as a timeline for program development. *Action item.*

**G. Public Comment [approximately 2:50 p.m.]**

This time is reserved for public comment on Agenda Items D, H, I and J, as well as other matters before the Board.

**H. Capacity Grants – Network of Oregon Watershed Councils (Network) and Oregon Association of Conservation Districts (OACD)**

Meta Loftsgaarden, Deputy Director, and representatives from the Network and OACD will brief the Board about status of the current joint capacity grant to both organizations, including progress and accomplishments achieved in the first year of the grant. The Board will consider a funding request for a second year of capacity funding to these organizations for the 2013-2015 biennium. *Action item.*

**I. 2013-2015 Spending Plan Update**

Tom Byler, Executive Director, will update the Board on the agency's 2013-2015 Spending Plan, including information about the 2014 Pacific Coastal Salmon Recovery Fund (PCSRF) award from the National Marine Fisheries Service. The Board will be asked to refine the current spending plan based on the PCSRF award, including awarding funding to the Oregon Department of Fish and Wildlife (ODFW) as outlined in ODFW's and OWEB's Legislatively Adopted Budgets for the 2013-2015 biennium. *Action item.*

**J. 2013-2015 Open Solicitation Grant Types and Policy**

Lauri Aunan, Grant Program Manager, will propose offerings for Open Solicitation grants for the remaining 2013-2015 biennium grant cycles. Meta Loftsgaarden, Deputy Director, will request the Board consider a policy clarification regarding relocation expenses for future land acquisition grant solicitations. *Action item.*

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***Informal Reception – 5:00-6:15 p.m.***

*The public is invited to join the OWEB Board and staff at a reception sponsored by the Coalition of Oregon Land Trusts, Wasco Soil and Water Conservation District, and Wasco County Watersheds Council.*

Fort Dalles Readiness Center  
402 E. Scenic Dr., The Dalles, OR 97058

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***Wednesday, July 30, 2014******Business Meeting - 8:00 a.m.***

During the public comment period (Agenda Item N), anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board plan on how many individuals would like to speak, and to schedule accordingly. *The Board encourages persons to limit comments to three to five minutes.*

**K. Coastal Wetlands Grants**

Meta Loftsgaarden, Deputy Director, and Juniper Davis, Partnerships Coordinator, will brief the Board about several projects proposed by local partners for submission to the National Coastal Wetlands Conservation Grant Program. Staff will request Board approval for OWEB, as the state agency sponsor, to submit applications to the U.S. Fish and Wildlife Service for these projects. *Action item.*

**L. Coalition of Oregon Land Trusts (COLT) Update**

Meta Loftsgaarden, Deputy Director, and representatives from COLT will provide an update to the Board about COLT initiatives, including information about standards and accreditation processes for land trusts engaging in land acquisition projects. *Information item.*

**M. Ecosystem Services Update**

Greg Sieglitz, Monitoring and Reporting Program Manager, and Dana Hicks, Ecosystem Program Coordinator, will update the Board about the OWEB Ecosystem Services Program, including projects within the Willamette and Klamath basins. *Information item.*

**N. Public Comment – General [approximately 9:15 a.m.]**

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

**O. Partnerships Program Update**

Meta Loftsgaarden, Deputy Director, and other OWEB staff, along with representatives from the Deschutes, Willamette and Upper Klamath Special Investment Partnerships and the Whole Watershed Restoration Initiative, will update the Board on OWEB's current Partnership investments. *Information item.*

**P. Results from OWEB Effectiveness Monitoring Program**

Greg Sieglitz, Monitoring and Reporting Program Manager, and Ken Fetcho, Effectiveness Monitoring Specialist, will brief the Board on OWEB's effectiveness monitoring program priorities and investments. *Information item.*

**Q. Other Business**

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

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

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

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

A general public comment period will be held on Tuesday, July 29 at 2:50 p.m. and Wednesday, July 30 at 9:15 a.m., for any matter before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). *The Board encourages persons to limit comments to three to five minutes.*

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

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

**Questions?** If you have any questions about this agenda or the Board's procedures, please call Brandi Elmer, OWEB Board Assistant, at 503-986-0181. If special physical, language or other accommodations are needed for this meeting, please advise Brandi Elmer (503-986-0181) as soon as possible but at least 48 hours in advance of the meeting.

## Oregon Watershed Enhancement Board Membership

### Voting Members

- Board of Agriculture member: *Doug Krahmer*
- Public member: *Randy Labbe*
- Public member: *Will Neuhauser*
- Public member: *Lisa Phipps*
- Public member (tribal): *Eric Quaempts, Board Co-Chair*
- Environmental Quality Commission member: *Morgan Rider*
- Water Resources Commission member: *John Roberts*
- Public member: *Dan Thorndike, Board Co-Chair*
- Fish and Wildlife Commission member: *Bob Webber*
- Public member: *Karl Wenner*
- Board of Forestry member: *Cindy Deacon Williams*

### Non-voting Members

- Representative of U.S. NRCS: *Ron Alvarado*
- Representative of Oregon State University Extension Service: *Stephen Brandt*
- Representative of U.S. BLM: *Mike Haske*
- Representative of U.S. EPA: *Alan Henning*
- Representative of U.S. Forest Service: *Debbie Hollen*
- Representative of NMFS: *Kim Kratz*

### Contact Information

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 Salem, Oregon 97301-1290  
 503-986-0178  
 Fax: 503-986-0199  
[www.oregon.gov/OWEB](http://www.oregon.gov/OWEB)

### OWEB Executive Director - Tom Byler

*tom.byler@state.or.us*

### OWEB Assistant to Executive Director and Board – Brandi Elmer

*brandi.elmer@state.or.us*  
 503-986-0181

### 2014-2016 Board Meeting Schedule

2014	2015	2016
January 28-29 in Portland	January 27-28 in Astoria	January 26-27, location TBD
April 29-30 in Bandon	April 28-29 in Salem	April 26-27 location TBD
July 29-30 in The Dalles	July 28-29 in John Day	July 26-27 location TBD
October 28-29 in Grants Pass	October 27-28 in Prineville	

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

## July 29-30, 2014 OWEB Board Meeting Executive Director Update #C-1: Long-Term Investment Strategy Update

Last year, the Board adopted its Long-Term Investment Strategy for Conservation (LTIS), which included approval of a framework for grant investments and direction for the LTIS. This report updates the Board on the numerous tasks undertaken associated with the LTIS.

### **Background**

As a result of the passage of Ballot Measure 76 in 2010, OWEB's primary source of funding was no longer time-limited in the Oregon Constitution. From that point forward, OWEB has been reviewing and updating its priorities, policies, programs and practices with the purpose of best positioning the agency as an effective and successful long-term funder of conservation in Oregon.

In June of 2013, the OWEB Board approved its Long Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring. The LTIS is nested within the agency's mission and strategic plan goals, and touches on nearly all aspects of OWEB's responsibilities.

In carrying out work to implement the LTIS, OWEB set out guiding principles about how the agency would approach updates and changes in programs. Overall, the effort has involved significant engagement of the OWEB Board and staff, as well as stakeholders. OWEB's mission, strategic plan goals, a summary of the LTIS framework and direction, and the guiding principles are included in Attachment A.

The LTIS implementation items listed below involve a considerable amount of work for OWEB staff above and beyond the typical workload. Staff's goal is to carry out these efforts without diminishing the quality of services our stakeholders regularly expect from the agency. Toward that end, OWEB managers have been meeting regularly to coordinate activities and position the agency to make as much progress as possible over the biennium. In addition, OWEB is utilizing internal cross-sectional teams for many of these tasks to ensure we have the expertise needed to inform our direction on policies and processes.

### **Status of Priority Work Items**

The following lists the priority work items for OWEB during the 2013-2015 biennium:

1. *Develop online grant applications and grant agreements.* OWEB's goal is to improve effectiveness and efficiency of the agency's grant-making processes for applicants, grantees and OWEB staff. OWEB's target is to launch an online grant application/grant agreement web interface during the 2015-2017 biennium. Toward that end, application streamlining for restoration, technical assistance and monitoring grant applications was completed in May of 2014. Streamlining of the outreach grant application, which will focus on formatting for consistency with the other streamlined applications, is underway.

The OWEB Management Team also has initiated the scoping process for a Lean-Kaizen review of the Regular Grant Program processes. Lean-Kaizen is a methodology that increases process efficiency and encourages continuous improvement. OWEB staff will engage in the first continuous improvement event starting in late summer or early fall of

2014. This work will inform design and build of online applications. The goals are to improve grant processes, add value for OWEB customers, and reduce waste and inefficiency, both in the short-term and as we move to the future online system.

In parallel with the Lean-Kaizen review, design of the information-system components required for online grant application and agreements will begin during summer of 2014. An external stakeholder work group focused on system functionality and usability will be convened to inform the online applications process. The initial version of the online system is scheduled to be built by winter of 2015, and multiple phases of testing and refinement of the system then will occur. Testing is critical to ensure that, when launched, the system is both technically functional and technologically usable from the perspective of applicants, grantees, reviewers and OWEB staff. The online system is anticipated to be launched for first use during the October 2016 grant cycle.

2. *Update watershed council capacity program.* OWEB is updating its administrative rules for grants that help support the operating capacity of watershed councils. More detailed information on this can be found in Agenda Item E.
3. *Update focused investment program.* In October of 2013, OWEB kicked off a nine-month process to develop a definition, criteria, solicitation approach, program design and process for the Focused Investment category of OWEB funding. For more information, see Agenda Item F.
4. *Continue effectiveness monitoring efforts.* Monitoring and reporting on OWEB's grant investments to determine their effectiveness is critical to our long-term success. Efforts to track conservation outcomes at meaningful scales are essential to determine progress on achieving goals and to inform future actions and priorities. Agenda Item P reports on OWEB's effectiveness monitoring program priorities and investments.
5. *Launch updated land acquisitions grant process and design and implement updated water acquisition grant process.* Both of the land and water acquisition programs were updated in the last year.
6. *Streamline grant budget categories.* Over the past year, a team of OWEB staff worked with external partners to streamline OWEB's budget categories and develop a more transparent budget category system that works for both grantees and OWEB staff. The new budget categories apply to grants awarded after January 1, 2014.

Staff will continue to update the Board on the implementation status of work priorities at future meetings.

### **Staff Contact**

If you have questions or need additional information, contact Tom Byler at [tom.byler@state.or.us](mailto:tom.byler@state.or.us) or 503-986-0180.

Attachment

A. OWEB Strategic Direction & Principles



# OWEB Strategic Direction and Principles

**OWEB** **OWEB's Mission:** To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

## Goals

### Goals from OWEB's 2010 Strategic Plan

In 2010, the OWEB Board approved a strategic plan with five goals. With the passage of Constitutional Measure 76 and permanent Lottery funding, the Board continues to operate under the strategy.

#### **Goal 1: Adaptive Investment**

Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs.

#### **Goal 2: Local Infrastructure Development**

Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.

#### **Goal 3: Public Awareness and Involvement**

Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

#### **Goal 4: Partnership Development**

Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations, and private landowners for watershed and habitat restoration and conservation.

#### **Goal 5: Efficient and Accountable Administration**

Ensure efficient and accountable administration of all investments.

## Long-Term Investment Strategy

### OWEB's Framework for Grant Investments

In 2013, the Board adopted a Long-Term Investment Strategy that guides its investments of Lottery, federal and salmon plate funding. All of OWEB's investments in ecological outcomes also help build communities and support the local economy. The Board also approved a direction for the investments outlined below. They will continue operating capacity and open solicitation grants and continue focused investments with a gradual increase over time.

#### **Operating Capacity**

Operating Capacity Investments support the operating costs of effective watershed councils and soil and water conservation districts. Councils and districts are specifically identified in OWEB's statutes.

#### **Open Solicitation**

OWEB offers responsive grants across the state for competitive proposals based on local ecological priorities.

#### **Focused Investments**

OWEB helps landscape-scale collaborative partnerships achieve collaboratively prioritized ecological outcomes.

#### **Effectiveness Monitoring**

OWEB evaluates and reports on the progress and outcomes of watershed work it supports.



## Guiding Principles

### Guiding Principles

As the Board developed the Investment Strategy, they did so under established principles for how any changes in OWEB's programs would operate.

**Build on accomplishments.** The commitment and work of our local partners have resulted in a nationally and internationally recognized approach with unmatched environmental accomplishments. OWEB will build on this foundation.

**Effective communication.** OWEB is committed to active, two-way communication of ideas, priorities, and results with its staff, partners, potential partners, and the public as a means for developing and maintaining a strong investment strategy and successful cooperative conservation.

**Transparency.** OWEB values transparency and develops its Long-Term Investment Strategy through an open, transparent process that involves input and dialogue with stakeholders and staff.

**Maximize service, minimize disruption.** The Board considers how OWEB's grant portfolio impacts partner organizations and staff resources to maximize effectiveness without adversely affecting service delivery.

**Responsive.** The Long-Term Investment Strategy will adjust to changes in revenue and be responsive to changes in ecological priorities from the Governor, Legislature, the Board, and local partners.

**Adapt based on monitoring and evaluation.** OWEB's staff and Board monitor and evaluate the effectiveness and implementation of the Long-Term Investment Strategy. The Board shall adapt and modify the strategy as needed to meet its desired goals and outcomes and to improve overall investment success.

**Phase-in Change.** OWEB's Long-Term Investment Strategy will guide future efforts, is designed to accommodate changes and adjustments made by stakeholders and OWEB staff, and will be periodically revisited.

## Operating Principles

### Operating Principles to Enhance OWEB Team Work

We will do all we can, individually and as a group, to:

- **Use Good communication--at all levels and in all directions;**
- **Operate with a Team approach;**
- **Follow through on conversations in order to build and maintain needed trust;**
- **Empower staff wherever it is appropriate to do so; and**
- **Have fun while doing important work!**



# Oregon

John A. Kitzhaber, MD, Governor

## Oregon Watershed Enhancement Board

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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Tom Byler, Executive Director

**SUBJECT:** **Agenda Item D: 2015-2017 Budget Development Update  
July 29-30, 2014 OWEB Board Meeting**

### **I. Introduction**

This report updates the Board about budget preparation for the 2015 legislative session and budget proposal ideas that will be included in the Agency Request Budget.

### **II. Budget Preparations for the 2015 Legislative Session**

The Oregon Legislature approves budgets for state agencies on a biennial basis. In preparing for the next biennium, budgets are structured so that each agency's current (or "base") budget is recalibrated and submitted without need for specific policy description or justification. Any resources requested to be added to the base budget by agencies must be identified separately with full policy narratives and justification of funds requested. The requested additions to an agency's base budget are called "Policy Packages."

The Governor provides instructions to guide agency development of Policy Packages. Agencies will submit their Agency Request Budgets (ARB) to the Governor and the Department of Administrative Services (DAS) this summer. The Governor's Office then will develop state budget recommendations, known as the Governor's Recommended Budget (GRB). This budget proposal includes agency Policy Packages that reflect the Governor's priorities and initiatives.

The GRB is the starting point for agency budget discussions at legislative hearings. During the session, agencies may advocate for their individual Policy Packages only to the extent that they are included in the GRB.

In March 2014, Governor Kitzhaber initiated the process for state agencies to prepare budget proposals for the 2015-2017 biennium. This effort continues aspects of the Governor's 10-Year Plan for Oregon that was initiated in advance of the 2013 legislative session. Governor Kitzhaber launched the 10-Year Plan as a way to redesign how state government builds its budget and makes investment decisions. It seeks to better position the two-year budget process to achieve long-term outcomes.

The 10-Year Plan organizes the state budget into five major outcome areas—Education, Healthy People, Economy and Jobs, Healthy Environment, and Safety. State agency budget programs are

considered within the context of the appropriate outcome area. OWEB's budget is placed entirely within the Healthy Environment outcome area.

OWEB has internally discussed agency needs and ideas for budget requests for next biennium and have shared the proposals with key stakeholders to get their input. Staff briefed the Board Executive Committee on the budget process and proposals in advance of the April meeting. At the April meeting, staff presented the set of Policy Package proposals for Board review and discussion. Recognizing Policy Package proposals were due to be submitted to DAS by the end of June and the Board was not scheduled to meet until July, staff committed to brief the Executive Committee on the Policy Packages before submittal to DAS.

### **III. OWEB ARB Policy Packages**

Since the April meeting, OWEB learned from DAS that all state agency policy package requests involving general or lottery funds would be limited to 20 percent of an agency's Legislatively Adopted Budget for 2013-2015 for either of those fund types. For OWEB, the "LAB + 20%" applies to any Policy Package requests involving lottery funds. As a result of this directive, OWEB would be limited to approximately \$860,000 for new budget requests that propose to use lottery funds. There is no cap on the use of federal funds or other funds.

Staff discussed Policy Package proposals with the Executive Committee on a June 3 conference call. The proposals were essentially the same as those in the draft discussed with the Board at the April meeting. The one notable exception was the additional request of 0.25 FTE to support forest collaborative grantmaking services. The set of proposals comply with the LAB + 20% cap. The Executive Committee gave favorable feedback about the set of proposals, and staff submitted them to DAS prior to the June 30 deadline. Staff will review the list of Policy Packages submitted to DAS (Attachment A) at the July meeting.

### **IV. Next Steps for Budget Development**

Considerable budget development work lies ahead for OWEB staff. By the end of August, OWEB must submit its completed ARB, which will include budget and narrative details. The remaining schedule for agency budget development is as follows:

- July-August 2014      Develop Agency Request Budget detail
- September 2014      Submit full Agency Request Budget document
- Sept.-Nov. 2014      Governor's Office develops Recommended Budget
- December 2014      Governor's Recommended Budget released

The Governor's Office is in the process of developing priority budget proposals for the 2015 legislative session. OWEB staff have taken part in these conversations and will report on its status at the July meeting.

### **IV. Recommendation**

This report is for informational purposes only. No board action is requested at this time.

Attachment

A. OWEB 2015-2017 Agency Request Budget Policy Option Package Proposals

OWEB 2015-2017 Agency Request Budget  
Policy Option Package Proposals

1. Program Continuity

	Fund Type	FTE	OWEB Strategic Plan
<u>Willamette Partnership Coordinator</u> – Continues a limited duration position established in the 2011-13 biennium to manage the work associated with a federal grant from the Bonneville Power Administration (BPA). The position coordinates Willamette River restoration and protection work with the Willamette Special Investment Partnership approved by the OWEB Board. The position will have split funding from BPA and OWEB Measure 76 dollars.	LF-Ops/BPA	1.0	Goals 1 and 4
<u>Senior Partnership Coordinator</u> – Continues a partnerships position focused on coordination of four current programs: the Upper Deschutes Special Investment Partnership, the Coastal Wetlands Grant program, the Conservation Reserve Enhancement Program’s technical assistance work, and the Board’s newly funded Coastal Coho Business planning efforts. This position is requested to be made permanent.	LF-Ops/FF-PCSRF	1.0	Goals 1 and 4
<u>Website, Graphics and Administrative Specialist</u> – This position includes half-time resources to maintain the agency’s website and to produce other material that help staff educate customers about agency grants and other program using the latest available technology. The other half of this position is dedicated to providing administrative resources for the agency’s Focused Investment and Acquisition programs. These resources were previously unavailable due to high administrative workload demands in all grant program areas. This position is requested to be made permanent.	LF-Ops	1.0	Goal 3
<u>Office Rent</u> – This proposal covers the biennial rent for OWEB field staff in Region 4 to share office space with staff from the Water Resources Department office in Bend.	LF-Ops	N/A	Goals 1, 3 and 5
<u>Contracted Services</u> – OWEB Measure 76 grant funds are not eligible to use for contracting. There are certain work products and functions OWEB needs carried out that are most efficiently and effectively accomplished through personal services contracts. OWEB needs to ensure it has adequate funds available for contracting purposes next biennium. These funds will be used in lieu of hiring additional staff to provide training for effective watershed restoration and conservation; continuous improvement in program delivery; and long-term protection implementation (title, appraisal, etc.).	LF-Ops	N/A	Goal 1-5

## 2. Program Enhancement

	Fund Type	FTE	OWEB Strategic Plan
<u>Grant Program Analyst</u> - This requests a limited duration position to assist with routine grant and administrative processing workload, relieving some of this work from OWEB grant managers, thereby allowing them to spend more of their time working in the field with grantees and other stakeholders to build, strengthen and maintain local partnerships.	LF-Ops	1.0	Goals 1, 2 and 5
<u>Conservation Outcomes Coordinator</u> - This limited duration position will lead OWEB's program to measure and report on the ecological, economic and social outcomes resulting from OWEB grant investments at the landscape level. The position will coordinate with other state and federal agencies to determine priorities and carry out implementation efforts of the Conservation Effectiveness Partnership and other similar initiatives. The position will also work with other agencies and local stakeholders to develop conservation outcome metrics, coordinate monitoring and data, ecosystem evaluation methods, and report results at the landscape level and statewide scales.	LF-Ops	1.0	Goals 1 and 3
<u>Conservation Outcomes Specialist</u> - This limited duration position will implement aspects of OWEB's program to measure and report on the ecological, economic and social outcomes resulting from OWEB grant investments at the landscape level. This position will have a specific focus on measuring and reporting on salmon habitat and recovery activities across the state.	FF-PCSRF	1.0	Goals 1 and 3
<u>Federal Forest Health Grant Administration</u> - This limited duration position will help OWEB continue its grant management role for collaboratives as part of administering Oregon's Federal Forest Health program. While OWEB undertook this work through the 2013-2015 biennium without additional resources, some limited support is sought with this policy package to cover administrative expenses associated with any similar Federal Forest Health program funding approved for the 2015-2017 biennium.	Other Funds	0.25	Goals 2 and 4
<u>Klamath Comprehensive Agreement Implementation</u> - This limited duration position will act as the agency's local lead to develop and implement actions during the initial transition period under the Upper Klamath Basin Comprehensive Agreement. The position will coordinate with other funders, manage grant investments, and serve as the agency's lead on working with the Joint Management Entity and other local partners.	FF	1.0	Goals 1, 2 and 4
<u>Independent Multidisciplinary Science Team</u> - In anticipation of legislation from the Governor's Office to replace IMST with a different independent science review approach, this policy package proposes to remove funding for IMST from the base budget. The reduction would involve \$237,826 of LF-Ops and \$237,608 FF-PCSRF.	LF- Ops FF-PCSRF		

## 3. Program Restoration

	Fund Type	FTE	OWEB Strategic Plan
<u>Community Engagement Grant Coordinator</u> - This limited duration position restores staff capacity to manage grants associated with conservation education and community outreach. This position supports local watershed councils and conservation districts as they seek to increase local community outreach and engagement.	LF- Ops	1.0	Goal 2 and 3

## 4. Carry Forward

	Fund	FTE	OWEB Strategic Plan
This policy package proposes to extend expenditure limitation for non-lottery fund grants that have been awarded and continue to be active. This will allow funds for these grants to be expended in the 2015-2017 biennium.	FF- PCSRF Other	N/A	Goals 1-5

## 5. Lottery Funds – Measure 76 Grant Funds

	Fund	FTE	OWEB Strategic Plan
This policy package provides the budget vehicle for Measure 76 grant funds, which are the primary source of grant funds for OWEB and are used to support a wide variety of grants, including watershed council and soil and water conservation district capacity, restoration, acquisition, technical assistance, monitoring and outreach. At this time, over \$56 million in M76 grant funds are anticipated for next biennium.	LF- Grants	N/A	Goals 1-5

## 6. Additional Grant Funds

	Fund	FTE	OWEB Strategic Plan
This policy package would allow OWEB to receive and expend as grants for collaboratives under the State's Federal Forest Health Program, should additional funds be appropriated by the Legislature for this purpose in 2015-2017. Staff anticipate up to \$600,000 in additional expenditure limitation will be needed.	Other	N/A	Goals 1-5

OWEB Strategic Plan Goals

1. Adaptive Investment – Restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs
2. Local Infrastructure Development – Support an enduring, high-capacity local infrastructure for conducting watershed and habitat restoration and conservation
3. Public Awareness and Involvement – Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds
4. Partnership Development – Build and maintain strong partnerships with local, state, tribal and federal agencies, nonprofit organizations and private landowners for watershed and habitat restoration and conservation
5. Efficient and Accountable Administration – Ensure efficient and accountable administration of all investments



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Aunan, Grant Program Manager  
Courtney Shaff, Grant Program Coordinator

**SUBJECT: Agenda Item E: Watershed Council Capacity Administrative Rule and Guidance Adoption  
July 29-30, 2014 OWEB Board Meeting**

### I. Introduction

Staff request the Board consider approval of proposed administrative rules and implementation guidance for Outcome-Based Watershed Council Operating Capacity Grants (Council Capacity Grants). Staff also request the Board establish deadlines for the 2015-2017 Council Capacity Grant cycle. Staff request the Board delegate to staff the authority to make non-policy updates to the guidance such as staff contact information, correcting typographical errors and inserting deadlines periodically approved by the Board. Grants solicited under the new rules and guidance will come before the Board for consideration and award decisions at the July 2015 meeting.

### II. Background

#### A. Watershed Councils, Local Government Role, and State Role

Watershed councils are locally based, voluntary, and under Oregon law, “designated by a local government group convened by a county governing body, to address the goal of sustaining natural resource and watershed protection, restoration and enhancement within a watershed.” (Oregon Revised Statute [ORS] 541.890(15))

OWEB does not create or oversee watershed councils. OWEB has discretion to provide capacity grants to councils that represent a balance of interests in their watersheds and demonstrate the potential to protect and enhance the quality of their watersheds. Councils also are expected to assure a high level of citizen involvement in the development and implementation of watershed action programs (ORS 541.910).

OWEB has provided operating grants to watershed councils for more than 15 years. These grants have helped support the operations of effective watershed councils that engage people and communities in their watershed to participate in collaborative, voluntary restoration and protection of native fish or wildlife habitat and natural watershed functions to improve water quality or stream flows.

## **B. OWEB Strategic Plan and Long-Term Investment Strategy**

The 2010 Board Strategic Plan directed staff to “evaluate and adjust watershed council support grant review and funding processes to build capacity, provide base funding, and promote strategic partnerships” (Goal 2, Strategy 2).

Council Capacity Grants are a core element of OWEB’s Long-Term Investment Strategy for Conservation. These grants “support operating costs for effective watershed councils; are performance and outcome-based; and contain high standards for eligibility, reporting and accountability.”

## **C. Summary of Program Review**

OWEB staff worked with a Board subcommittee and numerous stakeholder work groups over four years to develop proposed program changes. Program review began in 2010 with the following goals:

- Streamline and simplify the application and funding processes;
- Improve reporting;
- Incorporate effectiveness indicators for continued accountability for investment of public funds;
- Refine grant eligibility criteria; and
- Address long-standing policy issues including the scale and number of council capacity grants.

OWEB’s review also responded to direction from the 2011 Legislature to:

- Work with appropriate local government entities to review the process for establishing and overseeing watershed councils;
- Enhance council reporting to OWEB for accountability and tracking of accomplishments; and
- Review capacity grant eligibility criteria, to better ensure that investments go to groups that reflect the interests of the watershed and have proven successful in accomplishing their work plans in the past.

In March 2012, the Board directed OWEB staff to develop details of the stakeholder work group-recommended “outcome-based review and award process,” and hold listening sessions in preparation for changing the program. Staff held listening sessions in November and December 2012.

Staff considered listening session and work group feedback, and worked with a Board subcommittee, to develop proposed eligibility criteria and merit criteria. In April–May 2013, the proposed criteria were distributed to stakeholders by email, web posting, and two listening sessions including one with a webinar.

In June 2013, the Board authorized staff to begin rulemaking with the policy direction to build capacity through increased council sharing, combining, collaborating, and reducing the number of individual support grants over 5–10 years. To reinforce this direction, the Board supported capping eligibility for individual grants at no more than 64 (based on watershed areas for councils that previously received an individual Watershed Council Support Grant). Geographic areas can change, but OWEB wants to see stronger, collective local capacity, not “splitting” and

“subdividing” into smaller areas resulting in more competition for limited resources and more duplication of administrative infrastructure.

OWEB envisions a statewide watershed restoration system that is resilient, sustainable and achieves ecological outcomes. Experience from supporting watershed work since 1997, along with studies of successful watershed groups, demonstrates this vision can be achieved with watershed councils that:

- Are strong organizations with access to diverse skill sets.
- Have broad and deep support from local and regional communities.
- Engage a balance of interested and affected people, businesses, and communities in their watershed to participate in voluntary, cooperative conservation.
- Secure diversified funding and/or build strategic collaborations with other councils and/or natural resource groups to increase collective local capacity.

### **III. Council Capacity Rulemaking**

#### **A. Rulemaking Advisory Committee**

OWEB convened a Rulemaking Advisory Committee (RAC) in October 2013 to advise staff on rule language and implementation guidance. The RAC met seven times and included representatives of watershed councils from each of OWEB’s six regions, and the Network of Oregon Watershed Councils (Attachment A). RAC members provided excellent advice and suggestions and their input improved the clarity and workability of the proposed rules and guidance.

Key recommendations from the RAC that are included in the proposed rules and guidance:

- OWEB’s criteria for evaluating whether a council is engaging a balance of interested and affected persons within the watershed as required by ORS 541.910(2) should focus on the council’s governing body.
- The RAC advised staff on which elements of the organizational structure and business operations eligibility criteria are appropriate for council bylaws or charter, and which elements are appropriate for policies and procedures.
- The RAC advised staff on eligibility criteria for governance provisions that should be in place for councils that are membership organizations.
- Feedback from the RAC on the organizational structure and business operations eligibility criteria led staff to propose a “phase-in” approach for these criteria (councils need 80% of these criteria in place for the 2015 grant cycle).
- Councils meeting all merit criteria will be placed in the highest merit category and be recommended for the same level of award.
- Councils that do not meet all merit criteria will be placed in the reduced funding merit category and recommended for the same level of award. The reduced funding base award will be 80% of the full base award. For example, if the full base award is \$100,000, the reduced base award will be \$80,000.

## **B. Board Subcommittee**

The Operating Capacity Subcommittee consists of Debbie Hollen, Doug Krahmer, John Roberts, and Karl Wenner. The Subcommittee advised staff on key policy directions in the Council Capacity Grant rules and guidance.

Key recommendations from the Subcommittee that are included in the proposed rules and guidance:

- If staff determines a council does not meet the eligibility criteria, the council may appeal to the OWEB Executive Director. The Executive Director's decision is final; there is no appeal to the Board. The Subcommittee recommends the Director make this decision based on the following:
  - The eligibility determination is the result of a “yes/no, presence/absence” review of specified information and council governance documents.
  - It is appropriate for the Director, rather than the Board, to review detailed eligibility information to determine if a factual error was made.
  - A determination whether a council is eligible is not a funding decision. Meeting eligibility criteria makes a council eligible for a funding decision.
- If a council does not meet the eligibility deadline or application deadline, it is not eligible for a Council Capacity Grant. However, the Executive Director may waive either deadline if extraordinary circumstances are shown.
- Councils meeting all merit criteria will be placed in the highest merit category and be recommended for the same level of award.
- Councils that do not meet all merit criteria will be placed in the reduced funding merit category and recommended for the same level of award. The reduced funding base award will be 80% of the full base award. For example, if the full base award is \$100,000, the reduced base award will be \$80,000.
- In 2015–2017, provide added funding for umbrella watershed councils that meet all merit criteria. Starting in 2017, OWEB would no longer award “umbrella” funding and would implement new merit criteria for strategic collaborations in its evaluation for Council Capacity Grants.
- If a council or group of councils is placed in the reduced base funding category for two consecutive grant cycles and does not meet all merit criteria during the third grant cycle, it will be placed in the “do not fund” category.
- For the very few cases in which multiple councils operate independently but share one Council Capacity Grant, each council is required to meet all eligibility criteria (except III.B, Geographic Area and Population, which the group of councils must meet). If one or more independent council does not meet all eligibility criteria, then none of the councils can apply for a Council Capacity Grant during the upcoming cycle. This approach is important to both encourage these councils to develop stronger strategic collaborations, and to support the Board's policy direction that Council Capacity Grants should be for the same or larger geographic areas, not smaller geographic areas.

## **C. Public Comment Period**

OWEB released draft rules and implementation guidance for public comment on February 21, 2014. The public comment period was open from February 24 until March 31, 2014, and included six public hearings around the state. At the public hearings, staff provided an overview of proposed changes and highlights of the draft rules and implementation guidance. A total of 71

stakeholders attended the meetings and 13 provided either verbal or written public comments, summarized in Attachment B.

#### **D. Changes to Proposed Rules and Guidance**

After summarizing the public comments, staff developed proposed changes to the draft rules and guidance (Attachments C and D, respectively). The RAC discussed and provided feedback on the proposed changes to the rules and guidance. Staff further revised the rules and guidance based on the RAC feedback.

Key changes to the proposed rules include:

- Added definitions of “Board” and “Director.” (OAR 695-040-0020(2)-(3))
- Reorganized some sections for better flow.
- Simplified and clarified language for organizational structure and business operations eligibility criteria. (OAR 695-040-0030(5))
- Clarified eligibility review for balance of interests. (OAR 695-040-0030(5)(M))
- Added the option for bylaws or charters of councils that are membership organizations to remove member voting rights, rather than terminate membership. (OAR 695-040-0030(5)(O)(iv))
- Clarified the Director’s role in the eligibility appeal process. (OAR 695-040-0090(2))

Key changes to the proposed guidance include:

- “Phase-in” approach to organizational structure and business operations eligibility criteria (OAR 695-040-0030(5); Guidance Section IV.E.1, page 8.) Councils need 80% of these criteria in place for the 2015 grant cycle.
- OWEB will not review a council’s eligibility before the eligibility deadline.
- Adjusted timelines for councils to respond to OWEB regarding eligibility determination and secondary merit review. (Guidance Sections V and VII).
- Clarified information OWEB will consider during the merit evaluation. (Guidance Section VII Pages 12-14).
- Clarified language throughout, to improve understanding.

The revised proposed rules and guidance documents were posted on the OWEB website and emailed via OWEB’s e-mail subscription service on June 26, 2014.

#### **IV. Overview of Staff-Recommended Policy and Process Changes**

##### **A. Two-Part Process: Eligibility (Part 1) and Merit (Part 2)**

Attachment E is a flow chart of the proposed process. Councils that are determined ineligible to apply in one grant cycle can request eligibility review for future cycles. Once OWEB has determined a council is eligible to apply, for future Council Capacity Grant cycles the council may certify that nothing has changed related to eligibility criteria requirements. OWEB may accept this certification and not conduct eligibility review; or, if OWEB has questions whether eligibility conditions have changed, OWEB shall conduct a new eligibility review. (Guidance, Section V.B., page 10.)

## **B. Raising the Bar for Eligibility to Apply**

OWEB is not trying to change or limit the number of councils that exist or that may be locally created in the future—those are local government and local community decisions. OWEB, as a funder, wants its investments in council capacity to be as effective as possible. The eligibility criteria do not limit the number of watershed councils that can exist, but determine which councils may apply for Council Capacity Grants. Attachment F provides an overview of the current and proposed eligibility criteria.

### Geographic Area and Population Eligibility Criteria

The scale at which councils can apply for capacity grants is a longstanding policy issue for OWEB. It was important for the Board to provide clear direction on the scale of its investment in council capacity. As noted on page 2 of this staff report, in June 2013 the Board adopted a policy direction to a) cap eligibility for individual *grants* at no more than 64 (based on watershed areas for councils that previously received an individual Watershed Council Support Grant), and b) build capacity through increased council sharing, combining, collaborating, and reducing the number of individual support grants over 5–10 years.

Proposed OAR 695-040-0030(2)(a) provides:

- “A geographic area served by a council or group of councils can change. However, to be eligible, OWEB shall determine that a council or group of councils serves an area:
- (A) In which a council or group of councils previously received a Watershed Council Support Grant or Council Capacity Grant; and
  - (B) Which is the same or larger than the geographic area served by a council or group of councils as of July 1, 2013.” (emphasis added)

Before adopting this policy direction, OWEB’s Board considered:

- Allowing all 90 (as of 2013) locally recognized watershed councils to apply for grants. The Board did not want to increase the number of capacity grants because this would reduce each grant’s impact over time.
- Reducing the *number of grants* to 45. The Board did not set a target for reducing grants, but recognized that 64 individual grants may have less impact over time considering flat revenues, competing demands for limited funds, cost of living increases and need for diverse skillsets. For these reasons, the Board is interested in encouraging strategic collaboration to increase local capacity and reduce the number of individual *grants* over time.

Attachment G is the June 2014 map of locally designated watershed councils and their boundaries. There are 91 locally recognized watershed councils. In January 2014, OWEB asked councils to review the previous map for accuracy. The June 2014 map includes updated information provided by councils.

## **C. Outcome-Based Merit Evaluation**

At its March 2013 meeting, the Board discussed indicators of a successful council, including a summary of staff’s literature review of 14 studies of watershed councils and natural resource collaborative partnerships published between 2001 and 2011. Staff considered the studies’ conclusions and stakeholder feedback in developing the proposed new merit criteria. Attachment F provides an overview of the proposed merit criteria.

The merit evaluation will rely on OWEB's knowledge as a long-term funder of watershed councils. Progress toward outcomes, and progress in addressing challenges, will be evaluated by considering the history of performance; staff's experience working with the councils; performance over time shown by the annual online work plans; response to application questions; and, as necessary, interviews and additional documentation requested by OWEB.

#### **D. Streamlined Application and Award Process**

The previous grant process relied on a paper application up to 30 pages long. The proposed process will use an online work plan and five application questions. The proposed implementation guidance document (Attachment D to this staff report) provides more information about the process.

The previous process included up to seven base funding levels (excellent; very good; good; satisfactory; needs improvement; new; and do not fund). The proposed process has three levels of base funding (full award for councils that meet all merit criteria; reduced base award for councils that do not meet all merit criteria; and do not fund for inadequate performance).

Councils that meet all merit criteria will be notified by OWEB within 8 weeks of the application deadline. Councils that do not meet all merit criteria in the initial evaluation will be invited to an interview for a secondary review.

#### **E. Improved Reporting**

Councils that are awarded capacity grants will submit annual online work plan updates describing progress, accomplishments and challenges. This online information, provided over time, will improve reporting on outcomes and enable OWEB to better tell the story of the results of its council capacity investments.

#### **F. Potential Future Board Guidance on Awards for Larger Geographic Areas**

Proposed OAR 695-040-0120(3)(d) gives the Board discretion to award grants for larger geographic areas. Section VIII.E, pages 17-18 of the proposed guidance document explains that this section of the rules would not be implemented immediately upon rule adoption by the Board. Prior to implementation, the guidance document would be updated through a process that includes public comment and Board adoption.

If the Board adopts future guidance to implement this rule, the Board may award an individual Council Capacity Grant for a larger geographic area when the award will increase strategic collaboration and resource sharing, inter-watershed coordination, and foster organizational resilience and watershed restoration outcomes at a larger landscape scale.

#### **V. Next Steps**

If approved by the Board, the rules and guidance will be applied in the next solicitation for Council Capacity Grants. As shown in Attachment H of this staff report, staff will email and post program information in August and continue to reach out to councils in advance of the proposed eligibility deadline of November 17, 2014. The proposed application deadline is March 2, 2015. Grants would come before the Board for award decisions in July 2015.

## **VI. Recommendations**

Staff request the Board:

- A. Approve the proposed administrative rules for Outcome-Based Watershed Council Operating Capacity Grants, as shown in Attachment C of this staff report.
- B. Approve the proposed implementation guidance for Outcome-Based Watershed Council Operating Capacity Grants, as shown in Attachment D of this staff report.
- C. Establish November 17, 2014 as the Council Capacity Grant eligibility deadline for the 2015–2017 grant cycle.
- D. Establish March 2, 2015 as the Council Capacity Grant application deadline for the 2015–2017 grant cycle.
- E. Delegate to staff the authority to make non-policy updates to the guidance such as staff contact information, correcting typographical errors and inserting deadlines periodically approved by the Board.

### Attachments

- A. Council Capacity Rulemaking Advisory Committee
- B. Council Capacity Rulemaking Response to Public Comments
- C-1. Proposed Rules (redlined)
- C-2. Proposed Rules (clean)
- D. Proposed Guidance
- E. Council Capacity Grant Process
- F. Eligibility and Merit Criteria Overview
- G. June 2014 Map of Locally Recognized Watershed Councils
- H. 2015-2017 Council Capacity Grant Schedule

**Council Capacity Rulemaking Advisory Committee**

Liz	Vollmer-Buhl	Siuslaw WC
Ryan	Gordon	Network of Oregon Watershed Councils
Melyssa	Graeper	Necanicum WC
Jeff	Oveson	Grande Ronde Model Watershed
Sandy	McKay	Gilliam-East John Day WC
Dana	Dedrick	Long Tom WC
Kelly	Timchak	Lower Rogue WC
Ryan	Houston	Upper Deschutes WC

## Council Capacity Rulemaking Response to Public Comments

Attachment B

Rules: Request for Extension of Public Comment Period			
Commenter(s)	Comments	Response	Rule Change
Jim Welsh Political Advocate Oregon Cattlemen's Association 3415 Commercial St. SE, Ste 217 Salem, OR 97302	Requests the extension of the public comment period because the current comment period is too short to allow adequate time to assess the proposed rules and guidance.	The Oregon Cattlemen's Association withdrew its request for extension of the public comment period via email on May 22, 2014.	No

Draft Document

Rules: General Comments			
Commenter(s)	Comments	Response	Rule Change
Jacqueline Fern Oregon Department of Environmental Quality <a href="mailto:Fern.jacqueline@deq.state.or.us">Fern.jacqueline@deq.state.or.us</a>	Recommend OWEB shorten the name from Outcome-Based Watershed Council Operating Capacity Grants to "Watershed Council Capacity Grants."	The title of the program communicates the importance of the outcome-based nature of council capacity grants. OWEB will use the shorter "Council Capacity Grants" in most communications.	No
Ken Bierly Chair Glenn Gibson Creek WC 1320 Edgewater St NW Ste 220 Salem OR 97304	The existing administrative rules were structured to try to develop specific merit criteria and it is appropriate to reevaluate the rules.	OWEB appreciates the support for the evaluation of the Council Support rules.	No
Margaret Magruder Lower Columbia River WC 12589 Hwy 30 Clatskanie, OR 97016	The proposed rules have a high degree of process involved which may or may not lead to successful on the ground projects.	Council Capacity grants are not project grants, but help support the operations of effective watershed councils. Councils need good governance and management practices in place to be effective in implementing on the ground restoration and community engagement.	No

## Council Capacity Rulemaking Response to Public Comments

Attachment B

Rules: 695-040-0010 Purpose				
Sub-Section	Commenter(s)	Comments	Response	Rule Change
	Margaret Magruder Lower Columbia River WC 12589 Hwy 30 Clatskanie, OR 97016	Recommend clarifying the meaning of high-capacity.	The eligibility and merit criteria in the rules and guidance are indicators of high capacity and effective watershed councils.	No

Draft Document

Rules: 695-040-0030 Eligibility Criteria				
Sub-Section*	Commenter(s)	Comments	Response	Rule Change
	Ken Bierly Chair Glenn Gibson Creek WC 1320 Edgewater St NW Ste 220 Salem OR 97304	The rules include detailed requirements for eligibility determination and 5 short lines of broad and discretionary guidance on merit evaluation. It seems that a better balance between the eligibility determination and the merit criteria could be struck.	Staff intended the eligibility criteria to be detailed in the rules, and intended the description of merit criteria in the rules to be high level, with additional detail in the Guidance. Section VII of the Guidance document to be adopted by the OWEB Board describes the merit criteria and the review process. Having the merit criteria in guidance allows the Board to refine these criteria more quickly if needed.	No
(2)(b) (formerly (2))	Amy Stiner Coordinator Upper South Fork John Day WC <a href="mailto:usfjdw@outlook.com">usfjdw@outlook.com</a>	Recommend lowering the population criteria to between 150-300 people. Revised population criteria would be more considerate of eastside watershed uniqueness such as large unpopulated areas.	Lowering the minimum watershed population below 500 does not support the vision that councils need funding and resources from their communities, not just OWEB. The rules encourage council boundaries to include a population threshold that can help support over time the "people and funding" resources needed for a resilient and sustainable council.	No

\*Staff revised and reorganized some sections of the rules in response to public comment. New and former sub-sections are indicated.

## Council Capacity Rulemaking Response to Public Comments

Attachment B

Draft Document

Rules: 695-040-0030 Eligibility Criteria				
Sub-Section*	Commenter(s)	Comments	Response	Rule Change
(5)(a)(M) (formerly (3))	Margaret Magruder Lower Columbia River WC 12589 Hwy 30 Clatskanie, OR 97016	Governing body representation and diversity is preferable; it may not always be possible, councils may be unable to motivate volunteers to take on these roles.	Staff changed the eligibility criteria rules to clarify that a council's governance documents shall state the intent to include a diverse range of geographic areas and community interests in the watershed on its governing body in order to engage a balance of interested and affected persons within the watershed as required by Oregon statute. If a council's governing body does not have a balance of interests, this is a merit criteria issue, not an eligibility criteria issue.	Yes
(5)(a)(M) (formerly (3))	Margaret Magruder Lower Columbia River WC 12589 Hwy 30 Clatskanie, OR 97016	Clarify the difference between governing body and council membership.	Rule 695-040-0020(8) defines "council's governing body". Section II.B of the Guidance defines "membership organization."	No
(5)(a)(K) (formerly (3))	Margaret Magruder Lower Columbia River WC 12589 Hwy 30 Clatskanie, OR 97016	Are governing body and council meetings required to be held separately?	Council bylaws and policies specify how council meetings occur. The eligibility criteria require council bylaws to specify the number or frequency of governing body meetings and, if applicable, when membership meetings will occur. The rule language has been changed to clarify and simplify the description of the topics that need to be covered in council bylaws and policies.	Yes
(5)(a)(K) (formerly (3))	Margaret Magruder Lower Columbia River WC 12589 Hwy 30 Clatskanie, OR 97016	Are governing body meetings public meetings?	Section IV.E.3.b of the Guidance describes the minimum policies councils need to have in place related to public participation at council meetings.	No

\*Staff revised and reorganized some sections of the rules in response to public comment. New and former sub-sections are indicated.

## Council Capacity Rulemaking Response to Public Comments

Attachment B

Draft Document

Rules: 695-040-0030 Eligibility Criteria				
Sub-Section*	Commenter(s)	Comments	Response	Rule Change
(5) (formerly (3))	Wayne Hoffman Coordinator MidCoast WCs 23 N Coast Hwy Newport OR 97365	Concern that watershed council boards are different than other nonprofit boards and this difference should be more clearly considered in the development of the organizational structure and business operations criteria.	Based on OWEB's experience working with watershed councils, and literature review of indicators of success for watershed groups, staff believes the proposed organizational structure and business operations eligibility criteria are applicable and appropriate for councils. Staff changed this section of the rules to clarify and simplify these criteria.	Yes
(5)(a)(M) (formerly (3)(a)(B))	Margaret Magruder Lower Columbia River WC 12589 Hwy 30 Clatskanie, OR 97016	Recommended adding "and/or" to the sentence "specifically identify the geographic areas and community interests."	Councils around the state have both diverse communities and geographic areas. Councils should consider both in determining how to include a balance of interested and affected persons in the watershed as required by ORS 541.910(2). Staff changed this section of the rules to clarify this criterion.	Yes
(5)(a)(O)(iv) (formerly (3)(a)(C) and (D))	Ken Bierly Chair Glenn Gibson Creek WC 1320 Edgewater St NW Ste 220 Salem OR 97304	Recommended OWEB reconsider this requirement because of concern that the requirement for officer and member removal could cause significant issues with early formed councils that did not anticipate having to exclude officers and members.	The rules and Guidance document have been changed to provide the option of member removal or termination of member voting rights. However, staff continues to support the need for bylaws to provide for removal of council officers. In staff's experience, councils' inability to address inappropriate officer actions has led to governance and performance issues for councils in the past.	Yes
(5)(a)(O)(iv) (formerly (3)(a)(C) and (D))	Wayne Hoffman Coordinator MidCoast WCs 23 N Coast Hwy Newport OR 97365	Concern with the requirement for member removal. Recommend requiring councils to have a mechanisms for a lesser level of consensus in the decision making process.	The rules and Guidance document have been changed to provide the option of member removal or termination of member voting rights.	Yes

\*Staff revised and reorganized some sections of the rules in response to public comment. New and former sub-sections are indicated.

## Council Capacity Rulemaking Response to Public Comments

Attachment B

Draft Document

Rules: 695-040-0030 Eligibility Criteria				
Sub-Section*	Commenter(s)	Comments	Response	Rule Change
(5)(b)(D) (formerly (3)(b)(E))	Ken Bierly Chair Glenn Gibson Creek WC 1320 Edgewater St NW Ste 220 Salem OR 97304	Recommend clarification of the necessary documentation to demonstrate that a council is not relying on litigation to compel regulatory enforcement as a means to implement its mission [OAR 695-040-0030(5)(b)(D)]	The rule has been changed to clarify that the council is required to have a policy that the council does not rely on litigation to compel regulatory enforcement as a means to implement its mission. See also Section IV.E.3.d of the Guidance.	Yes
(5)(a)(M) (formerly (3)(b)(A))	Alex Sifford Nestucca, Neskowin and Sand Lake WCs 34600 Cape Kiwanda Dr P.O. Box 86 Pacific City, OR 97135	Recommend adding "or advisory committees" after governing body.	Staff changed the eligibility criteria rules to clarify that a council's governance documents shall state the intent to include a diverse range of geographic areas and community interests in the watershed on its governing body in order to engage a balance of interested and affected persons within the watershed as required by Oregon statute. If a council's governing body does not have a balance of interests, this is a merit criteria issue, not an eligibility criteria issue.	Yes
(5)(a)(M) (formerly (3)(b)(A))	Sarah Zwissler Lower Nehalem WC PO Box 249 Nehalem OR 97131 <a href="mailto:lnwc@nehalemtnet.net">lnwc@nehalemtnet.net</a>	Support the comments made by Alex Sifford, Nestucca, Neskowin and Sand Lake WCs.	See response above to comments made by Alex Sifford.	Yes
(5)(a)(M) (formerly (3)(b)(A))	Kelly Timchak Lower Rogue WC PO Box 666 Gold Beach OR 97444 <a href="mailto:Kelly.sparks@currywatersheds.org">Kelly.sparks@currywatersheds.org</a>	Support the comments made by Alex Sifford, Nestucca, Neskowin and Sand Lake WCs. Recommend loosely defining "advisory committees".	See response above to comments made by Alex Sifford.	Yes

\*Staff revised and reorganized some sections of the rules in response to public comment. New and former sub-sections are indicated.

## Council Capacity Rulemaking Response to Public Comments

Attachment B

Rules: 695-040-0030 Eligibility Criteria				
Sub-Section*	Commenter(s)	Comments	Response	Rule Change
(3)(a) (formerly (3)(c))	Ken Bierly Chair Glenn Gibson Creek WC 1320 Edgewater St NW Ste 220 Salem OR 97304	Recommend clarifying how staff will evaluate action plans for those councils that already have them but were developed prior to the April 2014 grant offering.	Rule 695-040-0020(5) defines "Council Action Plan" and rule 0030(3)(a) notes that minimum criteria for action plans is determined in accordance with guidance adopted by the OWEB Board. Section IV.C. of the Guidance describes minimum action plan requirements.	No
(5)(b)(C) (formerly (3)(b)(D))	April Olbrich Coordinator Tualatin River WC P.O. Box 338 Hillsboro, OR 97123	Concern that the eligibility criteria for councils to follow Generally Accepted Accounting Principles (GAAP) will require councils to have an independent outside audit. Request clarification on how a council's merit criteria will be impacted if it follows all aspects of GAAP except having an independent outside audit.	The eligibility review does not evaluate how a council implements GAAP, but determines whether the council or its fiscal sponsor have a policy to follow GAAP. Acceptable forms of financial review under GAAP include audits, financial review and compilation depending on the organization.	No

Draft Document

Rules: 695-040-0110 Merit Evaluation				
Sub-Section	Commenter(s)	Comments	Response	Rule Change
	Ken Bierly Chair Glenn Gibson Creek WC 1320 Edgewater St NW Ste 220 Salem OR 97304	The merit criteria in the rules are very broad, discretionary, and subject to extremely wide range of interpretation and evaluation. It is hard to see how such broad criteria will do anything but generate disagreement among reviewers and the reviewed.	Section VII of the Guidance document, which will be adopted by OWEB's Board, describes the merit criteria and the evaluation process. Changes were made in the Guidance to clarify both the merit criteria and the evaluation process.	No
3	Margaret Magruder Lower Columbia River WC 12589 Hwy 30 Clatskanie, OR 97016	It is unclear how the merit evaluation will be made.	Section VII of the Guidance document describes the merit criteria and the evaluation process.	No

\*Staff revised and reorganized some sections of the rules in response to public comment. New and former sub-sections are indicated.

## Council Capacity Rulemaking Response to Public Comments

Attachment B

Draft Document

Rules: 695-040-0120 Board Action on Eligible Applications				
Sub-Section	Commenter(s)	Comments	Response	Rule Change
3(d)	Margaret Magruder Lower Columbia River WC 12589 Hwy 30 Clatskanie, OR 97016	More clarity is needed on how this piece of the rules will be implemented; Is it OWEB Board or locally driven; does it give the OWEB Board authority to implement council mergers in the future.	This rule provides that the Board may in the future adopt guidance for how the Board would award an individual Council Capacity Grant for a larger geographic area when the Board determines that such action will likely increase collaboration and resource sharing, inter-watershed coordination, and foster organizational resilience and watershed restoration outcomes at a larger landscape scale. Section VIII.E of the Guidance document states that this section of the rules will not be implemented until the Board adopts specific guidance. Prior to implementation, the Guidance document would be updated through a process that includes stakeholder input and Board adoption.	No
3(d)	Kristen Larson Council Coordinator Luckiamute WC 226 South Main St, Suite L Independence OR 97351 coordinator@luckiamutelwc.org	Concern over trying to provide comments on a section of the rules that does not yet have implementing guidance. Recommend removal of the rule and adopting new rules and associated guidance once the guidance has been developed.	See response to Margaret Magruder above.	No

## Council Capacity Rulemaking Response to Public Comments

Attachment B

Rules: 695-040-0130 Use of Funds				
	Commenter(s)	Comments	Response	Rule Change
	Margaret Magruder Lower Columbia River WC 12589 Hwy 30 Clatskanie, OR 97016	How flexible will the definition of “day-to-day operations” be and what will be the reporting requirements?	The rules were edited to remove the term “day to day.” Section IX of the Guidance document provides additional clarity on the use of funds.	Yes
	Kristen Larson Council Coordinator Luckiamute WC 226 South Main St, Suite L Independence OR 97351 coordinator@luckiamutelwc.org	Recommend changing “day-to-day operation” to “provide funding for the operations of councils”. The concern is that “day-to-day” could be limiting of activities outside the regular work day of council staff such as attending a rules hearing.	The rules were edited to remove the term “day to day.” Section IX of the Guidance document provides additional clarity on the use of funds.	Yes

Draft Document

Rules: 695-040-0150 Waiver of Rules				
	Commenter(s)	Comments	Response	Rule Change
	Margaret Magruder Lower Columbia River WC 12589 Hwy 30 Clatskanie, OR 97016	Concerned that the language potentially affords the Director with unchecked authority, is Board action required?	This is a standard section in other OWEB administrative rules and allows OWEB to be flexible during implementation of the rules if needed to avoid unintended consequences.	No

Guidance				
Sub-Section*	Commenter(s)	Comments	Response	Guidance Change
Section I	Margaret Magruder Lower Columbia River WC 12589 Hwy 30 Clatskanie, OR 97016	General comments on the background information provided as context in the guidance document.	The background is important to document the reasons OWEB made program changes and what OWEB wants to see in the future.	No
Section I	Chris Gannon Director Crooked River WC 498 SE Lynn Blvd. Prineville, OR 97754	Supports OWEB’s objectives to manage the number of capacity grants awarded in a long-term effort to ensure sustainability of the program and to support, through transitional grants, councils that seek to combine with other councils in the area.	OWEB appreciates the support for the changes to the Council Capacity Grant program.	No

\*Staff revised and reorganized some sections of the Guidance in response to public comment. New and former sub-sections are indicated.

## Council Capacity Rulemaking Response to Public Comments

Attachment B

Guidance: Section III Eligibility Criteria				
Sub-Section*	Commenter(s)	Comments	Response	Guidance Change
C (formerly F)	Jo Zettler Volunteer Upper Nehalem WC 58570 Nehalem Hwy S Vernonia, OR 97064	More clarity is needed as to why only councils without any action plan are eligible for Technical Assistance grants for action plans offered by OWEB in the October 2013 and April 2014 grant cycles.	The comment is about a limited OWEB grant offering. The purpose of the offering was to provide opportunities for watershed councils that may be otherwise eligible to apply for council capacity grants, <u>but do not have an action plan</u> , to adopt an action plan before the next council capacity grant application deadline.	No

Draft Document

Guidance: Section IV Eligibility Criteria and OWEB Review				
Sub-Section*	Commenter(s)	Comments	Response	Guidance Change
D.2 (formerly G.2)	Denise Lofman Director Columbia River Estuary Taskforce (CREST) 818 Commercial St, #203 Astoria, OR 97103	Concerned that the proposed language does not allow CREST to act as a fiscal sponsor for the North Coast WA.	CREST is a 501(c)(3) organization and is an eligible fiscal sponsor. Guidance language has been clarified.	Yes

Guidance: Section V OWEB Determination of Eligibility to Apply				
Sub-Section*	Commenter(s)	Comments	Response	Guidance Change
D (formerly F)	Margaret Magruder Lower Columbia River WC 12589 Hwy 30 Clatskanie, OR 97016	Recommend creating an alternative appeal process in case the Executive Director rejects the appeal.	Staff's determination whether a council meets eligibility criteria is not a judgment of merit, but is based on yes/no, presence/absence of eligibility criteria. It is appropriate for eligibility appeals to be decided by the Director. The rules were changed to clarify the role of the Director in eligibility appeals. OAR 695-040-0090(2).	No

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## Council Capacity Rulemaking Response to Public Comments

Attachment B

Guidance: Section V OWEB Determination of Eligibility to Apply				
Sub-Section*	Commenter(s)	Comments	Response	Guidance Change
D (formerly F)	Ken Bierly Chair Glenn Gibson Creek WC 1320 Edgewater St NW Ste 220 Salem OR 97304	Recommended explicitly delegating the authority to the director from the Board to clarify the range of authority. The concern is that the eligibility review appeal process goes through the OWEB Executive Director instead of the OWEB Board. This is a concern because a decision that a council is not eligible to apply for a grant is equal to a funding decision.	The determination whether a council meets eligibility criteria is not a funding decision. Meeting the eligibility criteria makes a council eligible for a funding decision. The rules were changed to clarify the role of the Director in appeals of staff's eligibility determination. OAR 695-040-0090(2).	No

Draft Document

Guidance: Section VII Merit Evaluation				
Sub-Section*	Commenter(s)	Comments	Response	Guidance Change
	Chris Gannon Director Crooked River WC 498 SE Lynn Blvd. Prineville, OR 97754	Supports the proposed merit criteria to ensure all councils receiving capacity support are in fact performing at a consistently high level.	OWEB appreciates the support for the changes to the Council Capacity Grant rules and guidance.	No
	Chris Gannon Director Crooked River WC 498 SE Lynn Blvd. Prineville, OR 97754	Concern that new merit criteria place too much emphasis on application materials and not enough emphasis on performance and outcomes. Recommends OWEB evaluate a council's "track record" on successful projects as a part of the merit evaluation process.	OWEB's intent is to evaluate merit based on performance and progress. See OAR 695-040-0110. Section VII of the Guidance has been changed in response to this comment.	Yes
D (formerly C)	Jo Zettler Volunteer Upper Nehalem WC 58570 Nehalem Hwy S Vernonia, OR 97064	Concern with the use of "duplicative administrative infrastructure" and "strategic collaboration". Recommend using clearer words.	Section VII.D of the Guidance has been changed to add more clarity.	Yes
D (formerly C)	Alex Sifford Nestucca, Neskowin and Sand Lake WCs 34600 Cape Kiwanda Dr P.O. Box 86	Concern with the statement that OWEB council capacity grants have supported "duplicative administrative infrastructure". Requests data be provided to support the statement.	Administrative infrastructure includes activities such as fiscal management, human resources, organizational management, information technology and other administrative functions.	Yes

## Council Capacity Rulemaking Response to Public Comments

Attachment B

	Pacific City, OR 97135		Across Oregon, councils are implementing some or all of these activities within their separate organizations. As a result, some of OWEB's capacity grant funding supports duplicative administrative infrastructure. Sharing of administrative services across groups (i.e. councils, SWCDs, cities or non-profits) can create more effective organizations. With limited grant funds and high demand for many types of grants, OWEB wants to encourage more councils to expand strategic collaborations especially around shared administrative services.	
<b>Sub-Section</b>	<b>Commenter(s)</b>	<b>Comments</b>	<b>Response</b>	<b>Guidance Change</b>
D (formerly C)	Margaret Magruder Lower Columbia River WC 12589 Hwy 30 Clatskanie, OR 97016	Concern with the use of "duplicative administrative infrastructure". Would like concrete, applicable ideas that provide evidence of how effective this can be for groups that are already working on extremely limited funding.	See response to Alex Sifford, above.	No

Draft Document

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1 OREGON WATERSHED ENHANCEMENT BOARD

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2  
3 PROPOSED DIVISION 40 – OUTCOME-BASED WATERSHED COUNCIL OPERATING CAPACITY  
4 GRANTS

5  
6 **695-040-0010. Purpose**

7 (1) To guide the Oregon Watershed Enhancement Board in accepting, reviewing for eligibility  
8 and merit, and considering -for funding applications for Council Capacity Grants pursuant to ORS  
9 541.918, 541.926(1)(e), 541.923, and 541.910.

10  
11 (2) To provide a grant program to help support the operations of watershed councils that  
12 engage people and communities in their watersheds to participate in the collaborative, voluntary  
13 restoration and protection of native fish or wildlife habitat, and natural watershed functions to improve  
14 water quality or stream flows.

15  
16 (3) To encourage the development of high-capacity local infrastructure and continuous  
17 improvement.

18  
19 Stat. Auth.: ORS 541.906

20 Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

21 Hist.: OWEB 3-2004, f. & cert. ef. 9-20-04; OWEB 7-2014, f. & cert. ef. XX-XX-14

22  
23 **695-040-0020. Definitions**

24 (1) "OWEB" means the Oregon Watershed Enhancement Board state agency.

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26 (2) "Board" means the Oregon Watershed Enhancement Board created under ORS 541.900.

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28 (3) "Director" means the Executive Director of the Oregon Watershed Enhancement Board or the  
29 Executive Director's designee. (2) "Council Action Plan" means a plan or set of plans adopted by the  
30 council that identify and prioritize the ecological problems the council seeks to address, and the priority,  
31 voluntary restoration, enhancement, monitoring and/or community engagement activities the council will  
32 conduct to address those problems.

33  
34 ~~(34)~~ "Watershed council" or "council," pursuant to ORS 541.890(15), means a voluntary local  
35 organization, designated by a local government group convened by a county governing body, to address  
36 the goal of sustaining natural resources and conducting watershed protection, restoration and  
37 enhancement within a watershed as defined in 541.890(14).

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41 restoration, enhancement, monitoring and/or community engagement activities the council will conduct to  
42 address those problems.

43  
44 ~~(46)~~ "Council Capacity Grant" means an OWEB grant awarded to a watershed council or group of  
45 watershed councils under the Outcome-Based Watershed Council Operating Capacity Grant Program on  
46 or after January 1, 2015.

47  
48 ~~(57)~~ "Watershed Council Support Grant" means an OWEB grant awarded to a watershed council or group  
49 of watershed councils prior to July 1, 2013, for the purpose of supporting the capacity of a council or  
50 group of councils to conduct the activities necessary for the watershed protection, enhancement, and  
51 restoration work of the council(s).

52  
53 ~~(68)~~ "Council's governing body" means the group of people who have the responsibility to a) ensure that  
54 the council meets legal requirements, b) support successful achievement of the council's goals, and c)  
55 create a structure, policies, and procedures that support good governance.

56  
 57 Stat. Auth.: ORS 541.906  
 58 Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910  
 59 Hist.: OWEB 2-2004, f. 4-6-04 cert. ef. 4-12-04; OWEB 3-2004, f. & cert. ef. 9-20-04; OWEB 7-2014, f. &  
 60 cert. ef. XX-XX-14

61  
 62 **695-040-0030. Eligibility Criteria**

63 The purpose of the eligibility criteria is to define which watershed councils are eligible to apply for Council  
 64 Capacity Grants. These eligibility criteria do not limit or control the existence or creation of watershed  
 65 councils.

66  
 67 A watershed council, or group of watershed councils, is eligible to apply for a Council Capacity Grant only  
 68 if OWEB determines it meets ~~all of~~ the eligibility criteria.

- 69  
 70 (1) Designation as a watershed council by a local government:  
 71 (a) For watershed councils previously awarded a Watershed Council Support Grant, the council  
 72 ~~shall~~must be designated as a watershed council by a local government.  
 73 (b) For new or reorganized watershed councils, the council ~~must~~shall be designated as a  
 74 watershed council by a county commission, county board, or county court.

- 75  
 76 (2) Geographic Area:  
 77 (a) A geographic area served by a council or group of councils can change. However, to be  
 78 eligible, OWEB ~~shall~~must determine that a council or group of councils serves an area:  
 79 (A) In which a council or group of councils previously received a Watershed Council  
 80 Support Grant or Council Capacity Grant; and  
 81 (B) Which is the same or larger than the geographic area served by a council or group  
 82 of councils as of July 1, 2013.  
 83 (b) In addition, for the purposes of this eligibility criteria:  
 84 (A) The geographic area ~~shall~~must include a minimum population of 500 individuals  
 85 within its designated boundary or boundaries; and  
 86 (B) No more than one applicant is eligible for the same geographic area.

- 87  
 88 (3) ~~The council's governing body has adopted a Council Action Plan:-~~  
 89 ~~(a) OWEB rMinimum criteria requirements for Council Action Plans shall be determined in~~  
 90 ~~accordance with guidance adopted and periodically reviewed by the Board and made~~  
 91 ~~available to the public on the OWEB website and in Board meeting materials.~~

- 92  
 93 (4) ~~The council shall~~must demonstrate at least one of the following:  
 94 (a) ~~It is registered with the State of Oregon;~~  
 95 (b) ~~It has a written fiscal sponsorship agreement with a 501(c)(3) organization; or~~  
 96 (c) ~~It has a written fiscal sponsorship agreement with a Soil and Water Conservation District, city,~~  
 97 ~~county, or tribal government.~~

- 98  
 99 ~~(3)(5)~~ Organizational Structure and Business Operations: If OWEB determines a watershed council or  
 100 group of councils meets the relevant geographic area eligibility criteria in sections 2-1 through 4  
 101 above, OWEB shall~~will~~ determine whether the governing documents adopted by the council or group  
 102 of councils meets all of the criteria for organizational structure and business operations~~include the~~  
 103 topics described in this section.

- 104 (a) The council's governing body ~~must have~~has adopted bylaws or a charter that includes ~~all of~~  
 105 the following ~~elements~~topics:  
 106 (A) A declaration that the council's mission aligns with OWEB's purpose as  
 107 described in the Oregon Constitution and statutes. At a minimum, the bylaws or  
 108 charter shall~~must recite~~ indicate that a primary purpose of the council is to work  
 109 collaboratively with communities and represent the broad and diverse geographic  
 110 areas and community interests in the watershed and work collaboratively with

- 111 ~~these interests and landowners to develop and carry out voluntary watershed~~  
 112 ~~protection, restoration, enhancement, and community engagement activities;~~  
 113 ~~(B) How the governing body is selected;~~  
 114 ~~(C) Titles of officers, e.g., Chair, President, Secretary, Treasurer;~~  
 115 ~~(D) How officers are selected;~~  
 116 ~~(E) Who is eligible for the governing body;~~  
 117 ~~(F) Who is eligible to be an officer;~~  
 118 ~~(G) Length of service on governing body;~~  
 119 ~~(H) Length of service for officers;~~  
 120 ~~(I) Powers of governing body;~~  
 121 ~~(J) Powers of officers;~~  
 122 ~~(K) Minimum number or frequency of governing body meetings;~~  
 123 ~~(L) Decision making process of governing body;~~  
 124 ~~(M) A statement that the council intends its governing body to include a diverse range~~  
 125 ~~of geographic areas and community interests in the watershed in order to engage~~  
 126 ~~a balance of interested and affected persons within the watershed as required by~~  
 127 ~~ORS 541.910(2); and~~  
 128 ~~(N) A process for amending the bylaws or charter.~~  
 129 ~~(O) If the council is a membership organization, in addition to A-N above the bylaws~~  
 130 ~~or charter shall must include the following topics:~~  
 131 ~~i. Who is eligible for membership;~~  
 132 ~~ii. When membership meetings will occur;~~  
 133 ~~iii. The decision making role of the membership; and~~  
 134 ~~iv. A process to remove members or terminate the voting rights of members.~~  
 135 ~~(B) The requirement that the council's governing body must include a broad and~~  
 136 ~~diverse representation of the range of geographic areas and community interests in~~  
 137 ~~the watershed in order to represent a balance of interested and affected persons~~  
 138 ~~within the watershed as required by ORS 541.910(2);~~  
 139 ~~(C) A definition, if the watershed council is a membership organization, that specifies~~  
 140 ~~who is eligible for watershed council membership and a provision that establishes~~  
 141 ~~mechanisms to remove members from the watershed council;~~  
 142 ~~(D) A process for selection of the council's governing body and officers, including who~~  
 143 ~~is eligible, length of service, and procedures for removal;~~  
 144 ~~(E) Provisions that set forth the powers, roles, and responsibilities of the council's~~  
 145 ~~governing body, officers, and committees;~~  
 146 ~~(F) Provisions for the council's organizational structure including minimum number or~~  
 147 ~~minimum frequency of meetings, the process for formation of committees, and how~~  
 148 ~~the council makes decisions; and~~  
 149 ~~(G) Define the process for amending the bylaws or charter~~  
 150 (b) The council's governing body ~~must have~~ has adopted policies and/or procedures that include  
 151 all of the following elements ~~the following topics described in this section:~~  
 152 (A) ~~A list of The council's policies and procedures must specifically identify the~~  
 153 ~~geographic areas and community interests, the council intends to include as~~  
 154 ~~referenced in the council's bylaws or charter, that must be represented on the~~  
 155 ~~council's on its governing body in order to engage for the purpose of ensuring a~~  
 156 ~~balance of interested and affected persons within the watershed pursuant to ORS~~  
 157 ~~541.910(2);~~  
 158 ~~(B) If the council is a membership organization, the council's policies and procedures~~  
 159 ~~must specifically identify the geographic areas and community interests within the~~  
 160 ~~watershed that the council seeks to have represented within its general~~  
 161 ~~membership body;~~  
 162 (CB) ~~A policy that Provisions for the council to operate~~ as an open and inclusive  
 163 organization, including regularly and consistently inviting the public to council  
 164 meetings, and, upon request, providing the public with records of its meetings and  
 165 decisions; and providing opportunities for the public to participate in council  
 166 activities. At a minimum, the policies and procedures need to include:

167 The council has a regular, published meeting schedule;—  
 168 The council advertises meetings and council activities using locally appropriate methods;  
 169 The council's governing body meetings include agendas, attendance records, and  
 170 minutes;  
 171 The council's general meetings are open to the public and include agendas, attendance  
 172 records, and records of any decisions made by the members; and  
 173 The council makes available, upon request, meeting agendas and records of decisions of  
 174 its governing body.  
 175 ~~(DC)~~ Provisions that require a policy that the council, or its fiscal sponsor, ~~to use~~  
 176 Generally Accepted Accounting Principles ~~(GAAP)~~; and  
 177 ~~(DE)~~ A policy that ~~the~~ council does not rely on litigation to compel regulatory  
 178 enforcement as a means to implement its mission.

179  
 180 ~~(c) The Council's governing body must have adopted a Council Action Plan.~~

181 ~~(A) OWEB requirements for Council Action Plans shall be determined in accordance with~~  
 182 ~~guidance adopted and periodically reviewed by the Board and made available to the~~  
 183 ~~public on the OWEB website and in Board meeting materials.~~

184 ~~(d) The council must demonstrate at least one of the following:~~

185 ~~(A) It is registered with the State of Oregon;~~

186 ~~(B) It has a written fiscal sponsorship agreement with a 501(c)(3) organization; or~~

187 ~~(C) It has a written fiscal sponsorship agreement with a Soil and Water Conservation~~  
 188 ~~District, city, county, or tribal government.~~

189  
 190 Stat. Auth.: ORS 541.906

191 Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

192 Hist.: OWEB 2-2004, f. 4-6-04 cert. ef. 4-12-04; OWEB 3-2004, f. & cert. ef. 9-20-04; OWEB 7-2014, f. &  
 193 cert. ef. XX-XX-14

194  
 195 **695-040-0090. Eligibility Determination**

196 (1) The eligibility of a watershed council or group of councils to submit an application for a Council  
 197 Capacity Grant shall be determined in accordance with guidance adopted and periodically reviewed by  
 198 the Board and made available to the public on the OWEB website and Board meeting materials.

199  
 200 (2) If a watershed council disagrees with the determination that it is not eligible to submit an application  
 201 and wishes to appeal, the council ~~must~~ may ~~appeal to OWEB's Director in accordance with the appeal~~  
 202 ~~follow the appeal process contained in the guidance adopted by the Board. The Director shall~~ will ~~make~~  
 203 the final decision on all eligibility appeals.

204  
 205 Stat. Auth.: ORS 541.906

206 Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

207 Hist.: OWEB 7-2014, f. & cert. ef. XX-XX-14

208  
 209 **695-040-0100. Application Requirements**

210 Council Capacity Grant applications ~~shall~~ must be submitted on the most current form that conforms to the  
 211 requirements and process ~~prescribed by the Board~~ set forth in guidance and periodically reviewed by the  
 212 Board and made available to the public on the OWEB website and Board meeting materials.

213  
 214 Stat. Auth.: ORS 541.906

215 Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

216 Hist.: OWEB 7-2014, f. & cert. ef. XX-XX-14

217  
 218 **695-040-0110. Merit Evaluation**

219 (1) Applications ~~shall~~ will be evaluated in accordance with the guidance adopted and periodically  
 220 reviewed by the Board and made available to the public on the OWEB website and in Board meeting  
 221 materials.

- 223 (2) Through its merit evaluation, OWEB seeks to:  
 224 (a) Ensure strategic and accountable investment of public funds;  
 225 (b) Encourage continuous improvement in watershed councils' organizational management,  
 226 operating structure, and functions, and the planning and implementation of on-the-ground  
 227 watershed protection, restoration, enhancement, and community engagement activities; and  
 228 (c) Ensure watershed councils are working toward strengthening their role in ~~the~~ watersheds  
 229 through activities focusing on council resilience, leadership, collaboration, and representing a  
 230 balance of interested and affected persons within the watershed as required by ORS  
 231 541.910(2).

- 232  
 233 (3) Merit evaluation shall include reviews for:  
 234 (a) Prior performance;  
 235 (b) Progress in accomplishing council work plans that is demonstrated over time; and  
 236 (c) Demonstration of progress toward the objectives described in section 2 above, as set forth in  
 237 guidance adopted by the Board.

238  
 239 Stat. Auth.: ORS 541.906

240 Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

241 Hist.: OWEB 7-2014, f. & cert. ef. XX-XX-14

242

243 **695-040-0120 Board Action on Eligible Applications**

244 (1) The Board may fund grants to watershed councils or a group of councils.

245

246 (2) The Board shall take action on eligible applications for Council Capacity Grants in accordance with  
 247 guidance adopted by the Board and made available to the public on the OWEB website and in Board  
 248 meeting materials.

249

250 (3) Individual Council Capacity Grant funding levels are within the Board's discretion based on  
 251 consideration of:

- 252 (a) A watershed council's merit evaluation;  
 253 (b) The Board's determination, if any, under 695-040-0120(3)(d); and  
 254 (c) Available funding.  
 255 (d) Notwithstanding subsections (a), (b) and (c), the Board may award an individual Council  
 256 Capacity Grant for a larger geographic area when the Board determines that such action will  
 257 likely increase collaboration and resource sharing, inter-watershed coordination, and will  
 258 likely foster organizational resilience and watershed restoration outcomes at a larger  
 259 landscape scale. The Board's determination shall be made in accordance with guidance  
 260 adopted and periodically reviewed by the Board and made available to the public on the  
 261 OWEB website and in Board meeting materials. Such an award by the Board may include a  
 262 reduction in the number of individual Council Capacity Grants within the larger geographic  
 263 area and a reduction in funding levels for individual watershed councils within the larger  
 264 geographic area.

265

266 Stat. Auth.: ORS 541.906

267 Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

268 Hist.: OWEB 7-2014, f. & cert. ef. XX-XX-14

269

270 **695-040-0130. Use of Funds**

271 A Council Capacity Grants provides funding for ~~day-to-day~~ operations of ~~the a~~ a watershed council or group  
 272 of councils.

273

274 Stat. Auth.: ORS 541.906

275 Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

276 Hist.: OWEB 7-2014, f. & cert. ef. XX-XX-14

277

278 **695-040-0140. Grant Agreement Conditions**

279 | The Council Capacity grantee ~~shall~~will be required to:

280 | (1) Submit ~~to OWEB~~an annual work plan update;

281 |  
282 | (2) Submit an annual report to ~~OWEB and~~all local government entities that designated the  
283 | council; and

284 |  
285 | (3) Obtain appropriate levels of insurance coverage commensurate with council activities.

286 |  
287 | Stat. Auth.: ORS 541.906

288 | Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

289 | Hist.: OWEB 7-2014, f. & cert. ef. XX-XX-14

290 |  
291 | **695-040-0150. Waiver of Rules**

292 | The Director may waive any requirements of Division 40 for individual grant applications, not including  
293 | mandatory statutory requirements, when doing so will result in more efficient or effective implementation  
294 | of the Outcome-Based Watershed Council Operating Capacity Grant Program. Any waiver granted shall  
295 | be in writing and included in the permanent file of the grant for which the waiver was granted.

296 |  
297 | Stat. Auth.: ORS 541.906

298 | Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

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300 |  
301 |

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42 watershed councils under the Outcome-Based Watershed Council Operating Capacity Grant Program on  
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47 group of councils to conduct the activities necessary for the watershed protection, enhancement, and  
48 restoration work of the council(s).

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67 (1) Designation as a watershed council by a local government:

68 (a) For watershed councils previously awarded a Watershed Council Support Grant, the council  
 69 shall be designated as a watershed council by a local government.

70 (b) For new or reorganized watershed councils, the council shall be designated as a watershed  
 71 council by a county commission, county board, or county court.

72

73 (2) Geographic Area:

74 (a) A geographic area served by a council or group of councils can change. However, to be  
 75 eligible, OWEB shall determine that a council or group of councils serves an area:

76 (A) In which a council or group of councils previously received a Watershed Council  
 77 Support Grant or Council Capacity Grant; and

78 (B) Which is the same or larger than the geographic area served by a council or group  
 79 of councils as of July 1, 2013.

80 (b) In addition, for the purposes of this eligibility criteria:

81 (A) The geographic area shall include a minimum population of 500 individuals within  
 82 its designated boundary or boundaries; and

83 (B) No more than one applicant is eligible for the same geographic area.

84

85 (3) The council's governing body has adopted a Council Action Plan:

86 (a) Minimum criteria for Council Action Plans shall be determined in accordance with guidance  
 87 adopted and periodically reviewed by the Board and made available to the public on the  
 88 OWEB website and in Board meeting materials.

89

90 (4) The council shall demonstrate at least one of the following:

91 (a) It is registered with the State of Oregon;

92 (b) It has a written fiscal sponsorship agreement with a 501(c)(3) organization; or

93 (c) It has a written fiscal sponsorship agreement with a Soil and Water Conservation District, city,  
 94 county, or tribal government.

95

96 (5) Organizational Structure and Business Operations: If OWEB determines a watershed council or  
 97 group of councils meets the relevant eligibility criteria in sections 1 through 4 above, OWEB shall  
 98 determine whether the governing documents adopted by the council or group of councils include the  
 99 topics described in this section.

100 (a) The council's governing body has adopted bylaws or a charter that includes the following  
 101 topics:

102 (A) A declaration that the council's mission aligns with OWEB's purpose as  
 103 described in the Oregon Constitution and statutes. At a minimum, the bylaws or  
 104 charter shall indicate that a primary purpose of the council is to work  
 105 collaboratively with communities and landowners to develop and carry out  
 106 voluntary watershed protection, restoration, enhancement, and community  
 107 engagement activities;

108 (B) How the governing body is selected;

109 (C) Titles of officers, e.g., Chair, President, Secretary, Treasurer;

110 (D) How officers are selected;

111 (E) Who is eligible for the governing body;

- 112 (F) Who is eligible to be an officer;
- 113 (G) Length of service on governing body;
- 114 (H) Length of service for officers;
- 115 (I) Powers of governing body;
- 116 (J) Powers of officers;
- 117 (K) Minimum number or frequency of governing body meetings;
- 118 (L) Decision making process of governing body;
- 119 (M) A statement that the council intends its governing body to include a diverse range
- 120 of geographic areas and community interests in the watershed in order to engage
- 121 a balance of interested and affected persons within the watershed as required by
- 122 ORS 541.910(2); and
- 123 (N) A process for amending the bylaws or charter.
- 124 (O) If the council is a membership organization, in addition to A-N above the bylaws
- 125 or charter shall include the following topics:
- 126 i. Who is eligible for membership;
- 127 ii. When membership meetings will occur;
- 128 iii. The decision making role of the membership; and
- 129 iv. A process to remove members or terminate the voting rights of members.

130  
131 (b) The council's governing body has adopted policies and/or procedures that include the  
132 following topics:

- 133 (A) A list of the geographic areas and community interests the council intends to
- 134 include on its governing body in order to engage a balance of interested and
- 135 affected persons within the watershed pursuant to ORS 541.910(2);
- 136 (B) A policy that the council operates as an open and inclusive organization, including
- 137 inviting the public to council meetings, and, upon request, providing the public with
- 138 records of its meetings and decisions;
- 139 (C) A policy that the council, or its fiscal sponsor, uses Generally Accepted Accounting
- 140 Principles; and
- 141 (D) A policy that the council does not rely on litigation to compel regulatory
- 142 enforcement as a means to implement its mission.

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144  
145 Stat. Auth.: ORS 541.906

146 Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

147 Hist.: OWEB 2-2004, f. 4-6-04 cert. ef. 4-12-04; OWEB 3-2004, f. & cert. ef. 9-20-04; OWEB 7-2014, f. &

148 cert. ef. XX-XX-14

149  
150 **695-040-0090. Eligibility Determination**

151 (1) The eligibility of a watershed council or group of councils to submit an application for a Council  
152 Capacity Grant shall be determined in accordance with guidance adopted and periodically reviewed by  
153 the Board and made available to the public on the OWEB website and Board meeting materials.

154  
155 (2) If a watershed council disagrees with the determination that it is not eligible to submit an application  
156 and wishes to appeal, the council may appeal to OWEB's Director in accordance with the appeal process  
157 contained in the guidance adopted by the Board. The Director shall make the final decision on all  
158 eligibility appeals.

159  
160 Stat. Auth.: ORS 541.906

161 Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

162 Hist.: OWEB 7-2014, f. & cert. ef. XX-XX-14

163  
164 **695-040-0100. Application Requirements**

165 Council Capacity Grant applications shall be submitted on the most current form that conforms to the  
166 requirements and process set forth in guidance and periodically reviewed by the Board and made  
167 available to the public on the OWEB website and Board meeting materials.

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Stat. Auth.: ORS 541.906  
Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910  
Hist.: OWEB 7-2014, f. & cert. ef. XX-XX-14

**695-040-0110. Merit Evaluation**

- (1) Applications shall be evaluated in accordance with the guidance adopted and periodically reviewed by the Board and made available to the public on the OWEB website and in Board meeting materials.
- (2) Through its merit evaluation, OWEB seeks to:
  - (a) Ensure strategic and accountable investment of public funds;
  - (b) Encourage continuous improvement in watershed councils' organizational management, operating structure, and functions, and the planning and implementation of on-the-ground watershed protection, restoration, enhancement, and community engagement activities; and
  - (c) Ensure watershed councils are working toward strengthening their role in watersheds through activities focusing on council resilience, leadership, collaboration, and representing a balance of interested and affected persons within the watershed as required by ORS 541.910(2).
- (3) Merit evaluation shall include reviews for:
  - (a) Prior performance;
  - (b) Progress in accomplishing council work plans that is demonstrated over time; and
  - (c) Demonstration of progress toward the objectives described in section 2 above, as set forth in guidance adopted by the Board.

Stat. Auth.: ORS 541.906  
Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910  
Hist.: OWEB 7-2014, f. & cert. ef. XX-XX-14

**695-040-0120 Board Action on Eligible Applications**

- (1) The Board may fund grants to watershed councils or a group of councils.
- (2) The Board shall take action on eligible applications for Council Capacity Grants in accordance with guidance adopted by the Board and made available to the public on the OWEB website and in Board meeting materials.
- (3) Individual Council Capacity Grant funding levels are within the Board's discretion based on consideration of:
  - (a) A watershed council's merit evaluation;
  - (b) The Board's determination, if any, under 695-040-0120(3)(d); and
  - (c) Available funding.
  - (d) Notwithstanding subsections (a), (b) and (c), the Board may award an individual Council Capacity Grant for a larger geographic area when the Board determines that such action will likely increase collaboration and resource sharing, inter-watershed coordination, and will likely foster organizational resilience and watershed restoration outcomes at a larger landscape scale. The Board's determination shall be made in accordance with guidance adopted and periodically reviewed by the Board and made available to the public on the OWEB website and in Board meeting materials. Such an award by the Board may include a reduction in the number of individual Council Capacity Grants within the larger geographic area and a reduction in funding levels for individual watershed councils within the larger geographic area.

Stat. Auth.: ORS 541.906  
Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910  
Hist.: OWEB 7-2014, f. & cert. ef. XX-XX-14

223 **695-040-0130. Use of Funds**

224 A Council Capacity Grant provides funding for operations of a watershed council or group of councils.

225

226 Stat. Auth.: ORS 541.906

227 Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

228 Hist.: OWEB 7-2014, f. & cert. ef. XX-XX-14

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230 **695-040-0140. Grant Agreement Conditions**

231 The Council Capacity grantee shall be required to:

232 (1) Submit to OWEB an annual work plan update;

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234 (2) Submit an annual report to all local government entities that designated the council; and

235

236 (3) Obtain appropriate levels of insurance coverage commensurate with council activities.

237

238 Stat. Auth.: ORS 541.906

239 Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

240 Hist.: OWEB 7-2014, f. & cert. ef. XX-XX-14

241

242 **695-040-0150. Waiver of Rules**

243 The Director may waive any requirements of Division 40 for individual grant applications, not including  
 244 mandatory statutory requirements, when doing so will result in more efficient or effective implementation  
 245 of the Outcome-Based Watershed Council Operating Capacity Grant Program. Any waiver granted shall  
 246 be in writing and included in the permanent file of the grant for which the waiver was granted.

247

248 Stat. Auth.: ORS 541.906

249 Stats. Implemented: ORS 541.918, 541.926(1)(e), 541.923 & 541.910

250 Hist.: OWEB 7-2014, f. & cert. ef. XX-XX-14

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# Guidance for Outcome-Based Watershed Council Operating Capacity Grants July 2014

## How to use this Guidance

On July XX, 2014, the OWEB Board adopted 1) Oregon Administrative Rules 695-040-0010 through 0150 for Outcome-Based Watershed Council Operating Capacity Grants (Council Capacity Grants), and 2) this Guidance document. OWEB staff will use this Guidance in administering the Council Capacity Grant program.

In making determinations under this Guidance, OWEB will consider the spirit and intent of Oregon statutes defining watershed councils, Council Capacity Grant rules, the goals and objectives OWEB seeks to achieve through Council Capacity Grants, the Board’s policy direction, and this Guidance.

**A watershed council that wants to apply for a Council Capacity Grant should read this Guidance to determine:**

1. Whether the council is eligible to apply,
2. How to apply,
3. How the application and the council will be evaluated, and
4. How funding decisions are made.

## Guidance Updates

This Guidance will be periodically updated by the OWEB Board as needed. The Board delegates to OWEB staff the authority to make **non-policy updates**, such as deadlines for eligibility and application materials; staff contact information; website links; and correction of typos and errors. The Board also delegates authority to OWEB staff to adopt a separate internal manual that outlines process steps for OWEB staff.

## Contact Information

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 503-986-0046  
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## OWEB’s Salem Office Address

775 Summer Street NE, Suite 360  
 Salem OR 97301-1290

**OWEB’s Website:** <http://www.oregon.gov/OWEB/Pages/index.aspx>

**OWEB Online Grant Management System (OGMS):** <http://apps.wrd.state.or.us/apps/oweb/fiscal/default.aspx>

***All deadlines referred to in this Guidance are 5:00pm Pacific Time on the date set by the Board, will be posted on OWEB’s website, OGMS, and announced by email at least two months in advance.***

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## I. Background

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### A. 2010 OWEB Strategic Plan

**Goal 2, Local Infrastructure:** Support an enduring, high-capacity local infrastructure for conducting watershed and habitat restoration and conservation.

**Strategy 2:** Evaluate and adjust watershed council support grant review and funding processes to build capacity, provide base funding, and promote strategic partnerships.

**Strategy 3:** Provide technical assistance to build capacity, secure additional funding and increase local organizational resilience.

### B. 2013 Long-Term Investment Strategy for Conservation

Operating Capacity Investments are a core element of OWEB's Long-Term Investment Strategy. Council Capacity Grants:

- Help support operating costs of effective watershed councils;
- Are performance and outcome-based; and
- Contain high standards for eligibility, reporting and accountability.

### C. Why did OWEB Change how it Funds Councils?

Oregon's waterways, uplands and natural habitats are healthier because of the dedicated work of watershed councils. Engaging Oregonians in voluntary, collaborative restoration and enhancement is still necessary to address the effects of climate change, loss of habitat for native fish and wildlife, and other locally prioritized challenges.

Changes are responsive to fiscal and operational realities that were not anticipated when OWEB first offered council support grants.

- Complex restoration work requires diverse skillsets.
- Ongoing need to engage new leaders and members.
- Councils need more funding and resources than OWEB alone can provide.
- Diverse funding sources build council resiliency. Since OWEB's grant resources vary over time, OWEB can't guarantee funding for every council that applies.
- Over time, OWEB's capacity grants have funded duplicative administrative infrastructure (e.g., individual councils each with their own fiscal management, human resources, organizational management, information technology and other administrative functions.)

*OWEB envisions a statewide watershed restoration system that is resilient, sustainable and achieves ecological outcomes. Experience gained from supporting watershed work since 1997, and studies of successful watershed groups, demonstrate this vision can be achieved with watershed councils that:*

- Are strong organizations with access to diverse skillsets.
- Have broad and deep support from local and regional communities.
- Engage a balance of interested and affected people, businesses, and communities in their watershed to participate in voluntary, cooperative conservation.
- Secure diversified funding and/or build strategic collaborations with other councils and/or natural resource groups to increase collective local capacity.

#### D. Highlights of program changes

- Funding criteria are performance and outcome-based, and contain high standards for eligibility, reporting and accountability.
- Streamlined evaluation and award process.
- Encourage strategic collaboration to build collective local capacity, not through trying to fund all needs for all individual councils.
  - Strategic collaboration is not one-size-fits-all; it needs to work for your council.
  - Offer technical assistance grants for new strategic collaborations to build collective local capacity.
  - Develop merit criteria to recognize strategic collaboration that builds collective local capacity.
  - Geographic Area Eligibility Criteria: Cap eligibility for individual capacity grants at no more than 64 (based on watershed areas for councils that previously received an individual Watershed Council Support Grant).
    - This geographic criterion does not limit the number of *councils* that can exist, but determines which councils may apply for capacity *grants*. Geographic areas can change. However, OWEB wants to see stronger, collective local capacity instead of “splitting” and “subdividing” into smaller areas resulting in more competition for limited resources and duplication of administrative infrastructure.

Before adopting the above policy direction, OWEB’s Board considered:

- Allowing all 90 (as of 2013) locally recognized watershed councils to apply for grants. The Board did not want to increase the number of capacity grants because this would reduce each grant’s impact over time.
- Reducing the number of grants to 45. The Board did not set a target for reducing grants, but recognized that 64 individual grants may have less impact over time considering flat revenues, competing demands for limited funds, cost of living increases and need for diverse skillsets. For these reasons, the Board is interested in encouraging strategic collaboration to build local capacity and reduce the number of individual grants over time.

## II. Definitions

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These terms are used throughout this Guidance. Additional definitions are provided in Council Capacity Grant rules OAR 695-040-0020.

- A. **“Coordinating council”** means a council that provides support to, and coordinates the work of, multiple councils. The coordinating council's governing body includes at least one member from each council participating in the coordinating council.
- B. **“Membership organization”** means an organization with a defined group of individuals who play a role in the governance of the organization (i.e., by voting for a board of directors or other governing body that is responsible for the governance of the council).
- C. **“Local government”** as defined in ORS 174.116(1)(a) means all cities, counties and local service districts located in this state, and all administrative subdivisions of those cities, counties and local service districts.
- D. **“On-the-ground watershed restoration”** means activities with the objective of altering the physical, chemical, or biological characteristics of the landscape in order to improve ecological process and function. *For example:* Removing a culvert to improve fish access to habitat and improve the stream's natural function; installing fencing to manage upland grazing to restore and enhance native vegetation diversity, improve wildlife habitat, and improve water quality by reducing erosion. While activities such as trail maintenance and volunteer river clean-ups are positive and can be part of a council's activities, *these actions by themselves* do not have a broad ecological objective of addressing both the watershed problem and the source of the problem, and do not meet this definition.
- E. **“Community engagement”** means activities with the objective of building ongoing, permanent relationships with a balance of interested and affected persons in the watershed, for the purpose of engaging a high level of citizen participation in the priority work of the council. *For example:* Watershed council meetings open to the general public, restoration project tours, fundraising events, events with invited speakers and presentations, river clean-ups, and volunteer planting events.
- F. **“Organizational development and management”** means activities with the objective of improving the council's organizational effectiveness and health. *For example:* Board or governing body training on roles and responsibilities; reviewing and updating personnel policies; recruitment of board or governing body members to improve the council's fundraising or other organizational need; updating a council's strategic plan; staff and/or board retreats.
- G. **“Reorganized council”** means a council that has changed its organizational structure, such as consolidating two or more separate councils into one council; or altered its geographic boundaries. Reorganized council does not mean a council that has changed its bylaws or name.

## III. Eligibility Criteria (Which Councils Are Eligible to Apply for Council Capacity Grants)

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### A. Purpose of Eligibility Criteria: OAR 695-040-0030

Eligibility criteria define how OWEB will determine whether a watershed council is eligible to apply for a Council Capacity Grant. *The eligibility criteria do not limit or control the existence or creation of watershed councils.* Watershed councils may form around the state according to ORS 541.910 and 541.890(15); **however, OWEB shall not accept an application for a Council Capacity Grant unless OWEB determines the council or group of councils meets the eligibility criteria.**

Eligibility criteria seek to ensure that OWEB's council capacity investment:

1. Is an effective and accountable use of public funds;
2. Supports councils that meet the intent of Oregon statutes defining watershed councils; and
3. Encourages strategic collaboration to build collective local capacity for watershed restoration.

## B. What do councils need to do for Eligibility Criteria?

1. Review Council Capacity Grant rules and Guidance eligibility criteria.
2. Review council documents and information to see if they meet the eligibility criteria.
3. As needed, update the council's documents and information by the eligibility deadline.
4. Answer the Eligibility Questions (Attachment B) and upload the answers into OGMS by the eligibility deadline.
5. Confirm OWEB's online file for the council contains all documents and information needed to meet eligibility criteria. Step-by-step instructions to review and update council files will be available at the 'Council Capacity Grant' link in OGMS at least 8 weeks before the eligibility deadline.
6. Meet November 17, 2014 deadline for eligibility criteria by a) uploading to OGMS all required documents and information and b) submitting the online Request for Eligibility Review.

**OWEB staff shall not perform these actions on behalf of the council.**

## C. OWEB Determination of Eligibility for a Group of Councils with One Council Capacity Grant

OWEB's eligibility review for the Eligibility Criteria described in Section IV is simpler for multiple councils that operate collectively (described in III.C.1 below) because a) there is a coordinating council that supports actions of all the councils, and b) OWEB wants to encourage these councils to develop stronger strategic collaborations, and support the Board's policy direction that Council Capacity Grants should be for the same or larger geographic areas, not smaller geographic areas. OWEB's eligibility review for multiple councils that operate independently (described in III.C.2 below) shall ensure that each independent council meets the eligibility criteria.

### 1. Group of Councils Operating Collectively

If OWEB determines two or more councils operate collectively, OWEB will conduct eligibility review only for the coordinating council serving as applicant. *The coordinating council is responsible for ensuring all participating councils operate in alignment with the coordinating council's bylaws or charter to the extent necessary for the participating councils to meet the eligibility criteria.*

- a. OWEB shall determine whether councils operate collectively by reviewing the bylaws or charter of the coordinating council and finding all of the following covered in the bylaws or charter:
  - i. There is a coordinating council as defined in II.A. of this Guidance; and
  - ii. One Council Action Plan covers the work of all councils.

### 2. Group of Councils Operating Independently

- a. If OWEB determines the councils operate independently, each council is required to meet all eligibility criteria described in Section IV (except IV.B, Geographic Area and Population, which the group of councils must meet). If one or more independent council does not meet all eligibility criteria, then none of the councils can apply for a Council Capacity Grant during the upcoming cycle.
  - i. Reason: Allowing a council to apply for a grant for a smaller geographic area would undermine the Board's policy direction and reasons for the geographic area eligibility criteria. See IV.B. of this Guidance.
- b. OWEB shall determine whether councils operate independently by reviewing each council's bylaws or charter and, if necessary, using OWEB's knowledge as a funder, to verify:
  - i. Each council has its own council coordinator or executive director;
  - ii. There is no coordinating council.

**D. Councils Must Meet Eligibility Deadline**

1. OWEB shall review Requests for Eligibility Review received by OGMS on the eligibility deadline. **If a council does not meet the eligibility deadline, it cannot apply for a Council Capacity Grant. This is not subject to appeal.** However, the council could request eligibility review for future Council Capacity Grant cycles. In addition, the OWEB Executive Director may waive the eligibility deadline for acts of God, which means events outside human control, i.e. sudden floods or other natural disasters, for which no one can be held responsible.
2. If a waiver is granted, the eligibility materials must be submitted to OWEB within a reasonable time as determined by OWEB.

**E. Late Eligibility Materials Not Accepted or Reviewed**

OWEB shall not review documents or information submitted after the eligibility deadline, except as provided in III. D.1 (Director waiver), III.E.1 (action plans) and the appeal process at V.D.

**1. 2015-2017 Cycle Only: Extended Deadline for Councils Without Action Plans**

- a. For the 2015-2017 cycle only, councils that do not have a Council Action Plan have an extended deadline to submit the action plan to OWEB.
- b. **Deadline:** By May 1, 2015, the council shall submit to OWEB via delivery service that provides documentation of receipt (e.g., email that includes receipt of delivery confirmation, or registered or certified letter) an electronic copy of the Council Action Plan and documentation of its adoption by the council's governing body.
- c. If OWEB has not received required documents by May 1, 2015, the council is not eligible to apply for a Council Capacity Grant and OWEB shall remove the council's grant application from consideration.
- d. See section IV.C for more information on Council Action Plans.

**F. If OGMS Eligibility Review process is not available**

If the OGMS Eligibility Review Request process becomes unavailable within 48 hours of the eligibility deadline, OWEB will send an email to watershed councils explaining the alternative process, including any changes in deadlines if necessary. When the OGMS Eligibility Review Request process is available again, OWEB will email watershed councils that the online process is available for use, including any changes in deadlines.

**IV. Eligibility Criteria and OWEB Review (OAR 695-040-0030)**

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**Councils that are part of a group of councils with one Council Capacity Grant may need to meet additional eligibility criteria in Section III.C. on page 5 of this Guidance.**

**A. Local government designation as a watershed council**

OWEB will determine local government designation by reviewing the local government ordinance or minutes of a local government action and, for IV.A.2 below, reviewing the map of the geographic area designated by the county.

1. For watershed councils previously awarded a Watershed Council Support Grant, the council shall be designated as a watershed council by a local government.
2. For new or reorganized watershed councils, the council shall be designated as a watershed council by a county commission, county board, or county court. The documentation submitted to OWEB shall include a map of the geographic area designated by the county commission, board, or court.

**B. Geographic Area and Population**

1. A geographic area served by a council or group of councils can change. However, to be eligible, OWEB shall determine that a council or group of councils serves an area:
  - a. In which a council or group of councils previously received a Watershed Council Support Grant or Council Capacity Grant; and
  - b. That is the same or larger than the geographic area served by a council or group of councils as of July 1, 2013. To make the determination of “the same or larger,” OWEB shall use the OWEB Watershed Council Map (Attachment A) which was updated in June 2014 to correct council boundaries based on information supplied by councils; and
  - c. That includes a minimum population of 500 individuals within its designated boundary or boundaries.
    - i. If there is a question on population OWEB will use the most current U.S. Census Bureau’s census block shapefile for the state of Oregon and if necessary, absentee landowner information from county records.
2. No more than one applicant shall be eligible in the same geographic area.

**If a council is considering changes in its watershed area coverage or organizational structure, contact OWEB as early as possible to discuss whether the changes might affect eligibility to apply.**

3. **Reason for Geographic Area Criteria**

**OWEB wants to see councils that are strong organizations with access to diverse skillsets needed to achieve ecological outcomes.** The geographic area criteria is responsive to fiscal and operational realities that were not anticipated when OWEB first offered council support grants. After considering whether to open Council Capacity Grants to all 90 (as of 2013) locally recognized councils, the OWEB Board adopted a policy direction to build capacity through encouraging resource sharing and strategic collaboration, *not through trying to fund all needs for all individual councils.*

To support this direction, the Board capped eligibility for individual grants at no more than 64 (based on watershed areas for councils that previously received an individual Watershed Council Support Grant). Geographic areas can change, but OWEB wants to see stronger, collective local capacity, not “splitting” and “subdividing” into smaller areas resulting in more competition for limited resources and more duplication of administrative infrastructure.

4. **Reason for Population Requirements**

OWEB recognizes the value of parts of Oregon with very small populations. However, OWEB alone cannot fully support all capacity needs. Councils need resources and support from local and regional communities and partnerships. OWEB investment should be accompanied by a population threshold that can help sustain over time the “people and funding” resources needed for a resilient and sustainable council.

**C. Council Action Plan Adopted by Governing Body**

OWEB shall determine whether the council has a Council Action Plan by reviewing the plan(s) and evidence of governing body adoption on file in OWEB’s records, and determining whether the plan(s) meet the minimum criteria in Section IV.C.1 below.

**Reason:** By adopting action plans, councils demonstrate their ability to plan and prioritize restoration actions.

1. A Council Action Plan is not a watershed assessment and is not the online council work plan for Council Capacity Grants. Action plans are living documents that will change over time as projects are implemented and new priorities arise. At a minimum, the plan or set of plans need to identify and prioritize ecological problems the council seeks to address, and voluntary on-the-ground watershed restoration activities the council will conduct to address those problems. The plan(s) can either be for the entire watershed or for sub watersheds, depending on the focus areas of the

council. Council Action Plans may also contain other goals and objectives such as community engagement efforts, monitoring, and funding strategies for priority restoration work.

**D. The Council is Registered with Oregon or Has a Fiscal Sponsorship Agreement**

**Reason:** Council Capacity Grant agreements should be with a legal entity which has the responsibility to manage, and can be held accountable for management of, public funds.

OWEB shall determine whether the council has at least one of the following by reviewing the materials uploaded into OGMS:

1. An Oregon registration number (for example, a limited liability company (LLC) or 501(c)(3) organization). OWEB shall verify this registration number by using the Secretary of State Business Registry Database.
2. A current written fiscal sponsorship agreement between the council and a 501(c)(3) organization, a Soil and Water Conservation District, city, county, or tribal government. At a minimum, this agreement shall describe how the fiscal sponsor will handle the fiscal matters of the council.

**E. Organizational Structure and Business Operations**

OWEB shall review the bylaws or charter and policies and procedures (“governing documents”) to determine whether they contain the topics listed in Section IV.E.2 and 3. [OAR 695-040-0030(5)]

OWEB shall also determine whether the governing documents were adopted by the council’s governing body. Acceptable evidence of governing body adoption is (a) Meeting minutes that describe the governing body’s adoption of the governing documents; or (b) A signature page contained within the governing documents and signed by the Board Chair or Secretary, dated, and indicating the action taken by the governing body.

**1. OWEB Determination**

<b>2015-2017 grant cycle Eligibility Review for Organizational Structure and Business Operations</b>	
If a council’s governing documents do not cover all topics in OAR 695-040-0030(5), the council will still be eligible if:	
a. The council’s governing body adopted updates to its bylaws/charter and/or policies and procedures between October 1, 2013 and November 2014 (shows intent to meet eligibility criteria) <b>and</b>	
<b>Non-membership organization</b>	<b>Membership organization</b> (defined in Section II.B)
b. The council governing documents include at least 10 of the 12 topics.	b. The council governing documents include at least 14 of the 16 topics.
<b>2017-2019 grant cycle:</b> Council governing documents shall cover all topics in OAR 695-040-0030(5) in order for OWEB to determine the council is eligible to apply.	

**2. Topics Covered in Current Bylaws or Charter**

**Reasons:** The bylaws or charter shall demonstrate the council’s mission aligns with OWEB’s purpose as described in Ballot Measure 76 and Oregon statutes.

A council that receives public funding to support its operations must have governance structures in place that hold the council accountable to its actions.

Oregon statutes define watershed councils and require councils to engage a balance of interested and affected persons within the watershed. A “balance” is not a numerical test and does not

mean the council has to engage every single interest in the watershed. However, the most effective councils include a mix of different interests in the watershed and are not one-sided.

a. **Council Mission**

A council may have multiple purposes in its mission. However, at a minimum, the bylaws or charter shall indicate that "*a primary purpose of the council is to work collaboratively with communities and landowners to develop and carry out voluntary watershed protection, restoration, enhancement, and community engagement activities.*"

b. **Governing Body and Officers**

The bylaws or charter shall contain the following topics:

- i. How the governing body is selected;
- ii. Titles of officers, e.g., Chair, President, Secretary, Treasurer;
- iii. How officers are selected;
- iv. Who is eligible for the governing body;
- v. Who is eligible to be an officer;
- vi. Length of service on governing body;
- vii. Length of service for officers;
- viii. Powers of governing body;
- ix. Powers of officers;
- x. Minimum number or frequency of governing body meetings;
- xi. Decision making process of governing body; and
- xii. A statement that the council intends its governing body to include a diverse range of geographic areas and community interests in the watershed in order to engage a balance of interested and affected persons within the watershed as required by ORS 541.910(2).

c. **Process for Amending Bylaws or Charter**

The bylaws or charter shall describe a process for amending the bylaws or charter.

d. **Membership Organization Provisions**

If the council is a membership organization, in addition to topics outlined in IV.E.2(a) – (c), the bylaws or charter shall also include the following topics:

- i. Who is eligible for watershed council membership;
- ii. Minimum frequency of council membership meetings;
- iii. The decision making role of the membership; and
- iv. Mechanisms to remove members from the watershed council or terminate the voting rights of members. The bylaws or charter may provide for either removal or voting right termination, or provide for both.

3. **Topics Covered in Current Policies and Procedures**

**Reason:** Councils receiving public funds shall have policies and procedures in place for accountable financial management and best-practice business operations that are open and inclusive and promote the balance of interests and citizen involvement required by Oregon statutes.

- a. **A list of the geographic areas and community interests** the council intends to include on its governing body in order to engage a balance of interested and affected persons within the watershed pursuant to ORS 541.910(2).
- b. **A policy that the council operates as an open and inclusive organization.** The policy shall include at a minimum the following elements:

- i. Inviting the public to council meetings, and
  - ii. The council, upon request, provides the public with meeting agendas and records of decisions. This does not include personnel discussions and actions.
- c. **A policy that the council, or its fiscal sponsor, uses Generally Accepted Accounting Principles (GAAP).**
- d. **A policy that the council does not rely on litigation** to compel regulatory enforcement as a means to implement the council's mission.
- i. Reason: Council Capacity Grants help support councils that engage people and communities to participate in collaborative, voluntary restoration and protection of native fish or wildlife habitat and natural watershed functions to improve water quality or stream flows. The role of watershed councils has been to bring people together to solve problems.
  - ii. Councils that use litigation to pursue protection, enhancement or restoration of watershed health (for example, litigation to enforce environmental regulations) are not eligible for Council Capacity Grants.
  - iii. Litigation necessary to enforce contracts is not considered litigation to compel regulatory enforcement as a means to implement the council's mission.

**V. OWEB determination of eligibility to apply: OAR 695-040-0090**

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**A.** OWEB's Grant Program Coordinator, or designee appointed by the OWEB Executive Director, shall review the answers to eligibility questions (Attachment B) and eligibility documents and information on file with OWEB for each council or group of councils that requested eligibility review on or before the eligibility deadline. The Grant Program Manager, Grant Program Coordinator and appropriate Regional Program Representative shall confer prior to the OWEB eligibility determination, which shall be made by the Grant Program Manager or designee appointed by the Executive Director.

**B.** Once OWEB has determined a council or group of councils is eligible to apply, for future Council Capacity Grant cycles the council may certify by the eligibility deadline that nothing has changed related to eligibility criteria requirements. OWEB may accept this certification and not conduct eligibility review; or, if OWEB has questions whether eligibility conditions have changed, OWEB shall conduct a new eligibility review.

**C. Notice of eligibility determination**

<b>Eligibility Deadline (late submittals not accepted)*</b>		November 17, 2014
<b>Notice of Eligibility Review Results</b>		Week of December 15, 2014
<b>Eligibility Review Result</b>	<b>OWEB Communication</b>	<b>Next Steps for Council</b>
Eligible	OWEB will send coordinator and chair a letter and email confirming eligibility.	Apply for Council Capacity Grant by the deadline.
Not Eligible	OWEB will send coordinator and chair a certified letter and email describing the reasons the council was determined to be ineligible. A council determined to be ineligible may request "Eligibility Review" in future Council Capacity Grant cycles.	The council may choose to appeal by following the appeal process described in section V.D.

\*See Section III.D.1 (eligibility deadline)

**D. Appeal Process**

## 1. Opportunity to Appeal to OWEB Executive Director

If a council disputes the determination it is not eligible to apply and wishes to appeal, it may appeal to the OWEB Director (OAR 695-040-0090(2)). The appeal shall follow all of the requirements below.

- a. **Appeal by the Deadline: January 19, 2015** (this date is approximately 21 business days from the mailing of the eligibility notification letter).
- b. **Appeal Materials:** The council's appeal letter and any attachments shall be sent to OWEB by delivery service that provides documentation of receipt (e.g., email that includes receipt of delivery confirmation, or registered or certified letter). To be considered, the letter shall be received by OWEB by the appeal deadline. Letters of support will not be reviewed and should not be submitted.
- c. **Appeal Review and Decision:** OWEB's Director will review the council's letter and any attached information. A council's appeal shall be granted only where the Director determines the council provided clear and convincing evidence that OWEB staff's eligibility determination was inaccurate based on errors of fact.

## 2. Future Eligibility Review Requests Allowed

Councils determined to be ineligible for a particular Council Capacity Grant offering may request eligibility review during future Council Capacity Grant offerings.

## VI. How to Apply for a Council Capacity Grant: OAR 695-040-0100

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### A. Deadline to Apply

**Eligible Applicants:** All councils notified by OWEB to have met the Eligibility Criteria.

**Application Deadline: March 2, 2015.** OWEB will not accept late applications. However, if a watershed council misses the application deadline due to extraordinary circumstances (i.e., death of the council coordinator) the OWEB Director may waive the rules and allow the application materials to be submitted within a reasonable time after the application deadline, to be determined by OWEB.

### B. Apply Online through OGMS

1. Applications must be made through the "Council Capacity Grants" link in the OGMS menu.
2. If the OGMS application process becomes unavailable within 48 hours before the application deadline, OWEB will send an email to watershed councils explaining the alternative process, including any changes in deadlines if necessary. When the OGMS application process becomes available, OWEB will email watershed councils stating that the online process is available for use, including any changes in deadlines.

### C. Application Requirements

1. **One set of materials.** Required application materials are **one (1) completed Application form (Attachment C) and one (1) completed Online 2-Year Work Plan.** OWEB shall not accept corrections or supplemental information after the application deadline.
2. **Two or more independent councils submit one work plan.** If an application is submitted on behalf of two or more councils operating independently, the councils shall submit one combined work plan adopted by the governing body of each council. The reason for this requirement is to facilitate OWEB's merit evaluation using one work plan that includes both councils.
3. **Online Work Plans should follow Work Plan guidance.** OWEB guidance for the 2-Year Work Plans is posted on OGMS. OWEB expects councils applying for Council Capacity Grants to follow the Work Plan guidance to accurately populate the Work Plan. Work Plans not following the Work Plan guidance may be more difficult to evaluate, resulting in questions or concerns about whether the council meets the merit criteria.

4. **Additional materials not accepted.** Do not submit additional or supporting materials. OWEB may request supplemental information during the merit evaluation process.

## **VII. Merit Evaluation** 695-040-0110

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### **A. Goals of OWEB's Merit Evaluation**

1. Ensure strategic and accountable investment of public funds;
2. Encourage continuous improvement in watershed councils' organizational management, operating structure, and functions, and the planning and implementation of on-the-ground watershed protection, restoration, enhancement, and community engagement activities; and
3. Ensure watershed councils are working toward strengthening their role in watersheds through activities focusing on council resilience, leadership, collaboration, and representing a balance of interested and affected persons within the watershed as required by ORS 541.910(2).

### **B. Information Considered in Merit Review**

The five merit criteria below guide OWEB's evaluation of a council's progress and performance. OWEB will consider:

- Information in the council's 2-year work plans and annual work plan updates, including explanations of challenges the council is facing and what it is doing to address those challenges.
- The Council Capacity Grant application.
- OWEB staff's knowledge of council performance including information gained through the council's OWEB project grants and OWEB staff's attendance at council meetings and events.
- Any supplemental information provided by the council in response to OWEB's request.
- If requested by OWEB, interviews with council officers and staff.

### **C. Merit Criteria**

#### **1. Merit Criterion #1: Effective Governance**

The council has effective bylaws or charter and policies and procedures, and follows them. The council includes a balance of interested and affected persons from the watershed on its governing body. The council regularly evaluates and takes action to improve its organization including operations and policies.

A "balance" is not a numerical test and does not mean the council has to engage every single interest in the watershed. However, the most effective councils include a mix of different interests in the watershed and are not one-sided. For example, a mix of different interests on a governing body could include community leaders, businesses, landowners, other watershed groups, and local governments.

**Evidence of Effective Governance (at a minimum a-g below; OWEB may request additional information if there are questions or concerns whether governance is effective)**

- a. The council holds elections according to its bylaws or charter.
- b. The council holds governing body meetings according to its bylaws or charter, and its governing body meets at least four times a year.
- c. The council operates as an open and inclusive organization according to its policies and procedures, including inviting the public to council meetings by publishing its meeting schedule in advance of meetings in a manner that provides adequate notice to the general public.
- d. The council, upon request, provides the public with records of its meetings and decisions.
- e. The council completes a self-evaluation or other assessment of its governing body at least once every two years.

- f. The council's governing body includes a mix of different interests which may include the geographic areas and community interests identified in the council's policies and procedures.
- g. If the council is a membership organization,
  - i. The council holds membership meetings according to its bylaws or charter, and
  - ii. The council membership meetings include agendas, attendance records, and records of decisions, and the council keeps this information on file and makes it available to the public upon request.

**2. Merit Criterion #2: Effective Management**

The governing body takes action to ensure the council meets legal obligations and requirements; support successful achievement of the council's goals; and create organizational structure, policies, and procedures to support good governance. The council's governing body provides effective oversight of staff and contractors.

**Evidence of Effective Management (at a minimum a-c below; OWEB may request additional information if there are questions or concerns whether management is effective)**

- a. The council has defined roles and responsibilities for its governing body and officers and follows them.
- b. The council has on file a current position description or set of deliverables for the council's executive director or coordinator.
- c. The council has personnel policies and follows them.

**3. Merit Criterion #3: Progress in Planning**

In planning its priority work, the council makes progress in engaging a balance of interested and affected persons in the watershed. The council uses its planning documents, such as the action plan, strategic plan, and other relevant documents, to identify and implement on-the-ground watershed restoration and community engagement projects. The council regularly evaluates its action plan and work plans and makes adjustments to respond to changes and challenges.

**Evidence of Progress in Planning (at a minimum a-d below; OWEB may request additional information if there are questions or concerns whether there is progress in planning)**

- a. The council's 2-year work plan is adopted by the council's governing body prior to Council Capacity Grant application deadlines.
- b. Work plan projects are linked to council-identified watershed limiting factors (as identified in the work plan).
- c. Council work plans are developed with consideration of the council's staffing and organizational resources.
- d. The council's 2-year work plan and annual updates demonstrate the council is working with a mix of watershed stakeholders to plan and prioritize work to address current needs. Example: working with a technical team, or a council project committee, to review and update the council's action plan(s).

**4. Merit Criterion #4: Progress in On-the-Ground Watershed Restoration**

The council's actions result in progress in completing priority, on-the-ground watershed restoration work tied to council-identified watershed limiting factors (as identified in the 2-year work plan).

**Evidence of Progress in On-the-Ground Watershed Restoration (at a minimum a-c below; OWEB may request additional information if there are questions or concerns whether there is progress in on-the-ground restoration)**

- a. The council's 2-year work plan and annual updates demonstrate the council's actions resulted in progress toward completing priority on-the-ground restoration projects.
- b. The 2-year work plan and its annual updates include progress reports on the percent complete, project challenges, and specific deliverables achieved for each on-the-ground restoration activity in the work plan.
- c. The council's on-the-ground watershed restoration activities are linked to council-identified watershed limiting factors (identified in the 2-year work plan). OWEB will not evaluate whether the council is working on the correct limiting factors, but will evaluate whether the council's on-the-ground restoration projects are linked to those limiting factors.

5. **Merit Criterion #5: Progress in Community Engagement for Watershed Restoration Purposes**

The council's actions result in progress in achieving specific community engagement objectives that address limiting factors identified in the 2-year work plan.

**Evidence of Progress in Community Engagement (at a minimum a-c below; OWEB may request additional information if there are questions or concerns whether there is progress in community engagement)**

- a. The council has identified priority community engagement activities and is making progress completing those activities.
- b. The council's online 2-year work plan and annual updates include progress reports on the percent complete, project challenges, and deliverables achieved for each community engagement activity in the work plan.
- c. The council's community engagement activities are linked to limiting factors identified in the work plan. For example: If the 2-year work plan identifies organizational development as a limiting factor, community engagement activity might be a membership development plan or board member recruitment plan.

**D. Future Strategic Collaboration Merit Criteria**

Before the 2017 Council Capacity Grant cycle, OWEB will work with stakeholders to develop a sixth merit criteria to recognize strategic collaboration among councils and other organizations, *which builds collective local capacity for watershed restoration*.

OWEB believes councils that explore or expand collaborations to build organizational capacity will increase their ability to achieve restoration and community engagement goals.

Strategic collaborations are not one-size-fits-all; they need to work for your council and partners. Examples of strategic collaborations include shared services; fiscal sponsorship; and consolidation. Strategic collaborations can:

1. Strengthen partners' infrastructure, management capacity or service delivery;
2. Create strategies and solutions to address common problems;
3. Cover skill gaps; and
4. Build economies of scale and increase cost savings.

**E. Merit Evaluation 695-040-0110**

1. **Initial Merit Evaluation**

a. Initial Review Panel

The Grant Program Manager and Grant Program Coordinator will review all Council Capacity Grant applications.

Regional Program staff will review all applications within their OWEB region.

Focused Investment staff will review all applications of councils that have received OWEB Focused Investment and Special Investment grants.

Monitoring and Reporting staff will review all applications of councils involved with programmatic monitoring projects involving OWEB's Monitoring and Reporting section.

b. Initial Merit Evaluation

The staff identified in E.1.a. above will meet as a group to evaluate merit by considering:

- i. The council's answers to the Council Capacity Grant application questions;
- ii. The council's 2-year work plans and annual work plan updates;
- iii. OWEB staff's knowledge of the council, including but not limited to the council's history of performance on project and Council Capacity Grants.

If OWEB staff do not have a consensus merit evaluation, the Grant Program Manager in consultation with the Grant Program Coordinator and considering input from all staff involved in the review, will determine the initial merit evaluation. This evaluation will be communicated to the OWEB Executive Director prior to notifying councils.

c. Notice of initial merit evaluation

<b>Application Deadline (late submittals not accepted)*</b>		March 2, 2015
<b>Notice of Initial Merit Review Results</b>		Week of April 13, 2015
<b>Initial Merit Evaluation</b>	<b>Notice of Initial Merit Evaluation</b>	<b>Next Steps</b>
OWEB Determination the Council Meets all Merit Criteria	OWEB will send council coordinator and chair a letter and email notifying the council it met all merit criteria and will be recommended for funding at the highest funding level.	No action required by council.
OWEB Determination the Council Does not Meet all Merit Criteria; OWEB has follow-up questions; or New or Reorganized Council	OWEB will send council coordinator and chair a certified letter and email including: Reasons for determination; Questions raised during initial merit evaluation; Supplemental information requested by OWEB; Invitation to interview for Secondary Review (see below)	<ul style="list-style-type: none"> <li>• Submit requested materials to OWEB by May 1, 2015.</li> <li>• Schedule an interview for the council coordinator and council officers with OWEB.</li> <li>• If OWEB does not receive requested materials by May 1, the Secondary Review will take this into account.</li> <li>• The Secondary Review will focus on OWEB's questions and concerns. Councils should not bring additional materials and should not expect to make presentations during the interview.</li> </ul>
<b>Deadline to submit additional materials for Secondary Review</b>		May 1, 2015
<b>Secondary Review and Interviews</b>		Weeks of May 18 and 25

\*(See Section VI.A, Deadline to Apply)

2. **Secondary Review**

a. Secondary Review Panel

- i. OWEB Grant Program Coordinator, Grant Program Manager, and Regional Program staff for councils in their OWEB region.

- ii. External Reviewers: The Grant Program Coordinator will consult with the Grant Program Manager and Regional Program staff to develop a possible list of external reviewers. Panel members will be confirmed after OWEB determines which councils are invited to the Secondary Review. The panel will include two representatives with statewide perspectives, one who works east and one who works west of the Cascades. In addition, one representative from each OWEB region will be included if applicable based on which councils OWEB invites to the Secondary Review.
- iii. OWEB will send the following materials to panel members prior to the interview.
  - a. Council Capacity Grant application.
  - b. 2-year work plans and annual work plan updates.
  - c. Additional information and documents provided by the council at OWEB's request.
  - d. OWEB memo summarizing the initial merit evaluation, questions and concerns, and topic areas to be covered in the interview.
- b. The interview  
The Secondary Review Panel will interview the council. The interview will focus on questions and concerns raised during the initial merit evaluation.
- c. The discussion  
Following the interview, the Secondary Review Panel will discuss whether the interview and additional materials provided by the council should change the initial merit evaluation. The external reviewers do not make funding recommendations to OWEB staff. Staff will consider feedback from the Secondary Review Panel when making merit evaluation determinations and funding recommendations to the OWEB Board.
- 3. **Notification of OWEB Merit Evaluation and Funding Recommendation**  
OWEB shall prepare brief summaries of the merit evaluations for each applicant. The evaluations and staff funding recommendations will be posted in OGMS at least 2 weeks before the OWEB board meeting in which Council Capacity Grant awards will be considered.

## **VIII. Board Action on Eligible Applications** 695-040-0120

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### **A. OWEB Is Not Required to Award Council Capacity Grants**

Council Capacity grants are a core element of OWEB's Long-Term Investment Strategy for Conservation; however, OWEB is not required to provide capacity grants to councils. OWEB funding criteria for Council Capacity Grants are performance and outcome-based, and contain high standards for eligibility, reporting and accountability.

### **B. Staff Recommendations and Board Awards**

Staff funding recommendations and Board awards will be based on 1) the merit evaluation and 2) available funding, taking into consideration OWEB's Legislatively Adopted Budget, the Board's spending plan, and OWEB's revenues (e.g., the amount of federal grant funds OWEB receives and performance of Measure 76 Lottery revenues).

### **C. Staff funding recommendations and Board awards may include:**

#### **1. Full base award for councils that meet all merit criteria**

Councils meeting all merit criteria shall be placed in the highest merit category and be recommended for the same level of award. OWEB's goal is to reward these councils by providing the highest possible Council Capacity Grant award, considering available funding.

- a. 2015-2017 only, defined umbrella councils only: Full base award plus added umbrella funding  
This section is intended to apply only to the 2015-2017 Council Capacity Grant cycle. By 2017-2019, OWEB plans to eliminate the added umbrella funding and implement a new merit criteria to recognize strategic collaboration that results in increased collective local capacity.

*A council is not eligible for added umbrella funding unless OWEB determines all of the following:*

- i. The council received added umbrella funding in its 2013-2015 Watershed Council Support Grant,
  - ii. The council meets the applicable umbrella definitions, and
  - iii. The council meets all merit criteria.
- b. Umbrella definitions:
- i. The council provides support to and coordination for at least three watershed councils, has a coordinating council, shared staff, and a single Council Capacity Grant, or
  - ii. The council serves an area containing three or more 4th field hydrologic units.
  - iii. The council meets both (i) and (ii) definitions.
- c. Amount of added umbrella funding:  
OWEB will add to the council's base award a percentage of that base award. Percentages will vary by type (i), (ii), and (iii) umbrella definition. The amount of added funding shall be in OWEB's discretion, considering available funding and the amount of added umbrella funding in the most recent Watershed Council Support Grant award for the council.

**2. Reduced base funding for councils that do not meet all merit criteria**

Councils that do not meet all merit criteria shall be placed in the reduced funding merit category and recommended for the same level of award. The intent of reduced funding is to provide an incentive for the council to improve performance to receive full funding. The reduced funding base award will be 80% of the full base award. For example, if the full base award is \$100,000, the reduced base award will be \$80,000.

**3. Reduced base funding in third consecutive grant cycle results in "do not fund" ranking**

If a council or group of councils is placed in the reduced base funding category for two consecutive grant cycles and does not meet all merit criteria in the following grant cycle, it shall be placed in the "do not fund" category for that third grant cycle. If eligible, a "do not fund" council may apply in future grant cycles.

**4. Discretion to rank Do Not Fund (inadequate performance)**

OWEB has the discretion to place a council in the "do not fund" merit category at any time. Factors OWEB will consider in this placement include:

- a. The council does not meet all merit criteria.
- b. The council's history of performance over a period of years has resulted in little or no progress toward implementation and completion of on-the-ground watershed restoration projects.
- c. The council's history of performance over a period of years has resulted in little or no progress toward implementation and completion of community engagement activities.
- d. The council's history of organizational performance over a period of years has shown lack of board officer leadership, weak organizational structure, and/or poor organizational management.
- e. The council has made little or no progress toward implementation and completion of organizational development and management activities.

**D. Funding Conditions**

Recommendations and awards may include conditions of funding. For example, grantees shall submit progress reports, or complete certain actions, as a condition of receiving full funding under the award. Funding conditions may allow OWEB staff to terminate the grant agreement under certain circumstances. OWEB staff would consult with the Executive Director before terminating a grant agreement.

**E. OAR 695-040-0120(2)(d): Rule Provides Board Discretion to Award Grants for Larger Geographic Area**

The Board has not adopted guidance to implement OAR 695-040-0120(3)(d), and this section of the rules is not currently implemented. Prior to implementation, this Guidance document will be updated through a process that includes public comment and Board adoption.

**Reason for this rule:** The Board wants its Council Capacity Grant program to help build capacity through resource sharing and strategic collaboration, *not through trying to fund all needs for all individual councils*. The result of effective strategic collaboration should be stronger, collective local capacity instead of “splitting” and “subdividing” into smaller areas resulting in more competition for limited resources and duplication of administrative infrastructure.

If the Board adopts future guidance to implement OAR 695-040-0120(3)(d), the Board may award an individual Council Capacity Grant for a larger geographic area when the award will increase strategic collaboration and resource sharing, inter-watershed coordination, and foster organizational resilience and watershed restoration outcomes at a larger landscape scale.

## **IX. Use of Funds 695-040-0130**

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Council Capacity Grants help fund staff, contractors and operating costs of watershed councils as defined in “Operating Capacity Grants for Watershed Councils and Soil and Water Conservation Districts” in OWEB’s January 2014 Budget Categories Definitions and Policy at [http://www.oregon.gov/OWEB/forms/2014-01budget\\_category\\_defs.pdf](http://www.oregon.gov/OWEB/forms/2014-01budget_category_defs.pdf).

## **X. Grant Agreement Conditions 695-040-0140**

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### **A. Minimum grant agreement conditions for all Council Capacity Grants**

1. Submit to OWEB an online work plan update by the date specified in the agreement.
2. Submit an annual report to all local government entities that designated the council.
  - a. Submit documentation to OWEB demonstrating the report to the local government for example, a meeting agenda if the report was presented in person, a copy of a sent email if the report was submitted electronically, or a copy of a certified letter.
3. Obtain appropriate levels of insurance coverage commensurate with council activities.

### **B. Two or more independent councils submit written agreement**

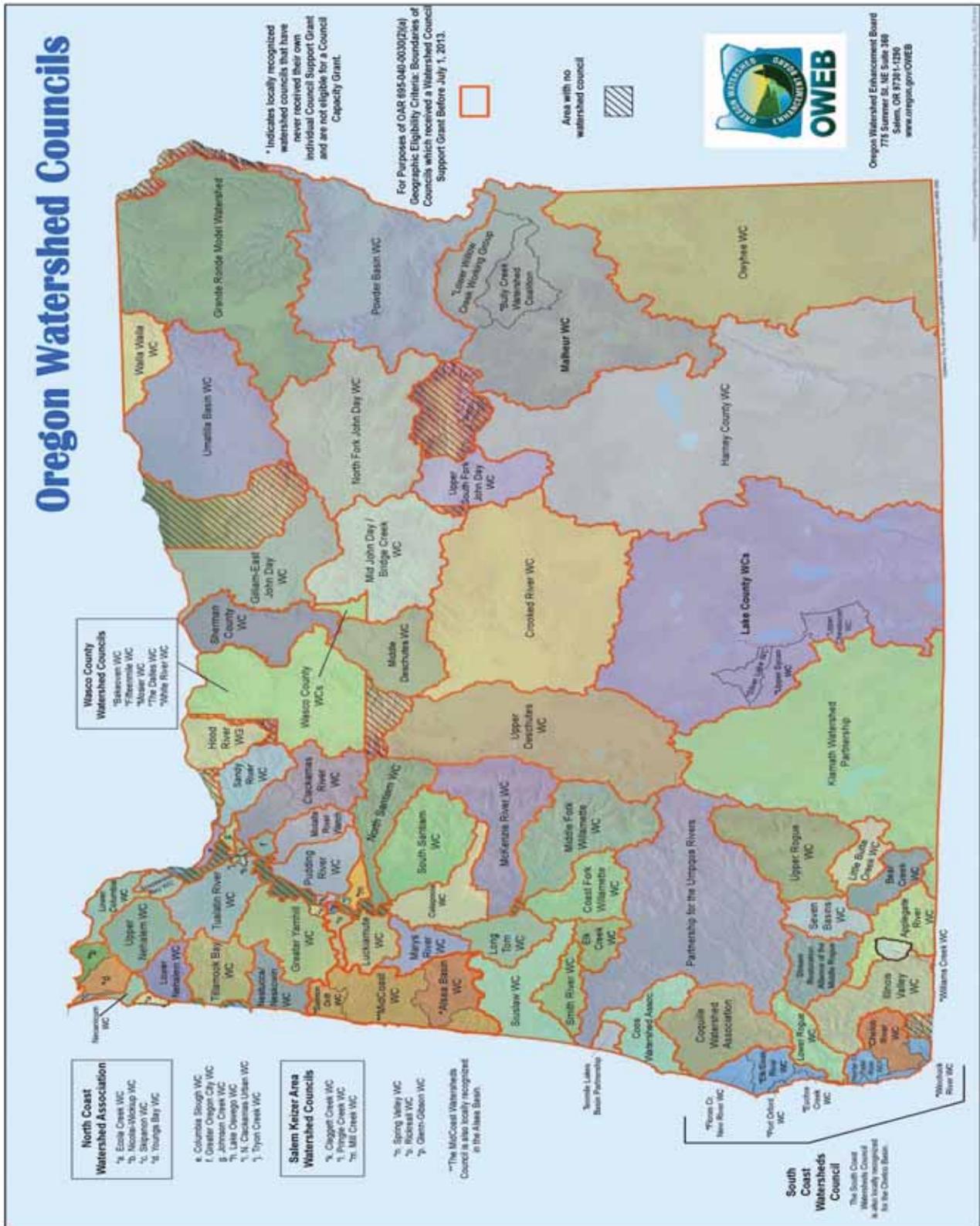
OWEB will not release a Council Capacity Grant agreement for a group of councils operating independently until the councils submit to OWEB a written agreement signed by the chair of each council. The agreement shall describe, at a minimum, 1) roles and responsibilities of each council in relation to the Council Capacity Grant work plan and reporting requirements, and 2) a plan for how the councils will allocate a Council Capacity Grant between them.

### **C. Other Conditions**

Grant agreements may include conditions of funding such as progress reports or certain actions as a condition of receiving full funding. Conditions may allow OWEB staff to terminate the grant agreement if conditions are not met. OWEB staff would consult with the Executive Director before terminating a grant agreement.

# XI. Attachments

Attachment A: June 2014 Map of Locally Recognized Watershed Councils (11x17 version available at [http://www.oregon.gov/OWEB/GRANTS/pages/council\\_support\\_apps.aspx](http://www.oregon.gov/OWEB/GRANTS/pages/council_support_apps.aspx))



## Council Capacity Grant Eligibility Questions

These questions will help OWEB review the eligibility materials submitted by councils. OWEB's eligibility determination is based on the council's information, documents and materials, not the answers to these questions.

Answer these questions based on the watershed council that is applying for the Council Capacity Grant. Once you have answered all questions, upload this sheet, along with the other required eligibility documents, into the council's Council Capacity Grant Eligibility Review file by **November 17, 2014 at 5pm**.

More information can be found in the Guidance for Outcome-Based Watershed Council Operating Capacity Grants, including:

- Definitions on page 4 and
- Information on multiple councils applying for one Council Capacity Grant on page 5.

### Eligibility Questions

1. Population of the watershed is at least 500 individuals  Yes  No
2. The council has an Oregon registration number  Yes  No
  - a. If yes provide number \_\_\_\_\_
  - b. If no does the council have a fiscal sponsorship agreement  Yes  No
    - i. Uploaded  Yes  No
3. Membership Organization  Yes  No
4. New Council  Yes  No
5. Reorganized Council  Yes  No
6. A group of councils operating collectively  Yes  No  
 Name of coordinating council \_\_\_\_\_
7. A group of councils operating independently  Yes  No  
 Name of each council \_\_\_\_\_

## Council Capacity Grant Application Form

**Important: Do not submit additional materials with this application. Supporting materials should be kept on file at the council's office and made available to OWEB upon request.**

**1. Council staffing/Contracting for Council Coordinator.**

- (a) The council or the council's fiscal sponsor employs staff  Yes  No
- i. The council or the council's fiscal sponsor has on file, and follows, governing-body adopted personnel policies.  Yes  No
- ii. Position Titles for all staff (add more lines if needed) Job Description on file?
- 1)  Yes  No
- (b) The council contracts for council coordinator services  Yes  No
- i. The council has on file a Request for Qualifications (RFQ) for the contracted coordinator.  Yes  No

**2. Organizational Governance and Management**

- (a) Does the council hold elections according to its bylaws or charter?  Yes  No  
Date of the last council election:
- (b) Does the council have written roles and responsibilities for governing body members?  Yes  No
- (c) Do council officers have written position descriptions?  Yes  No
- (d) If no is answered for any of a-c above explain why the council does not have this in place.

**3. List up to three methods the council uses to advertise its governing body meetings to the public.**

**4. Council operates as an open and inclusive organization**

- (a) Do council governing body meetings have agendas, sign-in sheets and minutes?  Yes  No
- (b) Does the council have on file for the last 2 years copies of its governing body meeting agendas, sign-in sheets, and minutes?  Yes  No
- (c) Does the council make available to the public upon request copies of governing body meeting agendas and meeting notes (excluding executive sessions)?  Yes  No
- (d) If no is answered for any of a-c above explain why the council does not operate in this manner.

**5. Date of last organization and/or governing body self-evaluation:**

**Certification:** By signing this application I certify that the information in this application, and in the council's two-year work plan submitted with this application, is true and accurate.

\_\_\_\_\_  
Coordinator Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Council Chair Signature

\_\_\_\_\_  
Date

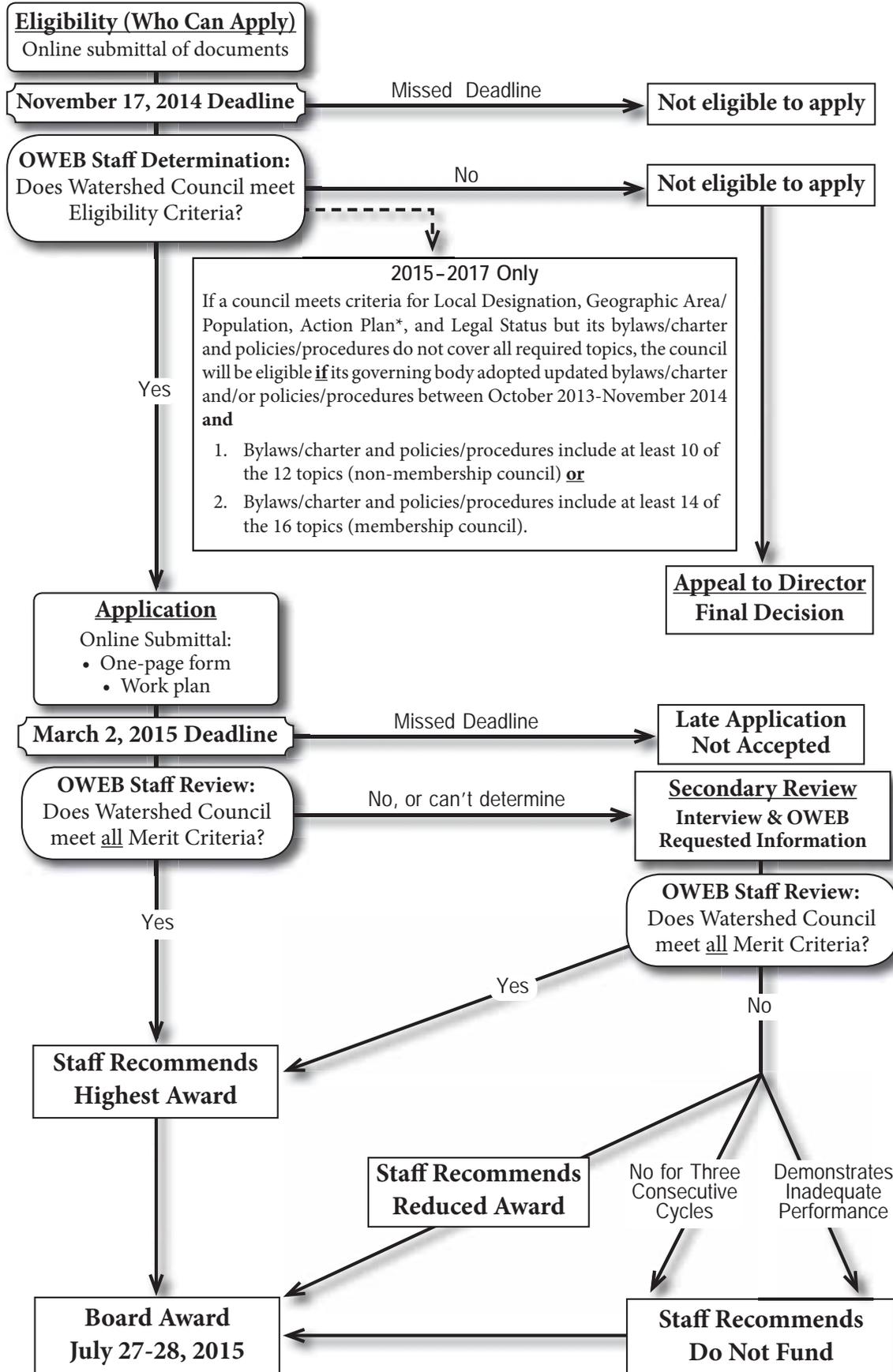
\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name



OREGON WATERSHED ENHANCEMENT BOARD (OWEB)  
COUNCIL CAPACITY GRANT PROCESS

Attachment E  
Revised July 2014



\*2015-2017 cycle only: councils that do not have a Council Action Plan by November 17, 2014 have until May 1, 2015, to submit the action plan and proof of governing body adoption.

## Council Capacity Eligibility and Merit Criteria Overview

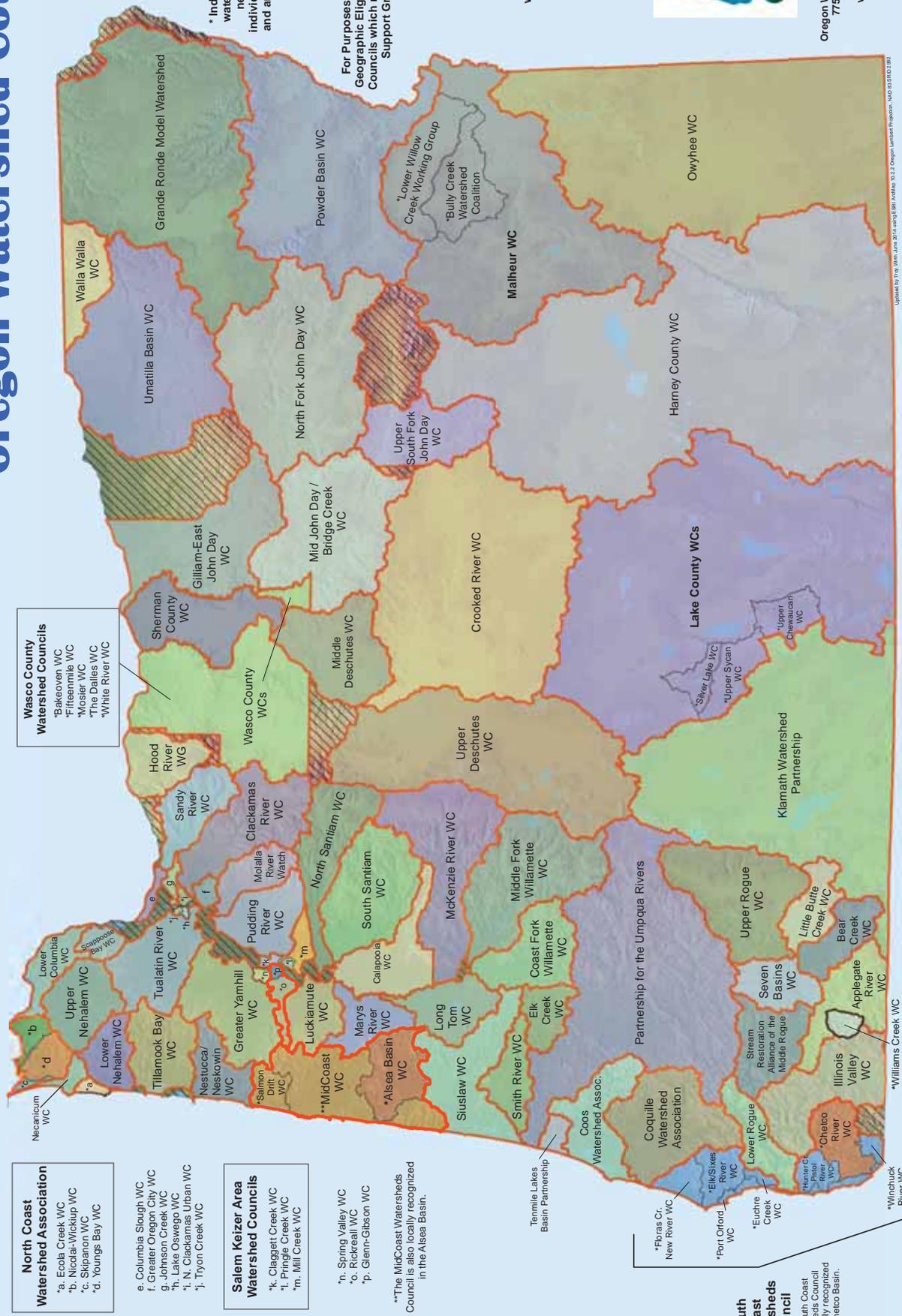
**Part I. Eligibility Criteria:** OWEB will accept a Council Capacity Grant application if it determines the criteria are met.

<i>Topic</i>	<i>Current Eligibility Criteria</i>	<i>New Eligibility Criteria: Review for presence/absence</i>
Local Designation	Any local government (unless formed before Sept. 9, 1995)	<ul style="list-style-type: none"> <li>Any local government if previously awarded a Council Support Grant</li> <li>County-level for new or reorganized councils</li> </ul>
Geographic Area and Population	<ul style="list-style-type: none"> <li>Open-ended; no scale or limit</li> <li>One grant per geographic area</li> <li>No population criteria</li> </ul>	<ul style="list-style-type: none"> <li>Cover the same or larger geographic area as served by a council or group of councils as of July 1, 2013 (cap of 64 grants)</li> <li>One grant per geographic area</li> <li>Minimum population of 500 individuals (residents and absentees)</li> </ul>
Action Plan	None	<ul style="list-style-type: none"> <li>Council governing body-adopted action plan</li> </ul>
Legal Entity	None	<ul style="list-style-type: none"> <li>State of Oregon registration number, or</li> <li>Fiscal sponsorship agreement with 501(c)(3), SWCD, city, county or tribal government</li> </ul>
Organizational Structure and Business Operations	None	<ul style="list-style-type: none"> <li>Bylaws/charter and policies and procedures include standard best-practices governance provisions</li> </ul>

**Part II. Merit Criteria:** If eligible, a council is evaluated for performance and progress including how it addresses challenges.

<i>Current Merit Criteria</i>	<i>New Merit Criteria: Review for performance</i>
33 criteria (OAR 695-040-0050)	<ol style="list-style-type: none"> <li><b>Effective Governance.</b> The council: <ul style="list-style-type: none"> <li>Has effective bylaws/charter and policies/ procedures, and follows them.</li> <li>Includes a balance of interested and affected persons on its governing body.</li> <li>Regularly evaluates and takes action to improve its organization.</li> </ul> </li> </ol>
	<ol style="list-style-type: none"> <li><b>Effective Management.</b> The council's governing body acts to: <ul style="list-style-type: none"> <li>Ensure the council meets legal obligations and requirements.</li> <li>Support successful achievement of the council's goals.</li> <li>Create a structure, policies, and procedures to support good governance.</li> <li>Provide effective oversight of staff and contractors.</li> <li>Continuously improve its business practices.</li> </ul> </li> </ol>
	<ol style="list-style-type: none"> <li><b>Progress in planning.</b> The council: <ul style="list-style-type: none"> <li>Uses planning documents to identify and implement restoration and community engagement projects.</li> <li>Regularly evaluates and updates its action plan and work plans.</li> <li>Engages a mix of stakeholders in its planning.</li> </ul> </li> </ol>
	<ol style="list-style-type: none"> <li><b>Progress in On-the-Ground Restoration.</b> The council's actions result in progress in completing priority on-the-ground watershed restoration work tied to council-identified watershed limiting factors.</li> </ol>
	<ol style="list-style-type: none"> <li><b>Progress in Community Engagement.</b> The council makes progress in achieving community engagement objectives that address limiting factors identified in the council's 2-year work plan.</li> </ol>

# Oregon Watershed Councils



**North Coast Watershed Association**

- \*a. Ecola Creek WC
- \*b. Nicolai-Wicklup WC
- \*c. Skippanon WC
- \*d. Youngs Bay WC

- e. Columbia Slough WC
- f. Greater Oregon City WC
- g. Johnson Creek WC
- \*h. Lake Oswego WC
- \*i. N. Clackamas Urban WC
- \*j. Tryon Creek WC

**Salem Keizer Area Watershed Councils**

- \*k. Claggett Creek WC
- \*l. Pringle Creek WC
- \*m. Mill Creek WC

- \*n. Spring Valley WC
- \*o. Rickreall WC
- \*p. Glenn-Gibson WC

\*\*The MidCoast Watersheds Council is also locally recognized in the Alesia Basin.

**South Coast Watersheds Council**

The South Coast Watersheds Council is also locally recognized for the Chilocho Basin.

**Wasco County Watershed Councils**

- \*Bakeoven WC
- \*Friteemite WC
- \*Mosier WC
- \*The Dalles WC
- \*White River WC

\* Indicates locally recognized watershed councils that have never received their own individual Council Support Grant and are not eligible for a Council Capacity Grant.

For Purposes of OAR 695-040-0030(2)(a) Geographic Eligibility Criteria: Boundaries of Councils which received a Watershed Council Support Grant Before July 1, 2013.



Area with no watershed council



Oregon Watershed Enhancement Board  
775 Summer St. NE Suite 360  
Salem, OR 97301-1290  
www.oregon.gov/OWEB

Updated by: The Wm. Aune 2014 Land EGR Update, 02.2 Oregon Member Registration, MW 03/02/2012

## 2015-2017 Council Capacity Grant Schedule

Board adopts rules and guidance	July 29-30, 2014
Communication with councils: <ul style="list-style-type: none"> <li>• OWEB Board action on rules and guidance</li> <li>• Eligibility review check-list</li> <li>• Council Capacity Grant deadlines</li> </ul>	Early August, 2014
Councils upload eligibility materials online	Sept. 8-Nov. 17, 2014
Board Meeting	October 28-29, 2014
<b>Eligibility Deadline (online)</b>	<b>November 17, 2014</b>
Councils notified of eligibility determination	Week of Dec. 15, 2014
<b>Deadline to appeal eligibility determination to Executive Director</b>	<b>January 19, 2015</b>
Board Meeting	January 27-28, 2015
Councils notified of results of eligibility appeal	Week of Jan. 26, 2015
<b>Application Deadline (online)</b>	<b>March 2, 2015</b>
Initial Merit Evaluation	March 31-April 8, 2015
Councils notified of Initial Merit Evaluation; request for supplemental information from councils that do not meet all merit criteria	Week of April 13, 2015
Board Meeting	April 28-29, 2015
<b>Deadline for councils invited to Secondary Review to respond to OWEB information request</b>	<b>May 1, 2015</b>
Secondary Review and interviews	May 18-29, 2015
Evaluations and funding recommendations	Week of July 6, 2015
<b>Board awards 2015-2017 Council Capacity Grants</b>	<b>July 28-29, 2015</b>



# Oregon

John A. Kitzhaber, MD, Governor

## Oregon Watershed Enhancement Board

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### MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Deputy Director

**SUBJECT: Agenda Item F: Focused Investment Partnership Process and Definition Approval  
July 29-30, 2014 OWEB Board Meeting**

#### **I. Introduction**

This staff report updates the Board on final reviews of the priority solicitation process, timeline, and other caps for future Focused Investment Partnerships. Staff requests Board approval of the documents associated with each component of the program.

#### **II. Background**

In June of 2013, the OWEB Board approved its Long-Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring.

Though OWEB has participated in efforts that evince the qualities of ‘focused investments’ in the past, there has been no formal definition, process or solicitation approach for the program. In October of 2013, OWEB kicked off a nine-month process to develop a definition, criteria, solicitation approach, program design and process for the Focused Investment category of OWEB funding.

To assist with this effort, the agency has organized a set of external and internal (i.e., OWEB staff) work groups. In selecting the external work group, members were recruited from every region of the state, in addition to representatives from soil and watershed conservation districts (SWCDs), watershed councils, land trusts, Tribes and other non-profit organizations. The executive boards of the Oregon Association of Conservation Districts, Network of Oregon Watershed Councils and Coalition of Oregon Land Trusts also are represented. These individuals have been meeting together since late 2013 to provide input to the Board on the program’s design and implementation.

#### **III. Input Received**

This work continues the Focused Investment Partnership Program plan described at the January Board meeting. Input to this point has included:

- October 2013 – Began design process with work group
- January 2014 Board Meeting – Board reviewed draft documents and solicited public comment; work group then continued design process
- March 2014 (all six regions) – OWEB staff held listening sessions in all regions of the state to receive input on the first draft of the solicitation process for Focused Investment Partnerships.

- April 29-30, 2014 (Bandon, OR) – OWEB Board received public comment on the draft solicitation process and other aspects of the Focused Investment Partnerships program as outlined above.

#### IV. Current Proposal

Staff and the Board’s Focused Investment Subcommittee have finalized a number of documents for Board approval at the July Board meeting, including:

- Definition, criteria categories and solicitation approach, which was first presented to the Board at its January 2014 meeting (Attachment A).
- Timeline for Focused Investment Priority and Partnership solicitation (Attachment B).
- Process for soliciting Focused Investment Priorities from around the state (Attachment C).
- Priority Solicitation Input Document (Attachment D).

In addition, the subcommittee proposes the Board approve a length and funding cap for Focused Investment Partnerships. Under this proposal, Focused Investment Partnership applications can propose a length of no more than **six years** and will be capped at **\$4 million per biennium**.

Although applicants may request up to \$4 million per biennium, staff anticipate funding requests will vary in size. The subcommittee proposes the Board consider a mix of both large and smaller funding requests, and anticipate an average of \$2 million per Focused Investment Partnership biennial investment.

For capacity-building funding, the subcommittee initially proposes a maximum length of two years. A maximum funding amount has not yet been established, but will be proposed to the Board as a part of the Focused Investment Partnership program solicitation in October 2014.

#### V. Recommendation

Staff requests the Board approve the following:

- A. Final Definition, Criteria Categories and Solicitation Approach, shown as Attachment A of this staff report);
- B. Final Timeline For Focused Investment Partnership Priority and Program Solicitation, shown as Attachment B of this staff report;
- C. Final Process for selecting Focused Investment Priorities, shown as Attachment C of this staff report;
- D. Final Priority Solicitation Input Questions, shown as Attachment D of this staff report; and
- E. Several caps on Focused Investment Partnerships:
  1. Capacity-building funding will be limited to two years;
  2. Focused Investment Partnership applications can propose a length of no more than **six years**; and
  3. Focused Investment Partnerships will be capped at **\$4 million per biennium**, with the Board seeking an **average biennial investment of \$2 million** per Focused Investment Partnership.

#### Attachments

- A. Final Focused Investment Partnership Draft Definition, Criteria and Solicitation Approach
- B. Final Focused Investment Partnership Timeline
- C. Final Process for Board Focused Investment Partnership Priority Selection
- D. Proposals for Board Priority Consideration – Final Questions

Focused Investment Partnerships  
*Draft Definition, Criteria and Solicitation Approach*

The OWEB Board will establish a process for identifying and updating a set of Focused Investment Priorities that have clear significance to the state. Within those priorities, the Board will solicit for Focused Investment Partnerships, one of several forms of focused investments.

Focused Investment Partnership Definition

A Focused Investment Partnership is an OWEB investment that:

- Addresses a Board-identified Focused Investment Priority of significance to the state;
- Achieves clear and measurable *ecological outcomes*;
- Uses integrated, results-oriented *approaches* as identified through a *strategic action plan*;
- Is implemented by a high-performing *partnership*.

OWEB's Focused Investment Partnership investments will be made in two categories:

- 1) Focused Investment Partnership Implementation - For an investment with an existing strategic action plan that is ready for implementation, a Focused Investment will be made by OWEB for a defined dollar amount over a limited time. Partnerships may apply subsequently for a different Focused Investment Partnership program in the same or a different Board-identified Focused Investment Priority.
- 2) Focused Investment Partnership Capacity-Building - The Board will also provide two-year funding for partnerships who are prospective FIP applicants to strengthen their capacity and to strengthen strategic action plans for a Focused Investment priority.

Criteria Categories *The definition is further refined by criteria in the following categories that will be used by the OWEB Board to select investments.*

Focused Investment Partnerships will have both limited funding and duration. As such, groups selected for a Focused Investment Partnership will need to demonstrate that their Focused Investment Partnership programs meet a high standard of achievement. Board investments will be determined within the following criteria categories:

- 1) Significant, clear and measurable *ecological outcomes* that address a Board-Identified Focused Investment Priority.
- 2) The partners must have an existing *strategic action plan* that employs integrated, results-oriented *approaches*. The strategic action plan will:
  - a) Clearly define the measurable ecological outcomes as identified above, ensuring they are reasonable given resources and constraints.
  - b) Clearly articulate achievable goals, an identified geography and a realistic scale and time period for the program.
  - c) Identify the metrics, milestones and established benchmarks for success for the outcomes.
  - d) Utilize an adaptive management approach. This includes measuring and monitoring progress including monitoring procedures to evaluate the success of goals and objectives described in the strategic action plan.
  - e) The plan must also include communication strategies with funders and others regarding the plan's progress toward implementation.

The strategic action plan and any associated OWEB requests for funding must be realistic in terms of conservation impact, outcomes, partnerships and effectiveness monitoring.

- 3) The applicants must clearly demonstrate the *Partners* involved are necessary and sufficient to implement the program outlined in the strategic action plan. Partners must have formed a productive partnership that includes:
- a) Defined relationships that clearly describes the roles and responsibilities of each partner.
  - b) Demonstrated capacity to:
    1. Take on their identified roles and operate under a common vision;
    2. Implement conservation work at a scale larger than a single project;
    3. Realistically accomplish the identified ecological outcomes.
  - c) A clear link that shows the outcomes are within each organization's mission and scope
  - d) A demonstrated strong record of conservation achievement by the partners individually and collectively.

The partnership must also leverage OWEB funding with other resources. This may be achieved by recruiting funding partners, or by accessing other resources critical to implementation.

### Solicitation Approach

---

OWEB is developing three processes for Focused Investment Prioritization, Partnership Capacity and Implementation solicitation. The priority selection process will be completed before solicitation for programs can begin. The program selections (2&3 below) will run simultaneously.

- 1) A Board process for identifying and updating a set of Focused Investment Priorities that have clear significance to the state, drawing from proposals by groups, organizations, agencies, individuals, OWEB, the Governor's office, and others. Proposed priorities should be based on sources such as the state's Conservation Strategy, the Oregon Plan for Salmon and Watersheds, Governor's priorities, the Agricultural Water Quality Program, the Integrated Water Resources Strategy, etc. The Board will review priorities each biennium to consider adding new priorities and ensure the existing priorities continue to be important.

Process for selecting each of the OWEB Focused Investment Partnership types:

- 2) Capacity-Building - A process for selecting among proposals for investments up to two years that support existing partnerships within Board-identified priorities to:
  - a) Enhance or strengthen a strategic action plan for a Focused Investment Priority; and/or
  - b) Strengthen the capacity of existing partnerships. Applications must:
    - Demonstrate a strong commitment of the partners to meet the Focused Investment criteria in the future, and
    - Clearly identify how this funding will help them achieve the steps to meet Focused Investment Partnership criteria.

NOTE: Receipt of Capacity funding does not guarantee Focused Investment Implementation funding from OWEB.

- 3) Implementation - A process for selecting applications for Focused Investment Partnerships funding as outlined in the criteria, in which applicants must:
  - Identify the Focused Investment Priority the proposal addresses
  - Provide a strategic action plan
  - Demonstrate partnership capacity

**Focused Investment Timeline**

	2014								2015								2016			
	Feb-July, 2014	March 2014	Apr 29-30 Board Mtg	July 29-30 Board Mtg	August 2014	October 15, 2014	Oct 28-29 Board Mtg	November-December 15, 2014	January 2015 Board Meeting	April 2015 Board Meeting	May 1, 2015	July 1, 2015	July 1-Aug 15, 2015	Jul. 28-29 Board Mtg.	August 15, 2015	November 15, 2015	November 15 - December 31, 2015	January 2016 Board Mtg	February 2016	
<b>Dates of Significance to Public</b>			Opportunity for Public Comment		OWEB Opens Solicitation for FI Priority Proposals	DEADLINE: FI Priority Proposals are due														
<b>Board Related Activities</b>		OWEB holds Public Listening Sessions	Board opportunity to review draft timeline, criteria and priority solicitation for initial feedback	DECISION: Board Considers Approval of Final Process, Criteria, and Apps. for FI Priorities, Partnerships and Capacity Proposals			Board opportunity to review Priority Recom. and receive public input	Board Sub-Committee narrows Priorities with assistance from technical experts,	PUBLIC INPUT: Board presents draft priorities and solicits public input	DECISION: Board makes final Priority Decision				UPDATE: Staff and subcommittee update board on progress				DECISION: Board Selects FI Capacity Proposals and Partnership Proposals	OWEB begins FIP with partners	
<b>OWEB Staff Resp.</b>	OWEB Develops Draft Application		OWEB Provides Listening Session Feedback to Board		Staff meet with interested applicants for FI Partnership/Capacity funding															
<b>Workgroup Resp.</b>	Workgroups Refine Draft Criteria & Process																			

## Focused Investment Partnership PRIORITY Input Process

August 1-October 15, 2014	
	- Board solicits initial ideas for Priorities through letter process
October 2014 Board Meeting	
	- Board reviews initial input received
	- Public Comment
October-December, 2014	
	- Staff package proposals together with similar outcomes into categories
	- Staff complete initial check-in with subcommittee on priority categories
	- Staff complete initial vetting with experts and local staff (OWEB-RPRs, other agency staff, etc.)
	- Staff provides write-up of feedback to subcommittee
	- Subcommittee requests additional information as needed
	- Subcommittee provides draft category summaries and initial recommendations to public and Board
January 2015 Board Meeting	
	- Board reviews draft recommendation; provides feedback
	- Public Comment
January-March, 2015	
	- Subcommittee revises based on Board recommendations
	- Subcommittee provides final recommendations to public and Board
April 2015 Board Meeting	
	- Public Comment
	- Board adopts new priorities
May, 2015	
	- Staff establishes technical team for each Focused Investment Partnership priority
	- Staff establishes statewide Focused Investment Partnership Capacity-Building team

## Input for Board Proposed Priority Consideration

Between August 2014 and April 2015, the OWEB Board will receive input as it develops a set of priorities of statewide ecological significance for Focused Investment Partnership funding. This is a new process for the OWEB Board. These priorities will apply only to the Focused Investment Partnership funding within OWEB's spending plan (currently between 10-12% of OWEB's funds). In an effort to secure early advice and input from a broad cross-section of stakeholders, the Board has developed a set of questions for stakeholder response.

If you are interested in providing input to the Board during this first phase of priority-setting, please respond to the attached questions in a letter. The letter should not exceed five pages. The Board has identified these questions as a part of their decision-making process. Your feedback will help them better understand priorities from a variety of perspectives.

The steps for priority-setting are as follows:

- 1) August 1-October 15, 2014 OWEB Board receives potential priorities recommendations from stakeholders
- 2) October 28-29, 2014 OWEB Board meeting in Grants Pass - opportunity for stakeholders to provide input regarding priorities that have been selected and receive additional suggestions during public comment process
- 3) October-December, 2014 OWEB staff and Focused Investment Subcommittee review input; combine similar proposals and develop summary for Board, along with preliminary recommendations
- 4) January 27-28, 2015 OWEB Board Meeting in Astoria – Board reviews subcommittee summary; additional opportunity for stakeholders to provide feedback on proposals during public comment
- 5) January-March, 2015 Subcommittee and staff solicit additional input as needed through a variety of mechanisms; revise proposals based on feedback from Board and stakeholders
- 6) April 28-29, 2015 Board Meeting in Salem - review final draft priorities; additional opportunity for public comment; Board approves final priorities

If you would like further information about this process or to ask questions, please contact Meta Loftsgaarden at OWEB - [meta.loftsgaarden@state.or.us](mailto:meta.loftsgaarden@state.or.us).

## Proposed Priority Response Questions for OWEB Board

*The following questions include factors the Board will consider as they select priorities for the Focused Investment Partnership Program. We recognize all factors are not applicable or known for every priority. Please provide information as available. Summarize the following information about your proposed priority for the OWEB Board to consider (five or fewer pages). Your input will be integrated and refined with other input and expertise.*

### 1. Proposed Priority Description

- a) What is the native fish or wildlife habitat to be conserved or other natural resource issue to be addressed?
- b) What are the specific expected ecological outcome(s) to be achieved after this priority is addressed?
- c) What is the defined geographic location within which this proposed priority can be successfully addressed?

### 2. Significance to the State

- a) Why is this proposed priority of ecological significance to the state, even though it may not be present everywhere in the state?
- b) Are there any social and/or economic considerations that the Board should understand regarding this proposed priority?
- c) In addition to its significance to the state, identify how the proposed priority fits within regional & local ecological priorities.

### 3. Limiting Factors

- a) What ecological limiting factors exist that relate to the proposed priority identified? *Limiting factors* are the physical, biological, or chemical conditions and associated ecological processes and interactions (e.g., population size, habitat connectivity, water quality, water quantity, etc.) experienced by the habitat that may influence viable population parameters (i.e. abundance, productivity, spatial structure, and diversity).
- b) Reference any framework(s) that exist (Recovery Plans, Implementation plans, etc.).

### 4. Threats and Benefits

- a) What overall threats exist to the proposed priority identified? *Threats* are the human actions (e.g., fishing, development, road building, etc.) or natural (e.g., flood, drought, volcano, tsunami, etc.) events that *cause or contribute-to* limiting factors. Threats may be associated with one or more specific life cycle stages and may occur in the past, present, or future.
- b) What will happen if the threats aren't addressed?
- c) Describe the economic, social, iconic and cultural benefits of addressing the outcome and impacts of not addressing it.
- d) Briefly summarize how much has been done already, how much is remaining.
- e) What is your best estimate of cost to address the priority, and as a result, how economically feasible do you believe it is to address this priority over time?

## 5. Opportunities

## a) Ecological:

1. What are the measures of ecological success? What's the likelihood of ecological success in the short, medium and long-term (define the term lengths)?
2. What types of voluntary conservation actions could be undertaken to address the proposed priority?
3. Should the proposed priority be divided into geographic areas that are appropriate for partners to address?

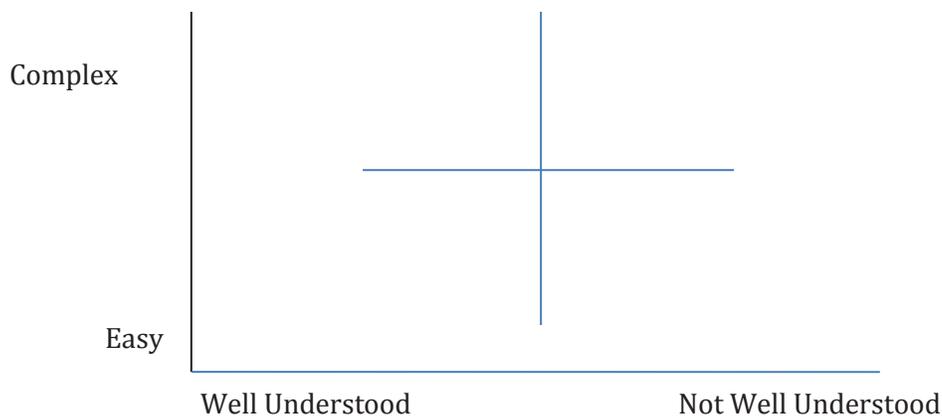
## b) Social:

1. Do partnerships exist to address the proposed priority? If so, briefly describe. If not, note why this proposed priority is important enough that partnerships may form to address it.
2. What social opportunities exist to address the proposed priority? Is there momentum built?
3. Describe educational benefits, if any.
4. Summarize the social, community, political, regulatory or other factors that will help lead to the success of this proposed priority.
5. What can be leveraged to address the proposed priority (funding, acreage impacts, other resources)?

## a) Economic Benefits

1. Describe the economic benefits of addressing the ecological proposed priority, including ecosystem services

6. FOR ALL SUBMISSIONS: Assess the proposed priority by locating the proposed priority in one of the quadrants below. Describe why the proposed priority falls in this quadrant. There is no wrong answer to this question and there may be multiple answers.



7. Is there other information the Board should know regarding this priority?
8. In lieu of attaching letters of support for this proposal, please submit a list of other supporting individuals or organizations.



# Oregon

John A. Kitzhaber, MD, Governor

## Oregon Watershed Enhancement Board

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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Deputy Director

**SUBJECT: Agenda Item H: Capacity Grant Funding for the Oregon Association of Conservation Districts and Network of Oregon Watershed Councils  
July 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This staff report outlines the partnership between the Network of Oregon Watershed Councils (NOWC) and the Oregon Association of Conservation Districts (OACD), including their shared goals to increase efficiencies, which serves as a model for local entities. This staff report updates the Board on progress to date of work supported through capacity funding approved by the Board in September 2013 for both organizations. Representatives of each organization will be at the Board meeting to provide an update and answer questions.

Staff also request the Board delegate authority for the Executive Director to distribute the second year of capacity funding for this grant, totaling \$195,000.

### II. Background of NOWC, OACD and OWEB's Investments

OACD represents, supports, and strengthens Oregon's 45 member Conservation Districts through member services, program development, training, leadership development, public education, and government relations.

NOWC is dedicated to supporting the work of 90 watershed councils throughout the state by increasing council capacity, improving key relationships, and promoting public awareness of watersheds and watershed councils.

Since 2007, the OWEB Board has approved grants in a variety of fashions for these two organizations, recognizing that they provide a vital link between OWEB's programs and successful on-the-ground project implementation. In addition, each organization has been successful in receiving statewide outreach grants from OWEB, along with funding from other partners and local organizations to support their work. OWEB's funding has supported various deliverables in past biennia, including conferences, trainings, one-on-one work with local organizations, and youth activities, to name a few examples.

Beginning in 2012, OWEB, NOWC and OACD began meeting to discuss ways to further the partnership among the three organizations. In the ensuing time period, NOWC and OACD analyzed the potential for cost savings and chose to co-locate their offices. OWEB staff also have been

working closely to help the two organizations design a single grant proposal for the funds that OWEB provides to the organizations. This work, combined with the fact that OWEB is no longer making statewide outreach grants, will result in a single grant to accomplish specific deliverables for both organizations. However, it is important to note that both organizations will retain their independence in representing their constituents.

In September 2013, the Board approved a grant totaling \$415,000 to support both organizations for the biennium. Of these funds, the Board delegated distribution authority to the Executive Director for a total of \$220,000 to be expended in the first year of the biennium. The focus of the first year of funding was to invest in: designing a new model for sharing resources; building organizational capacity for both statewide organizations and their respective members; establishing and maintaining communications with partners and local organizations; and supporting efforts for youth and community outreach.

### **III. Work Progress and Lessons Learned**

An important part of this first year of funding was that the partners report back to the Board on the work completed and lessons learned. Staff from both organizations will attend the July Board meeting to provide an update about progress. Generally, key partnership accomplishments have included:

- NOWC and OACD hosted annual conferences in the same location, including a partnership day for members of both organizations;
- Both offices are now co-located in a shared space in Salem;
- NOWC has hired an Operations Coordinator to serve both organizations, which shifted fiscal and administrative functions from contractors to in-house personnel;
- NOWC and OACD supported technical training hosted by the Oregon Conservation Education & Assistance Network, or OCEAN (the Coalition of Oregon Land Trusts [COLT] was involved in the training as well);
- NOWC, OACD, and COLT are collaborating to sponsor six regional meetings in the summer of 2014 to support shared understanding of collective restoration and conservation goals among councils, districts, and land trusts, as well as their supporting partners and agencies;
- Both organizations have signed a new Memorandum of Agreement outlining responsibilities of each organization; and
- Formal policies outlining communications at the staff, board and board-staff levels have been approved by both organizations.

Both organizations also are moving forward on items of importance to their membership. They are holding individual meetings with members as requested, and remain responsive to inquiries by phone and e-mail.

NOWC is in the midst of a strategic planning process. NOWC Board members reviewed a final draft of the organization's new strategic plan at their April Board meeting. The strategic plan includes a set of organizational and program goals, along with a three-year workplan and revenue model.

OACD has gone through significant change as a result of internal discussions concerning partnership equity, personnel, and fiscal management. The result was a significant shift in board leadership, and a realization that an internal discussion of constitution and bylaws, fiscal and personnel policies, and board member roles and responsibilities was needed. The executive board will be taking revisions to the Board of Districts for approval in November 2014.

In addition, both organizations continue to expand their partnerships with COLT, OCEAN, and state and federal agencies. Natural Resources Conservation Service has become an important supporter of the partnership, and their investment is anticipated to increase in the coming year.

Moving forward, it is the intent of both organizations to create a structure that will once again support a shared grant from OWEB. One lesson learned is the need to create a less rigid partnership structure. For example, rather than making one organization the fiscal agent for all partnership funds, it may be more logical for both organizations to hold partnership funds and contribute to joint activities. Many of the necessary changes will likely occur organically as the partnership continues to develop.

#### **IV. Continued Capacity Work for Year Two of Agreement**

Staff at NOWC and OACD have done tremendous work since funding was provided by the OWEB Board in September 2013. Much of this work has revolved around internal structure and organizational design, which is critical when making the shift these two organizations have chosen to undertake. Both organizations have kept OWEB staff fully apprised of the successes of their work and have been equally transparent about the challenges they have faced along the way.

For year two of the agreement, both organizations will continue the capacity work outlined above and in the September 2013 staff report to the Board. Specifically, the two organizations will:

- Hold regional meetings for districts, councils, land trusts and other agencies;
- Plan and implement a joint fall conference;
- Support technical training opportunities for councils and districts;
- Host additional joint meetings of each organization's boards;
- Continue to grow partnerships with other similar organizations;
- Seek additional state, federal and private funding to support partnership efforts; and
- Complete design and implementation of strategic planning, bylaws, personnel and fiscal policies.

Staff for each organization commit to continued progress updates to the OWEB Board and staff.

#### **V. Funding**

In order to receive the second delegation of funding under the grant, NOWC and OACD agreed to come before the Board to report on progress at the July Board meeting. Based on the Board's action in September 2013, the second delegation will total no more than \$195,000.

#### **VI. Recommendation**

In September 2013, the Board awarded funding for this grant. However, the initial delegation to the director was for the first year of funding, which totaled only \$220,000. Staff now recommend the Board delegate authority to the Executive Director to distribute up to \$195,000 in funds for the second year of the biennium through the appropriate grant agreement, as was outlined in the September 2013 staff report.



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Tom Byler, Executive Director

**SUBJECT:** **Agenda Item I: OWEB 2013-2015 Spending Plan Update  
July 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This report updates the Board on OWEB's 2013-2015 Spending Plan, including a report on the recent Pacific Coastal Salmon Recovery Fund (PCSRF) award from the NOAA Fisheries. The Board will be asked to: 1) award funding to Oregon Department of Fish and Wildlife (ODFW) for the remainder of PCSRF funds included in its 2013-2015 Legislatively Adopted Budget; and 2) reserve additional grant funds in an updated OWEB Spending Plan.

### II. Background

After the Oregon Legislature approves OWEB's budget at the beginning of each biennium, the Board considers a plan for the distribution of grant funding for a two-year period. The OWEB Spending Plan guides the agency's grant investments for the biennium. Available funding for the Board to distribute includes Measure 76 lottery funds, federal funds and salmon license plate revenue.

At its June 2013 meeting, the Board adopted a 2013-2015 Spending Plan totaling \$67.47 million. Attachment A shows the 2013-2015 Spending Plan, total Board awards to date, and the funds remaining in each line item within the Spending Plan as of July 2014.

### III. OWEB's Budget and PCSRF Funds

#### A. OWEB's 2013-2015 Budget

Each biennium, OWEB's budget is developed on the prospect of receiving federal grant funds from the Pacific Coastal Salmon Recovery Fund (PCSRF). Since 2000, OWEB, on behalf of the State of Oregon, has received PCSRF grants awarded annually by NOAA Fisheries. PCSRF funds are a significant component of OWEB's budget, accounting for approximately one-third of OWEB's total funds.

The PCSRF program has been funded by Congress every year since 2000. The Oregon Legislature routinely allocates PCSRF funding in OWEB's biennial budget based on estimated federal grant awards over two years. While not guaranteed, the funds have proven to be a reliable source for OWEB's budget.

For the 2013-2015 biennium, the Legislature allocated \$23.3 million of PCSRF funds to OWEB. Of this total, \$13.9 million is directed to OWEB for grants and staff, \$9.2 million to the Oregon Department of Fish and Wildlife (ODFW), and \$230,687 to the Independent Multidisciplinary Science Team. To meet these allocations, OWEB was able to use \$5 million in unspent Federal Fiscal Year (FFY) 2012 PCSRF funds and needs to receive a combined total of \$18 million from PCSRF funds awarded in FFY 2013 and 2014 to meet the full budgeted needs for the biennium. OWEB was awarded \$12.2 million of FFY 2013 PCSRF funds. The FFY 2013 grant award put OWEB on a positive trajectory to meet the legislative budget allocations for the first year of the biennium.

#### **B. PCSRF 2014 Grant**

In January of this year, NOAA announced the FFY 2014 PCSRF funding opportunity with a total available budget of \$65 million. The FFY 2014 funding opportunity announcement included a final application deadline of March 24, 2014.

OWEB submitted an application requesting the maximum allowable amount of \$25 million on behalf of the State of Oregon. The request consisted of nearly \$19.5 million to support OWEB grants for on-the-ground restoration actions, almost \$750,000 for OWEB monitoring grants, and funding to support seven staff positions agency-wide. The requested budget also includes approximately \$4.8 million to support the ODFW Fish Screening and Passage, Western Oregon Stream Restoration, Conservation and Recovery Plan Implementation, Technical Support, and Oregon Plan Salmon and Steelhead Monitoring programs.

In June, OWEB was notified by NOAA that State of Oregon was awarded a \$13.5 million FFY 2014 PCSRF grant. Oregon had the second highest funded application overall for the second year in a row. This funding level represents approximately 21 percent of the total PCSRF funds available and an increase of \$1.3 million over last year's \$12.2 million award to Oregon.

The 2014 PCSRF grant allows budgeted needs to be met for the remainder of the biennium. The 2014 grant covers \$4.6 million for ODFW programs, fulfilling that agency's legislatively budgeted needs for the biennium. Staff recommend the board award these funds to ODFW.

In addition, the 2014 PCSRF grant provides OWEB with an additional \$4.4 million in legislatively-budgeted grant funds. These funds are recommended to be added to the 2013-2015 Spending Plan as set out in Section IV below. Approximately \$6.5 million in 2014 PCSRF funds remains that OWEB does not currently have legislative authority to expend this biennium. Staff will discuss options for the use of these funds at the July meeting.

#### **IV. Proposed Update to the 2013-2015 Spending Plan**

In addition to the \$4.4 million of 2014 PCSRF funds, staff have identified \$500,000 of unspent funds recaptured from recently closed grants. Combined, OWEB has a total of \$4.9 million to add to the Spending Plan.

There is no perfect way to update the Spending Plan. Staff recognize there are many purposes within the Spending Plan that would benefit from additional funds. That said, the \$4.9 million can only be added to relatively few line items in order to keep the funding amounts meaningful.

In past discussions regarding the Spending Plan, a number of board members expressed interest in additional funds being used to augment “regular grant program” line items in the Open Solicitation funding category. These line items include grants for restoration, acquisition, technical assistance, monitoring and outreach. Grant offerings for these purposes are made on a six month or annual basis. Without additional funds, some of these purposes would have little or no funding remaining for the biennium.

Knowing that significant demand for regular grant fund types continues, staff recommend most of the \$4.9 million be reserved in the Spending Plan for these purposes. In addition, staff recommend the Board reserve up to \$50,000 in the Business Practices line item to allow the agency to update web-based reporting tools that help describe the progress and outcomes of OWEB grant investments. Overall, staff recommend placing the additional funding into the following spending plan purposes:

<b><i>Open Solicitation Grants</i></b>	<b><i>Recommended Use of \$4.9 million</i></b>
Restoration	\$1.4 million
Technical Assistance	\$800,000
Monitoring/Effectiveness Monitoring	\$1.15 million
Outreach	\$500,000
Acquisition	\$1.0 million
<b><i>Business Practices</i></b>	
Update Reporting Tools	\$50,000

Attachment A places these recommendations in context of the overall 2013-2015 spending plan.

With these additional funds, OWEB will have a higher percentage of PCSRF funds available for restoration and acquisition purposes than in past years. This creates the opportunity to invest in salmon and steelhead habitat projects in upcoming grant cycles. Staff will communicate in advance with stakeholders to let them know of this opportunity.

**V. Recommendation**

Staff request that the Board:

- 1) Award \$4,613,222 of PCSRF funds and delegate authority to the Executive Director to enter into the agreements necessary to distribute funding to the Oregon Department of Fish and Wildlife for the purpose discussed in Section III.B of this report; and
- 2) Reserve \$4.9 million of additional funds to the 2013-2015 spending plan for the purposes described in Attachment A of this report.

Attachments

- A. 2013-2015 OWEB Spending Plan

**OWEB 2013-15 Spending Plan - Proposed Update  
July 2014 Board Meeting**

<b>OWEB SPENDING PLAN</b>	<b>Total Reserved Funds</b>	<b>July 2014 Proposed Additions</b>	<b>Reserved Funds and Additions</b>	<b>TOTAL Board Awards To-Date</b>	<b>Remaining Funds as of July 2014</b>
<b>Open Grants:</b>					
Restoration	26.320	1.400	27.720	13.176	14.544
Technical Assistance	1.800	0.800	2.600	1.028	1.572
Action Plans for WC	0.250		0.250	0.056	0.194
Monitoring & EM	1.350	1.150	2.500	1.343	1.157
Outreach	0.600	0.500	1.100	0.600	0.500
Assessments	0.000		0.000	0.000	0.000
Regular Land and Water Acquisition	7.000	1.000	8.000	5.219	2.782
Weed Grants	2.500		2.500	2.500	0.000
Small Grants	2.800		2.800	2.800	0.000
CREP TA	0.750		0.750	0.750	0.000
CREP	0.500		0.500	0.500	0.000
<b>TOTAL</b>	<b>43.870</b>	<b>4.850</b>	<b>48.720</b>	<b>27.972</b>	<b>20.749</b>
<b>% of assumed Total Budget</b>	<b>64.9%</b>				
<b>Focused Investments:</b>					
Deschutes SIP	4.000		4.000	4.000	0.000
Willamette SIP	3.000		3.000	3.000	0.000
Klamath SIP	0.800		0.800	0.800	0.000
Whole Watershed Restoration Initiative	0.500		0.500	0.500	0.000
Effectiveness Monitoring	1.000		1.000	0.457	0.543
Oregon Plan/Governor Priorities	1.000		1.000	0.650	0.350
Ecosystem Services	0.150		0.150	0.090	0.060
<b>TOTAL</b>	<b>10.450</b>	<b>0.000</b>	<b>10.450</b>	<b>9.497</b>	<b>0.953</b>
<b>% of assumed Total Budget</b>	<b>15.5%</b>				
<b>Operating Capacity:</b>					
Capacity grants (WC/SWCD)	12.200		12.200	12.200	0.000
Building Capacity Grants	0.615		0.615	0.615	0.000
Lower Columbia Estuary Program	0.300		0.300	0.300	0.000
<b>TOTAL</b>	<b>13.115</b>	<b>0.000</b>	<b>13.115</b>	<b>13.115</b>	<b>0.000</b>
<b>% of assumed Total Budget</b>	<b>19.4%</b>				
<b>Business Practices</b>	<b>0.150</b>	<b>0.050</b>	<b>0.200</b>	<b>0.150</b>	<b>0.050</b>
<b>TOTAL OWEB Spending Plan Proposal</b>	<b>67.585</b>	<b>4.900</b>	<b>72.485</b>	<b>50.734</b>	<b>21.752</b>
<b>OTHER DISTRIBUTED FUNDS</b>					
Oregon Department of Fish and Wildlife - PCSRF	4.613	4.613	9.226	4.613	4.613
IMST (1/2 M76 Operating / 1/2 PCSRF)	0.462		0.462	0.462	0.000
USFW-Coastal Wetlands	0.120		0.120	0.120	0.000
Forest Health Collaboratives from ODF	0.600		0.600	0.600	0.000
PSMFC-IMW	0.000	0.300	0.300	0.000	0.300
<b>TOTAL</b>	<b>5.795</b>	<b>4.913</b>	<b>10.708</b>	<b>5.795</b>	<b>4.913</b>
<b>TOTAL Including OWEB Spending Plan and Other Distributed Funds</b>	<b>73.380</b>	<b>9.813</b>	<b>83.193</b>	<b>56.529</b>	<b>26.665</b>



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Tom Byler, Executive Director  
Lauri Anan, Grant Program Manager

**SUBJECT: Agenda Item J-1: October 2014 Regular Grant Cycle and Land and Water Acquisitions Offerings  
July 29-30, 2014 OWEB Board Meeting**

### I. Introduction

Staff seek Board approval for the solicitation of grant offerings for the October 2014 grant cycle.

### II. Background

The Board has broad authority and discretion regarding OWEB grant offerings. Under Oregon Administrative Rule (OAR) 695-004-0010, “the Board may allocate funds to support projects for restoration, monitoring, technical assistance, education and outreach. . . .” (emphasis added). In OAR Chapter 695, Division 5, OWEB’s rules direct the Board to announce the timing and type of grant applications to be considered.

In its Regular Grant Program, OWEB has offered four grant cycles per biennium since the 2003-2005 biennium, but the types of grants offered have varied by cycle. The Board typically sets the schedule and identifies the types of grant applications solicited for each deadline based on OWEB’s legislatively adopted budget and Board approved spending plan.

OWEB typically solicits for Restoration, Acquisition, Technical Assistance, Outreach, and Monitoring applications in each October grant cycle, and Restoration, Acquisition, and Technical Assistance applications at each April cycle. Assessment applications have been periodically solicited, dependent on available funding; the last offering was in the April 2008 grant cycle.

### III. Proposed Grant Offerings for October 2014 Grant Cycle

To date, the Board has approved the following grant offerings for the Regular Grant Program and Land and Water Acquisitions for the current biennium:

- Four cycles for Restoration and Technical Assistance (April 2013, October 2013, April 2014, and October 2014).
- One cycle (October 2013) for Outreach and Monitoring, with a future Outreach and Monitoring cycle to be determined, depending on additional available funding, and Board priorities.
- Land Acquisitions offered in October 2013 and October 2014.

- Water Acquisitions limited this biennium to the pilot test of the coordinated funder framework allowed under revised administrative rules and outlined in Board approved guidance for water acquisitions.

Based on the OWEB spending plan update described in Agenda Item I, staff recommend:

- A. Adding Outreach and Monitoring to the October 2014 grant cycle; and
- B. Communicating with stakeholders about the increased opportunity to support salmon and steelhead habitat projects as a result of additional Pacific Coastal Salmon Recovery Fund grant funding.

#### **IV. Recommendation**

Staff recommend the Board revise the 2013-2015 grant cycle schedule to add the solicitation of Outreach and Monitoring applications to the October 20, 2014, grant application deadline, as shown in Attachment A of this report.

#### Attachment

- A. 2013-2015 Biennium Regular Grant and Land and Water Acquisition Grant Application Deadlines and Types of Grant Offerings, updated July 2014

## 2013-2015 Biennium

## Regular Grant Cycle Application Deadlines and Board Meeting Dates

Application Deadline	Application Type(s)	Board Meeting Dates/Locations
	N/A	June 11-12, 2013 (T-W) Region 6, Pendleton
<b>April 22, 2013</b>	Restoration, Water Acquisition, Technical Assistance	September 10-11, 2013 (T-W) Region 5, Burns
	N/A	January 28-29, 2014 (T-W) Region 3, Portland
<b>October 21, 2013</b>	Restoration, Technical Assistance, Technical Assistance for Watershed Council Action Plan, Outreach, Monitoring, Land Acquisition	April 29-30, 2014 (T-W) Region 2, Bandon
	N/A	July 29-30, 2014 (T-W) Region 4, The Dalles
<b>April 21, 2014</b>	Restoration, Technical Assistance, Technical Assistance for Watershed Council Action Plan	October 28-29, 2014 (T-W) Region 2, Grants Pass
	N/A	January 27-28, 2015 (T-W) Region 1, Astoria
<b>October 20, 2014</b>	Restoration, Technical Assistance, Outreach, Monitoring, Land Acquisition	April 28-29, 2015 (T-W) Region 3, Salem

Note: Water Acquisitions limited this biennium to the pilot test of the coordinated funder framework allowed under revised administrative rules and outlined in Board approved guidance for water acquisitions.



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Deputy Director

**SUBJECT: Agenda Item J-2: Policy Recommendation – Accepting Acquisition Applications with Relocation  
July 29-30, 2014 OWEB Board Meeting**

### I. Introduction

OWEB provides grants for land acquisition or conservation easements. In both cases, the agency acquires an interest in real property, in which case, a number of statutes apply. Most of these are recognized in OWEB's statutes or rules. One such statute that has been raised in recent discussions is entitled "Relocation of Displaced Persons." This staff report provides context regarding the statute's applicability to OWEB-funded acquisitions and proposes a policy clarification for Board consideration.

### II. Background

There is an Oregon law entitled "Relocation of Displaced Persons," at ORS 35.500-35.530. This law is located in a larger chapter regarding eminent domain, the law through which certain agencies and entities of government can take private property for a public purpose after paying the private landowner just compensation. However, the requirements of the statute are applicable to all projects where a government entity acquires an interest in land, not only to projects using eminent domain. The statute applies whenever acquisition of real property by a public entity results in a "displaced person." A "displaced person" under the law is "any person who moves, or is required to move the person's residence and personal property incident thereto, or the person's business or farm operation." The law does not apply to the willing seller, but instead to tenants and lessees who are on the property being sold. The law applies to the acquisition of any interest in real property, so would include the acquisition of lesser than fee interests, such as the acquisition of a conservation easement by a government entity.

In scenarios where the law applies, the government entity is required to follow certain procedures and provide benefits where applicable. The law requires at least 90 days written notice prior to the date the displaced person is expected to move and that notice must provide information on the potential rights of the displaced person under the state and federal acts. Beyond that, the state law generally refers to federal law for additional requirements. The state law requires that the public entity provide "fair and reasonable relocation payments and assistance to or for displaced persons" as provided by the federal act. The federal act requires that: reasonable moving expense are paid for moving the person, family, farm, business or personal property; direct business or farm losses for doing so are paid; expenses in searching for

a replacement business or farm are paid; and expenses to reestablish a farm, non-governmental organization, or business at the new site are paid, but not to exceed \$10K. There are additional details and explanations of these requirements in the federal act.

For projects where OWEB is acquiring an interest in real property that would result in a displaced person, the requirements of the relocation act apply. Due to the type of lands where OWEB's conservation efforts are focused, there are limited instances in which a person would be displaced by an OWEB-funded acquisition. However, the situation has arisen from time-to-time over the course of OWEB's land acquisition granting history, but has either been resolved prior to closing or relocation costs were paid by another funder.

### **III. Relocation Policy Recommendation**

OWEB staff sought advice about this issue from the Department of Justice. Counsel has indicated the agency's authorities allow for OWEB funding to be spent on relocation. However, as a part of the agency's granting process, it is not an anticipated cost and could result in a reduced number of grants funded by diverting funds from the main purpose of OWEB's funding for grants for restoration, acquisition, technical assistance, monitoring, etc. to instead cover relocation costs per the law referenced above.

Based on advice from counsel, OWEB can provide policy and rules regarding conditions for a project, including but not limited to the approval for implementation of a project. The agency's willingness to fund relocation assistance could be considered as part of its selection criteria or as one of the criteria for distributing funds.

### **IV. Recommendation**

To ensure that funds can remain focused on the primary intent of OWEB's grant program, staff recommend the Board adopt a policy that requires applicants to have addressed relocation prior to applying to the agency for grant funding for a land acquisition or conservation easement; and, further, that the Board will not award grant funds to projects that would require the payment of relocation costs.



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Deputy Director  
Juniper Davis, Senior Partnerships Coordinator

**SUBJECT: Agenda Item K: Coastal Wetlands Grants  
July 29-30, 2014 OWEB Board Meeting**

### I. Introduction

Staff request retroactive approval by the Board to submit three applications on behalf of local partners to the U.S. Fish and Wildlife Service's (USFWS) National Coastal Wetlands Conservation Grant Program (Coastal Wetlands Program).

### II. Background

OWEB has been designated as an eligible state agency to submit applications for the Coastal Wetlands Program. Applications from local implementers can only be submitted by a state agency, and OWEB is established as a trusted partner with the Coastal Wetlands Program. Any Oregon agency submitting a grant application for federal funding must receive legislative approval to submit the application and may also be required to obtain legislative authorization to receive and expend the funds if the grant is successful.

In early 2013, staff worked to revise the internal Coastal Wetlands grants process for OWEB. The new process clarified steps including: a deadline for notification to OWEB by local entities interested in applying for Coastal Wetlands Program funding; formal request to the Oregon Legislature for approval to both submit for and receive federal grants; approval by the OWEB Board of grant application submittals and subsequent funding approval; and increasing the connection between this federal program and OWEB's granting process by requiring that the proposed Coastal Wetlands projects receive technical review and that the local sponsor also should request funds from OWEB as match.

Once notification is complete and OWEB concurs that the general concept fits with the agency's mission and confirms that the local sponsor will request OWEB match, the applicant provides a draft application to OWEB for the Coastal Wetlands Program grant at the same time they submit their OWEB grant application requesting state Lottery funds.

Once the application is received, OWEB's new process utilizes a subset of the regional review team (RRT) to review the Coastal Wetlands Program grants to determine if the projects contain enough information and have enough likelihood of success to be worthy of submission. The OWEB Board receives the RRT recommendation, along with staff perspective and recommendation about whether

the agency should submit the grant applications and request approval from the legislature to receive federal funds.

Separately, the OWEB portion of funding is reviewed through the agency's Regular Grant process. If funding is not approved by the Board through this process, then staff will not recommend proceeding with receipt of the federal funds because associated match requirements will not have been met.

### **III. 2014 Coastal Wetlands Program Applications**

OWEB was notified by USFWS of the opportunity to apply for Coastal Wetlands Program grants on January 24, 2014. After receiving the announcement, OWEB initiated a process for local entities to provide projects of interest to the agency. OWEB staff received three proposals for projects of interest from local implementers for Coastal Wetlands Program consideration. Subsequently, draft project applications were due April 21, 2014. Staff and a subset of the Region 1 and 2 Review Teams conducted site tours of the project sites and provided technical review of the projects (see evaluations in Attachments A-C). Staff and the RRTs recommended moving forward with submission of Coastal Wetlands Program applications for all three projects. On May 28, 2014, the Legislature's Emergency Board (E-Board) approved the submission of all three proposed projects. Staff made the E-Board aware that the request was also pending OWEB Board approval.

OWEB has worked with the local sponsors to finalize the Coastal Wetlands Program applications for federal funding. Applications for the following projects were submitted to the USFWS on or before the grant deadline of June 27, 2014. Below is a summary of each of the projects:

#### China Camp Creek Project

*Grant request: \$1,000,000. Local sponsor: Beaver Slough Drainage District.*

This project is located in the China Camp Creek drainage of the Coquille River, near Coquille, Oregon and is developed to be a project that balances the needs of agricultural interests with waterfowl habitat and critical off-channel habitat for coho salmon listed under the Endangered Species Act. More specifically, it proposes to replace failing and antiquated tide gate infrastructure with a reinforced concrete culvert structure. The infrastructure upgrade will significantly improve river-floodplain connectivity on 1,700 acres of historic estuarine floodplain of the Coquille River. The improved connectivity will provide critical overwintering habitat for juvenile coho seeking off-channel refugia, while also maintaining the viability of the agricultural landscape.

#### Scholfield Creek Tidal Wetlands Conservation Project

*Grant request: \$630,577. Local Sponsors: Partnership for the Umpqua Rivers and McKenzie River Trust*

This project is focused on the wetlands of Scholfield Creek in the Umpqua River estuary near Reedsport, Oregon. At its fullest extent, this project will include the purchase of approximately 241 acres of wetlands along Scholfield Creek and will conclude with large-scale enhancement of the tidal channels. In addition to other work, the enhancement will include the placement of large woody debris and the planting of spruce saplings to serve as nurse logs. The goals of this project are to restore these wetlands and tidal channels to increase habitat for juvenile salmonids, along with an array of other fish and wildlife species.

Kilchis Wetlands Conservation and Restoration Project

*Grant request: \$1,000,000. Local Sponsor: The Nature Conservancy.*

This project aims to protect approximately 61 acres of tidal wetland habitat on the Kilchis River west of Highway 101 near Tillamook, Oregon. This property contains coho salmon rearing habitat that is currently a limiting factor in coho recovery in the Tillamook Basin. The site also provides habitat for Chinook and chum salmon, as well as myriad other wetland species including colonial nesting waterbirds, migrating waterfowl, juvenile marine fishes and resident mammals. The property is adjacent to an ongoing OWEB-funded project area called the Kilchis Estuary Preserve, which owned by The Nature Conservancy. The protection of this property would be a major contribution to salmon conservation on the Kilchis River and in the Tillamook Basin.

**IV. Recommendation**

Staff recommend the Board approve the submission of applications for the China Camp Creek Project, Scholfield Creek Tidal Wetlands Conservation Project, and Kilchis Wetlands Conservation and Restoration Project to the USFWS National Coastal Wetlands Conservation Grant Program.

Attachments

- A. China Camp Creek Project RRT Review
- B. Scholfield Creek Tidal Wetlands Conservation Project RRT Review
- C. Kilchis Wetlands Conservation and Restoration Project RRT Review

**China Camp Creek Project**  
**Coquille Valley, Oregon**

**Local Partner: Beaver Slough Drainage District**

**OWEB Review Process:**

The China Camp Creek Project (215-2000) was submitted to OWEB as part of the April 2014 Application Cycle. The project was submitted requesting funding from OWEB to match a National Coastal Wetlands Conservation Grant (NCWCG) program request. The application was submitted on the standard OWEB restoration application form. Following a completeness review by OWEB staff, the project application was forwarded to all members of the Region 2 Regional Review Team (RRT) for review and evaluation. On May 20<sup>th</sup>, the Regional Review Team conducted a site visit to the property. Four members of the RRT were able to attend the site tour of the project and participate in the discussion of the project on-site. Members of the RRT who could not participate also provided feedback based on review of the project application. RRT members reviewed the application based on guidance from “*The National Coastal Wetlands Conservation Grant Program: Program and Technical Review Process.*” RRT members specifically evaluated the project based on questions found in *Review Step 2: Basic Screening Questions and Review Step 3: Additional Evaluation Questions*. Nine RRT members provided feedback on the project. On June 19<sup>th</sup>, the Region 2 RRT evaluated the project based on OWEB review and evaluation criteria. OWEB funding recommendations will be made public in August.

**RRT Comments:**

The details of the history of the project as well as the intended actions were presented in both the written summary and during the site visit. The RRT found the proposed work activities were described in sufficient detail to provide a good understanding of the project’s potential ecological outcomes and likelihood of success. The proposed action (replacing the tide gates) is described in sufficient detail as well as the ecological outcomes (i.e., improve access for juvenile coho to off-channel floodplain, improve water quality in canals during summer months, and restore partial hydrologic function to 400 acres of land to be restored to historic shrub-scrub forest). The entire project area of 1700 acres will benefit from the installation of the tide gates. Of the total 1700 acres, approximately 1300 acres will remain in agricultural production (livestock). The application states that water levels will be managed in three discrete units—two agricultural units and one restoration unit—to meet the various management objectives. Increasing the amount of time the tide gates are open is favorable to fish passage and will increase the exchange of water present behind the tide gate. This should result in measurable water quality improvement.

The project benefits are dependent on installation of the tide gates, the implementation of the Unit 2 habitat restoration, and development of a water use/management plan that supports ecological benefits on both the restoration units and agricultural lands. Restoration activities for Unit 2 are designed and funds for Unit 2 restoration are, for the most part, secured. The project schedule is ambitious but likely realistic. Permitting, while extensive, seems to be straightforward and subject to approval. The timelines for RFPs for contracting work is tight but the applicant and project partners have the experience and a good handle on how to approach the schedule. Tide gate designs are complete enough to move forward with construction and implementation which is planned to occur in summer of 2015. The budget is appropriate and detailed enough to gauge the potential for the project's success. It was noted that the applicant may need to change the management of the tide gate to achieve the desired outcomes as they evaluate the results over the years.

With the anticipated ability to modify the drainage and mixing of river waters through improved tide gates and their operational functioning, the potential is high for successful habitat restoration on Unit 2 with positive influences on the neighboring agricultural Units 1 & 3. The RRT noted that water quality monitoring should be a clear component of this project as it is critical to showing the effectiveness of the tide gate replacement and the management of the water. The RRT also stressed that in order to meet project goals, it is important to have a clear and effective water management plan which can guide water level management to maximize ecological outcomes on this working landscape. The drainage districts commitment to the development, implementation, and adaptive management of this plan is an important component to maximize ecological benefits and this should be reflected in the management plan. The RRT would like the applicant to describe partner match more clearly, including a description of the partnership roles.

The project has had a major planning and outreach effort in place – input from landowners regarding the consequences of the proposed actions has been considered and incorporated where appropriate. The project would have a very positive effect for a number of species and is directly connected in the estuary where additional rearing habitat is needed at critical times of the year.

**RRT Recommendation:** The RRT is supportive of submitting the NCWCG application to USFWS.

**Prepared by:** Mark Grenbember, OWEB Region 2 Program Representative

**Scholfield Creek Tidal Wetlands Conservation Project****Umpqua River Estuary, Oregon****Local Partners: Partnership for the Umpqua River and McKenzie River Trust****OWEB Review Process:**

The Scholfield Creek Project was submitted to OWEB in conjunction with the April 2014 Application Cycle. The project application was submitted as a working draft on a *National Coastal Wetlands Conservation Grant Program* (NCWCG) application. The project submitted did not request funding from OWEB at this time. The applicant is expected to submit a formal OWEB application for acquisition costs as part of the October 2014 Grant Cycle to match the NCWCG request. Following a completeness review by OWEB staff, the project application was forwarded to all members of the Region 2 Regional Review Team (RRT) for review and evaluation. On May 20th, the RRT conducted a site visit to the property. Two members of the RRT were able to attend the site tour of the project and participate in the discussion of the project on site. Members of the RRT who could not participate also provided feedback based on review of the project application. RRT members reviewed the application based on guidance from “*The National Coastal Wetlands Conservation Grant Program: Program and Technical Review Process.*” Eight RRT members provided feedback on the project. RRT members specifically evaluated the application based on questions found in *Review Step 2: Basic Screening Questions* and *Review Step 3: Additional Evaluation Questions*.

**RRT Comments:**

The RRT found the proposed work activities were described in sufficient detail to provide a good understanding of the project’s potential ecological outcomes and likelihood of success. The details of the history of the project as well as the intended actions were presented in both the written summary and during the site visit.

The project will protect a relatively large area if successful in obtaining all parcels from the three landowners. The area includes 179 acres of intact tidal wetlands and 62 acres of upland. On a larger scale, success of this project may lead to other acquisition and restoration projects of properties currently for sale in the Umpqua Estuary. While the some of the historic ecosystems (Sitka spruce bogs) have become only remnants of their historic condition, most natural tidal wetland processes and plant and wildlife communities are still intact and functioning but there is a threat of introduction of invasive plant species. The applicants provided an extensive list of species present which supports the premise that the area has exceptional biodiversity. The project will lead to restoration and active management, thereby supporting and enhancing more natural

ecological functions. The replanting of native tree species such as Sitka spruce and the placement of large woody debris would contribute to reestablishing ecological functions.

The RRT noted that the applicant did not include mention of cultural resource surveys. A preliminary review should be able to be completed at a low cost, and these costs should be included in the grant so the project is not delayed due to lack of funds for this work.

McKenzie River Trust has the capacity and track record to effectively own, manage, restore, and protect the property. The Partnership for the Umpqua Rivers and the other project partners have the track record and capacity to effectively engage in on-the-ground restoration work necessary to restore and enhance the ecological function of the sites.

The project complements other projects in the Umpqua and Smith River estuaries and also complements the goals of the Umpqua and Smith River Estuary Restoration work group that has prioritized restoration projects in the estuary.

In summary, the RRT found that the proposed acquisition site is a very good example of intact rearing habitat in the Umpqua Estuary and its connection to the estuary makes it an important location for restoration. Spruce wetland areas and tidal wetlands are very important for coho, chinook, other fish species, near-shore birds and migratory birds. Acquisition of the properties and enhancement via the measures described will ensure that the wetlands continue to function and will increase the biological functions in the future.

**RRT Recommendation:** The RRT is supportive of submitting the NCWCG application to USFWS.

**Prepared by:** Mark Grenbember, OWEB Region 2 Program Representative

**Kilchis Wetlands Conservation and Restoration Project**

**Tillamook Bay, Oregon**

**Local Partner: The Nature Conservancy (TNC)**

**OWEB Review Process:**

On the afternoon of June 4<sup>th</sup>, 2014, twelve members of the OWEB Region 1 RRT, accompanied by three OWEB staff (Miriam Hulst, Dana Hicks, and Tom Shafer) and TNC staff Dick Vander Schaff spent the better part of three hours walking and discussing the restoration needs and opportunities of the 61-acre Porter property at the mouth of Kilchis River basin in Tillamook County. The reviewers had the TNC Coastal Wetlands (CW) combined Acquisition and Restoration application for the Porter property in hand, and had time previously to read it thoroughly.

**RRT Comments:**

Almost all of the reviewers were familiar with the neighboring (to the south) Kilchis Estuarine Preserve property recently acquired by TNC, and were also familiar with the restoration work planned to begin shortly on that property. Because of that familiarity, there were no issues raised on the ecological values involved in the acquisition or future restoration of the Porter property. The reviewers all recognized the enormous diversity provided by the estuarine habitats historically available on the Porter property; a diversity encompassing a multitude of marine, freshwater and terrestrial species of plants, invertebrates, fish, birds and mammals. They noted specifically that Threatened coho salmon would benefit from the restored habitat, as well as would steelhead, sea-run cutthroat trout and red-legged frogs, all T&E species of concern. The reviewers further noted that chum salmon, another salmonid species whose populations in the watershed have been dramatically declining due to the reduction of key estuarine feeding and rearing habitats, would also be expected to immediately utilize the restored slough and tidal channels.

All reviewers agreed acquisition would help protect a large, intact area in an area where stabilization is needed and, while the Porter property is not degraded comparatively, the reviewers understood it to be an area in transition from undeveloped to developed conditions. The reviewers all understood that should TNC acquire the property, the planned restoration activities, as well as TNC's active management of the property, were designed to protect and reestablish the critical ecological functions native to the site. The reviewers clearly understood the site, located as it is in the floodplain of the Kilchis River and the Tillamook Bay estuary, is an area of exceptional biodiversity and, together with the neighboring TNC Kilchis Estuarine Preserve property, will serve to reestablish important habitat connectivity. The on-site discussion

noted the proposed project would complement a growing network of conserved sites in the greater Tillamook Bay estuary.

The reviewers understood the acquisition of the Porter property had not yet occurred and there were still a number of uncertainties involved, making it difficult for TNC to provide certainty on acquisition dates and even more difficult to provide designs and details on the future restoration work planned. The reviewers agreed the property didn't appear to have any restoration needs with obviously greatly complex activities involved, certainly nothing to the extent of the work planned for the neighboring Kilchis Estuarine Preserve property. They did note that the opportunity for the project developed so quickly that sufficient time to fully investigate the property prior to drafting the CW application had not been available, and with more time to walk and investigate the property it was possible that issues and restoration needs other than those already known could yet be discovered.

The reviewers noted on the property maps supplied with the application there was a small rectangular box on the south-southwest edge of the property, and learned during discussion that it indicated a private in-holding on the property, a piece roughly the size of a city lot. TNC staff supplied a brief history of the situation and the reviewers learned the piece of land was purchased by a local family decades ago, somewhere in the 1950s or very early '60s, for some unknown reason. The small piece lies almost adjacent to the banks of the historical location of the reach of Stasek Slough filled during the conversion to agricultural use of the neighboring Dooher / Kilchis Estuary Preserve property. The reviewers noted the in-holding is totally landlocked with no access to its owners, unless access is provided by the surrounding landowner. Recognizing this lack of access to the in-holding property owners as the current practice, the reviewers wondered if legal avenues existed to the in-holding property owner to gain access and, if so, what effects this might have to TNC's planned restoration efforts for both the Kilchis Estuary Preserve and the to-be-acquired Porter property. The reviewers wondered how all this would play out with the in-holding when Stasek Slough was restored to its historical channel and dikes were breached on both the Kilchis Estuary Preserve and the to-be-acquired Porter property. They recommend this issue be investigated before proceeding much further.

The reviewers noted the Highway 101 border and the railroad, which respectively form the border, or bisect the eastern edge of the property, probably would need to be looked at closely and researched to a greater level of detail to see what constraints to restoration either of these existing infrastructures might present. During the site visit walk-about the reviewers noted some hydrologic alterations they'd not found discussed in the application, but when discussed on site these alterations were thought to be fairly simple to eliminate and natural hydrology restored to the area.

The walk-about provided the reviewers with the clear understanding of how closely linked ecologically the two neighboring properties (Kilchis Estuarine Preserve and Porter) were and

what a great opportunity this project would provide to restore an even greater acreage of important habitat types in the Tillamook Bay estuary.

The reviewers noted that restoration work planned for the Kilchis Estuarine Preserve property would be eased and enhanced if the Porter property was acquired in time for access advantages to be seized, and restoration work on the Porter property, should it be acquired, would also be informed and enhanced with access, materials and knowledge gained through the work accomplished on the Kilchis Estuarine Preserve property. There was some discussion on the inter-related needs and timing of the restoration work on the Kilchis Estuarine Preserve and the combination of acquisition and restoration work on the Porter property, but with the all uncertainties still involved with the Porter property the reviewers couldn't make any determination of how all the components might, or might not, eventually mesh.

With all the uncertainties yet involved, the reviewers could not comment on the restoration budget for the Porter property, other than to note the currently recognized restoration activities on the Porter property were fairly simple, and the amount of earthwork and cubic yards of material involved could be estimated fairly accurately and costs developed from those figures. The reviewers believed it should be expected that a Technical Assistance project would be necessary, once the property was acquired, to further investigate the restoration opportunities and best options to accomplish the restoration goals, and to then develop designs specific to the Porter property and subsequently the details necessary for a reviewable restoration budget.

The reviewers noted that TNC had the experience necessary to bring all these pieces together to make a successful project, and the immediate proximity of the two properties provided a host of serendipitous opportunities for coordination and cost benefits. They had high hopes for success, recognizing that even if everything didn't mesh perfectly, the opportunity provided by restoring an additional 61 acres of estuarine habitats immediately adjacent to the TNC Kilchis Estuarine Preserve was an opportunity not to be missed.

**RRT Recommendation:** The RRT is supportive of submitting the NCWCG application to USFWS.

**Prepared by:** Tom Shafer, OWEB Region 1 Program Representative



# Oregon

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### MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Deputy Director

**SUBJECT: Agenda Item L: Coalition of Oregon Land Trusts  
July 29-30, 2014 OWEB Board Meeting**

#### I. Introduction

This staff report provides an introduction to a presentation to be provided at the July Board meeting by the Coalition of Oregon Land Trusts and the Land Trust Alliance. Representatives of both organizations will provide an overview of the work of land trusts in local communities and the accreditation process for the land trusts, and describe the various ways that land trusts work with willing, private land owners to conserve Oregon's natural heritage. COLT and the Land Trust Alliance are working together in Oregon to implement a capacity-building program in to ensure a high standard of operation and to increase the scale and pace of private land conservation.

#### II. Background

A land trust is a non-profit organization whose mission is to protect, preserve, and steward special lands by working with willing landowners and various community partners. The two most widely used tools to accomplish this mission are a conservation easement or fee-title acquisition, both focused on protecting lands in perpetuity.

The Coalition of Oregon Land Trusts (COLT) is a newly formed nonprofit representing and serving Oregon's land trusts. Its mission is to serve and strengthen the land trust community in Oregon. Oregon's land trust community is working at local, regional, and statewide scales with willing landowners, communities, public agencies and other partners to conserve the state's natural heritage and the economies it supports. From the coastal estuaries in Nehalem to the Wallowas, the nineteen members of COLT are part of an extensive network of over 1,700 land trusts across the country that have collectively protected over 47 million acres. COLT member land trusts have collectively conserved nearly 300,000 acres, including wetlands, riparian areas, coastal estuaries, farms and forestland.

The Land Trust Alliance (Alliance) is a national conservation organization that works to increase the pace of conservation, enhance the quality of conservation, and ensure the permanence of conservation by creating the laws and resources needed to defend protected land over time. The Alliance is based in Washington, D.C., and has several regional offices, including one in Vancouver, Washington that works closely with COLT.

COLT and the Land Trust Alliance are assisting land trusts across Oregon to become accredited. Representatives from both organizations will discuss the importance of accreditation and the progress made to date in assisting Oregon land trusts to achieve this status.

### **III. Land Trust Accreditation**

The public is increasingly demanding accountability from government and nonprofit organizations, including land trusts. Independent accreditation provides the assurance of quality and permanence of land conservation the public and donors look for, and publicly recognizes a land trust's ability to protect important natural places and working lands forever.

The Land Trust Accreditation Commission first awarded a seal of accreditation to land trusts in 2008. Accredited land trusts meet national quality standards for protecting important natural places and working lands forever. These land trusts demonstrate their commitment to excellence by adopting *Land Trust Standards and Practices*, the ethical and technical guidelines for the responsible operation of a land trust, and meeting the accreditation requirements drawn from them.

Accredited land trusts have voluntarily submitted their organizations to an external, independent review of their practices. As a result, accreditation provides the public with the assurance that the land trust displaying the accreditation seal meets established standards for organizational quality and permanent land conservation.

Land trusts help conserve land that is essential to our health and well-being. When land trusts agree to protect land for the benefit of the public, in most cases they do so by promising that the protection is forever. The accreditation program verifies that the land trust has the policies and programs in place to keep this promise, either by caring for the land itself or transferring the land to an entity that can.

### **IV. Recommendation**

This is an information item only.



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Greg Sieglitz, Monitoring and Reporting Program Manager  
Dana Hicks, Ecosystem Program Coordinator

**SUBJECT: Agenda Item M: Ecosystem Services Program  
July 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This report provides an update on the projects and activities of the agency's ecosystem services program. This report is for informational purposes only.

### II. Background

Ecosystem services approaches and market concepts encourage the use of restoration and conservation efforts—in particular, voluntary actions on private lands—to ensure the delivery of ecological functions and processes. Such approaches are similar to and overlap with OWEB's mission to protect and restore natural habitats through our various grant programs.

Since 2009, OWEB has been involved in policy and project work to develop metrics and tools associated with ecosystem services. Ecosystem services approaches require that the ecological benefits of conservation and restoration efforts are measured, tracked, and successfully achieved through time, and offer the tools and protocols to do this. These characteristics offer great potential to add value to OWEB's grant-making approach to attain demonstrable and long-lasting ecological outcomes.

Previous Board discussions have identified the potential for using ecosystem services approaches to identify areas of overlapping resource values while measuring the ecological return on the agency's grant investments. In addition, Board members have recognized opportunities for collaboration with other agencies and organizations that will better coordinate programmatic investments and result in mutually beneficial ecosystem services outcomes to landowners and funding partners (e.g., rangeland restoration and juniper management).

### III. Summary of Current Activities

Based on direction from the Board, staff are focusing their efforts on developing and engaging in pilot projects that test a variety of ecosystem services approaches and tools. At Board meetings during the last three years, staff provided updates about several ongoing ecosystem services-related projects. These projects include tool development and testing for a stream-habitat assessment methodology in priority watersheds for Salmon Strongholds, a pilot project in the Willamette Basin with The Freshwater Trust (TFT) and Willamette Partnership, and a

partnership with the Eugene Water & Electric Board (EWEB) on its Voluntary Incentives Program for riparian areas.

Brief summaries of these projects are below. More detailed information regarding the projects is contained in Attachments A-D to this report.

**A. Willamette Basin Ecosystem Services Project** – OWEB and TFT entered into a grant agreement in 2013 following an NRCS Conservation Innovation Grant award to TFT. The intent of the OWEB grant is to advance ecosystem services projects by testing recently developed tools and methodologies for quantifying ecological benefits resulting from watershed restoration actions. Specifically, nutrient tracking and water temperature are the two focal areas for the partners. Within this agreement, all project steps—including design, project development, landowner agreements, site treatment, project implementation, monitoring, and reporting—are financed for a 20-year period.

**B. Salmon Strongholds and Stream Restoration Planning and Mitigation** – In March 2013, the Board awarded \$40,000 to the Willamette Partnership to help test a stream assessment methodology within salmon stronghold areas around the state. This work is being undertaken within the broader context of the Oregon Department of State Lands’ development of a stream mitigation and restoration program. The methodology being developed is relevant for measuring both mandatory mitigation measures and voluntary restoration actions. The Board’s investment allows for testing of the methodology in a broad landscape, including areas with high-value salmon habitat.

**C. Klamath Tracking and Accounting Program** – The Klamath Basin Water Quality Improvement Tracking and Accounting Program (KTAP) was created through a public- and private-sector partnership to increase the pace of and reduce the cost of improving Klamath Basin water quality and the recovery of native fish. KTAP was developed to provide a framework to identify opportunities to improve water quality, facilitate basin-wide prioritization and implementation of those opportunities, and coordinate funding to address large-scale opportunities in meeting the bi-state Total Maximum Daily Loads at the basin scale.

**D. Eugene Water & Electric Board’s Voluntary Incentives Program** – OWEB entered into an agreement with EWEB in 2014 to assist in the rollout and testing of the utility’s Voluntary Incentive Program. The concept is based upon making payments to landowners who voluntarily agree to the long-term preservation of critical landscapes, such as healthy riparian forests, as a way to maintain and improve water quality within the watershed. This program is innovatively creating and testing new approaches to preventing the need for future restoration actions through a “protecting the best first” concept.

Staff will report summary information about results of some of these projects at the July Board meeting. Staff intend for this summary of activities to-date to be a basis for future discussion with the Board about priorities for the ecosystem services program.

#### **IV. Summary and Future Program Focus**

OWEB's participation in the projects described above demonstrates significant momentum and progress on several priority areas for the ecosystem services program. A strong connection between the OWEB ecosystem services and effectiveness monitoring programs exists since both are focused on ecological outcomes attained from the agency's investments. By testing, applying and integrating ecosystem services' approaches in other aspects of OWEB's programs, the agency has the potential to better measure and document outcomes from its investments.

Ecosystem services projects enhance OWEB's goal of achieving desired ecological outcomes while providing an important test-bed for methods and approaches used to elevate assurances that these outcomes are met through rigorous monitoring and long-term stewardship.

#### **V. Recommendation**

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

#### Attachments

- A. Summary of Willamette Basin Ecosystem Services Project
- B. Summary of Salmon Strongholds and Stream Restoration Planning and Mitigation Project
- C. Summary of Klamath Tracking and Accounting Program
- D. Summary of Eugene Water & Electric Board's Voluntary Incentives Program

## Willamette Basin Ecosystem Services Project Update

### Purpose:

OWEB and TFT entered into a grant agreement in 2013 following an NRCS Conservation Innovation Grant award to TFT for piloting work in the Pacific Northwest to advance ecosystem services projects testing recently developed tools and methodologies for quantifying ecological benefits resulting from watershed restoration actions. Specifically, nutrient tracking and water temperature are the two focal areas for the partners involved in this work. OWEB and TFT established a pilot location for the work in the Willamette Basin, and restoration work began last year in the lower Calapooia River above the town of Brownsville. With the current funding provided by the Board, OWEB will pay for the restoration project and associated thermal credits once certain conditions have been met. Within this agreement, the costs of design, project development, landowner agreement, site treatment, project implementation, monitoring, and reporting for a 20-year period are accounted for. This approach results in a fully-built project with a near guarantee of ecological results for at least a 20-year term.

### Partners:

OWEB, The Freshwater Trust, Calapooia Watershed Council, Willamette Partnership, landowner.

### Activities to date:

The project area was selected and a long-term agreement was developed with the landowner. The riparian area received pre-treatment, planting and recently was visited by third-party verifiers to ensure early performance indicators have been met.

### Key Next Steps:

1. Confirmation that the project site has been fully documented and loaded into database platform with completed estimates of thermal credit, or benefits, that are expected from the project.
2. Verification and certification reports from an independent third-party verifier documenting that project design standards as outlined in *The Willamette Partnership Protocols* have been fulfilled and the thermal credit value estimate is accurate within a 15% margin of error.
3. Proof of registration once thermal credits have been registered and retired on behalf of OWEB on a publicly-accessible credit registry.
4. A detailed Stewardship and Monitoring Plan that outlines the specific adaptive management actions required to maintain the site for the 20-year lifetime of the project, describes the potential risks to the project that could cause failure, and outlines a contingency plan for dealing with these potential risks.

**Additional Details:**

This so-called “conservation purchase” mimics the functionality and capacity of an ecosystem market infrastructure by applying these tools in the context of purchasing completed restoration projects (with ecosystem credits), while attracting financing to fund restoration with measurable ecological outcomes. OWEB’s “conservation purchase” does differ from a market transaction, however, because the ecosystem service credits attained will be retired and unavailable for subsequent purchase, sale, or trade. Project performance monitoring has started and is scheduled for years 1-5, 10, 15, and 20, with incremental success evaluated according to the standards outlined in the grant agreement.

Ecosystem services projects enhance OWEB’s goal of achieving desired ecological outcomes while providing an important test-bed for methods and approaches used to elevate assurances that these outcomes are met through rigorous monitoring and long-term stewardship. Future work with the Board will help establish the relative level of agency commitment to the program area.

## **Salmon Strongholds and Stream Restoration Planning and Mitigation**

### **Purpose:**

In March of 2013, the Board awarded \$40,000 to the Willamette Partnership to help test a stream assessment methodology within salmon stronghold areas around the state. This work is being undertaken within the broader context of the Oregon Department of State Lands' development of a stream mitigation and restoration program. The methodology being developed is relevant for measuring both mandatory mitigation measures and voluntary restoration actions. The Board's investment allows for testing of the methodology in a broad landscape, including areas with high-value salmon habitat. Stream management decisions are often made with limited information and understanding of how a site-level action is influenced by its watershed context, and how that action will affect stream functions.

### **Partners:**

The principal partners are Department of State Lands and Willamette Partnership.

### **Activities to Date:**

An initial season of field testing the Stream Assessment Methodology was conducted in the fall of 2013. Thirty-nine sites were evaluated across Oregon according to desired site attributes in terms of climate, flow duration, stream order, stream gradient and adjacent land use. Testers completed scoring according to the methodology and compared that to their best professional judgment of how sites ranked for providing hydrologic, geomorphic, biological, and chemical/nutrient/thermal functions. Results of the testing are guiding revisions of the methodology and were tested with sampling of an additional 26 sites in the spring of 2014.

### **Key next steps:**

Assembly of the results will inform adjustments to the methods and ultimately provide for a stronger product particularly representing areas that are critical salmon-strongholds throughout the State. A presentation at the July Board meeting about the ecosystem services program will include summary information about this field testing and results.

## **Klamath Tracking and Accounting Program**

### **Purpose:**

At several Board meetings over recent years, staff described activities in which OWEB is involved in the Klamath Basin, including investments by the Regular Grant program, the Upper Klamath Special Investment Partnership (SIP), and ecosystem services initiatives that are underway and in development. Good alignment was identified between the various OWEB investment areas and Klamath ecosystem services-related projects that are attempting to quantify the results of restoration actions.

One of the initiatives is the Klamath Basin Water Quality Improvement Tracking and Accounting Program (KTAP), which was created through a public- and private-sector partnership to increase the pace of and reduce the cost of improving Klamath Basin water quality and the recovery of native fish. KTAP was developed to support Klamath Basin restoration efforts and, to date, has included strong participation by the

### **Partners:**

Primary partners involved with KTAP include the U.S. Environmental Protection Agency, Oregon Department of Environmental Quality, California North Coast Water Quality Control Board, PacifiCorp, the Willamette Partnership, and other local entities.

### **Activities to Date:**

- Developing a framework to identify opportunities to improve water quality, facilitate basin-wide prioritization and implementation of those opportunities, and coordinate funding to address large-scale opportunities;
- Discussions about how benefits from specific restoration actions help meet nutrient and temperature related water quality goals defined in Total Maximum Daily Loads at a basin scale (i.e., in both Oregon and California);
- Working on establishing a means for public and private funders to track water-quality and ecosystem-services benefits from projects implemented to meet regulatory requirements, through government funded restoration and voluntary incentive programs, and/or by private conservation initiatives; and
- Drafting measurement tools that are robust, produce consistent results, and are routinely adapted to incorporate the best available scientific information, and inform decisions.

### **Key Next Steps:**

OWEB staff continue to stay involved in the KTAP working group and provide the agency's perspective on protocol development and pilot projects. Staff also will continue to work together on ecosystem services opportunities within OWEB, particularly related to SIP investments and tracking and accounting ecological uplift and benefits.

## **Eugene Water & Electric Board's Voluntary Incentives Program**

### **Purpose:**

OWEB entered into an agreement with EWEB earlier this year to assist the utility with its work, in conjunction with a number of partners, to develop an investment mechanism that establishes an economic case for protecting natural systems. The program, which has a specific focus on healthy riparian forests, wetlands, and floodplains in the McKenzie River watershed, is known as the Voluntary Incentives Program (VIP) and is unique in the nation.

The VIP concept is simple-payments are made to landowners who agree to the long-term preservation of critical landscapes, such as healthy riparian forests, as a way to maintain and improve water quality within the watershed. Restoration opportunities on adjacent lands are pursued and, once completed, rolled into a longer term maintenance program.

Through payments to landowners, the inherent value of the natural environment and the habitat for listed species and drinking water for the residents of Eugene and Springfield is quantified and translated into a monetary value. Further, a stewardship movement is incentivized, which may lead to a greater interest in and additional opportunities for restoration actions.

The goals of the VIP describe the primary purposes of the program best:

- To develop alternative methods to protect restoration project benefits and high-quality habitats, especially where acquisitions or easements are not the preferred method.
- Explore the interface of restoration with longer-term incentives for achieving, retaining, and protecting ecosystem service gains.
- Support collaboration among partners vested in a particular area or activity; Invest in local organizational capacity needed to increase the use of ecosystem concepts and practices.
- Develop and measure outcomes that are function and value based; link progress at the project level to watershed-level monitoring.
- Advance ecosystem services and markets in Oregon; integrate reporting of outcome-based measures of investments

### **Partners:**

Key partners in the program include the Eugene Water and Electric Board, OWEB, Lane Council of Governments, Upper Willamette SWCD, McKenzie Watershed Council, Cascade Pacific RC&D, University of Oregon, and Oregon State University and landowners.

**Activities to date:**

- Development of riparian forest metrics data and field collection protocols.
- Training for partners on field collection protocols and collected field metric data at reference sites.
- Landowners contacts and providing program factsheets, maps of property boundaries, the VIP focus area, canopy cover/LiDAR and aerial photos.
- Mock-up of web dashboard to track watershed health and VIP activities.
- Drafted an evaluation method for reporting on pilot project results.

**Key Next Steps:**

OWEB staff will continue to work with EWEB through the first phase of implementation as evaluation of reference sites continues and landowner recruitment moves to the commitment stage in 2014 and 2015. Important lessons on the approach to implementation and evaluation are being tracked to inform the potential export of this action to other areas. Future funding requests are expected as integration with other Willamette riparian restoration efforts continue through the Willamette SIP, Tualatin Clean Water Services, Conservation Enhancement Program effectiveness monitoring actions.



# Oregon

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## Oregon Watershed Enhancement Board

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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Deputy Director

**SUBJECT:** **Agenda Item O: Partnership Investments – One-Year Reports  
July 29-30, 2014 OWEB Board Meeting**

### **I. Introduction**

This staff report provides a one-year update from the four current OWEB partnership investments: Upper Klamath Special Investment Partnership (SIP), Willamette Special Investment Partnership, Deschutes Special Investment Partnership and Whole Watersheds Restoration Initiative (WWRI). Each partner was asked to complete a one-year report, and those are provided as Attachments A-D to the staff report. At the July Board meeting, partners and staff will present to the Board, highlighting specific projects and other updates tied to their respective programs.

### **II. Background**

OWEB began its current partnership investments in 2006 with the WWRI, a multi-agency, cooperative funding grant program to restore salmon habitat. This investment was followed in 2008 with the Deschutes SIP, a four-way implementer partnership to provide habitat and passage for Chinook salmon and steelhead above the Pelton-Round Butte dam complex. The Willamette SIP followed later that year; like the WWRI, it has been largely a funder-driven initiative in targeted areas along the Willamette River mainstem and in the 13 sub-watersheds that comprise the Model Watershed Program. Finally, in 2012, the Board approved the Upper Klamath SIP — a multi-practitioner effort to re-establish, improve, and sustain the ecological and hydrologic connectivity of aquatic ecosystems in the Upper Klamath Basin.

By 2012, the Board expressed a desire for clearer understanding of the purpose, outcomes, costs, and time horizons for its partnership investments. In late 2012, staff and the Partnerships Subcommittee developed a process for increasing program transparency and understanding. To this end, staff and the subcommittee, working with the various program partners, developed three tools: 1) a Partnership Report template to describe each partnership and its status; 2) a Partnership Needs Assessment; and 3) a timeline for implementation of the proposed new process for partnership investments. These templates were provided to the Board at its January 2013 meeting, and staff presented the Partnership Reports at the March 2013 meeting.

Staff also established a template for a one-year report tied back to the needs assessments, which were completed and presented to the Board in June 2013. The one-year report is attached for each partnership. The reports include:

- Program summary;
- Challenges;
- Actions accomplished and associated outputs;
- A map of accomplishments;
- Overall progress toward achieving objectives and outcomes;
- Monitoring completed; and
- Summary of expenditures and match.

### **III. Recommendation**

This is an information item, no action is required.

#### Attachments

- A. Upper Klamath SIP One-Year Report
- B. Willamette SIP One-Year Report
- C. Deschutes SIP One-Year Report
- D. WWRI One-Year Report

**UPPER KLAMATH SPECIAL INVESTMENT PARTNERSHIP (SIP)**  
**Partnerships One-Year Report**  
 July 1, 2013-June 30, 2014

**PROGRAM SUMMARY**

1. **Implementation partners** - The implementation partners at the start of July 2013 included: the Klamath Basin Rangeland Trust (KBRT), Klamath Soil and Water Conservation District (KSWCD), Klamath Watershed Partnership (KWP), Sustainable Northwest (SNW), Klamath Tribes, The Nature Conservancy (TNC), Upper Klamath Water Users Association (UKWUA), and the U.S. Fish and Wildlife Service (USFWS). As of March, 2014, Sustainable Northwest has decided not to participate in the partnership because of their reduced presence in the basin. The implementation partners have formed into a partnership titled UKCAN.
2. **Funding partners** - Two identified core partners are committed to funding the project: National Fish and Wildlife Foundation (NFWF) designated the Upper Klamath Basin Keystone Fisheries Initiative in 2008 and we are five years into this 10-year Initiative. USFWS also serves as a funding partner by providing direct project support and technical assistance. Additional partners contribute on a project-by-project basis.
3. **Target** - The Upper Klamath SIP's goal is to improve the hydrologic connection between riverine systems and their floodplains, reduced external loading of nutrients and reduced water temperatures in the catchment above the Link River Dam and Spencer Creek. The outcomes of these measures will be increased distribution of redband rainbow and bull trout, and viable populations of Lost River and shortnose suckers. In addition these efforts will allow the Upper Klamath Basin aquatic ecosystems to support re-establishment of anadromous salmonids.
4. **Expected Interim Objectives /Outcomes** - The partnership will concentrate on priority actions over the next four to six years that directly address limiting factors for two endangered sucker species that reside in the Upper Klamath Basin. Poor water quality and a lack of juvenile rearing habitat likely limits recruitment of juvenile suckers to adult age classes. The Priority Watershed Action List (now titled Strategic Matrix) details the types of restoration activities to occur in the sub-basins. Focus will be on four priority sub-basins—Cascade Tributaries, Sprague Valley Bottom, Upper Klamath Lake, and the Wood River—that have the greatest impact on water quality and sucker survival and recruitment.

**CHALLENGES**

5. Identify any challenges the partnership has faced over the last year and how those challenges have or are being addressed.
  - a) The partnership faced the challenge of how to effectively review and rank projects submitted to the group. As a result, much time and effort has gone into creating a project evaluation form, budget form and Standard Operating Policies that outline the process. The partnership has utilized the process twice during the last year and continues to evaluate and modify where needed.
  - b) The partnership had created a membership and organization process document that was lacking in specificity. Through the creation of a Standard Operating Policy we have reached agreement on many organizational functions and processes.
  - c) It was identified in the last year that the partnership's member organizations needed to have more clearly defined roles in order to function the most effectively and efficiently. By contracting with the Deschutes River Conservancy (DRC), we were able to identify roles both at an enterprise level and at a project level. There is still work to be done on refining those roles and coming to a consensus-based agreement.

- d) The partnership has begun conducting restoration in the Upper Klamath Basin under the new paradigm of the Upper Klamath Basin Comprehensive Agreement (Comprehensive Agreement). Uncertainties about how the agreement will be implemented and how the UKCAN partners will contribute have slightly slowed UKCAN's collective work, but are being discussed. Until the implementation plan for the Comprehensive Agreement is fully fleshed out and functional, the local Upper Klamath SIP partners will continue to implement projects while aiming to fulfill requirements under the newly approved agreement.
6. Identify any challenges the partnership has faced in implementing actions over the last year and how they have or are being addressed.
- a) It was determined during the last year that prior to creating our project list for the current biennia, the partnership needed to spend time and energy creating a restoration "road map" in order to more effectively achieve the desired ecological outcomes. The partnership contracted with DRC to facilitate a 2-day meeting with key partners and technical experts to create a Strategies Matrix to guide our restoration efforts.
- b) Throughout the last year the Upper Basin water users, the Klamath Tribes, the State of Oregon and the U.S. Government have been engaged in negotiations to reach an agreement for water sharing in the upper basin. The partnership decided it would be wise to wait for the Comprehensive Agreement to be completed before creating our full project list, in order to incorporate the new realities of restoration and water acquisition in the basin.

## ACTIONS

7. **Actions Accomplished** - Summarize the actions proposed in your needs assessment and outline actions initiated since July 1, 2013. (Note: You may also choose to report actions completed in the same time period even if they were started in previous biennia).

No funds allocated by the OWEB Board for the 2013-2015 biennium have yet been expended on projects. Actions accomplished this biennium with funds from the previous biennium include:

**Rocky Ford Ranch/Upper Williamson:** A project at Rocky Ford in the Upper Williamson River resulted in placement of more than 300 pieces of large woody debris along three river miles. Additionally, tens of tons of spawning gravel have been added to an existing redband trout spawning site. This project began in January 2012 and was completed in the fall of 2013, with the addition of large woody debris in targeted locations, placement of additional spawning gravel, and re-vegetation of the stream banks. This project significantly benefits the function of the river and improves redband trout habitat, including locations for spawning and cover. *(Funds were awarded for this project during 2011-2013.)*

**Weck/South Fork Sprague Instream Habitat Improvement and Upland Thinning:** This project improves the health of redband trout and bull trout habitat in the South Fork Sprague River. This project has three major components: the addition of large wood, riparian planting, and a forest-health treatment. Large-wood benefits juvenile and adult redband trout and the riparian plantings provide woody vegetation in areas where it is lacking. A treatment of variable density thinning in the overly dense ponderosa pine forest provides wood for in-stream cover, improves forest fire resiliency, and improves the health and vigor of the ponderosa forest. Forest treatment was accomplished on 30 acres of ponderosa forest in the 2013. Large-wood addition is planned for the 2014 in-water work period for this South Fork Sprague project, and the treatment reach is approximately 0.5 miles of stream. The need for additional riparian planting will also be assessed during construction and will occur in the fall of 2014. *(Funds were awarded for this project during 2013-2015; project denoted on map.)*

**Sevenmile Creek Culvert Removal:** KBRT and USFWS worked with NRCS staff to complete site survey and develop a restoration design for the new abutments and bridge that will replace the culvert. They also initiated the permitting process and collaborated with NRCS to develop a Compatible Use Agreement for installation and maintenance of the bridge, given that it will be placed on land enrolled in the Wetland Reserve Program. The partners developed supplemental funding requests to OWEB and USFWS to address scope and complexity changes to this project due to the WRP enrollment. *(Funds were awarded for this project during 2011-2013, with a supplemental request of 2013-2015 funds in progress; project denoted on map.)*

**South Fork Sprague/Keystone Reach Landowner Agreements:** The South Fork of the Sprague River was channelized and floodplain levees constructed along this 4.8-mile reach to reduce flooding (Campbell to Ivory Pine Roads), which caused vertical instability and created an incised channel that no longer has access to its floodplain. A restoration project needs to address each of the ranches' land management practices and potential restoration options. Since the river is incised, all of the landowners must agree to a solution that will work over the entire reach. KWP proposed to work with landowners to explore the potential for unified restoration approach. Technical-assistance focused outreach began in parallel with renewed work on the Comprehensive Agreement. After the agreement has been approved, KWP met with the interim Technical Team that advises on technical issues related to implementation of the Comprehensive Agreement. That team recommended that the project be paused, because of the pending restoration planning work to be undertaken associated with the agreement and the importance of this reach to the overall restoration strategy for the South Fork Sprague. *(Funds were awarded for this project during 2013-2015; project denoted on map.)*

**Newly Awarded Projects:** The Upper Klamath SIP partners submitted grant applications for 12 projects during Spring of 2014. These applications request a total of \$319,992 in OWEB funding. Development of grant agreements for these projects is in progress. The project are listed below and denoted on the map:

- Sevenmile Creek Culvert Removal supplemental request – KBRT (Restoration; \$26,394 requested)
- Sevenmile Treatment Wetlands – KBRT (Restoration; \$33,588 requested)
- Sprague River Floodplain Rehabilitation – KBRT (Restoration; \$58,330 requested)
- Traynham Ranch Riparian Fencing (Wood River) – KBRT (Restoration; \$25,700 requested)
- Sun Creek Irrigation Technical Assistance – KBRT (Technical Assistance; \$22,692 requested)
- Landowner Workshops - Upland Repair & Developing Alternate Forage Sources – KWP (Technical Assistance; \$10,004 requested)
- UK SIP Landowner Outreach, Recruitment and Support – KWP (Outreach; \$12,811 requested)
- UK SIP UKCAN Enterprise Outreach – KWP (Outreach; \$7,567 requested)
- UK SIP Lower Sevenmile Creek Fish Passage – KBRT (Restoration; \$56,336 requested)
- UK SIP North Ditch Screen and Passage – KBRT (Restoration; \$49,534 requested)
- UK SIP Dry Land Conversion and Water Savings – KSWCD (Technical Assistance; \$32,650 requested)
- UK SIP North Fork Irrigation Efficiency TA – KSWCD (Technical Assistance; \$10,780 requested)

8. **Outputs** - Identify specific outputs accomplished based on those actions (miles of stream habitat, acres of restoration, cfs in-stream, etc.)

Outputs to date include, but are not limited to:

- Placement of 300 pieces of large woody debris and additional spawning gravel
- Re-vegetation along three river miles
- Installation of three off-channel stock watering tanks and two solar pumps

- Treatment of 30 upland acres for forest health, with resulting large wood to be placed in 2014 for in-stream cover

## 9. **Map** – See attached

## **RESULTS**

10. **Progress** – Summarize the progress the partnership has made toward achieving objectives and outcomes based on the actions completed.

This has been a unique year for the partnership. We have worked hard to strengthen our organizational process, role identification and development, and project evaluation and ranking processes. In addition, we have created our Strategic Matrix to more effectively guide our restoration strategy and prioritization. The combined effects of these efforts have created a stronger, more effective collaborative effort. Progress toward our ecological goals can be seen in the Actions and Monitoring sections of this report.

## **MONITORING**

11. **Monitoring** – Summarize any specific monitoring actions completed in the last year. In addition, summarize results of monitoring work (if any) that have been measured since the program's inception.

A considerable amount of habitat restoration and screening of water diversions has occurred since the program's inception, which has slowed the rate of habitat loss for native fish, although large amounts of historical habitat are still inaccessible or in poor condition. Juvenile sucker survival rates are extremely low and population growth rates remain below sustainable levels. Although the direct causes of mortality are unknown, poor water quality is likely a significant contributing factor. Incremental improvements in water quality (as measured by reductions in phosphorus loading) are beneficial to the species.

Water quality monitoring by the U.S. Geological Survey (USGS) and the Klamath Tribes continues to assess nutrient load reductions to Upper Klamath Lake and any subsequent improvements in lake water quality. The USGS also generates yearly adult sucker population statistics to determine if and when recruitment of juvenile fish to the adult spawning population has occurred. While there hasn't been any major recruitment recently, the population has remained relatively stable and no fish die-offs have been reported in the lake since 2003. It is likely that improved water quality and increased juvenile habitat in wetlands have contributed to this success.

Oregon Department of Fish and Wildlife continues to track redband trout population response to habitat restoration and impediments to population growth. Annual redd counts are conducted on a number of basin streams (Wood River and tributaries, Williamson River and tributaries, etc.) and with the exception of the 2013-2014 spawning season, redband trout populations have remained stable or increased in abundance over the last five years. State biologists believe water year is the strongest driver of juvenile survival and cohort production. Abnormally low spawning counts in a number of streams in 2014 are likely the result of poor snowpack conditions in 2009 and 2010.

The Klamath Tribes continues to work with Newfields (a consulting firm) to evaluate different approaches to river restoration to determine effectiveness of specific actions and is actively working to identify future priorities and techniques to implement, monitor, and apply adaptive management to restoration projects in the Upper Basin.

In the Wood River Valley, a hydrology model being developed by Aquatic Ecosystem Sciences will allow characterization of the sub-watersheds within the Wood to better target water quality improvement projects such as diffuse source

treatment wetlands and riparian buffers. This work will be the first time a true understanding of the intricate hydrology in the Wood Valley will be documented.

KBRT is actively monitoring pre-project conditions at multiple diffuse source treatment wetland projects in the Wood River Valley. This monitoring will be conducted before, during and following implementation, and will provide the data to evaluate how effective these small wetland systems are at removing nutrients from ditch networks. This information will provide a foundation for a program that could develop many more small, on-farm treatment wetland facilities in the Wood River Valley, a major source of nutrients to Upper Klamath Lake.

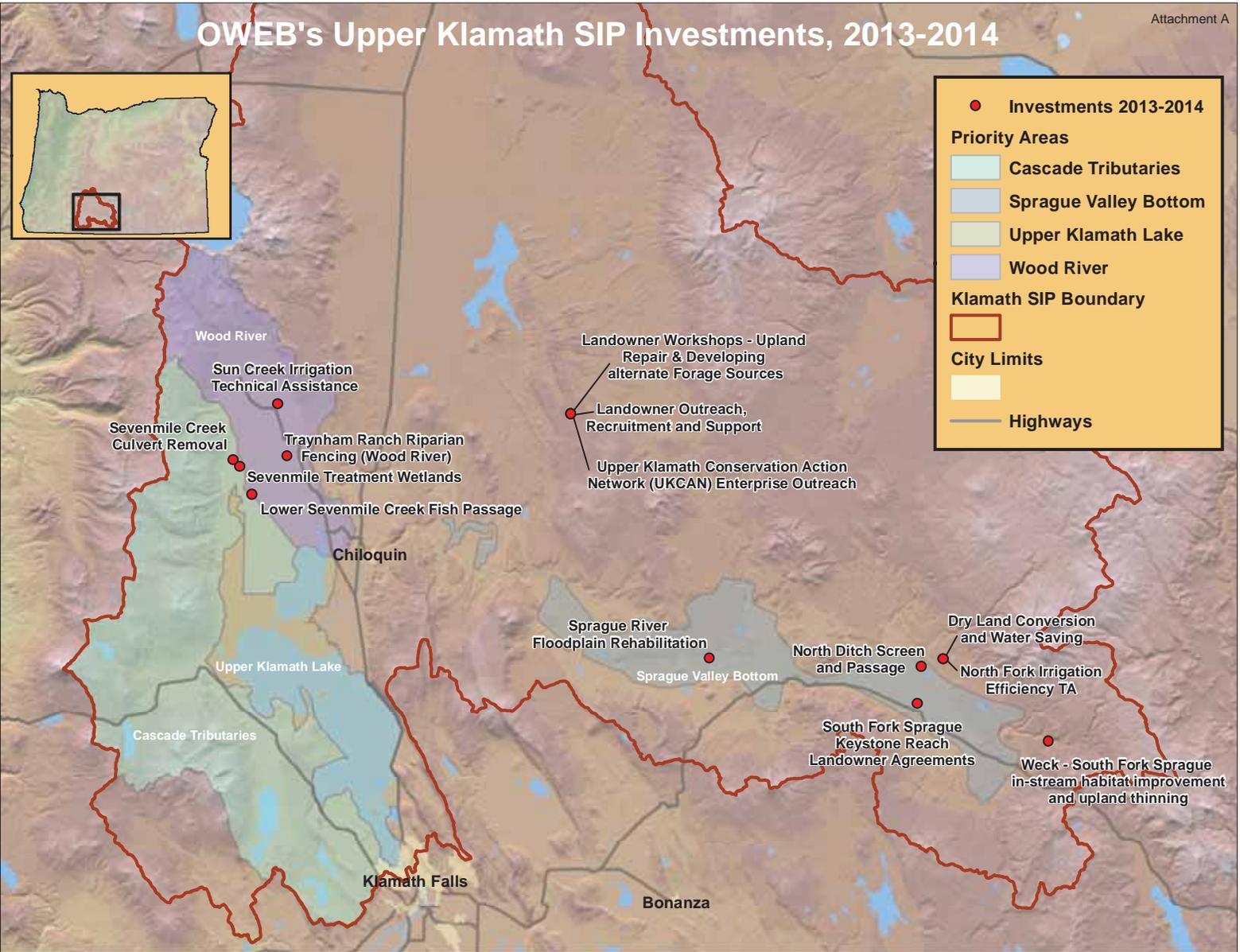
KSWCD is working with the Natural Resources Conservation Service and several landowners to create a program to convert poorly irrigated and/or uplands to dryland crops to help improve soil health by increasing soil organic matter. This initiative will help increase soil moisture holding capacity, reduce runoff and generally improve range health. KSWCD set up test plots on private ground in 2013 to begin testing different cultivation practices and their effect on dryland crops. Plots will be monitored through the 2016 growing season. Successes from this project will be used to drive over 200 future ranch management plans.

#### 2013-14 INVESTMENTS

2013-14 Investments – From 2011-2013 Award						
OWEB Grant Category	Lead Organization(s)	OWEB Investment	Funding Partner Investment		Implementation Partner/Other Leverage	
			Cash	In-Kind	Cash	In-Kind
Partnership Capacity		\$	\$	\$	\$	\$
Outreach		\$	\$	\$	\$	\$
Technical Assistance	KWP	\$7,823	\$	\$	\$	\$
Restoration	USFWS	\$18,951	\$1,223	\$	\$	\$
Land Acquisition		\$	\$	\$	\$	\$
Water Acquisition		\$	\$	\$	\$	\$
Monitoring		\$	\$	\$	\$	\$
<b>Total</b>		<b>\$26,774</b>	<b>\$1,223</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

The Upper Klamath SIP partners have requested **\$319,992** in 2013-2015 biennium funding for 12 projects. At the writing of this project, grant agreements are being developed for these projects.

# OWEB's Upper Klamath SIP Investments, 2013-2014



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# Willamette Special Investment Partnership

## One-Year Report

### July 1, 2013-June 30, 2014

Submitted by Eric Jones, Meyer Memorial Trust and  
Kendra Smith, Bonneville Environmental Foundation

## PROGRAM SUMMARY

### 1. Implementation partners

#### Mainstem

<b>Land acquisition interests</b> (Greenbelt Land Trust, McKenzie Land Trust, The Nature Conservancy)	<b>Tribes</b> (Grand Ronde, Siletz, and Warm Springs)
<b>Watershed councils</b> (Calapooia and Luckiamute, Long Tom)	<b>State agencies</b> (Oregon Department of Fish and Wildlife, Oregon Parks and Recreation Department, DOGAMI)
<b>Local government</b> (Benton SWCD, Cities of Albany, Salem, and Portland)	<b>Federal agencies</b> (U.S. Geological Survey, USFWS, NOAA Fisheries, US Army Corps of Engineers)
<b>Non-profit conservation groups</b> (Friends of Buford Park and Mt. Pisgah, Willamette Riverkeeper)	<b>Academia</b> (Oregon State University, University of Oregon)
<b>For-profit enterprises</b> (River Design Group)	

#### Model Watersheds

<b>Calapooia Watershed Council</b> (Middle Calapooia and Courtney Creek subwatersheds)	<b>Middle Fork Willamette Watershed Council</b> (Lost and Little Fall creeks subwatersheds)
<b>Long Tom Watershed Council</b> (Ferguson, Bear, and Coyote creeks subwatersheds)	<b>North Santiam Watershed Council</b> (Valentine Creek and Bear Branch subwatersheds)
<b>Luckiamute Watershed Council</b> (King's Valley subwatersheds)	<b>South Santiam Watershed Council</b> (Hamilton and McDowell creeks subwatersheds)
<b>Marys Watershed Council</b> (Shotpouch, TumTum, Woods, Greasy/Rock/Beaver Creeks)	

Three of the watershed councils — Calapooia, North and South Santiam — have combined their outreach and technical staff to achieve cost efficiencies. They are regarded, therefore, as a single model watershed.

### 2. Funding partners

The Mainstem Program has three core funding partners: OWEB, Meyer Memorial Trust (MMT), and Bonneville Power Administration (BPA). The Model Watershed Program is funded mainly by MMT and OWEB, and is managed under contract to MMT by the Bonneville Environmental Foundation. To date, OWEB has supported over \$11 million in WSIP projects with nearly \$8.1 million of that amount spent on the mainstem and \$3.1 million spent on the Model Watersheds.

### 3. Target

#### Ecological outcomes

##### Mainstem

- Increased channel complexity and length
- Improved connectivity between the river and its floodplain
- Expanded geographic extent and improved health of floodplain forests

##### Model Watersheds

- Enhanced quality and function of riparian corridors and floodplains
- Enhanced quality and quantity of in-stream and stream-associated habitats
- Increased in-stream flows and improved water quality

#### Geography from your needs assessment

The WSIP currently encompasses the length of the Willamette River from RM 186 to its confluence with the Columbia River and targeted 5<sup>th</sup>-6<sup>th</sup> field tributary HUC's in the model watersheds. On the mainstem, the partners have identified 12 "anchor habitats" of "conservation opportunity", which have their origin in The Nature Conservancy's Synthesis Mapping Project. The anchor habitats are located at major tributary confluences and river sections where there are opportunities to re-connect the river to its historic floodplain. In the model watersheds, the councils have identified the priority streams in need of restoration actions, which consist primarily of degraded stream reaches with perennial flows.

### 4. **Expected Interim Objectives /Outcomes** - Summarize your interim objectives/outcomes from the needs assessment.

#### Mainstem

Objective	Measurement(s)
Build the capacity of local organizations	Numbers of core implementers able to dedicate staff to WSIP objectives.
Improve the ability to implement restoration and protection in the anchor habitats	Acres of public and private land available for either restoration or protection (fee simple acquisition or conservation easement).
Conduct specific evaluation of processes that can be used to target restoration actions.	Extent to which scientific investigations are employed to help identify and prioritize restoration actions consistent with WSIP desired ecological outcomes.
Increase floodplain reconnection	Area of floodplain with inundation during juvenile fish stage.
Increase and improve the extent and condition of floodplain forests	Acres of floodplain reforested with established native cover and minimal invasive cover.
Increase channel length and complexity	Length of additional channel opened and re-vegetated.
Implement large-scale validation and effectiveness monitoring	Changes in restoration practices resulting from information gathered.

## Model Watersheds

Objective	Measurement(s)
Build the capacity of participating model watersheds	Numbers of staff dedicated to model watershed objectives.
Landowner interest/outreach	Parcel record of landowner interest (i.e., the level of interest or commitment expressed by local landowners in participating in restoration activities).
Riparian corridor and floodplain enhancement	Acres and miles of corridor enhanced. Acres of wetland/floodplain enhanced.
In-stream habitat enhancement	Length of stream treated; number and type of migration barriers removed.
Flow or water quality enhancements	Extent of beaver restoration and temperature/pollutant reductions
Monitoring	Ability to measure progress against goals and objectives

## CHALLENGES

5. A) Identify any challenges the partnership has faced over the last year and how those challenges have or are being addressed.

Probably the greatest issue from a funder perspective is that requests for both the mainstem and model watershed programs far exceed available funds. However, due to the strong funding partnership between OWEB, Meyer Memorial Trust (MMT) and Bonneville Power Administration (BPA), we have been able to support far more mainstem restoration than would have been possible with just WSIP funds. The increased requests for restoration funding are the result of the coordinated funding strategy employed by OWEB and MMT through which MMT supported early project development actions by land trusts and watershed councils in order to generate new projects along the mainstem Willamette. Many of the projects that are now applying to OWEB for implementation funding are the result of this early MMT funding.

Mainstem: Adjusting to OWEB's shift to a Focused Investment Partnership program is proving somewhat challenging for Willamette partners primarily due to the significantly larger scale of the Willamette and the vastly greater number of partners engaged in the WSIP than other SIPs.

Another challenge, which is not unfamiliar to nonprofit organizations, is the current state of the funding landscape. OWEB's FIP process coupled with the eventual ramp down of MMT's Willamette River Initiative in 2019 has created some funding uncertainty for WSIP partners. While MMT's role as major funding partner will subside, it is already beginning conversations with grantees about how to most effectively support the groups' impressive momentum on the mainstem while helping them build resilient organizations during the second half of WRI.

### Model Watersheds:

*Staffing*. The overall number of staff dedicated to the program remains steady, though numbers shift annually per organization. Currently 37 staff have come and gone from the program since its inception 4.5 years ago. 7 council staff are original participants.

*Weather and supply chain/contractor issues*: These issues have been the biggest challenges in implementing actions this year. The partners are working closely with nursery suppliers and contractors to identify contingency plans to make the process more resilient during the critical planting season.

B) Identify any challenges the partnership has faced in implementing actions over the last year and how they have or are being addressed.

Mainstem: Implementation challenges include 1) a complicated landownership arrangement on the Harkens Lake project (Greenbelt Land Trust) that has delayed landowner agreements, which OWEB requires prior to a first payment; and 2) an ambitious and under-budgeted channel restoration project at Green Island, which is requiring the grantee to make some difficult choices.

The Bowers Rock-Little Willamette Habitat Connectivity Restoration project, funded prior to the reporting period, fell apart this summer with the private landowner refusing to sign the landowner agreement. The project was being managed by the Calapooia Watershed Council in partnership with State Parks (the main landowner) and both groups invested tremendous energy in reaching out to neighbors. Unfortunately, there is a long history of ill-will dating back nearly 50 years to the State's effort to establish a Willamette Greenway. Even the watershed council, which has an impressive track record working with private landowners on the Brownsville, Sodom and Shearer dam removals on the Calapooia River, was unable to move the Bower's Rock neighbors.

Model Watersheds:

*Landowner interest/outreach*: The parcel status is tracked, noting changes in landowner interest in participating in restoration activities. This metric has been difficult to manage and track consistently due to changing tax lot information and Council interpretations of the criteria for the specified categories.

*Flow/water quality enhancements*: The councils are having dialogue with landowners about allowing beaver to persist in the system, even when they are eating riparian plantings. Techniques have been employed to allow the beaver to remain on sites. The Program pursued a climate adaptation grant opportunity to continue these efforts but was unsuccessful.

*Data management*: The partners continue to struggle to populate their custom database *Confluence*, which serves as system of record for their project work, landowner information, and program activities. Additional trainings and technical assistance were provided and most partners are now able to fully use the system.

## **ACTIONS**

6. **Actions Accomplished** - Summarize the actions proposed in your needs assessment and outline actions begun or completed since July 1, 2013.

Mainstem: The 2013 WSIP Needs Assessment identified several potential actions to be addressed over the 2013-2015 biennium. These actions are shown below with a brief status update.

### Exploring a process for achieving "collective impact"

In fall 2013, OWEB and MMT separately convened meetings, which included discussions of how to strengthen regional collaboration in planning and implementing watershed restoration in the Willamette Basin. A small group of stakeholders at each meeting volunteered to get together early in 2014 to continue the discussions. In January, the volunteers developed a scope of work and selection process for securing the consulting services needed to assist stakeholders in developing desired work products (e.g., Willamette restoration action strategies and a stakeholder-driven WSIP). By April, a steering committee of nine volunteers had selected the consulting service—Third Stream Consultants, LLC. Principal, Kathleen Guillozet, is helping the committee develop a strategic approach to governance and program-level investments.

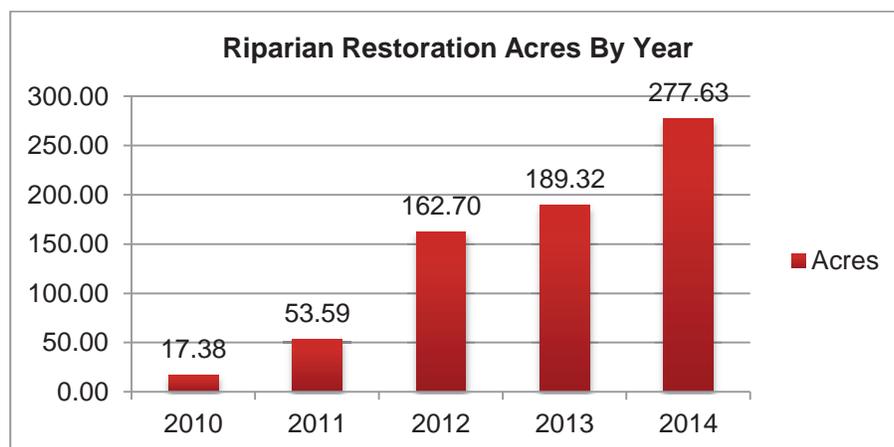
### Progress toward achieving ecological outcomes

The WSIP continues to fund projects that meet one or more of the program's outcomes—increased channel complexity and length, improved connectivity between the river and its floodplain, and expanded geographic extent and improved health of floodplain forests. OWEB's 2013 investments are discussed in greater detail in Question 7; the 2014 grant cycle will get under way in July.

### Conducting Research and Monitoring

A subcommittee of BPA's Habitat Technical Team (HTT) has met throughout spring 2014 to refine WSIP monitoring goals and to lay the foundation for long-term status and trends monitoring. The goal is to develop an affordable, effective, and consistent monitoring framework to characterize the condition of physical and biological attributes and changes over time and across a given area. To date, the group has developed a draft process diagram for Willamette River floodplain monitoring and a draft table of potential monitoring activities. The information will be shared at the August 2014 HTT meeting.

Model Watersheds: For the WSIP, the model watersheds focus on generating contiguous riparian corridor restoration along priority perennial streams. The partners began intensifying their efforts in 2010 and continue to recruit and implement riparian projects each year. The chart below shows the program's intensification over the past five years. For the period July 2013-June 2014, 358.17 acres, 26.36 miles of corridor (revegetation and invasives control), and 22.59 acres of wetland floodplain have been enhanced. Additionally, 7.47 miles of linear riparian area were fenced. Finally, there were 6.29 miles of in-stream habitat enhancement projects and 9 fish passage barriers removed.



7. Outputs - Identify specific outputs accomplished based on those actions (miles of stream habitat, acres of restoration, cfs in-stream, etc.).

Mainstem: For the 2013 grant cycle, the partnership awarded eight of 10 projects for nearly \$2.5 million. OWEB funded, or co-funded, five of the eight projects for a total of \$1 million.

Grantee/Grant Name/ Requested Amount	OWEB Award	Co-Funding	Actions Accomplished	Outputs 2013-2014
Greenbelt Land Trust Harkens Lake Restoration, Phase 2 \$393,282	\$227,975	\$165,277 (BPA/HTT)	Design, modeling, restoration – removal of floodplain barriers	Will open 2.6 mi. of side channel, create 5,800 ft. of new swales to reconnect 600 ac. of floodplain with mainstem

Long Tom WC Snagboat Bend/Sam Daws Channel Complexity TA \$69,879	\$69,879	\$33,371 (NFWF, Weed Board)	Outreach, planning and design	Future restoration will remove nine fish passage barriers
McKenzie River Trust Green Island Channel Restoration, Phase 2 \$934,723	\$336,762	\$534,723 (BPA/HTT)	Side channel reconnection, creation of wetland habitat	Will create 2,200 linear feet of new side channel and grade 3 gravel ponds for wetlands
The Nature Conservancy Willamette Confluence Design and Restoration \$396,028	\$149,741	\$246,287 (MMT) \$85,000 (BEF)	Side channel reconnection, wetlands restoration, floodplain forest	7,200 linear feet of new side channel, 10.3 acres of new shoreline, 25 acres of wetland, 75 acres of floodplain forest
Willamette Riverkeeper Willamette Mission Floodplain Forest Restoration, Phase 1 \$298,510	\$215,643	\$0	Floodplain forest	53 acres of new floodplain forest, 120 acres inter-planted, 198 acres maintained
Luckiamute WC Luckiamute SNA Floodplain Enhancement Phase 3 \$361,852	\$0	\$271,585 (MMT)	Floodplain forest	39 acres of new floodplain forest, 67 acres of forest enhancement
Benton SWCD Willamette Floodplain Geomorphic Mapping \$172,018	\$0	\$172,018 (MMT)	Increase scientific knowledge of river	Information to be added to the SLICES Framework
City of Salem Minto Island Strategy and Habitat Mgt Plan TA \$56,000	\$0	\$56,000 (MMT)	Established technical advisory committee	Future restoration on the 307- acre island.
<b>\$2,682,292</b>	<b>\$1,000,000</b>	<b>\$1,479,261</b>		

Model Watersheds: Overall outputs for the model watershed program for the SIP to date include the partners having completed 50.51 miles and 701.86 acres of riparian revegetation; 20.92 miles of exclusion fencing; and over 70 miles in early detection, rapid response treatment of invasives (primarily knotweed). Currently the partners are actively maintaining over 885 acres and 140 miles of riparian corridors.

Grantee	Grant Name	Requested Amount	OWEB Award	MMT Capacity
Calapooia WC	Calapooia/Santiam Riparian Reveg, Phase 3	\$1,104,162	\$388,002	\$94,000
Long Tom WC	Bear, Coyote, Ferguson Riparian Restoration – Phase 3	\$239,086	\$158,108	\$94,000
Luckiamute WC	U. Luckiamute Riparian Fencing and Revegetation	\$249,227	\$221,160	\$74,000

Marys WC	Marys River Riparian Corridor and Related Floodplain Enhancement	\$165,674	\$90,535	\$94,000
Middle Fork Willamette	Lost Creek Riparian Corridor Enhancement, Phase 2	\$244,609	\$142,195	\$94,000
		<b>\$2,002,758</b>	<b>\$1,000,000</b>	<b>\$450,000</b>

8. **Map** – See attached.

## RESULTS

9. **Progress** – Summarize the progress the partnership has made toward achieving objectives and outcomes based on the actions completed.

Mainstem: The 2013 grant cycle marked a significant maturation in program activities. Where revegetation and acquisition projects dominated the early years of mainstem restoration, activities have now diversified to large-scale floodplain reconnection and restoration of side-channel complexity. It has taken several years to build the capacity of implementing groups to expand their operations to the Willamette River floodplain and to see the full spectrum of restoration possibilities.

For the 2013 to 2014 grant period, WSIP partners made significant progress on program objectives and outcomes. During the period, two major channel reconnection projects were initiated, which will open nearly four miles of Willamette side channel. Also, nearly 350 acres of floodplain forest are being, or will be, planted. In addition to the impressive on-the-ground results, the projects initiated during the reporting period embody strong partnerships and collaboration.

Model Watersheds: The momentum and implementation progress in the model watersheds around riparian corridor restoration is significant in advancing the improvement in the quality and function of the stream systems, as well as in increasing local stewardship by landowners. The efforts have resulted in trickle-down benefits of increased flow and in-channel habitat recovery with increasing beaver utilization at several of the sites.

## MONITORING

10. **Monitoring** – Summarize any specific monitoring actions completed in the last year. In addition, summarize results of monitoring work (if any) that have been measured since the program's inception.

Mainstem: Monitoring has not yet been a focus of the mainstem as restoration projects did not start coming on line until 2010, with the majority of those occurring since 2012. However, the partnership is currently laying the foundation for consistent, long-term status and trends monitoring (see Question 7), and for updating and expanding the University of Oregon's SLICES Framework, which highlights priority areas and tracks progress toward conservation goals. Given the time required to restore and recover mainstem processes, long-term, recurring, time-series monitoring data will be most valuable in assessing the effectiveness of achieving program goals. Strategically pairing recurring remotely sensed land cover information with "weight-of-evidence" on-the-ground monitoring can strike a pragmatic balance between cost and long-term determination of the effectiveness of restoration investments.

Model Watersheds: Monitoring continues to be implemented and refined as the program matures. We have reduced the number of sites to better manage out year costs, and have added an alternative study design to compare to the BACI method currently being used. In summer of 2013, the program completed an extensive QA/QC of the monitoring data, facilitated an expert review, and adjusted the number of sites to stabilize the out-year funding for the program. In addition, the program developed an extensive post-treatment study of the revegetation sites to be evaluated in summer of 2014. The results to date indicate a decrease in invasives cover at project sites and an increase in native species cover and diversity over pre-treatment conditions.

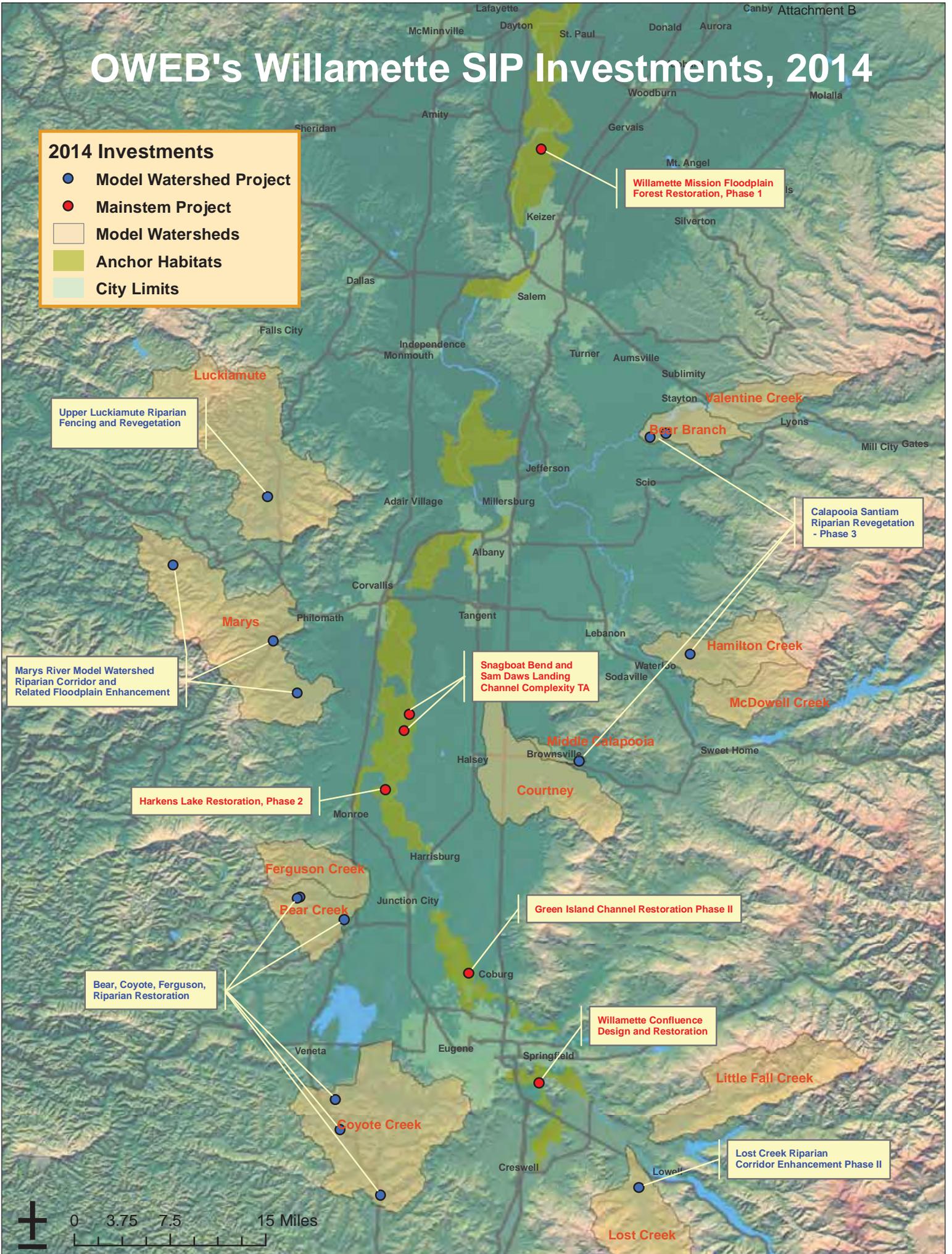
#### INVESTMENTS, 2013-14

OWEB Grant Category	Lead Organization(s)	OWEB Investment	Funding Partner Investment		Implementation Partner/Other Leverage	
			Cash	In-Kind	Cash	In-Kind
Partnership Capacity	OWEB/MMT	\$105,000	\$450,000	\$	\$26,250	\$
Outreach	MMT	\$	\$146,700	\$	\$	\$
Technical Assistance	OWEB/MMT	\$69,879	\$228,018	\$	\$17,470	\$
Restoration	OWEB/MMT	\$ 1,930,121	\$1,217,872	\$	\$482,530	\$
Land Acquisition	ODFW	\$	\$3,650,588	\$	\$	\$
Water Acquisition		\$	\$	\$	\$	\$
Monitoring		\$	\$	\$	\$	\$
<b>Total</b>		<b>\$2,105,000</b>	<b>\$5,693,178</b>	<b>\$</b>	<b>\$526,250</b>	<b>\$</b>

# OWEB's Willamette SIP Investments, 2014

## 2014 Investments

- Model Watershed Project
- Mainstem Project
- Model Watersheds
- Anchor Habitats
- City Limits



Willamette Mission Floodplain Forest Restoration, Phase 1

Upper Luckiamute Riparian Fencing and Revegetation

Calapooia Santiam Riparian Revegetation - Phase 3

Marys River Model Watershed Riparian Corridor and Related Floodplain Enhancement

Snagboat Bend and Sam Daws Landing Channel Complexity TA

Harkens Lake Restoration, Phase 2

Green Island Channel Restoration Phase II

Bear, Coyote, Ferguson, Riparian Restoration

Willamette Confluence Design and Restoration

Lost Creek Riparian Corridor Enhancement Phase II



# Deschutes Partnership One-Year Report

July 1, 2013-June 30, 2014

## PROGRAM SUMMARY

### Implementation Partners

The Deschutes Partnership is comprised of four non-profit organizations, including the Upper Deschutes Watershed Council, Crooked River Watershed Council, Deschutes Land Trust and Deschutes River Conservancy. These partners work together with an integrated approach to land conservation, streamflow restoration, stream habitat restoration, fish passage and screening, community education and outreach, and monitoring and evaluation.

### Funding Partners

There are more than 20 different funding partners involved in the work of the Deschutes Partnership. In addition to OWEB, the four largest funders are:

- Pelton General Fund: Project funding for stream restoration, fish passage and fish screening projects.
- Pelton Water Fund: Project funding for streamflow restoration projects.
- Bonneville Environmental Foundation: 10-year funding investment in monitoring in Whychus Creek.
- National Fish and Wildlife Foundation (Columbia Basin Water Transactions Program): Programmatic and project implementation funding for flow restoration projects.

### Target

The Deschutes Partnership seeks to restore the physical and biological conditions necessary to support self-sustaining populations of wild salmon and steelhead in the 226 miles of reintroduction areas of the Metolius River, Whychus Creek and the lower Crooked River (see attached map). Accordingly, the Deschutes Partnership's strategies are designed to achieve specific outputs (e.g., streamflow) and outcomes (e.g., adequate water quality) that will cumulatively address the primary limiting factors for successful reintroduction.

### Interim Objectives and Outcomes

The Deschutes Partnership's 2013-15 Needs Assessment described interim objectives and outputs over a six year period, summarized as:

#### *Metolius River*

Land Conservation: Conserve additional 1.0 miles of land along Metolius River and Lake Creek.

Fish Passage/Screening: Provide fish passage/screening at the remaining 21 sites on Lake Creek and Jack Creek.

Stream Restoration: Restore ½ mile of stream channel, riparian, and floodplain function on Spring Creek.

Community Involvement: Increase community and stakeholder support for watershed restoration by connecting with 900 stakeholders per year.

#### *Whychus Creek*

Land Conservation: Conserve additional 4.5 miles of land along Whychus Creek.

Streamflow: Use conservation, acquisition, and leasing to achieve Oregon instream flow target of 33 cfs (interim target)

Fish Passage/Screening: Provide fish passage/screening at the remaining seven sites.

Stream Restoration: Restore stream channel, riparian, and floodplain function along seven miles of historically channelized creek

Community Involvement: Increase community and stakeholder support for watershed restoration by connecting with 900 stakeholders per year.

Monitoring: Monitor seven restoration effectiveness indicators throughout the duration of restoration investments.

### *Lower Crooked River*

Land Conservation: Conserve additional 2.5 miles of land along McKay Creek and Ochoco Creek.

Streamflow: Use conservation, acquisition, and leasing to restore 60 cfs to Lower Crooked River and 11 cfs on McKay Creek.

Fish Passage/Screening: Provide fish passage/screening at the remaining five sites.

Stream Restoration: Restore stream channel, riparian, and floodplain function on total of five miles between McKay Creek, Ochoco Creek, and Crooked River

Community Involvement: Increase community and stakeholder support for watershed restoration by connecting with 300 people per year.

Monitoring: Support prioritization and adaptive management by building existing monitoring efforts and strengthening integration with Pelton-Round Butte related monitoring

## **CHALLENGES**

### *Partnership*

In the past year, the primary challenge that the Deschutes Partnership has faced has been the development of a cohesive strategy for raising funds beyond OWEB to support large scale projects that have been developed over the past several years. These projects have emerged from the growing networks of opportunities that the Deschutes Partnership has been building. The work on this fundraising strategy has prompted important conversations about varying organizational capacity between the partners, project prioritization between watersheds, and decision-making. To address this challenge, the Deschutes Partnership will be finalizing a new MOU in late 2014 and will engage in a facilitated process to assess strengths, weaknesses, opportunities and threats in the coming years.

### *Implementation*

Overall, the project work of the Deschutes Partnership has been successful, with projects being developed and implemented consistent with their general timelines and budgets. Although all Deschutes Partnership projects face their routine challenges (e.g., permitting, funding, contracting, landowner relations, etc.), the single greatest challenge facing the Deschutes Partnership is the fundraising need for the completion of the \$8 million fish passage project at Opal Springs. This project is complex, will require significant regulatory processes (e.g., FERC review), and has a fundraising target of \$4 million in outside funding. These are significant hurdles that the Deschutes Partnership will be working on in the coming years.

## **ACTIONS**

### **Actions Accomplished**

Actions during the period of July 1, 2013 through June 30, 2014 include:

#### Land conservation

- Continued negotiating purchase agreement / conservation easements for several key floodplain properties, including:
  - 477-acre Remund Property along two miles of Whychus Creek
  - 2150-acre Beyer Property (Demaris Ranch) along two miles of McKay Creek
  - 518-acre Breese Property (Hidden Falls Ranch) along 1.25 miles of Ochoco Creek/.75 miles Hidden Falls Creek
  - Several priority properties on Lake Creek between Lake Creek Lodge and the Metolius River

#### Streamflow restoration

- Continued to develop and implement stream flow restoration projects, including:
  - Design, fundraising, and contracting for the piping of Central Oregon Irrigation District's Juniper Ridge II project as Phase III of the NUID Water Supply Program;
  - Shepherding the conserved water application for Phase II of the NUID Water Supply Program through the state's administrative process;
  - Piping Phase V of Three Sisters Irrigation District's Main Canal;
  - Design, fundraising, contracting, leasing and administrative processing for multiple instream leases; and
  - Design, fundraising, contracting, purchasing, and administrative processing for the Pine Meadow Ranch water acquisition.

#### Stream habitat restoration

- Continued working on developing stream restoration projects, including:
  - Restoration design for six-mile Whychus Canyon Reach
  - Restoration design and fundraising for 1.25 mile Pine Meadow Ranch Reach
  - Implementation preparations for Spring Creek restoration
  - Completion of the McKay Strategy identifying priority restoration projects
  - Initiated a process to develop an action plan for the lower Crooked River focusing on habitat diversity and floodplain interaction

#### Fish passage and screening

- Implemented fish passage and screening projects, including:
  - Removal of Stearns dam on the lower Crooked River
  - Removal of the Letihauser dam on Whychus Creek
  - Restored fish passage at Suttle Lake dam
- Continued working on developing fish passage and screening projects, including:
  - Signed project agreement for the removal of the Jack Creek dam
  - Signed project agreement for the removal of the Pine Meadow Ranch dam
  - Signed fundraising service agreement for the Opal Spring fish passage project
  - Secured funding and contractor for fish passage project at Rice-Baldwin dam

- Initiated planning and outreach for Fin Safe screening program in the lower Crooked area (McKay, Ochoco, and Crooked River)

#### Community education and outreach

- Continued providing community presentations to discuss reintroduction and recruit support
- Continued working with schools and students to engage them in restoration efforts
- Continued maintaining and development web, social media, newsletters and other communications tools
- Continued formal public tours of priority conservation restoration sites

#### Monitoring and evaluation

- Completed annual monitoring on Whychus Creek (See monitoring discussion below)

#### Capacity Building and Partnership Management

- Developed a draft partnership MOU
- Developed a draft fundraising strategy for private foundation funding to complement OWEB investments
- Established a partnership website ([www.DeschutesPartnership.org](http://www.DeschutesPartnership.org))
- Improved internal partnership structure and management

#### **Outputs**

During the time period of July 1, 2013 through June 30, 2014, the actions described above provided the following outputs:

#### Land conservation

- Secured full funding and completed due diligence for 477-acre Remund Property along two miles of Whychus Creek
- Secured letter of intent for purchase of conservation easement on 2150-acre Beyer Property (Demaris Ranch) along two miles of McKay Creek
- Secured letter of intent for purchase of conservation easement on 518-acre Breese Property (Hidden Falls Ranch) along 1.25 miles of Ochoco Creek/.75 miles Hidden Falls Creek
- Initiated discussions with landowner on highest priority property on Lake Creek (Lake Creek Investors)

#### Streamflow restoration

- Secured permanent protection of 18 cfs of additional stream flow in the Crooked River following completion of the state administrative process for Phase I of the North Unit Water Supply Program; and
- Leased 23 cfs in the Crooked River, Whychus Creek, and their tributaries.

#### Stream habitat restoration

- Completed the removal of the Leithauser Dam on Whychus Creek
- Completed stream restoration design for six-mile Whychus Canyon Reach
- Completed stream restoration design for 1.25 mile Pine Meadow Ranch Reach

Fish passage and screening

- Completed the removal of Stearns dam on the lower Crooked River
- Completed the removal of the Leithauser dam on Whychus Creek
- Restored fish passage at Suttle Lake dam
- Signed project agreement for the removal of the Jack Creek dam
- Signed project agreement for the removal of the Pine Meadow Ranch dam
- Signed fundraising agreement for the Opal Spring fish passage project
- Initiated design for a fish passage solution for Rice-Baldwin dam

Community education and outreach

- Provided 22 community presentations
- Produced 14 newsletters
- Conducted more than 50 formal public and numerous stakeholder tours on conservation/restoration sites

Monitoring and evaluation

- Completed annual multi-parameter monitoring on Whychus Creek, including:

**RESULTS****Progress**

The Deschutes Partnership's progress is best measured over the long term because most activities of a large enough scale to result in meaningful restoration outcomes require at least several years to develop, fund, implement and monitor. Nevertheless, The Deschutes Partnership's work from July 1, 2013 through June 30, 2014 brought significant progress in several key areas:

- The acquisition of the 477-acre Remund property will create opportunities for restoration work over the next ten years along six miles of creek.
- Continued with progress to improve fish passage with the removal of Stearns Dam, Leithauser Dam and the Suttle Lake Dam, as well as planning for future modifications at Rice-Baldwin, Opal Springs, and other small diversions.
- Exceeded the 20 cfs stream flow target for the upper reach of Whychus Creek throughout most of the summer irrigation season.
- Continued working with local stakeholders on a Basin Study and HCP to improve fish and wildlife habitat through enhanced water management practices.
- Continued refinement of restoration priorities, with a specific focus on fish passage in the Crooked River and relative importance of passage vs. habitat restoration.

**MONITORING**

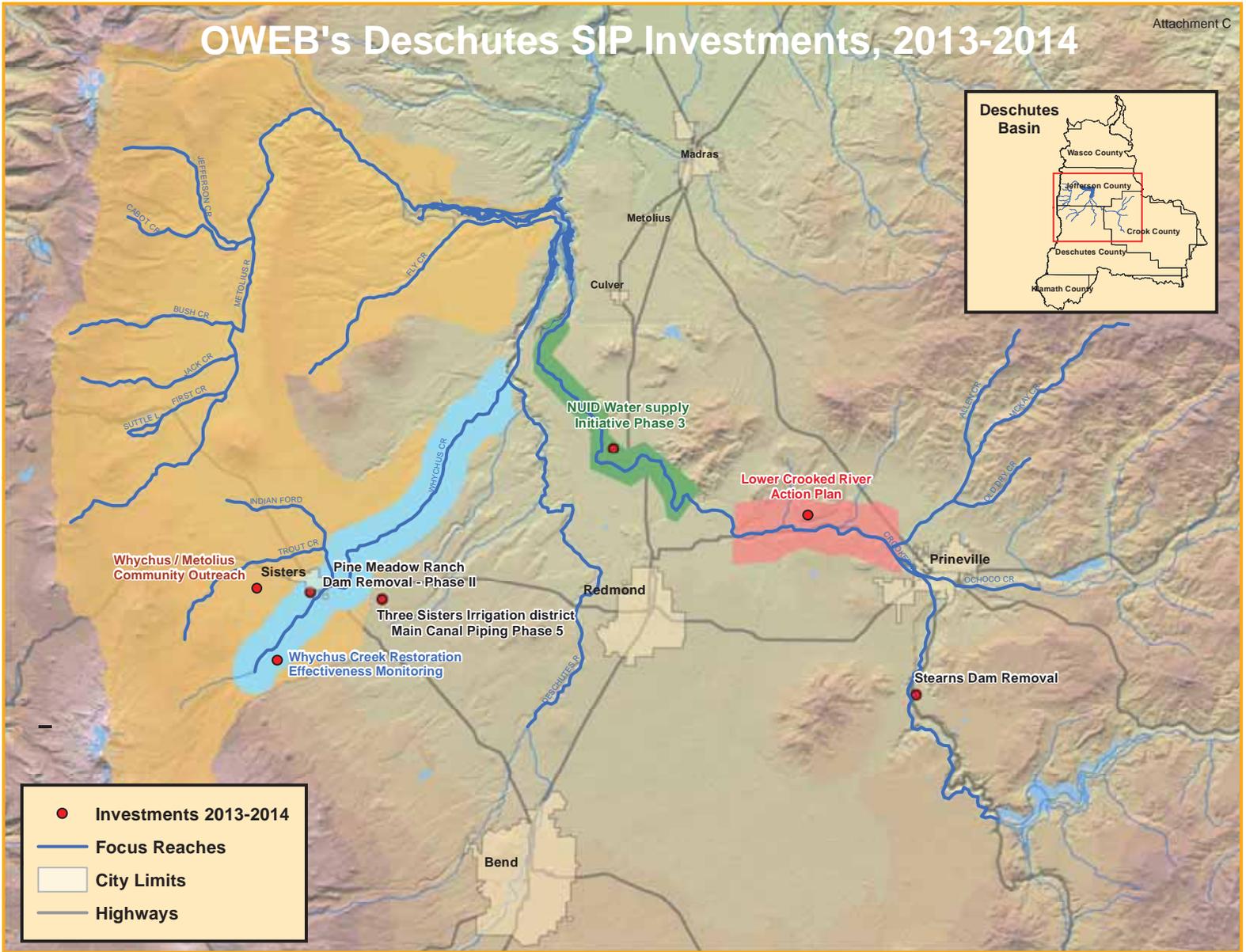
The monitoring conducted by the Deschutes Partnership varies by watershed because the restoration needs, project types completed and monitoring opportunities differ with each geographic area. In Whychus Creek, monitoring has focused on an integrated suite of several parameters, including streamflow, temperature, fish passage/screening, macroinvertebrates and fish populations. In the Crooked River, monitoring has focused on fish populations and migration as well as passage/screening success.

**2013-14 INVESTMENTS**

Note: The following lists only those projects for which a new OWEB grant agreement was signed between July 1, 2013 through June 30, 2014. There are many projects under development that are not shown on this table that will be processed in grant agreements before the end of 2014.

<b>2013-14 Investments</b>						
<b>OWEB Grant Category</b>	<b>Lead Organization(s)</b>	<b>OWEB Investment</b>	<b>Funding Partner Investment</b>		<b>Implementation Partner/Other Leverage</b>	
			Cash	In-Kind	Cash	In-Kind
<b>Partnership Capacity</b>						
<b>Outreach</b>	UDWC	\$55,000	\$32,250	\$6,000	\$9,510	
<b>Technical Assistance</b>	CRWC	\$50,000	\$20,000			\$10,000
<b>Restoration</b>	UDWC	\$800,000	\$1,064,440	\$317,000	\$	\$
<b>Restoration</b>	CRWC	\$258,806	\$100,000			\$ 3,900
<b>Land Acquisition</b>						
<b>Water Acquisition</b>	DRC	\$880,000	\$7,111,776	\$905,994		
<b>Monitoring</b>	UDWC	\$60,000	\$36,990			\$6,000
<b>Total</b>		<b>\$2,103,806</b>	<b>\$8,365,456</b>	<b>\$1,228,994</b>	<b>\$9,510</b>	<b>\$19,900</b>

# OWEB's Deschutes SIP Investments, 2013-2014





# Whole Watershed Restoration Initiative

## One-Year Report

July 1, 2013 – June 30, 2014

Submitted by Cathy Kellon and Kate Carone, Ecotrust

### PROGRAM SUMMARY

#### 1. Implementation partners - Identify the specific implementation partners

The WWRI brings together federal and state partners in Oregon and Washington to provide targeted restoration funding, and relies upon local groups to recommend and sponsor projects. WWRI grantees include dozens of tribes, local governments, non-profit organizations such as watershed councils and Soil and Water Conservation Districts, educational institutions, and other community groups with locally-based knowledge and expertise. Federal agencies can receive grant funds, but are encouraged to work in partnership with non-federal local organizations. Many groups have successfully competed for funding year after year; the WWRI has worked with more than 50% of implementation partners on two or more projects.

#### 2. Funding partners - Identify the specific funding partners

Coordinated by Ecotrust, the WWRI is a partnership between the Oregon Watershed Enhancement Board (OWEB), USDA Forest Service Region 6 (FS), the National Oceanic Atmospheric Administration Restoration Center (NOAA), the Bureau of Land Management (BLM), the U.S. Fish and Wildlife Service Region 1 (FWS), and the Natural Resource Conservation Service (NRCS). Partners set priorities, review and select projects, provide funding, and in some cases provide technical assistance. Over the past seven years, the partnership has funded 144 projects with a total of \$9.8 million. OWEB has provided approximately 16% of this funding; NOAA has provided 24%; FS has provided 57%; and the remainder has come from BLM and FWS.

#### 3. Target - Summarize the target ecological outcomes and geography

The WWRI aims to accelerate the pace of restoration by combining and targeting partner resources to high priority work in watersheds where there is strong on-the-ground capacity and WWRI partners have overlapping interests. We are actively working to improve our ability to measure restoration progress so that we can confidently assess success. Through analysis, interpretation and outreach, the partnership also works to increase decision-maker and public awareness of habitat restoration and its associated ecological and socio-economic benefits.

In Oregon the WWRI's working geography includes four Priority Basins and fourteen Focus Watersheds, five of which are further prioritized Emphasis Areas (please see attached map). We have designed our grant proposal scoring criteria to favor projects that fall within Focus Watersheds and Emphasis Areas. Emphasis Areas are distributed throughout the region and each meet the following criteria:

- Two or more WWRI partners have a vested interest in this place.
- There are experienced and successful implementation partners.
- A prioritized list of sub-watersheds for restoration is being used or is under development.
- A clear and measurable set of actions which will complete top tier restoration is being used or is under development, at the sub-watershed level.

A nested hierarchical approach to setting geographic priorities makes it possible to be both strategic and opportunistic; we can offer incentives for prioritizing at increasingly finer scales while retaining the flexibility that sub-grantees and WWRI funding partners need.

#### **4. Expected Interim Objectives /Outcomes - Summarize your interim objectives/outcomes**

The WWRI quantitatively tracks ecological and socio-economic performance metrics for each project, and measures these against general targets. Ecological metrics include, but are not limited to, miles of stream or river opened to anadromous fish, with, for example, a target of 5 miles per year in Oregon, and acres of habitat improved by habitat type, with a target of 200 acres per year in Oregon. We also collect information such as amount of funding spent on labor, with a target of \$500,000 per year, to help measure and articulate the conventionally overlooked socio-economic benefits of restoration. Lastly, we track citizen engagement and awareness by capturing the number of volunteers and volunteer hours contributed to each project, with respective annual targets of 50 and 500 in Oregon.

### **CHALLENGES**

#### **5. Identify any challenges the partnership has faced over the last year and how those challenges have been or are being addressed.**

In a year of continued funding threats to several of our agency partners, we have maintained funding for on-the-ground habitat restoration. Moving forward, the major challenge to the WWRI's efficacy as a funder-to-funder partnership has been a growing uncertainty as to funding priorities —geographic and thematic— and commitments. With the loss of NOAA as a funding partner in the near-term plus significant institutional changes at OWEB, partners may realize fewer benefits from partnering. For example, in the WWRI 2015 award year there will be several WWRI Focus Watersheds where only one funding partner has a vested interest, thereby diminishing the gains of partnering.

Given these fundamental changes, the group is undertaking a strategic review, scheduled for summer and early fall 2014. There are many ways we can revamp the WWRI approach to capitalize on changed priorities among partners and existing funding. The strategic review is our opportunity to collaboratively reimagine the WWRI in ways that will strengthen our operations and improve the collective on-the-ground impact of all partners.

#### **6. Identify any challenges the partnership has faced in implementing actions over the last year and how they have or are being addressed.**

The first round of WWRI projects recommended for funding in this biennium were announced in March 2014, and have not yet started, or are just getting off the ground. Implementation challenges therefore have not yet arisen, but challenges will be communicated to the OWEB Program Officer as appropriate during the course of the projects.

### **ACTIONS**

#### **7. Actions Accomplished - Summarize the actions proposed in your needs assessment and outline actions initiated since July 1, 2013. (Note: You may also choose to report actions completed in the same time period even if they were started in previous biennia).**

##### Continue to fund high-priority salmon habitat restoration actions

Since July 1, 2013, the WWRI partners have recommended 14 applications for a total of approximately \$900,000 in WWRI funding. Eleven of those projects are in Oregon, over 70% of projects are in Focus Watersheds, and more than 35% are in Emphasis Areas.

Table 1 below shows OWEB's 2014 investments through the WWRI. The South Fork Coquille - China Flat project will build upon previous instream habitat complexity work in the South Fork Coquille River WWRI Focus Watershed. The Deer Creek project will restore 3.2 cubic feet/second to a two-mile stretch of a SONCC coho stream that is frequently dewatered in summer months. Replacement of two undersized and perched culverts on Bower Creek will restore access to 1.5 miles of stream; subsequent removal of five additional culverts will open additional miles in the same system. Lastly, the Corral, Deep and Channel Creek project will fully decommission 2.5 miles of road; remove two culverts, opening access to 4.5 miles of habitat; and restore floodplain connections in the Granite Creek WWRI Focus Watershed.

**Table 1: 2014 OWEB WWRI Investments**

Grantee	Grant Name	Requested Amount	OWEB Award <sup>†</sup>	Co-Funding
Coquille Watershed Assoc.	South Fork Coquille - China Flat	\$42,717	\$23,000	\$22,717 (USFS)
Illinois Valley SWCD	Deer Creek Stream Flow Restoration Phase I	\$55,000	\$49,450	\$12,000 (BLM)
Nestucca-Neskowin WC	Bower Creek Fish Passage	\$99,500	\$110,975	\$3,000 (USFWS)
North Fork John Day WC	Corral, Deep, and Channel Creek Restoration	\$97,480	\$23,000	\$77,480 (USFS)
		<b>\$294,697</b>	<b>\$206,425</b>	<b>\$115,197</b>

<sup>†</sup> OWEB and co-funding combined exceeds the Requested Amount to account for 15% grant administration to Ecotrust, not figured in the original proposals.

#### Grow restoration investments in Focus Watersheds

In a year of continued funding threats to several of our agency partners, the WWRI has maintained its average annual funding for on-the-ground habitat restoration. To grow the fund throughout the last year Ecotrust and partners, particularly from the Forest Service, have convened meetings with a variety of potential partners including the Upper Columbia Salmon Recovery Board, NOAA Fisheries, and the National Fish and Wildlife Foundation (NFWF), but have not received any hard commitments.

#### Communicate the success and benefits of restoration

In the past year, Ecotrust has promoted the WWRI through a variety of venues, including social media, blogs, earned media, and print publications. For example, Ecotrust's WWRI team:

- Held a roundtable discussion with Australian Riverprize winners, Condamine Alliance, and Bonneville Environmental Foundation.
- Secured the WWRI's selection as a top nominee in the "Ocean, Marine & Freshwater Systems" category of the CLASSY Awards: [www.classyawards.org/exchange/ocean-marine-life-freshwater-systems-classy-awards-top-5/#nom1](http://www.classyawards.org/exchange/ocean-marine-life-freshwater-systems-classy-awards-top-5/#nom1). The U.N. Foundation-backed CLASSY Award is the largest social impact awards ceremony in the U.S., recognizing innovative leaders striving for large-scale change and broad impact.
- Published in the peer-reviewed SAPIENS Journal on Oregon's Restoration Economy: <http://sapiens.revues.org/1599>.

Evaluate means for measuring restoration progress in WWRI watersheds

This past year, the WWRI completed a program evaluation to measure and communicate WWRI restoration progress. We found is that it is not feasible to systematically, *retrospectively* answer these questions in a meaningful or reproducible way, and that metrics for restoration progress need to be built in prospectively."

**8. Outputs - Identify specific outputs accomplished based on those actions (miles of stream habitat, acres of restoration, cfs in-stream, etc.).**

The four projects recommended for \$206,425 in OWEB-WWRI funding during this period are projected to restore 29.6 acres, improve 6.8 miles of streams, open 6.5 miles of anadromous passage, decommission 2.5 miles of road, and engage at least 32 volunteers.

The six OWEB-supported projects that were completed during this period restored 179 acres, improved 6.5 miles of streams, opened 6.2 miles of anadromous passage, decommissioned 3.8 miles of road, engaged over 400 volunteers, and directly generated at least 10,600 hours of paid labor. On average, 85% of project funds were spent within 50 miles or in the same county as the project.

WWRI blog and social media posts (2 and 100+), published articles (2), conference presentations (2), and garnered awards (1) have helped elevate the WWRI profile over the last year.

**RESULTS**

**9. Progress – Summarize the progress the partnership has made toward achieving objectives and outcomes based on the actions completed.**

Objective 1: Accelerate the pace of restoration

Since July 1, 2013, the WWRI partners have recommended 14 applications for a total of approximately \$864,000 in WWRI funding. Eleven of those projects are in Oregon, over 70% of projects are in Focus Watersheds, and more than 35% are in Emphasis Areas. OWEB's contribution of \$206,425 to projects funded in 2014 has leveraged an additional \$685,494 in grant funds from other WWRI partners.

It is too early to discern whether the addition of "Emphasis Areas" in 2014 will accelerate the pace of restoration occurring in watersheds targeted by the WWRI. A subset of restoration partners in WWRI Focus Watersheds are undertaking as much work as possible in targeted areas which limits their ability to initiate new projects or seek additional funds every year.

Objective 2: Increase decision-maker and public awareness of restoration benefits

We have increased awareness of restoration benefits by generating two popular restoration blog articles; publishing an article on the WWRI in the peer-reviewed SAPIENS Journal, and another article in the Pinchot Letters; presenting on Oregon's Restoration Economy at conferences; posting over 100 restoration and salmon stories to social media, directly reaching over 9,000 followers; and meeting directly with decision makers in D.C. to discuss restoration investments and the restoration economy.

Objective 3: Improve ability to monitor restoration progress and funding outcomes

This past year we completed a WWRI program evaluation to determine whether it's practicable to track progress against documented restoration needs; it is not at this time. We have also begun planning for a strategic review among all WWRI partners that will occur in summer 2014 to reimagine and redefine the WWRI in order to maximize our collective impact.

**MONITORING**

10. **Monitoring – Summarize any specific monitoring actions completed in the last year. In addition, summarize results of monitoring work (if any) that have been measured since the program’s inception.**

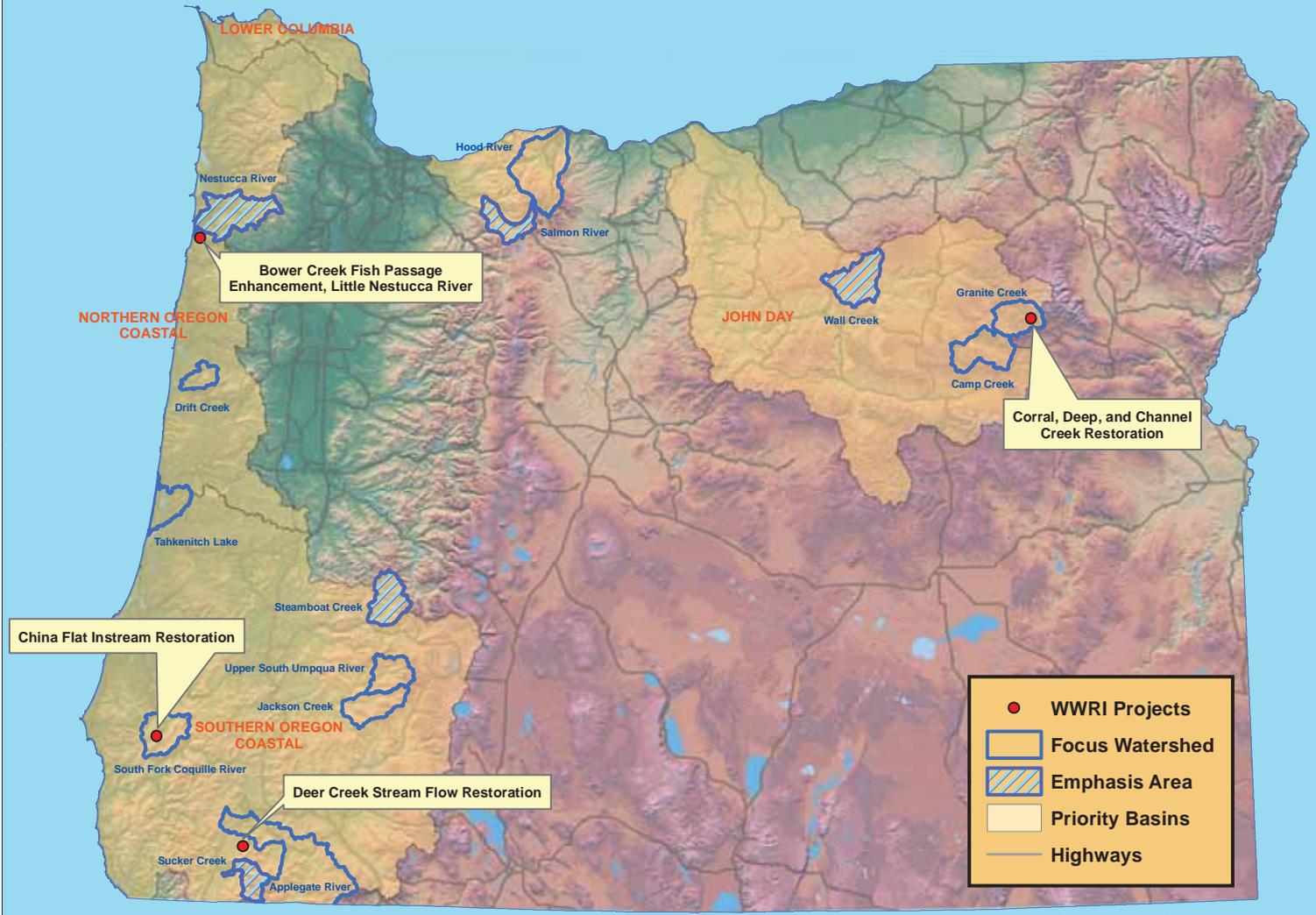
The WWRI monitors progress of individual projects biannually, with project reports due to Ecotrust every April 15<sup>th</sup> and October 15<sup>th</sup>, and completion reports due within 30 days of grant expiration. These reports are rolled up into biannual and annual reports to WWRI partners per their individual requirements.

Building on the program evaluation, in summer 2014 we are undertaking a strategic review to reimagine and redefine the WWRI (as noted above). This will include a review of how we monitor progress in order to maximize our collective impact.

**Table 2: 2013-2014 INVESTMENTS**

OWEB Grant Category	Lead Organization	OWEB Investment	Funding Partner Investment		Implementation Partner/Other Leverage	
			Cash	In-Kind	Cash	In-Kind
Partnership Capacity	Ecotrust	\$64,855	\$68,748	\$8,400	\$	\$
Outreach		\$	\$	\$	\$	\$
Technical Assistance		\$	\$	\$	\$	\$
Restoration	Subgrantees	\$206,425	\$115,197	\$0	\$306,455	\$15,170
Land Acquisition		\$	\$	\$	\$	\$
Water Acquisition		\$	\$	\$	\$	\$
Monitoring	Ecotrust	\$	\$	\$	\$	\$
<b>Total</b>		<b>\$271,280</b>	<b>\$183,945</b>	<b>\$8,400</b>	<b>\$306,455</b>	<b>\$15,170</b>

# OWEB's Whole Watershed Restoration Initiative Investments, 2014



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# Oregon

John A. Kitzhaber, MD, Governor

## Oregon Watershed Enhancement Board

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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Greg Sieglitz, Monitoring and Reporting Program Manager

**SUBJECT: Agenda Item P: Results from OWEB's Effectiveness Monitoring Program  
July 29-30, 2014 OWEB Board Meeting**

### I. Introduction

This report provides a summary of the major focus areas and results of OWEB's Effectiveness Monitoring Program. OWEB's Effectiveness Monitoring Program is a significant effort undertaken in support of Goals 1 (Adaptive Investment) and 3 (Public Awareness and Involvement) in the OWEB Strategic Plan.

The report also seeks Board approval of funding \$291,687 and delegation of authority to the Director to enter into agreements with partner organizations implementing the Upper Middle Fork John Day River Intensively Monitored Watershed (IMW) project. The funding for such agreements was recently awarded to OWEB through the Pacific States Marine Fisheries Commission.

### II. Background

In September of 2004, the Board authorized the initial concepts of an effectiveness monitoring program, which included an effectiveness monitoring workshop, independent review of completed restoration projects, watershed scale studies, modeling future alternatives, and a specific focus on juniper and irrigation efficiency projects. In 2005 and 2006, much of this work was accomplished, including the hiring of a new position within the agency—an effectiveness monitoring specialist.

During the Board's planning session in July 2007, a new approach to vetting ideas for OWEB's program direction was formed through the establishment and use of Board subcommittees. One such subcommittee, the Monitoring and Research Subcommittee, developed a strategic direction and approach to creating a fully rounded effectiveness monitoring program. This approach included the identification of specific scales at which to conduct monitoring and certain prioritized project types, and was adopted by the Board in 2008. It is important to note that the effectiveness monitoring concepts and approaches adopted by the Board were purposefully nested within the larger Oregon Plan for Salmon and Watersheds Monitoring Strategy, which was previously adopted by the Board in 2003.

In 2010, the Board developed OWEB's Strategic Plan, with two of its five goals (1 – Adaptive Investment, and 3 – Public Awareness and Involvement) drawing from and supporting

effectiveness monitoring. With the passage of Measure 76 on the heels of this strategic plan, the Board began development of its Long-Term Investment Strategy, which resulted in Board adoption of a strategy framework and direction in June of 2013. Since that time, staff developed implementation work plans and schedules with a specific focus on products that will serve the needs of the agency moving forward. The focus of this recent work has been presented to the Board at the last two OWEB Board meetings.

### **III. Previously Initiated Programmatic Effectiveness Monitoring by the Board**

OWEB's Effectiveness Monitoring Program has been very successful at evaluating past investment areas throughout many areas of the state and at several geographic and temporal scales. Much of this work was designed to create a base level of understanding about project performance and restoration challenges and successes in order to build a foundation for future policy and program decisions.

The table in Attachment A provides a summary of the major effectiveness monitoring initiatives that have been launched and largely completed during the agency's Effectiveness Monitoring Program history. Complete reports and summaries can be found on the OWEB website: [www.oregon.gov/OWEB/MONITOR/effective\\_monitoring.shtml](http://www.oregon.gov/OWEB/MONITOR/effective_monitoring.shtml).

Programmatic Effectiveness Monitoring Focus Areas include:

- Western Juniper Removal Project Evaluation
- Wetland Monitoring (Partnership with Department of State Lands and Xerces Society)
- Conservation Reserve Enhancement Program (CREP)
- Riparian Enhancement (non-CREP)
- Fish Passage Improvement
- Coastal Storm Assessment
- Irrigation Efficiency-Protected Water Assessment
- Livestock Exclusion (Riparian protection and recovery)
- Intensively Monitored Watersheds
- Conservation Effectiveness Partnership

### **IV. Effectiveness Monitoring Focal Areas Moving Ahead**

Within the context of the Strategic Plan and Long Term Investment Strategy, the effectiveness monitoring program has three current primary objectives as described below:

- Continue the programmatic evaluation of significant investments in groupings of past restoration actions as a Focused Investment;
- Proactively establish unique effectiveness monitoring approaches for each of the existing Partnership Investments (e.g., the three Special Investment Partnerships [SIPs] and Whole Watershed Restoration Initiative [WWRI]), as well as the future Focused Investment Partnerships once developed; and
- Develop a strategy for the Board to make discrete investments in effectiveness monitoring through the Open Solicitation.

Staff anticipate continued interaction with the Board to discuss adjustments to priorities, report on progress made, and share results with the intent of informing policy and program direction

throughout the remainder of the 2013–2015 biennia and into the future. The following sets out more details on the current primary objectives of the Effectiveness Monitoring Program.

#### **A. Programmatic Effectiveness Monitoring as a Focused Investment**

This priority work area involves the continuation of the focused investment effectiveness monitoring that was initiated by the Board and was prioritized around select types of OWEB investments funded through what is known as the Open Solicitation investment area, as well as the larger scale evaluations such as Intensively Monitored Watersheds. These monitoring activities are outlined in Attachment A. This work priority includes both the continued monitoring of key OWEB investment areas along with the addition of new focus areas as established by the Board.

Goals for the biennium include:

- Board adoption of additional priority investments (e.g., in-stream habitat, floodplain restoration) as an effectiveness monitoring focused investment;
- Initiation and completion of field monitoring work and in-office evaluation for the priority investment focal areas; and
- Reports of effectiveness monitoring results to OWEB staff, grant reviewers, Board, and public.

Significant focus in 2014 has been toward developing and implementing a state-wide evaluation of CREP, the Upper Middle Fork John Day River IMW, and the Conservation Effectiveness Partnership (CEP). The Board awarded \$250,000 toward the CREP effort at its April meeting. The CREP study plan has been drafted, an advisory team has been established, the first tier of evaluation using existing data has been initiated, and a draft agreement has been submitted to the Farm Services Agency for data sharing and participation.

The IMW work involves the work planning for the current field season, summarizing and reporting information from the past field season and initiating the process of preparing for the roll-up of ten years' worth of evaluation and results. Additional Board action pertaining to the IMW is found in Section V of this staff report.

The CEP (described in Attachment B) has expanded its geographic focus to four new areas of evaluation of water quality and quantity investment performance. The new areas are: Fifteenmile Creek in north central Oregon, Willow Creek a tributary to the Malheur River near Vale, Bear Creek in the Medford area, and Bake Oven/Buck Hollow Creeks in the lower Deschutes River basin. Research and data gathering has occurred for the Fifteenmile, Willow Creek, and Bake Oven/Buck Hollow focus areas. Early analysis of the Fifteenmile and Willow Creek areas has already informed a targeted evaluation led by DEQ and ODA. DEQ is required by the U.S. Environmental Protection Agency to embark upon a National Water Quality Initiative (NWQI) and has selected the Fifteenmile and Willow Creek basins as its two focal areas. The objective of the NWQI effectiveness monitoring project is to develop a monitoring plan for each area to guide additional data collection efforts to evaluate water quality changes related to land use changes. Collaboration between the NWQI and the

CEP provides opportunities for leveraging resources to help meet similar objectives in an efficient manner.

### **B. Effectiveness Monitoring of Partnership Investments and Focused Investment Partnerships**

This design will provide a mechanism to evaluate the overarching progress and trajectory of each of the major Partnership Investments to date and the future Focused Investment Partnerships. Specific restoration goals, objectives and timelines will need to be established for each of the partnerships in order to identify the monitoring goals, measures and timelines.

Goals for the biennium include:

- Align goals (once established) for partnership and focused investments with commensurate monitoring goals and tie to mid- and longer-term outputs and outcomes;
- Establish a framework for the monitoring that will be undertaken; and
- Create a mechanism for the Board to understand and evaluate extent of progress made for partnership and focused investments and align relative to timeline of investment.

Over the last nine months, staff have been working internally and with project partners and collaborators on the partnership investments (i.e., Deschutes, Willamette, and Upper Klamath SIPs and WWRI) to make good progress in this program area. Work is underway to develop the monitoring framework within the Willamette and Deschutes SIPs, in particular. Focus for the remainder of the biennium will be on the three goals for all partnerships and completing the additional monitoring needs assessment for all the SIPs. The WWRI has been identified as a lower priority for partnership effectiveness monitoring and is being evaluated on a project-by-project basis through the Programmatic Effectiveness Monitoring described above.

### **C. Strategy for Open Solicitation Effectiveness Monitoring**

This program area includes the consideration of specific restoration types, geographies, grant applicants or other prioritization criteria that the Board could select to be the focal point of effectiveness monitoring that is funded through the Open Solicitation grant program. As presented at the January 2014 Board meeting, this work area is ranked as a lower priority this biennium due to existing staff workload. Staff anticipate picking up this work in the next biennium.

## **V. Upper Middle Fork John Day River Intensively Monitored Watershed**

The Upper Middle Fork John Day River IMW (Attachment C) is designed to evaluate the implementation of watershed restoration projects over a large geography and a 10-year study period with the intent of describing the collective benefits provided to salmon and steelhead populations, habitat and water quality. This IMW is unique in that it also evaluates social measures of success as informed by the local communities within and surrounding the study area. OWEB's role in the IMW is to provide overall direction and guidance to the study through linkage to OWEB's Effectiveness Monitoring Program and to secure a significant portion of the funding for the monitoring aspects of the study.

Partners in the IMW have been conducting work in a coordinated fashion to evaluate and document watershed restoration actions and resulting ecological conditions since 2007. The IMW partners include: the Oregon Department of Fish and Wildlife (ODFW); North Fork John Day Watershed Council; U.S. Forest Service; Confederated Tribes of Warm Springs Reservation in Oregon; Oregon State University; University of Oregon; The Nature Conservancy; Bureau of Reclamation; NOAA Fisheries; Bonneville Power Administration; The Freshwater Trust; Washington State University; Oregon Parks and Recreation Department; and private landowners.

#### **New Board Action**

In the case of the IMW, OWEB recently received confirmation that an additional \$291,687 would be provided via Pacific States Marine Fisheries Commission to fund the seventh year of field work. Staff recommend the Board take action to award the funds and delegate authority to the Director to enter into appropriate agreements with IMW partners as needed.

#### **VI. Recommendation**

Staff recommend the Board award \$291,687 in funding from the Pacific States Marine Fisheries Commission, award this funding for the Upper Middle Fork John Day River Intensively Monitored Watershed, and delegate authority to the Executive Director to distribute these funds through the appropriate grant agreements.

#### Attachments

- A. Summary table of Past and Current OWEB Effectiveness Monitoring initiatives
- B. Conservation Effectiveness Partnership summary
- C. Middle Fork John Day location map

Oregon Watershed Enhancement Board: Programmatic Effectiveness Monitoring					
Monitoring Project:	Study Years General Location	What it was:	What was learned:	How is/will information be used:	Next steps:
<b>Western Juniper Management</b> (completed)	2004-2007  Central and South Central Oregon	Evaluation of Juniper management projects and response of native vegetation to removal activities.	<u>Most juniper management projects had a high success rate of native vegetation re-establishment.</u> Some project areas could use guidance to determine when to use seeding or existing native plant composition.	Developed a "Western Juniper Management Field Guide Conducted juniper management training workshops and developed outreach materials.	Evaluate Juniper management projects in coordination with environmental incentives development.
<b>Wetlands</b> (Partnership with Department of State Lands and Xerces Society) (completed)	2008-2011  Willamette Valley	Developed a framework for monitoring wetland restoration and mitigation performance using three monitoring tiers. Improve information exchange and tracking of wetland investments.	<u>Enhanced/Mitigated wetlands were more likely to have open water than natural wetlands.</u> Variability of macroinvertebrates was considered too high to develop IBI. Invasive species were a major component of vegetation composition at many restored sites.	Information could lead to standardized monitoring protocols for wetland restoration and mitigation projects.	Information needs to be presented to wetland professionals and could be developed further to integrate into grant agreements for future wetland restoration projects
<b>Conservation Reserve Enhancement Program (CREP)</b> (completed)	2008-2009 Sherman, Wasco Counties	Monitored riparian restoration projects for plant survival Included reference sites and	<u>Many riparian projects could not be located in the 08-10 study and those that were included were performing poorly.</u> 08-09 study found	Information has helped to develop plant maintenance grant insert.	Upcoming monitoring for riparian restoration projects is planned for the summer of 2014.

Oregon Watershed Enhancement Board: Programmatic Effectiveness Monitoring					
Monitoring Project:	Study Years General Location	What it was:	What was learned:	How is/will information be used:	Next steps:
<b>Riparian Enhancement</b> (completed)	2008-2010 South Coast and Grand Ronde Basins	cumulative impact bonus buffers.	high number of invasive plant species and some improvements in aquatic insect communities.		
<b>Fish Passage Improvement</b> (completed)	2008-2010 South Coast and Rogue Basins	Monitored the effectiveness of fish passage improvement projects.	<u>Most culvert replacement projects had high rate of success with juvenile salmon found upstream of projects</u> (where they did not exist upstream pre-project). Very few projects were found to need modification or repair.	Current fish passage improvement practices are considered adequate.	Evaluate other basins across Oregon with a statistical study design and incorporate a range of project ages.
<b>Coastal Storm Assessment</b> (completed)	2008 North Coast	Evaluate past and current restoration practices and their relative survival during the significant wind-and-rain storm events.	Most projects evaluated were found to have withstood the storm events and those that did not were soon treated and repaired by local restoration practitioners. Large wood placement projects experienced a higher rate of failure.	Information has been integrated into grant program and information has been disseminated.	Evaluate future events as deemed necessary.

Oregon Watershed Enhancement Board: Programmatic Effectiveness Monitoring					
Monitoring Project:	Study Years General Location	What it was:	What was learned:	How is/will information be used:	Next steps:
<b>Irrigation Efficiency- Protected Water Assessment</b> (completed)	2010 Upper Deschutes Basin Willow Creek in Malheur Basin	Evaluation of instream improvements associated with irrigation efficiency projects	E. coli abundance varied greatly between sites in a study of water quality conditions in the Malheur basin. Deschutes River monitoring after implementing large water savings projects found aquatic insect communities changing to species more adapted to cool, clear water.	Information has been integrated into grant program and information has been disseminated.	OWEB is expecting to assess further water quality and water quantity restoration projects in the Malheur basin over the next few years
<b>Livestock Exclusion</b> (ongoing)	2006-2012, 2016 Statewide	Coordinated effectiveness monitoring with WA to evaluate success of livestock exclusion fencing projects.	<u>During the first few years, most sites reported a major decrease in sediment erosion.</u> Sites have not delivered significant canopy cover or vegetation structure improvements to date.	Information will be used to identify relative rates of success across Oregon and Washington.	Continue support for this project in year 2016 for 10 <sup>th</sup> and final study year.
<b>Small Dam Removal</b> (ongoing)	2007-Current Brownsville, Chiloquin, Marmot, Powerdale, Gold Hill, Savage Rapids and Gold Ray Dam	Monitoring of sediment transport, water quality parameters, and various biological indicators after dam removal using before and after project sites.	Sediment transport has not developed into damaging spawning gravel downstream of removal projects. <u>Metrics of stream channel complexity have increased post-dam removal.</u>	Additional information from these numerous projects is still streaming in and project managers are disseminating this information through presentations and published literature	Continue to provide support for monitoring and disseminate results throughout restoration community.

## Oregon Watershed Enhancement Board: Programmatic Effectiveness Monitoring

Monitoring Project:	Study Years General Location	What it was:	What was learned:	How is/will information be used:	Next steps:
<b>Intensively Monitored Watershed</b> (ongoing)	2008-2018 Middle Fork John Day, North Coast, Umpqua Basin	Using a watershed scale approach to determine the effectiveness and level of stream restoration needed to record a measurable increase in salmon populations	Monitoring macroinvertebrate communities are included in this study and results have not yet shown a significant improvement. In general, treatment sites had a greater variability between sites compared to reference sites but less variability from year to year, indicating that the restoration actions affected some sites more than others.	Results could help identify what level and type of stream restoration will elicit a measureable response in fish productivity and related variables.	Outline data synthesis to highlight linkages across monitoring efforts. Complete analysis for measuring fish production. Continue supporting this monitoring at necessary funding levels. Incorporate elements of socio-economic monitoring with researchers and local community.
<b>Conservation Effectiveness Monitoring (CEP)</b> (ongoing)	2010-Current Statewide	Partnership between OWEB, NRCS, DEQ and ODA to evaluate investments made to improve water quality and water quantity throughout Oregon.	Water quality improved significantly in the Wilson River in the Tillamook basin after local efforts implemented with OWEB, NRCS, DEQ and other funding. Water quantity and water quality were both improved in Whychus Creek in the Deschutes basin after 10 years of work.	Information is shared with the public, policy makers, interested parties and practitioners about what has been learned and accomplished. Limitations to achieving the intended goals are also described to inform future decisions and actions.	Continue to expand into new focus areas around the state. Four new areas are actively being evaluated.

## Oregon Watershed Enhancement Board: Programmatic Effectiveness Monitoring

Monitoring Project:	Study Years General Location	What it was:	What was learned:	How is/will information be used:	Next steps:
<b>Willamette SIP</b> (ongoing)	2014-Current Willamette River Model Watersheds	Funding and implementing partners are currently developing a monitoring framework in an effort to integrate the Pacific Northwest Ecosystem Research Consortium's "Slices Framework" with tracking overall program success.	Flow, sediment, and wood regimes have changed fundamentally during the last 150 years. Some characteristics of the present system are altered streamflows, reduced channel complexity, less input and transport of large wood, and diminished sediment supply. Despite these changes, the modern Willamette River has many of the physical, ecological, and political building blocks for a highly functioning river corridor.	Information will be shared with the public, policy makers, interested parties and practitioners about what has been learned and accomplished with focused investments in the Willamette Basin.	Periodic updating and expansion of the Slices framework, as appropriate to 1) create a land use/ land cover data set for the pragmatic floodplain; 2) quantify floodplain forest connectivity; 3) Update cold water refugia information; 4) Finalize data on high-quality habitat locations for juvenile Spring Chinook; 5) Extend Slices up the Middle Fork Willamette.
<b>Deschutes SIP</b> (ongoing)	2014-Current Whychus Creek, Crooked River, Metolius River	Partners have developed a suite of ecological indicators (streamflow, water quality, macro-invertebrates and fish habitat) to track progress toward meeting the desired ecological outcomes.	In downstream reaches where streamflows have consistently improved over the last decade changes in macroinvertebrate populations suggest that there have been steady improvements in habitat conditions and in decreasing water temperatures.	Information will be shared with the public, policy makers, interested parties and practitioners about what has been learned and accomplished with focused investments in the Deschutes Basin.	Ongoing monitoring of ecological indicators in the Whychus Creek and Metolius River. Expansion of fish habitat and fish passage monitoring in Crooked River sub-basin.

Oregon Watershed Enhancement Board: Programmatic Effectiveness Monitoring					
Monitoring Project:	Study Years General Location	What it was:	What was learned:	How is/will information be used:	Next steps:
<b>Upper Klamath SIP</b> (ongoing)	2014-Current	OWEB has just initiated discussions with partners to develop a monitoring framework to track progress toward meeting the desired ecological outcomes	Klamath SIP was a catalyst prior to the Water Agreement. The Klamath Tribes Monitoring in cooperation with USGS are documenting baseline conditions in Sprague River Basin.	Information will be shared with the public, policy makers, interested parties and practitioners about what has been learned and accomplished with focused investments in the Upper Klamath Basin.	Continue to perform effectiveness monitoring at three restoration sites in the Sprague River Basin. Work with partners to identify data gaps to monitor specific projects currently being implemented.

## Oregon Watershed Enhancement Board: Programmatic Effectiveness Monitoring

Monitoring Project:	Study Years General Location	What it was:	What was learned:	How is/will information be used:	Next steps:
<b>Conservation Reserve Enhancement Program (CREP)</b>	2014-Current Statewide	The Study Design consists of three tiers of effectiveness monitoring. The goals of this study plan are to: 1) Report on the status and condition of previously implemented CREP projects. 2) Establish a long-term monitoring program to evaluate the effectiveness of CREP projects implemented across Oregon on a reoccurring basis.	Study is currently being initiated. Existing information to summarize conditions of CREP projects statewide is not readily available. Additional metrics will be compiled during the Tier 2 assessment from the individual contract files once the sampling sites are selected and field data collection begins.	Information will be shared with the public, policy makers, interested parties and practitioners about what has been learned and accomplished. Recommendations and implementation guidance may result after interpretation of findings is completed.	OWEB intends to perform a high intensity assessment for Tier 2 as described in the Study Design to collect detailed field data. In depth field measurements will be taken to examine vegetation structure, canopy cover, presence of invasive plant species, streambank erosion and presence of livestock within the riparian buffer.

## **Conservation Effectiveness Partnership (CEP)**

### When?

Initiated in 2010 with an MOU through 2015

### Who is involved?

Natural Resource Conservation Service, **NRCS**  
Oregon Watershed Enhancement Board, **OWEB**  
Oregon Department of Environmental Quality, **OWEQ**  
Oregon Department of Agriculture, **ODA**

### Overall purpose of the partnership

To jointly evaluate the investments made through a variety of NRCS funding programs, OWEB grant programs, DEQ 319 grants and TMDL implementation to determine the extent of water quality and water quantity improvements and outcomes that are being realized in local communities around Oregon.

A secondary purpose is to share resources and data among the parties for the sake of efficiency and better information transfer.

### Goals of the partnership

- Build an understanding of the extent of the investment in watershed improvement actions through the agencies' collective grant programs;
- Develop a better understanding of how local organizations are utilizing the agencies respective grant programs, in concert;
- Conduct an evaluation of the impacts of grant investments on water quality and watershed health;
- Produce a description of gaps in the treatment of priority limiting factors and watersheds; and
- Design tools and methods of reporting accomplishments to the public.

### To date

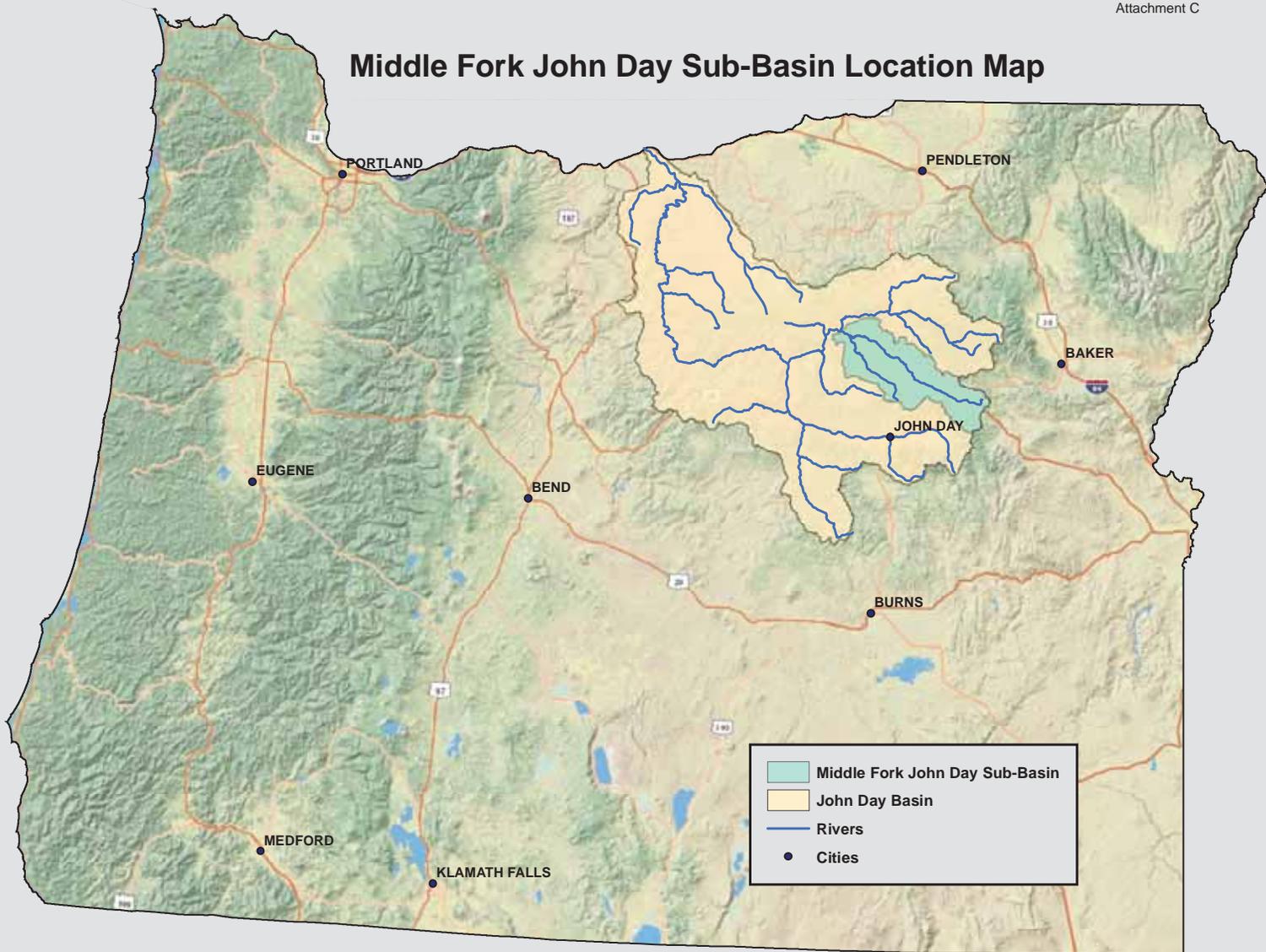
Two pilot projects in the Wilson River (Tillamook Basin) and Whychus Creek (Deschutes Basin) evaluating water quality and water quantity, respectively, demonstrated statistically significant improvements in the last five years. Presentations and fact sheets developed.

Study is underway in four additional focus areas: Fifteenmile Creek in north central Oregon; Willow Creek near Vale; Bear Creek in the Medford area; and Bakeoven and Buckhollow creeks in the lower Deschutes.

### Next steps

From a budgeting standpoint, fold into Governor's priorities around Clean Water and Enterprise Monitoring; deepen the field of partners and collaborators; broaden the evaluation measures and metrics; and expand the reporting capabilities.

### Middle Fork John Day Sub-Basin Location Map





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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Deputy Director  
Renee Davis-Born, Senior Policy Coordinator

**SUBJECT: Agenda Item Q-1: Upper Klamath Basin Comprehensive Agreement Update and Funding Request  
July 29-30, 2014 OWEB Board Meeting**

### I. Introduction

Implementation of the Upper Klamath Basin Comprehensive Agreement (Comprehensive Agreement) is underway. In January of 2014, the OWEB awarded \$750,000 for activities associated with the Water Use Program under the Comprehensive Agreement. The Governor's Office is requesting the Board consider funding up to \$30,000 from the Oregon Plan/Governor's Priorities spending plan line item for capacity support for the Landowner Entity that is in the process of forming as a requirement of the Comprehensive Agreement. Funding will be used to assist with near-term formation needs of the Landowner Entity, including organizational structuring and governance and associated development services.

### II. Background

In early December of 2013, Upper Klamath Basin irrigators, the Klamath Tribes and state and federal officials signed a tentative agreement to ensure water for both ranching operations and Tribal needs. On April 18, 2014, a Comprehensive Agreement was signed that formalizes water management and restoration in the upper basin. The agreement includes:

- A Water Use Program designed to permanently increase stream flows into Upper Klamath Lake by at least 30,000 acre feet through targeted reductions of water use in key reaches of the tributaries to Upper Klamath Lake, with compliance with the Water Use Program designed in a way that provides a stable, sustainable basis for the continuation of irrigated agriculture in the Upper Klamath Basin;
- A Riparian Program designed to permanently improve and protect riparian conditions; and
- An Economic Development Program designed to create economic opportunities for the Klamath Tribes and its members, including increased opportunities for the exercise of tribal cultural rights.

The Water Use Program (WUP): 1) permanently increases the flows into Upper Klamath Lake by 30,000 acre feet by decreasing the net consumptive use of water, and 2) uses performance standards to determine when water uses above Upper Klamath Lake will be regulated to protect the Tribal water right. Participation in the WUP is voluntary. The Comprehensive Agreement

set limits on how much land may be retired from irrigation (18,000 acres) to share the effects of the program fairly among the areas of the Upper Basin.

Over the long term, the WUP will reduce water use through permanent water right retirement. In the near term and in conjunction with permanent retirements over the long term, other ongoing measures—such as forbearance and leasing of water rights, water conservation and efficiency, and upland management—will reduce net consumptive use of water in a predictable, quantifiable manner.

### **III. Current OWEB Investment**

The Board's January 2014 award in support of the Water Use Program provided important funding for forbearance and temporary leasing of water rights and programmatic costs to ensure a credible and successful delivery system is in place locally to carry out the program and achieve water-conservation targets set for Year 1 in the Comprehensive Agreement. The U.S. Fish and Wildlife Service (USFWS) and the National Fish and Wildlife Foundation (NFWF) also are funding early implementation of the Water Use Program.

Since the signing of the Comprehensive Agreement, staff have worked closely with signatories to the agreement and other parties to design the Transitional Water Use Program outlined in the agreement and set the stage for a reduction of net consumptive water use of at least 5,000 acre-feet by July 15, 2014. Activities to date include:

- Coordinating with the Governor's Office, the Oregon Water Resources Department, Klamath Tribes, USFWS, NFWF and representatives of local ranching interests to articulate expectations for the transition program and the associated water protection process;
- Completing short-term valuation of water rights and water use agreement templates for use during Year 1 of the transitional program; and
- Coordinating with other funders to leverage resources each funder to maximize ecologically significant actions on the ground.

### **IV. Landowner Entity Formation under the Comprehensive Agreement**

As described in the Comprehensive Agreement, landowners within the Upper Klamath Basin will form a Landowner Entity (LE) to work with the Joint Management Entity and the parties to the agreement to implement the WUP and the Riparian Program. The LE will carry out its responsibilities concerning the WUP for the purposes of achieving the irrigation and other program benefits and to fulfill the obligations described in the agreement. All holders of an irrigation or livestock water right in the Off-Project Area of the upper basin may be members of this entity.

The formation of the LE is underway. A Board of Directors has been created and the entity is in the process of completing the necessary paperwork for the legal and fiscal recognition required for the LE to carry out its responsibilities associated with both the WUP and the Riparian Program under the Comprehensive Agreement. Funding is needed to support near-term LE organizational formation needs, including but not limited, to: counsel regarding organizational formation issues such as legal recognition and governance structure; financial system design and implementation by a qualified, independent accountant and/or bookkeeper; administrative

staffing to assist with LE meetings and fiscal/accounting matters; and other administrative/logistical costs of forming the organization. In addition, funding is required to assist the LE with coordination of the Water Use Program, specifically focusing on the workflow for review and approval of water-use agreements by the LE and, subsequently, the Joint Management Entity under the Comprehensive Agreement. These activities are imperative to the creation of an effective, representative and sustainable LE, which plays a critical role in the successful implementation of the Comprehensive Agreement, including the WUP.

**V. Recommendation**

Staff recommend the Board award up to \$30,000 from the Oregon Plan/Governor's Priorities line item in the 2013-2015 spending plan to support Landowner Entity organizational formation costs, as described in Section IV of this staff report, and delegate authority to the Executive Director to distribute the funds through appropriate grants and agreements.



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**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Deputy Director  
Juniper Davis, Partnerships Coordinator

**SUBJECT: Agenda Item Q-2: Oregon Coastal Coho Business Plan  
July 29-30, 2014 OWEB Board Meeting**

### **I. Introduction**

This staff report requests the OWEB Board revise a motion made at its April 2014 meeting to broaden eligible entities to coordinate the Coastal Coho Business Plan program due to staffing changes with one of the key partners.

### **II. Background**

The North American Salmon Stronghold Partnership, initiated by Wild Salmon Center (WSC), unites public and private resources in a voluntary, incentive-based approach to protect the healthiest remaining salmon ecosystems in North America. Oregon was a founding member of the Salmon Stronghold Partnership in 2009. A key goal of the Salmon Stronghold Partnership is to accelerate protection and restoration in the healthiest rivers and core centers of wild salmon abundance and diversity. Through joint efforts between the National Fish and Wildlife Foundation (NFWF), OWEB, and WSC in 2013, NFWF's Oregon Governor's Fund for the Environment (Governor's Fund) was aligned to focus on grants that support projects in the identified wild salmon strongholds.

A coastal coho project evolved from the Salmon Stronghold Partnership and includes several core partners: OWEB, NFWF, the Oregon Department of Fish and Wildlife (ODFW), National Oceanic and Atmospheric Administration (NOAA) Fisheries and WSC. These partners propose the development of a Coastal Coho Business Plan. The goal of this business plan is to develop—in conjunction with local partners—specific strategies within a business-plan framework for coho habitat conservation that are beneficial to local communities and can leverage additional resources. The work will support implementation of the Oregon Coast Coho Conservation Plan, which was developed by ODFW.

In April of 2014, the Board approved a \$350,000 investment in the development of a Coastal Coho Business Plan for three pilot areas along the coast. The pilot areas will be identified through a Letter of Interest (LOI) process that considers innovative models of land management focused on incentivizing the conservation of high-value coho habitats. The LOI will describe three categories of innovative approaches: working lands, leveraging habitat benefits across land ownerships through 'all lands' conservation, and incorporating community resiliency models.

The Coastal Coho Business Plan approach will demonstrate replicable processes to prioritize and incentivize the conservation of high-value habitats to achieve ecological and economic viability, and track conservation outcomes using metrics appropriate for site-specific results. Plan development will utilize the best available science and local community expertise.

Once the plan is complete, the Governor's Fund anticipates investing on-the-ground implementation dollars into the three pilot areas. While there is no guarantee of OWEB Focused Investment funding in the future, the Business Plan chapters will meet the criteria for OWEB's Focused Investment strategic action plans.

### **III. Recent Developments**

Initially, NFWF was designated as the grantee for this program, based on the specific expertise of and experience with native fish conservation and recovery in Oregon that Portland-based NFWF staff possessed. Since that time, NFWF has undergone a reorganization, including moving its species-focused conservation programs to staff in offices outside of Oregon.

Despite this shift at NFWF, a strong team of coastal coho project partners (which are listed in Section II of this staff report) still exists to support the Coastal Coho Business Plan program. This team would like latitude to house project management for the program with the organization(s) that can best provide the services needed to ensure the program's success. Revising the Board's previous motion from earlier this year will provide that enhanced flexibility.

### **IV. Recommendation**

Staff recommend the Board revise its motion from April of 2014, for Grant #214-8010, to read: "Staff recommend the Board award \$350,000 from the Oregon Plan Priorities spending plan line item for the development of a Coastal Coho Business Plan, which will include chapters for three pilot areas to be selected through a Letter of Interest process, and delegate authority to the Director to enter into appropriate agreements."

**APPROVED BY THE BOARD OCTOBER 28, 2014**  
**Oregon Watershed Enhancement Board**

**July 29, 2014**  
**OWEB Board Meeting**  
**The Dalles, Oregon**

**Minutes**

**OWEB Members Present**

Eric Quaempts  
Dan Thorndike  
Debbie Hollen  
Cindy Deacon Williams  
Ron Alvarado  
Stephen Brandt  
Will Neuhauser  
Lisa Phipps  
Morgan Rider  
John Roberts  
Bob Webber  
Karl Wenner  
Alan Henning  
Mike Haske  
Doug Krahmer  
Randy Labbe

**OWEB Staff Present**

Tom Byler  
Meta Loftsgaarden  
Lauri Aunan  
Greg Sieglitz  
Renee Davis-Born  
Juniper Davis  
Brandi Elmer  
Liz Redon  
Courtney Shaff  
John Amoroso  
Sue Greer  
Wendy Hudson  
Sharon Clarke  
Nate Baim  
Andrew Dutterer  
Ken Fetcho

**Others Present**

Elaine Eisenbraun  
Ken Bierly  
Ryan Gordon  
Mike Running  
Jerry Nicolescu  
Tod Heisler  
John Buckley  
Shilah Olson  
Liz Vollmer-Buhl  
Cindy Thieman  
Anna Buckley  
Sandy McKay  
Michael Pope  
Wayne Hoffman  
Kate McBride  
Kathleen Ackley  
Larry Sky  
Cheryl McGinnis  
Bruce Lumper  
Paul Siebert  
Chris Jarmer

**A. Board Member Comments**

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

**B. Review and Approval of Minutes**

Minutes of the April 29-30, 2014 Board meeting in Bandon were presented for approval.

*The board moved to approve the April 29-30, 2014 Board meeting minutes. Moved by Dan Thorndike, Seconded by: Will Neuhauser. Motion passed unanimously.*

### **C. Executive Director Update**

Tom Byler, Executive Director, updated Board members on the Long-Term Investment Strategy. (See staff report for more information)

### **D. 2015-17 Budget Development Update**

Tom Byler, Executive Director, updated Board members on the budget preparation process that the agency is beginning to go through in order to prepare for the 2015 Legislative Session. Executive Director Byler discussed the budget proposals and ideas that were to be included in the Agency Request Budget, due to the Governor and Department of Administrative Services by August 29, 2014. Please see staff report for more detailed information.

There was Board discussion surrounding contract limitations, Federal and Other funds and positions. There was also a question of whether the Board would need to sign-off on the ARB before it was submitted. Executive Director Byler explained that given the process that the agency is going through right now, Board Approval is not necessary.

### **E. Council Capacity**

Lauri Aunan, Grant Program Manager, and Courtney Shaff, Grant Program Coordinator, presented the revised proposed administrative rules and implementation guidance for Outcome-Based Watershed Council Capacity Grants. There was no public comment about the revised proposed rules and guidance. The Board was asked to adopt the revised proposed administrative rules and guidance for Council Capacity Grants, and approved deadlines for this grant type.

Courtney Shaff, Grant Program Coordinator, presented to the Board the steps that were taken to be able to present these rules to the Board. She discussed the rulemaking process which included the Strategic Plan and how the need to change the program to build capacity, provide base funding and promote strategic partnerships was the beginning of this process that took 4 years and several updates at board meetings to present the board with these final administrative rules for adoption.

Board members asked clarifying questions about the rules and the ability for councils to meet the minimum eligibility requirements. Board members discussed the criteria and felt it is fair and should be able to be met by most if not all watershed councils. There was discussion about how different criteria would be applied in order to establish the appropriate funding levels.

Board members determined that they wanted a report back at a certain timeframe to check-in on how implementation is going.

*The Board moved to approve the administrative rules for Outcome-Based Watershed Council Operating Grants as shown in Attachment C-2 of the staff report with the following amendments:*

- a. In line 69, replace 'shall be designated' to 'shall have been designated';*
- b. In line 99, replace 'topics' with 'elements'*
- c. In lines 101,125 and 132, delete 'topics'; and*
- d. In lines 156, replace 'may' with 'shall'*

*A. The Board moved to approve the implementation guidance for Outcome-Based Watershed Council Operating Capacity Grants, as shown in Attachment D of the staff report.*

*B. The Board moved to establish November 17, 2014 as the Council Capacity Grant eligibility deadline for the 2015-17 grant cycle.*

*C. The Board moved to establish March 2, 2015 as the Council Capacity Grant application deadline for the 2015-17 grant cycle.*

*D. The Board moved to delegate to staff the authority to make non-policy updates to the guidance such as staff contact information, correcting typographical errors and inserting deadlines periodically approved by the Board.*

*Moved by Cindy Deacon Williams. Seconded by Doug Krahmer. Motion passed unanimously.*

## **F. Focused Investment Program Update and Board Approval**

Meta Loftsgaarden, Deputy Director, briefed the Board about the process to develop the Focused Investment Partnership Program. The Board heard public comment on this item. The Board was asked to approve a proposed definition and priority solicitation process, as well as a timeline for development.

She discussed the process that the Board has gone through for several of its key priority areas including: Operating Capacity, Open Solicitation, Focused Investments and Effectiveness Monitoring. She also discussed the effort that the agency has undergone to bring these proposals to the board, including external and internal workgroups representing all regions of the state and including representatives from soil and water conservation districts, watershed councils, and Coalition of Oregon Land Trusts. This work is ongoing and began in October 2013.

The Board asked questions and had comments surrounding involvement of local entities in the process such as soil and water conservation districts and councils. Other concerns were that the Board be the decision-makers on who gets what funding and where, for what projects. The discussion focused on the Board choosing the focused area that they feel is most important based on the criteria that are provided.

### Public Comment:

- Ken Bierly commented about Agenda Item F. He had some suggestions to offer to the Board regarding policy. He mentioned the need for partnerships and talked about the importance of keeping partner funders in mind while making focused investments.
- Tod Heisler, Executive Director of the Deschutes River Conservancy commented about the Focused Investment Timeframe.
- Elaine Eisenbraun of the North Fork John Day Watershed Council commented on the need for balance – balancing the social with the economic and how it will impact the future.

### Staff recommended the Board approve:

- A. Final Definition, Criteria Categories and Solicitation Approach, shown as Attachment A of this staff report);
- B. Final Timeline For Focused Investment Partnership Priority and Program Solicitation, shown as Attachment B of this staff report;
- C. Final Process for selecting Focused Investment Priorities, shown as Attachment C of this staff report;
- D. Final Priority Solicitation Input Questions, shown as Attachment D of this staff report; and
- E. Several caps on Focused Investment Partnerships:

1. Capacity-building funding will be limited to two years;
2. Focused Investment Partnership applications can propose a length of no more than **six years**; and
3. Focused Investment Partnerships will be capped at **\$4 million per biennium**, with the Board seeking an **average biennial investment of \$2 million** per Focused Investment Partnership.

*The Board moved to:*

- A. *Approve final Definition, Criteria Categories and Solicitation Approach, shown as Attachment A of the staff report with the following amendments:*
    - a. *'Oregon Tribes' are added to the list of entities on page 2 under solicitation approach section 1) following 'Governor's Office';*
    - b. *'State and Federal' is added in front of 'agencies' on the list of entities on page 2 under solicitation approach section 1);*
    - c. *'recovery plans' is added following 'Water Resources Strategy' on page 2 under solicitation approach section 1) .*
  - B. *Approve the final Timeline for Focused Investment Partnership Priority and Program Solicitation, shown as Attachment B of the staff report.*
  - C. *Approve the final Process for selecting Focused Investment Priorities, shown as Attachment C of the staff report.*
  - D. *Approve the final Priority Solicitation Input Questions, shown as Attachment D of the staff report with the following amendment:*
    - a. *On paragraph one, instructions for letter submission, '(five or fewer pages)' is changed to '(the Board encourages submissions of ten or fewer pages)';*
    - b. *On question 5 a) the words '(six-year)' are added in front of 'short'.*
- Motion made by Dan Thorndike. Seconded by Will Neuhauser. Motion passed unanimously.*

#### **G. Public Comment-General**

- Shilah Olson, Wasco County Soil and Water Conservation District spoke regarding Agenda Item J, and suggested that the Board consider shifting the deadlines to follow board funding decisions.
- Wayne Hoffman, Coordinator of the Mid-Coast Watershed Council, commented on Agenda Item J and the need to increase the dollars allocated to technical assistance grants.
- Ken Bierly, Salmon Drift Creek Watershed Council talked about an announcement of a science symposium in regards to estuary restoration at Camp West Wind, on October 24-25, 2014. A thank you for all the funding that has come from OWEB and the US Fish and Wildlife Service.
- John Buckley, East Fork Irrigation District, and Cindy Thieman from the Hood River Watershed Group spoke in regards to a Fish Passage Project that OWEB had funded and gave an update on the outcome of that project.

## **H. Capacity Grants – Network of Oregon Watershed Councils (Network) and Oregon Association of Conservation Districts (OACD)**

Meta Loftsgaarden, Deputy Director, and representatives from the Network and OACD briefed the Board on the status of the current joint capacity grant to both organizations, including progress and accomplishments achieved in the first year of the grant. The Board was asked to consider a funding request for a second year of capacity funding to these organizations for the 2013-15 biennium.

Ryan Gordon, Executive Director of Oregon Watershed Councils and Jerry Nicolescu, Executive Director, Oregon Association of Conservation Districts spoke to the Board regarding the differences and challenges they are facing within their partnership as well as their accomplishments.

Board members asked questions about their continued progress and congratulated them on what they have accomplished so far.

*The Board moved to delegate authority to the Executive Director to distribute up to \$195,000 in funds for the second year of the biennium through the appropriate grant agreement for Grant #214-8006, as was outlined in the September 2013 staff report. Motion made by Dan Thorndike. Seconded by Doug Kraemer. The motion passed unanimously.*

## **I. 2013-15 Spending Plan Update**

Tom Byler, Executive Director, updated the Board on the agency's 2013-15 Spending Plan, including information about the 2014 Pacific Coastal Salmon Recovery Fund (PCSRF) award from the National Marine Fisheries Service. The Board was asked to refine the current spending plan based on the PCSRF award, including awarding funding to the Oregon Department of Fish and Wildlife (ODFW) as outlined in ODFW's and OWEB's Legislatively Adopted Budgets for the 2013-15 biennium.

*The Board moved to:*

- A. *Award \$4,613,222 of Pacific Coastal Salmon Recovery Funds and delegate authority to the Executive Director to enter into the agreements necessary to distribute funding to the Oregon Department of Fish and Wildlife for the purpose discussed in Section III.B of the staff report.*
- B. *Reserve \$4.9 million of additional funds to the 2013-2015 spending plan for the purposes described in Attachment A of the staff report. Motion made by Bob Webber. Seconded by Cindy Deacon Williams. Motion passed unanimously.*

## **J. 2013-15 Open Solicitation Grant Types and Policy**

J1. Lauri Aunan, Grant Program Manager, proposed offerings for Open Solicitation grants for the remaining 2013-15 biennium grant cycles. Staff sought Board approval for the solicitation of grant offerings for the October 2014 grant cycle. The Board has broad authority and discretion regarding OWEB grant offerings. Under Oregon Administrative Rule (OAR) 695-004-0010, "the Board may allocate funds to support projects for restoration, monitoring, technical assistance, education and outreach. . . ." (emphasis added).

In OAR Chapter 695, Division 5, OWEB's rules direct the Board to announce the timing and type of grant applications to be considered.

To date, the Board has approved the following grant offerings for the Regular Grant Program and Land and Water Acquisitions for the current biennium:

- Four cycles for Restoration and Technical Assistance (April 2013, October 2013, April 2014, and October 2014).
- One cycle (October 2013) for Outreach and Monitoring, with a future Outreach and Monitoring cycle to be determined, depending on additional available funding, and Board priorities.
- Land Acquisitions offered in October 2013 and October 2014.
- Water Acquisitions limited this biennium to the pilot test of the coordinated funder framework allowed under revised administrative rules and outlined in Board approved guidance for water acquisitions.

Based on the OWEB spending plan update described in Agenda Item I, staff recommend:

- A. Adding Outreach and Monitoring to the October 2014 grant cycle; and
- B. Communicating with stakeholders about the increased opportunity to support salmon and steelhead habitat projects as a result of additional Pacific Coastal Salmon Recovery Fund grant funding.

*The Board moved to revise the 2013-2015 grant cycle schedule to add the solicitation of Outreach and Monitoring applications to the October 20, 2014, grant application deadline, as shown in Attachment A of the staff report. Motion made by Lisa Phipps. Seconded by Eric Quaempts. Motion passed unanimously.*

J2. Meta Loftsgaarden, Deputy Director, requested the Board consider a policy clarification regarding relocation expenses for future land acquisition grant solicitations.

She talked about OWEB providing grants for land acquisition or conservation easements. In both cases, the agency acquires an interest in real property, in which case, a number of statutes apply. Most of these are recognized in OWEB's statutes or rules. One such statute that has been raised in recent discussions is entitled "Relocation of Displaced Persons." This staff report provides context regarding the statute's applicability to OWEB-funded acquisitions and proposes a policy clarification for Board consideration.

She provided background on the Oregon law entitled "Relocation of Displaced Persons." ORS 35.500-35.530. This law is located in a larger chapter regarding eminent domain, the law through which certain agencies and entities of government can take private property for a public purpose after paying the private landowner just compensation. However, the requirements of the statute are applicable to all projects where a government entity acquires an interest in land, not only to projects using eminent domain.

The statute applies whenever acquisition of real property by a public entity results in a "displaced person." A "displaced person" under the law is "any person who moves, or is required to move the person's residence and personal property incident thereto, or the person's business or farm operation." The law does not apply to the willing seller, but instead to tenants and lessees who are on the property being sold. The law applies to the acquisition of any interest in real property, so would include the acquisition of lesser than fee interests, such as the acquisition of a conservation easement by a government entity. In scenarios where the law

applies, the government entity is required to follow certain procedures and provide benefits where applicable.

The law requires at least 90 days written notice prior to the date the displaced person is expected to move and that notice must provide information on the potential rights of the displaced person under the state and federal acts. Beyond that, the state law generally refers to federal law for additional requirements. The state law requires that the public entity provide “fair and reasonable relocation payments and assistance to or for displaced persons” as provided by the federal act. The federal act requires that: reasonable moving expense are paid for moving the person, family, farm, business or personal property; direct business or farm losses for doing so are paid; expenses in searching for a replacement business or farm are paid; and expenses to reestablish a farm, non-governmental organization, or business at the new site are paid, but not to exceed \$10K. There are additional details and explanations of these requirements in the federal act.

For projects where OWEB is acquiring an interest in real property that would result in a displaced person, the requirements of the relocation act apply. Due to the type of lands where OWEB’s conservation efforts are focused, there are limited instances in which a person would be displaced by an OWEB-funded acquisition. However, the situation has arisen from time-to-time over the course of OWEB’s land acquisition granting history, but has either been resolved prior to closing or relocation costs were paid by another funder.

OWEB staff sought advice about this issue from the Department of Justice. Counsel has indicated the agency’s authorities allow for OWEB funding to be spent on relocation. However, as a part of the agency’s granting process, it is not an anticipated cost and could result in a reduced number of grants funded by diverting funds from the main purpose of OWEB’s funding for grants for restoration, acquisition, technical assistance, monitoring, etc. to instead cover relocation costs per the law referenced above.

Based on advice from counsel, OWEB can provide policy and rules regarding conditions for a project, including but not limited to the approval for implementation of a project. The agency’s willingness to fund relocation assistance could be considered as part of its selection criteria or as one of the criteria for distributing funds.

Staff asked the Board to adopt a policy that requires applicants to have addressed relocation prior to applying to the agency for grant funding for a land acquisition or conservation easement; and, further that the Board will not award grant funds to projects that would require the payment of relocation costs.

There was discussion among Board members to change the language to provide further protection to OWEB from liabilities for payment of these costs, and changes were made to the approved language to reflect that discussion.

*The Board moved to adopt a policy that requires applicants to have resolved relocation prior to applying to the agency for grant funding for a land acquisition or conservation easement; and, further, that the Board will not award grant funds to projects where these relocation obligations have not been addressed and where OWEB would be potentially liable for such costs. Motion made by Dan Thorndike. Seconded by Eric Quaempts. Motion passed unanimously.*

**APPROVED BY THE BOARD OCTOBER 28, 2014  
Oregon Watershed Enhancement Board**

**July 30, 2014  
OWEB Board Meeting  
The Dalles, Oregon**

**Minutes**

**OWEB Members Present**

Dan Thorndike  
Eric Quaempts  
Debbie Hollen  
Will Neuhauser  
Lisa Phipps  
Morgan Rider  
Bob Webber  
Karl Wenner  
Cindy Deacon Williams  
Ron Alvarado  
Stephen Brandt  
John Roberts  
Alan Henning  
Mike Haske  
Doug Krahmer  
Randy Labbe

**OWEB Staff Present**

Tom Byler  
Brandi Elmer  
Meta Loftsgaarden  
Lauri Aunan  
Renee Davis-Born  
Liz Redon  
Dana Hicks  
Courtney Shaff  
Greg Sieglitz  
Juniper Davis  
Nate Baim  
John Amoroso  
Andrew Dutterer  
Wendy Hudson  
Sharon Clarke  
Ken Fetcho  
Greg Sieglitz

**Others Present**

Jared Bottcher  
Kris Fischer  
Shilah Olson  
Abbie Simmons  
Kate Carone  
Kristen Larson  
Chris Gannon  
Ryan Houston  
Tod Heisler  
Dan Bell  
Scott Peets  
Mike Running

**K. Coastal Wetlands Grants**

Meta Loftsgaarden, Deputy Director, and Juniper Davis, Partnerships Coordinator, briefed the Board about several projects proposed by local partners for submission to the National Coastal Wetlands Conservation Grant Program. Staff asked for Board approval for OWEB, as the state agency sponsor, to submit applications to the U.S. Fish and Wildlife Service for these projects.

Juniper Davis explained the process that OWEB goes through to request grant funding for these Coastal Wetlands Projects that help to restore and enhance tidal wetlands in coastal areas throughout the state, through competitive matching grants to state agencies. She discussed the trusted relationships necessary for this match funding to occur and the agency working with the US Fish and Wildlife Service to apply for the funding. OWEB received 19 of 24 grants awarded within the state to pass along to those local implementers who will do the on-the-ground work, in our local communities to fund restoration and acquisition projects.

OWEB submitted three applications for funding, they are: 1) China Camp Creek Project, in the Beaver Slough Drainage District. 2) Scholfield Creek Tidal Wetlands Conservation Project and 3) Kilchis Wetlands Conservation and Restoration Project aims to protect approximately 61 acres of tidal wetland habitat on the Kilchis River west of Highway 101 near Tillamook. The

property contains coho salmon rearing habitat that is currently a limiting factor in coho recovery in the Tillamook Basin.

The Board asked about the application submittal process and timeline and were supportive of the projects chosen. Suggestions were also made to an analytical approach to the projects to find out what worked well and what could potentially be improved upon for the future. The Board also asked for an overview of the total number of projects funded since the program began and what the outcomes were. In addition, the Board raised concerns about the timing of their approval based on the new board meeting schedule and asked staff to consider other options for Board approval.

*The Board moved to approve the submission of applications for the China Camp Creek Project, Schofield Creek Tidal Wetlands Conservation Project and Kilchis Wetlands Conservation Project to the US Fish and Wildlife Service and National Coastal Wetlands Conservation Program. Motion made by Will Neuhauser. Seconded by Karl Wenner. Motion passed unanimously.*

#### **L. Coalition of Oregon Land Trusts (COLT) update**

Meta Loftsgaarden, Deputy Director, and representatives from COLT provided an update to the Board about COLT initiatives, including information about standards and accreditation processes for land trusts engaging in land acquisition projects. Meta Loftsgaarden, Deputy Director, introduced Mike Running, Communication and Outreach Manager for COLT, Brad Paymar, the Northwest Conservation Manager with Land Trust Alliance, and Michael Pope, Secretary to the COLT Board, and Executive Director of Greenbelt Land Trust. They relayed the importance of land trusts to the state of Oregon and serving as a collective voice for their interests and for private voluntary land conservation in general. Two key strategic priorities being 1) communicating the ecological, economic and social value of land trusts and 2) help increase the funding available for private conservation both in the state, as well as some federal initiatives. No Board action was required; this is an informational item only. (see staff report for more information)

Board Members commented about land trusts building a stronger organizational structure and the lengthy and rigorous process involved to become an accredited land trust.

#### **M. Ecosystem Services Update**

Greg Sieglitz, Monitoring and Reporting Program Manager and Dana Hicks, Ecosystem Program Coordinator, updated the Board about the OWEB Ecosystem Services Program, including projects within the Willamette and Klamath Basins. No Board action was required; this is an informational item only. (see staff report for more information)

Cindy Deacon Williams asked for a comparative summary analysis of the different ecosystem service categories and the metrics being used within them.

#### **N. Public Comment - General**

There was no public comment.

## **O. Partnerships Program Update**

Meta Loftsgaarden, Deputy Director, along with other OWEB staff and representatives from the Deschutes, Willamette and Upper Klamath Special Investment Partnerships (SIPs) and the Whole Watershed Restoration Initiative, updated the Board on OWEB's current partnership investments, as they presented their yearly reports to the Board.

Juniper Davis, Partnerships Coordinator, introduced Ryan Houston, Executive Director, Upper Deschutes Watershed Council, Chris Gannon, Director of the Crooked River Watershed Council, and Tod Heisler, Executive Director of the Deschutes Watershed Council, who presented on behalf of the Upper Deschutes (SIP). This partnership seeks to restore the physical and biological conditions necessary to support self-sustained populations of wild salmon and steelhead in the 226 miles of re-introduction areas of Wychus Creek, the lower Crooked River and the Metolius River. The Upper Deschutes (SIP) is made up of four partners: Upper Deschutes Watershed Council, Deschutes Land Trust, Crooked River Watershed Council, and the Deschutes River Conservancy. These partners work together in a very collaborative and integrated approach using some very specific tools, such as land conservation, stream flow restoration, stream habitat restoration, fish passage and screening, as well as community outreach, monitoring and evaluation.

Renee Davis-Borne, Senior Policy Coordinator, introduced Jared Bottcher, Executive Director of the Klamath Basin Rangeland Trust, and Kris Fischer representing the Klamath Tribes, who presented on behalf of the Upper Klamath (SIP). This is the newest SIP in which the Board has invested. The SIP began in 2012 and is a multi-partner and multi-funder framework. This group represents a diverse group of partners who are working hard to find common ground and work together to help identify the priority geographic areas that should be concentrated on within the Upper Klamath Basin. The goal of the SIP is to help promote and find balance between socio-economic issues and conservation and restoration work.

Wendy Hudson, Partnership Coordinator for the Willamette (SIP), introduced Dan Bell, Willamette Basin Director for the Nature Conservancy, Kristen Larsen, Coordinator for the Luckiamute Watershed Council who spoke along with Wendy about the partnership and its existence since 2008 when Meyer Memorial Trust became the first partner, but more recently in 2010 were joined by Bonneville Power Administration (BPA). She noted one of the important goals as assisting in expanding the flood plain forests, she mentioned OWEB's involvement in assisting with the Riparian work that groups had been doing.

Wendy Hudson, also introduced Scott Peets from the US Forest Service and Kate Carone, from EcoTrust from the Whole Watershed Restoration Initiative. This is an inter-agency granting partnership. The other agencies involved are: National Atmospheric and Oceanic Administration (NOAA), US Fish and Wildlife Service, Bureau of Land Management (BLM), Natural Resources Conservation Service (NRCS), and OWEB. There is a broad geography represented. Presenters discussed reconstruction of the main stem of the Middle Fork of the John Day in the Oxbow area. It was an area described as being full of mine tailings. It's going to improve spawning for Spring Chinook. It also made a number of streams that enter into that area more accessible to other fish, such as steelhead.

No Board action was required; this is an informational item only. (see staff report for more information)

The Board had a lengthy dialogue with presenters regarding lessons learned. They also commented on the importance of these coordinated efforts and relationship building efforts that are just as important as the funding pieces that go along with these types of partnership projects.

**P. Results from OWEB Effectiveness Monitoring Program**

Greg Sieglitz, Monitoring and Reporting Program Manager, and Ken Fetcho, Effectiveness Monitoring Specialist, briefed the Board on OWEB's effectiveness monitoring program priorities and investments. (see staff report for more information)

Greg Sieglitz, provided an overview of the Effectiveness Monitoring Program and talked about the Intensively Monitored Watershed (IMW).

Ken Fetcho presented some past and present effectiveness monitoring projects. He talked about the programmatic effectiveness monitoring that had been designed to create an early understanding of the performance successes and challenges that were in operation under Measure 66. He discussed the need for continuance of the program and noted adjustments being made to the Effectiveness Monitoring Program in order to increase the efficiencies to the different programs that it supports.

Board discussion included the need for more comprehensive results and reporting back to the Board so that there is clarity as to what the funding that the Board has awarded to this program, how it is being used and what the outcomes are.

*The Board moved to award \$291,687 in funding from the Pacific States Marine Fisheries Commission to the Upper Middle Fork John Day River Intensively Monitored Watershed, and delegate authority to the Executive Director to distribute these funds through the appropriate grant agreements.*

*Motion made by Dan Thorndike. Seconded by Karl Wenner. Motion passed unanimously.*

**Q. Other Business**

Q1. Upper Klamath Basin Comprehensive Agreement Update and Funding Request. Renee Davis-Borne, Senior Policy Coordinator, provided an update on the implementation of the Upper Klamath Basin Comprehensive Agreement. In January of 2014, the OWEB Board awarded \$750,000 for activities associated with the Water Use Program under the Comprehensive Agreement. The Governor's Office is requesting the Board consider funding up to \$30,000 from the Oregon Plan/Governor's Priorities spending plan line item for capacity support for the Landowner Entity that is in the process of forming as a requirement of the Comprehensive Agreement. Funding will be used to assist with near-term formation needs of the Landowner Entity, including organizational structuring and governance and associated development services.

*The Board moved to award up to \$30,000 from the Oregon Plan/Governor's Priorities line item in the 2013-2015 spending plan to support organizational formation costs, as described in Section IV of the staff report, of the Landowner Entity under the Upper Klamath Basin Comprehensive Agreement, and delegate authority to the Executive Director to distribute the funds through appropriate grants and agreements that detail*

*specific performance criteria and deliverables. Motion made by Cindy Deacon Williams. Seconded by Karl Wenner. Motion passed unanimously*

## Q2. Oregon Coastal Coho Business Plan

Meta Loftsgaarden, Deputy Director, and Juniper Davis, Partnerships Coordinator, asked the Board to revise a motion made at its April 2014 meeting to broaden eligible entities to coordinate the Coastal Coho Business Plan program due to staffing changes with one of the key partners. A coastal coho project evolved from the Salmon Stronghold Partnership and includes several core partners: OWEB, National Fish and Wildlife Foundation, the Oregon Department of Fish and Wildlife (ODFW), National Oceanic and Atmospheric Administration (NOAA) Fisheries and Wild Salmon Center. These partners propose the development of a Coastal Coho Business Plan. The goal of this business plan is to develop—in conjunction with local partners—specific strategies within a business-plan framework for coho habitat conservation that are beneficial to local communities and can leverage additional resources. The work will support implementation of the Oregon Coast Coho Conservation Plan, which was developed by ODFW.

In April of 2014, the Board approved a \$350,000 investment in the development of a Coastal Coho Business Plan for three pilot areas along the coast. Initially, NFWF was designated as the grantee for this program, based on the specific expertise of and experience with native fish conservation and recovery in Oregon that Portland-based NFWF staff possessed. Since that time, NFWF has undergone a reorganization, including moving its species-focused conservation programs to staff in offices outside of Oregon.

Despite this shift at NFWF, a strong team of coastal coho project partners (which are listed in Section II of the staff report) still exists to support the Coastal Coho Business Plan program. This team would like latitude to house project management for the program with the organization(s) that can best provide the services needed to ensure the program's success. Revising the Board's previous motion from earlier this year will provide that enhanced flexibility.

*The Board revised its motion from April of 2014, for Grant #214-8010, to read: "Staff recommend the Board award \$350,000 from the Oregon Plan/Governor's Priorities spending plan line item for the development of a Coastal Coho Business Plan, which will include chapters for three pilot areas to be selected through a Letter of Interest process, and delegate distribution authority to the Director to enter into appropriate agreements." Motion made by Will Neuhauser. Seconded by Morgan Rider. Motion passed unanimously.*

Having no further business, the meeting was adjourned



# Oregon Watershed Enhancement Board

## Meeting Agenda

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Oregon Watershed Enhancement Board  
October 28-29 2014

*Tuesday, October 28, 2014*

Redwood Hyperion Suites – Event Center  
815 NE 6<sup>th</sup> Street  
Grants Pass, OR 97526

*Directions:* <http://www.redwoodmotel.com>

*Business Meeting – 8:00 a.m.*

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During the public comment periods (Agenda Items D and E) anyone wishing to speak to the Board on specific agenda items is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. At the discretion of the Board co-chairs, public comment for agenda items on which the Board is taking action may be invited during that agenda item. *The Board encourages persons to limit comments to three to five minutes.*

**A. Board Member Comments**

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

**B. Review and Approval of Minutes**

The minutes of the July 29-30, 2014 Board meeting in The Dalles will be presented for approval. *Action item.*

**C. Executive Director Update**

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

**D. Public Comment [approximately 9:55 a.m.]**

This time is reserved for general public comment, as well as other matters before the Board. (Note: A separate public comment period is available within Agenda Item E for Pending Regular Grant Applications.)

## F. Budget and Legislative

Meta Loftsgaarden, Executive Director, and Renee Davis, Deputy Director, will update the Board about the status of budget development for the 2015-2017 biennium and preparations for the 2015 legislative session. *Information item.*

## E. Pending Regular Grant Applications

### Introduction

Prior to hearing public comment, Lauri Aunan, Grant Program Manager, will provide background information on the April 22, 2014 grant cycle.

### Public Comment [approximately 10:40 a.m.]

This time is reserved for public comment on pending restoration, technical assistance, and technical assistance for watershed council action plans grant applications to be considered for funding by the Board. Only comments pertaining to these specific grant applications will be accepted during the meeting. The Board will not accept any written materials at this time. Any written comments pertaining to pending grant proposals must be received by agency staff by the October 10, 2014, deadline. *The Board encourages persons to limit comments to three to five minutes.*

### Board Consideration of Pending Regular Grant Applications

The Board will consider grant applications submitted by the April 22, 2014 application deadline for restoration, technical assistance, and technical assistance for watershed council action plans grants. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

## G. Pre-Tour Presentation

Local partners will provide background in advance of a Board tour of Rogue River dam removal sites. OWEB Board and staff will depart for the tour at approximately 3:00 p.m.

*Anyone is welcome to join the tour, but please be prepared to provide your own transportation.*

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### ***Informal Reception – 5:30-6:30 p.m.***

*The public is invited to join the OWEB Board and staff at a reception sponsored by the Medford Water Commission, Members of the Rogue Basin Partnership (Katalyst Inc., Applegate Partnership & Watershed Council, Seven Basins Watershed Council), K&C Environmental Services Inc., Cascade Stream Solutions LLC, Geos Institute, Little Butte Creek Watershed Council, Rogue Valley Council of Governments, and others.*

*Redwood Hyperion Suites – Event Center  
815 NE 6<sup>th</sup> Street  
Grants Pass, OR 97526*

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**Wednesday, October 29, 2014****Business Meeting - 8:00 a.m.**

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During the public comment periods (Agenda Items K and L) anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. At the discretion of the Board co-chairs, public comment for agenda items on which the Board is taking action may be invited during that agenda item. *The Board encourages persons to limit comments to three to five minutes.*

**H. Rogue Merger Project**

Lauri Aunan, Grant Program Manager, and Courtney Shaff, Grant Program Coordinator, will introduce a presentation to be provided by four Rogue Watershed Councils—Upper Rogue Watershed Association, Little Butte Creek Watershed Council, Bear Creek Watershed Council, and Stream Restoration Alliance of the Middle Rogue—about the status of the merger of these four watershed councils. *Information item.*

**I. Approval of Board Recommendations for 2013-2015 Biennial Report**

Greg Sieglitz, Monitoring and Reporting Program Manager, will update the Board on the agency's development of the 2013-2015 Biennial Report on the Oregon Plan for Salmon and Watersheds. The Board will be asked to adopt recommendations to include in the report, which will be submitted to the Legislature and Governor's Office by January 15, 2015. *Action item.*

**J. Update about 2014 FAST Fifteenmile Water Acquisition Grant**

Renee Davis, Deputy Director, will introduce a presentation by staff from the National Fish and Wildlife Foundation and The Freshwater Trust that updates the Board about status of the Fifteenmile Action to Stabilize Temperatures (FAST) Program (Grant #214-8200). *Information item.*

**K. Public Comment – General [approximately 10:00 a.m.]**

This time is reserved for general public comment, as well as other matters before the Board. (Note: A separate public comment period is available within Agenda Item L for Focused Investments.)

**L. Focused Investments – Program Update and Board Approval**

Meta Loftsgaarden, Executive Director, will brief the Board about the process to develop the Focused Investment Partnership Program. The Board will be asked to approve a process and schedule for Focused Investment Partnership proposals and to consider a monetary cap for Focused Investment Capacity-Building funding. The Board also will receive an update about the Focused Investment Partnership Priority submissions received by the October 15, 2014 deadline. The Board then will hear public comment about the Priority submissions. *Action item.*

### M. Retroactive Approval of Deer Creek Land Acquisition Conveyance

Meta Loftsgaarden, Executive Director, and Renee Davis, Deputy Director, will request the Board consider retroactive approval, including conditions, of the conveyance of Deer Creek Ranch (Grant #206-277) from Deer Creek Center to Siskiyou Field Institute. *Action item.*

### N. Other Business

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

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

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

**Public Testimony:** The Board encourages public comment on any agenda item.

A public comment period for pending grant applications will be held on Tuesday, October 28 at 10:40 a.m. The Board will not accept any written materials at that time. Any written comments pertaining to pending regular and acquisition grant proposals must be received by the October 10, 2014 deadline. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). *The Board encourages persons to limit comments to three to five minutes.*

General public comment periods will be held on Tuesday, October 28 at 9:55 a.m. and Wednesday, October 29 at 10:00 a.m. for any matter before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). *The Board encourages persons to limit comments to three to five minutes.*

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

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

**Questions?** If you have any questions about this agenda or the Board's procedures, please call Brandi Elmer, OWEB Board Assistant, at 503-986-0181. If special physical, language or other accommodations are needed for this meeting, please advise Brandi Elmer (503-986-0181) as soon as possible but at least 48 hours in advance of the meeting.

## Oregon Watershed Enhancement Board Membership

### Voting Members

- Board of Agriculture member: *Doug Krahmer*
- Environmental Quality Commission member: *Morgan Rider*
- Fish and Wildlife Commission member: *Bob Webber*
- Board of Forestry member: *Cindy Deacon Williams*
- Water Resources Commission member: *John Roberts*
- Public member (tribal): *Eric Quaempts, Board Co-Chair*
- Public member: *Lisa Phipps*
- Public member: *Will Neuhauser*
- Public member: *Randy Labbe*
- Public member: *Dan Thorndike, Board Co-Chair*
- Public member: *Karl Wenner*

### Non-voting Members

- Representative of NMFS: *Kim Kratz*
- Representative of Oregon State University Extension Service: *Stephen Brandt*
- Representative of U.S. Forest Service: *Debbie Hollen*
- Representative of U.S. BLM: *Mike Haske*
- Representative of U.S. NRCS: *Ron Alvarado*
- Representative of U.S. EPA: *Alan Henning*

### Contact Information

Oregon Watershed Enhancement Board  
 775 Summer Street NE, Suite 360  
 Salem, Oregon 97301-1290  
 503-986-0178  
 Fax: 503-986-0199  
[www.oregon.gov/OWEB](http://www.oregon.gov/OWEB)

### OWEB Executive Director – Meta Loftsgaarden

[meta.loftsgaarden@state.or.us](mailto:meta.loftsgaarden@state.or.us)

### OWEB Assistant to Executive Director and Board – Brandi Elmer

[brandi.elmer@state.or.us](mailto:brandi.elmer@state.or.us)  
 503-986-0181

### 2014-2016 Board Meeting Schedule (Proposed)

2014	2015	2016
January 28-29 in Portland	January 27-28 in Astoria	January 26-27, location TBD
April 29-30 in Bandon	April 28-29 in Salem	April 26-27 location TBD
July 29-30 in The Dalles	July 28-29 in John Day	July 26-27 location TBD
October 28-29 in Grants Pass	October 27-28 in Prineville	

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

**OWEB**  
**Grants Awarded at October 28-29, 2014, Board Meeting**  
**Restoration, Technical Assistance, and TA for WC Action Plan**  
**April 21, 2014 Grant Cycle**

**REGION 1 -- NORTH COAST**

<b>Project #</b>	<b>Project Name</b>	<b>Grantee</b>	<b>Amount Funded</b>
215-1000	Upper SF Siletz Stream Enhancement	Oregon Wildlife Heritage Foundation	\$70,374.00
215-1001	Rock Creek Salmon Anchor Habitat Restoration	Upper Nehalem WC	\$98,312.00
215-1002	Oak Ranch Creek - Salmon Passage Habitat Improvement	Upper Nehalem WC	\$421,377.00
215-1004	Mill Cr. (Siletz) Watershed Restoration and Effectiveness Monitoring	MidCoast WC	\$99,040.00
215-1007	Backyard Planting Program 2015 (12th Season) <b>PE \$33,130</b>	Tillamook Estuaries Partnership	\$71,750.00
215-1008	Northwest Oregon Restoration Partnership	Eagle Valley SWCD	\$52,711.00
215-1010	Clatskanie River Floodplain Restoration <b>PE \$17,711</b>	Lower Columbia River WC	\$160,025.00
215-1014	Siuslaw Restoration Materials Acquisition IV	Siuslaw WC	\$48,466.00
215-1017	McDonald Slough Reconnection Project <b>EM \$36,362</b>	Lower Nehalem WC	\$334,558.00
<b>9</b>	<b>Region 1 Total Restoration for October 2014 Award</b>		<b>\$1,356,613.00</b>
215-1005	Crazy Cougar Passage Design	MidCoast WC	\$48,698.00
215-1012	McBride Creek Culvert Design	Columbia SWCD	\$29,900.00
215-1015	Central Coast Watersheds Collaborative Restoration Assist.	Salmon Drift Cr. WC	\$50,000.00
<b>3</b>	<b>Region 1 Total Technical Assistance for October 2014</b>		<b>\$128,598.00</b>
215-1018	Tillamook Bay Watershed Council Action Plan	Tillamook Bay WC	\$24,840.00
<b>1</b>	<b>Region 1 TA for WC Action Plan for October 2014 Award</b>		<b>\$24,840.00</b>
<b>13</b>	<b>Region 1 Totals for October 2014 Award</b>		<b>\$1,510,051.00</b>

**OWEB**  
**Grants Awarded at October 28-29, 2014, Board Meeting**  
**Restoration, Technical Assistance, and TA for WC Action Plan**  
**April 21, 2014 Grant Cycle**

**REGION 2 -- SOUTHWEST OREGON**

<b>Project #</b>	<b>Project Name</b>	<b>Grantee</b>	<b>Amount Funded</b>
215-2000	China Camp Creek Project	Beaver Slough Drainage	\$515,000.00
215-2007	Tioga Creek Stream Restoration	Coos Watershed Association	\$181,965.00
215-2008	West Fork Millicoma River & Buck Creek Restoration	Coos Watershed Association	\$209,090.00
215-2012	South Myrtle Creek Dam Removal	Partnership for the Umpqua	\$75,270.00
215-2013	Fitzpatrick & Sawyer Creeks Instream Restoration	Partnership for the Umpqua	\$43,637.00
215-2014	Lutsinger Creek Instream Restoration 2015	Partnership for the Umpqua	\$91,724.00
215-2015	Harrington Creek Instream Restoration	Partnership for the Umpqua	\$177,563.00
215-2021	Munger Creek Stream Restoration	Williams Creek WC	\$44,519.00
215-2022	Thompson Creek Habitat Restoration <b>PE \$53,012</b>	Applegate Partnership & WC	\$238,126.00
<b>9</b>	<b>Region 2 Total Restoration for October 2014 Award</b>		<b>\$1,576,894.00</b>
215-2004	Umpqua Estuary Tidegate Prioritization & Landowner Identification	Umpqua SWCD	\$48,214.00
215-2006	N. Slough, Catching Slough & Loarson Slough Restoration Project Dev.	Coos Watershed Association	\$38,629.00
215-2010	Butcherknife Creek Culvert Replacement	Applegate Partnership & WC	\$12,736.00
215-2011	Rice Creek Outreach & Technical Assistance	Partnership for the Umpqua	\$30,112.00
215-2023	Lower Elk Restoration & Design	Curry SWCD	\$36,473.00
<b>5</b>	<b>Region 2 Total TA for October 2014 Award</b>		<b>\$166,164.00</b>
215-2002	Lower Rogue Watershed Action Plan	Lower Rogue WC	\$18,774.00
<b>1</b>	<b>Region 2 Total TA for WC Action Plan for October 2014</b>		<b>\$18,774.00</b>
<b>15</b>	<b>Region 2 Totals for October 2014 Award</b>		<b>\$1,761,832.00</b>

**OWEB**  
**Grants Awarded at October 28-29, 2014, Board Meeting**  
**Restoration, Technical Assistance, and TA for WC Action Plan**  
**April 21, 2014 Grant Cycle**

**REGION 3 -- WILLAMETTE BASIN**

<b>Project #</b>	<b>Project Name</b>	<b>Grantee</b>	<b>Amount Funded</b>
215-3003	Tualatin Basin Habitat Interconnect <b>PE \$15,410</b>	Tualatin Riverkeepers	\$142,732.00
215-3004	Chip Ross Area Oak Habitat Restoration	City of Corvallis Parks and Recreation	\$120,166.00
215-3005	Dieckman Slough Restoration <b>PE \$86,726</b>	North Santiam WC	\$200,858.00
215-3009	Bear Creek Fish Passage Enhancement Phase I	Long Tom WC	\$104,400.00
215-3010	Graham Bottomland Oak Woodland & Wetland Prairie Hab. Restoration	Long Tom WC	\$53,570.00
215-3012	BWCA Riparian Enhancement Phase II <b>PE \$54,531</b>	McKenzie WC	\$101,404.00
215-3017	Restoring Habitat Diversity to Mid-Valley Conservation Areas, Phase II	Greenbelt Land Trust	\$96,782.00
215-3019	Fisher's Bend Phase I – Alcove <b>PE \$56,137</b>	Clackamas River Basin Council	\$192,888.00
215-3021	Middle Crabtree Creek Riparian Restoration <b>PE \$149,715</b>	South Santiam WC	\$199,793.00
215-3022	Courtney Creek In-stream Habitat Enhancement & Culvert Replacement	Calapooia WC	\$126,675.00
<b>10</b>	<b>Region 3 Total Restoration for October 2014 Award</b>		<b>\$1,339,268.00</b>
215-3006	Lower North Santiam Floodplain Restoration Alternative Analysis	North Santiam WC	\$34,871.00
215-3014	McKenzie Watershed Action Plan	McKenzie WC	\$17,917.00
215-3018	Mid & Upper Marys Landowner Outreach and Rapid Bio-Assessment	Marys River WC	\$49,930.00
<b>3</b>	<b>Region 3 Total TA for October 2014 Award</b>		<b>\$102,718.00</b>
	None Submitted		0
<b>0</b>	<b>Region 3 Total TA for WC Action Plan for October 2014</b>		<b>\$0</b>
<b>13</b>	<b>Region 3 Totals for October 2014 Award</b>		<b>\$1,441,986.00</b>

**OWEB**  
**Grants Awarded at October 28-29, 2014, Board Meeting**  
**Restoration, Technical Assistance, and TA for WC Action Plan**  
**April 21, 2014 Grant Cycle**

**REGION 4 -- CENTRAL OREGON**

<b>Project #</b>	<b>Project Name</b>	<b>Grantee</b>	<b>Amount Funded</b>
215-4003	Lateral 58-11 Water Initiative - Phase 4	Jefferson SWCD	\$226,115.00
215-4013	Suplee's Grouse Habitat & Watershed Enhancement	Crook SWCD	\$458,265.00
215-4014	Cottonwood Creek Fish Passage and Garrett Ranch Wetland Enhancement	Ducks Unlimited – Chris Colson	\$54,316.00
215-4016	Blackburn Fire Rehabilitation	SWCD	\$120,546.00
215-4018	Lower Mill Creek Side Channel <b>EM \$64,000</b>	The Dalles Area WC	\$197,977.00
215-4019	Lindell Dam Removal and Irrigation Efficiency Upgrade	Wasco SWCD	\$159,051.00
<b>6</b>	<b>Region 4 Total Restoration for October 2014 Award</b>		<b>\$1,216,270.00</b>
215-4000	Upper Deep Creek Fish Passage & Stream Recon Plan	Lake County Umbrella WC	\$39,661.00
215-4002	MFID Temp Evaluation for Flow Mgmt. Strategies	Hood River WS Group	\$42,800.00
215-4011	Cold Springs Ranch Instream Restoration Design	Crooked River WC	\$40,300.00
<b>3</b>	<b>Region 4 Total TA for October 2014 Award</b>		<b>\$122,761.00</b>
215-4015	Wasco County Watersheds Action Plan	Wasco Area WCs	\$24,981.00
<b>1</b>	<b>Region 4 Total TA for WC Action Plan for October 2014</b>		<b>\$24,981.00</b>
<b>10</b>	<b>Region 4 Totals for October 2014 Award</b>		<b>\$1,364,012.00</b>

**OWEB**  
**Grants Awarded at October 28-29, 2014, Board Meeting**  
**Restoration, Technical Assistance, and TA for WC Action Plan**  
**April 21, 2014 Grant Cycle**

**REGION 5 -- EASTERN OREGON**

<b>Project #</b>	<b>Project Name</b>	<b>Grantee</b>	<b>Amount Funded</b>
215-5000	Glasgow Butte Watering Project	Eagle Valley SWCD	\$33,817.00
215-5001	Cow Hollow Dreamin' Phase I	Owyhee WC	\$71,426.00
215-5002	Dad's Hill Take 3	Owyhee WC	\$61,416.00
215-5003	Haymaker WQ Improvement	Owyhee WC	\$31,132.00
215-5006	Hibbard Gulch Riparian & Water Quality Improvement	Baker Valley SWCD	\$34,584.00
215-5007	Thompson Springs Developments	Eagle Valley SWCD	\$38,659.00
215-5013	Iron Mountain Pipeline Project	Burnt River SWCD	\$23,346.00
215-5015	Pharmacy Hill Streambank Restoration	Owyhee WC	\$42,279.00
215-5016	Moore's Hollow Upland Enhancement	Malheur WC	\$44,791.00
215-5017	Cottonwood Creek Upland Enhancement	Harney SWCD	\$79,062.00
215-5018	Whiskey Greek Courtney Ranch Restoration	Grande Ronde Model WS	\$65,969.00
215-5019	Foursome Open Ditch Replacement	Wallowa SWCD	\$52,673.00
215-5020	Alder Slope Forest Health Improvements Partnership-Weaver Creek	Wallowa SWCD	\$84,412.00
215-5025	Piping Fletcher Ditch	Malheur SWCD	\$18,010.00
215-5026	Coyote Drain Water Quality Improvement	Malheur SWCD	\$67,368.00
215-5029	Powerline WQ Restoration	Malheur SWCD	\$26,907.00
215-5030	Rollin' in the Steep-Flood to Pivot	Malheur WC	\$42,862.00
215-5034	Zumwalt Grassland Bird Habitat Integrated Restoration Project	The Nature Conservancy	\$81,677.00
215-5036	Catherine Creek Restoration Corridor	Union SWCD	\$160,816.00
<b>19</b>	<b>Region 5 Total Restoration for October 2014 Award</b>		<b>\$1,061,206.00</b>
215-5008	The Wallowa River - Baker Project	Grande Ronde Model WS	\$49,894.00
215-5010	Lick Creek Culvert Replacement Project	Wallowa Resources	\$40,239.00
215-5021	The Model to Protect Sage-Grouse - Site Specific Plan - Phase II	Harney SWCD	\$50,000.00
215-5032	Getting the Word Out and Making Things Happen in the Malheur River Basin	Malheur WC	\$18,400.00
<b>4</b>	<b>Region 5 Total TA for October 2014 Award</b>		<b>\$158,533.00</b>
215-5011	Harney WC 7 Basins Action Plan	Harney Watershed Council	\$25,000.00
<b>1</b>	<b>Region 5 Total TA for WC Action Plan for October 2014</b>		<b>\$25,000.00</b>
<b>24</b>	<b>Region 5 Totals for October 2014 Award</b>		<b>\$1,244,739.00</b>

**OWEB**

**Grants Awarded at October 28-29, 2014, Board Meeting  
Restoration, Technical Assistance, and TA for WC Action Plan  
April 21, 2014 Grant Cycle**

**REGION 6 -- MID COLUMBIA**

<b>Project #</b>	<b>Project Name</b>	<b>Grantee</b>	<b>Amount Funded</b>
215-6000	Kangaroo Basin Restoration	Confederated Tribes of Warm Springs	\$52,371.00
215-6001	Dunstan Preserve Low Flow Enhancement	Confederated Tribes of Warm Springs	\$34,280.00
215-6005	South Fork Upland Initiative - Johnnie's and Cps Creek Aspen Restoration	Upper South Fork John Day WC	\$27,917.00
215-6007	Fox & Cottonwood Leafy Spurge Control - Phase II <b>EM \$7,842</b>	North Fork John Day WC	\$71,309.00
215-6009	Upper South Fork John Day Riparian Fence Project	Grant SWCD	\$32,323.00
215-6010	Lonerock Creek Steelhead Barrier Removal	Gilliam SWCD	\$20,503.00
215-6012	Lower Cottonwood Fish Passage Improvements - Phase II - POD #10	Monument SWCD	\$79,270.00
215-6013	Lower Cottonwood Fish Passage Improvements - Phase II - POD #8	Monument SWCD	\$66,576.00
215-6015	Sherman County Direct Seed Incentive	Sherman County Area WC	\$93,363.00
215-6018	Dillon Dam Removal: Phase II - Pipeline	Umatilla Basin WC	\$297,383.00
215-6024	Lower Bridge - Bear Habitat Water Quality Phase #3	Wheeler SWCD	\$198,100.00
215-6026	Pine Creek Upland Improvement	Mid John Day-Bridge Creek WC	\$63,961.00
<b>12</b>	<b>Region 6 Total Restoration for October 2014 Award</b>		<b>\$1,037,356.00</b>
215-6014	Bull Run Trailing Restoration Technical Assistance	North Fork John Day WC	\$20,617.00
215-6016	Birch Creek Assessment and Action Plan - Landowner Outreach	Umatilla Basin WC	\$32,151.00
215-6017	Athena Bridge Passage Feasibility Study	Umatilla Basin WC	\$48,796.00
<b>3</b>	<b>Region 6 Total TA for October 2014 Award</b>		<b>\$101,564.00</b>
215-6002	Technical Assistance for Watershed Council Action Plan	Upper South Fork John Day WC	\$19,668.00
215-6003	Gilliam-East John Day Watershed Council Action Plan	Gilliam-East John Day WC	\$5,500.00
215-6025	Mid John Day - Bridge Creek Watershed Council Action Plan	Mid John Day-Bridge Creek WC	\$5,852.00
<b>3</b>	<b>Region 6 Total TA for WC Action Plan for October</b>		<b>\$31,020.00</b>
<b>18</b>	<b>Region 6 Totals for October 2014 Award</b>		<b>\$1,169,940.00</b>

## October 28-29, 2014 OWEB Board Meeting

### Executive Director Update #C-1: Long-Term Investment Strategy Update

Last year, the Board adopted its Long-Term Investment Strategy for Conservation (LTIS), which included approval of a framework for grant investments and direction for the LTIS. This report updates the Board on the numerous tasks undertaken associated with the LTIS.

#### **Background**

As a result of the passage of Ballot Measure 76 in 2010, OWEB's primary source of funding was no longer time-limited in the Oregon Constitution. From that point forward, OWEB has been reviewing and updating its priorities, policies, programs and practices with the purpose of best positioning the agency as an effective and successful long-term funder of conservation in Oregon.

In June of 2013, the OWEB Board approved its Long Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring. The LTIS is nested within the agency's mission and strategic plan goals, and touches on nearly all aspects of OWEB's responsibilities.

In carrying out work to implement the LTIS, OWEB set out guiding principles about how the agency would approach updates and changes in programs. Overall, the effort has involved significant engagement of the OWEB Board and staff, as well as stakeholders. OWEB's mission, strategic plan goals, a summary of the LTIS framework and direction, and the guiding principles are included in Attachment A.

The LTIS implementation items listed below involve a considerable amount of work for OWEB staff above and beyond the typical workload. Staff's goal is to carry out these efforts without diminishing the quality of services our stakeholders regularly expect from the agency. Toward that end, OWEB managers have been meeting regularly to coordinate activities and position the agency to make as much progress as possible over the biennium. In addition, OWEB is utilizing internal cross-sectional teams for many of these tasks to ensure we have the expertise needed to inform our direction on policies and processes.

#### **Status of Priority Work Items**

The following lists the priority work items for OWEB during the 2013-2015 biennium:

1. *Develop online grant applications and grant agreements.* OWEB's goal is to improve effectiveness and efficiency of the agency's grant-making processes for applicants, grantees and OWEB staff. OWEB's target is to launch an online grant application/grant agreement web interface during the 2015-2017 biennium. Toward that end, staff are working on three processes to ensure the best possible transition 1. Streamlining in Summer 2014 the agency's management team approved streamlined applications for restoration, technical assistance and monitoring grants, which will replace the current applications when online applications are implemented. Work continues on streamlining the outreach grant application. As the streamlined applications begin to be tested in the online system, refinements will continue.

2. *Continuous Improvement.*

The OWEB Management Team has adopted continuous improvement as a core OWEB value and way of doing business. Goals include creating value for OWEB's customers and improving quality of the service OWEB provides. This value-add is done by engaging cross-section teams of staff in systematic and data-driven analysis of processes. For some processes, the agency also will involve applicants, review team members and other customers. The management team initiated continuous improvement in the Regular Grant Program, beginning with the application and review processes in order to inform design and build of online applications. An OWEB staff team completed its recommendations in September and is beginning to implement process improvements in a phased approach that will start in October 2014 and continue through October 2015. Future staff teams will assess and develop improvements for other Regular Grant Program processes. The teams' recommendations will also inform other OWEB grant programs.

3. *Online System Design.*

Design of the components of the online system is underway. OWEB information-system staff are developing a schematic construction of the system and programming is underway to ensure the system will continue to support important reporting requirements to funders such as NOAA Fisheries and to the Legislature, stakeholders and the general public. An internal project team is being convened in late September to address such issues and functionality and usability needs for applicants, staff and reviewers and early work on guidance to be included in the system to walk users through the online applications. An external stakeholder work group focused on system functionality and usability will meet for the first time this fall. The initial version of the online system is scheduled to be built by winter of 2015, and multiple phases of testing and refinement of the system then will occur. Testing is critical to ensure that, when launched, the system is both technically functional and technologically usable from the perspective of applicants, grantees, reviewers and OWEB staff. The online system is anticipated to be launched for first use during the October 2016 grant cycle.

4. *Update watershed council capacity program.* In June 2014, the Board adopted administrative rules and implementation guidance for grants that help support the operating capacity of effective watershed councils. Following the Board meeting, OWEB staff continued to communicate with councils about the changes, including attending council board meetings. On September 15, 2014, OWEB emailed and posted instructions for how councils can upload materials and information needed for OWEB to make its determination of eligibility to apply. The eligibility deadline is 5:00 pm on November 17, 2014. It is a priority for staff to respond to any questions about the new rules and the eligibility requirements as soon as possible. Updates about implementation of the Council Capacity Grant program will be provided at future Board meetings.

5. *Update focused investment program.* In October of 2013, OWEB kicked off a nine-month process to develop a definition, criteria, solicitation approach, program design and process for the Focused Investment category of OWEB funding. For more information, see Agenda Item L.

6. *Continue effectiveness monitoring efforts.* Through the adoption of the Board’s LTIS, the Board reaffirmed a programmatic approach to the agency’s effectiveness monitoring program and included additional areas of focus. The ongoing areas of monitoring include a commitment to evaluating significant categorical investments (e.g., riparian restoration projects and the Upper Middle Fork John Day Intensively Monitored Watershed (IMW)). Within the IMW, staff continue to implement program activities associated with large-scale evaluation, such as regular semi-annual meetings of the IMW, report generation and contracting. Under effectiveness monitoring, the Board also added new areas of evaluation, including effectiveness monitoring within each of the Special Investment Partnerships (SIPs) and building a monitoring framework into the future construct of Focused Investment Partnerships.

7. A second area of new focus stemming from the LTIS is expanding the reporting of monitoring results, project completion reports, results from previous project phases and similar project types, and providing access to related data and information for OWEB Review Teams and Regional and Statewide Program staff. This summer, staff met with all the regional and statewide program staff to solicit feedback and to help shape this LTIS program implementation area known as Adaptive Management. Following the upfront coordination work, staff from the Monitoring and Reporting Program attended each of the Regional Review Team (RRT) meetings, shared conceptual materials developed for future phases of Adaptive Management, and solicited feedback from RRT members on the most relevant and useful information currently missing from the grant review processes. This feedback will be used in the upcoming grant cycles and staff will update the Board on the progress of this work.

Staff will continue to update the Board on the implementation status of work priorities at future meetings.

### **Staff Contact**

If you have questions or need additional information, contact Meta Loftsgaarden at [meta.loftsgaarden@state.or.us](mailto:meta.loftsgaarden@state.or.us) or 503-986-0180.

Attachment

A. OWEB Strategic Direction & Principles



# OWEB Strategic Direction and Principles

**OWEB** **OWEB's Mission:** To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

## Goals

### Goals from OWEB's 2010 Strategic Plan

In 2010, the OWEB Board approved a strategic plan with five goals. With the passage of Constitutional Measure 76 and permanent Lottery funding, the Board continues to operate under the strategy.

#### **Goal 1: Adaptive Investment**

Restore and sustain resilient ecosystems through program and project investments that enhance watershed and ecosystem functions and processes and support community needs.

#### **Goal 2: Local Infrastructure Development**

Support an enduring, high capacity local infrastructure for conducting watershed and habitat restoration and conservation.

#### **Goal 3: Public Awareness and Involvement**

Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds.

#### **Goal 4: Partnership Development**

Build and maintain strong partnerships with local, state, tribal, and federal agencies, nonprofit organizations, and private landowners for watershed and habitat restoration and conservation.

#### **Goal 5: Efficient and Accountable Administration**

Ensure efficient and accountable administration of all investments.

## Long-Term Investment Strategy

### OWEB's Framework for Grant Investments

In 2013, the Board adopted a Long-Term Investment Strategy that guides its investments of Lottery, federal and salmon plate funding. All of OWEB's investments in ecological outcomes also help build communities and support the local economy. The Board also approved a direction for the investments outlined below. They will continue operating capacity and open solicitation grants and continue focused investments with a gradual increase over time.

#### **Operating Capacity**

Operating Capacity Investments support the operating costs of effective watershed councils and soil and water conservation districts. Councils and districts are specifically identified in OWEB's statutes.

#### **Open Solicitation**

OWEB offers responsive grants across the state for competitive proposals based on local ecological priorities.

#### **Focused Investments**

OWEB helps landscape-scale collaborative partnerships achieve collaboratively prioritized ecological outcomes.

#### **Effectiveness Monitoring**

OWEB evaluates and reports on the progress and outcomes of watershed work it supports.



## Guiding Principles

### Guiding Principles

As the Board developed the Investment Strategy, they did so under established principles for how any changes in OWEB's programs would operate.

**Build on accomplishments.** The commitment and work of our local partners have resulted in a nationally and internationally recognized approach with unmatched environmental accomplishments. OWEB will build on this foundation.

**Effective communication.** OWEB is committed to active, two-way communication of ideas, priorities, and results with its staff, partners, potential partners, and the public as a means for developing and maintaining a strong investment strategy and successful cooperative conservation.

**Transparency.** OWEB values transparency and develops its Long-Term Investment Strategy through an open, transparent process that involves input and dialogue with stakeholders and staff.

**Maximize service, minimize disruption.** The Board considers how OWEB's grant portfolio impacts partner organizations and staff resources to maximize effectiveness without adversely affecting service delivery.

**Responsive.** The Long-Term Investment Strategy will adjust to changes in revenue and be responsive to changes in ecological priorities from the Governor, Legislature, the Board, and local partners.

**Adapt based on monitoring and evaluation.** OWEB's staff and Board monitor and evaluate the effectiveness and implementation of the Long-Term Investment Strategy. The Board shall adapt and modify the strategy as needed to meet its desired goals and outcomes and to improve overall investment success.

**Phase-in Change.** OWEB's Long-Term Investment Strategy will guide future efforts, is designed to accommodate changes and adjustments made by stakeholders and OWEB staff, and will be periodically revisited.

## Operating Principles

### Operating Principles to Enhance OWEB Team Work

We will do all we can, individually and as a group, to:

- **Use Good communication--at all levels and in all directions;**
- **Operate with a Team approach;**
- **Follow through on conversations in order to build and maintain needed trust;**
- **Empower staff wherever it is appropriate to do so; and**
- **Have fun while doing important work!**

## **October 28-29, 2014 OWEB Board Meeting Executive Director Update #C-2: Ecosystem Services-OWEB/EWEB Partnership**

This report provides an update on the partnership that was established between OWEB and the Eugene Water & Electric Board (EWEB) to implement the Voluntary Incentives Program (VIP), which focuses on high-priority riparian protection and restoration.

### **Background**

OWEB's Ecosystem Services Program has included a number of projects stemming from the Senate Bill 513 working group and subsequent recommendations in their report to the Oregon Sustainability Board. Currently, as reported during the April and July 2014 OWEB Board meetings, there are four active project areas within this program that staff are working on:

- Willamette Basin Ecosystem Services project in collaboration with The Freshwater Trust, testing long term riparian protection and monitoring in the Calapooia River basin;
- Salmon Stronghold Stream Restoration Planning and Mitigation methodology development with field testing in partnership with the Department of State Lands and Willamette Partnership;
- Klamath Tracking and Accounting Program focused on accelerating water quality improvement and fish recovery;
- The partnership with EWEB on implementing the VIP.

This report will focus on providing an update on recent activity associated with the VIP.

### **VIP Overview**

OWEB entered into an agreement with EWEB in early 2014 to assist the local utility with its work to develop an investment mechanism that establishes an economic case for protecting natural systems. The program, which has a specific focus on healthy riparian forests, wetlands, and floodplains in the McKenzie River watershed, is unique in the nation, and is being undertaken in conjunction with a number of partners.

The McKenzie River is the source of drinking water for the Eugene metropolitan area and a significant contributor to overall water quality in the Willamette River. It also is the last remaining stronghold for native Upper Willamette River spring Chinook and Columbia River bull trout, and provides critical habitat for the Oregon Chub. Taking actions now to protect the watershed has inherent present and future value through diminished need for complex and expensive restoration investments, reduced threats from water quality problems, avoided water treatment costs and the potential for mitigating risks associated with climate change.

The VIP concept is a straightforward one in which payments would be made to landowners who agree to the long-term protection of critical landscapes, such as healthy riparian forests, as a way to maintain and improve water quality within the watershed. Restoration opportunities on adjacent lands would be pursued and, once completed, rolled into a longer term maintenance program.

Through payments to landowners, the inherent value of the natural environment and the habitat for listed species and drinking water for the residents of Eugene and Springfield is quantified and

translated into a monetary value. Further, a stewardship movement is incentivized, which may lead to a greater interest in and additional opportunities for restoration actions. An OWEB technical assistance grant for \$150,000 was awarded to Cascade Pacific RC&D in January 2014 to implement VIP on a pilot scale over a one-year term.

### **Recent Work and Highlights**

During recent months, the VIP collaboration has prioritized work and made progress in the follow areas of the program:

- Finalizing landowner VIP agreement templates;
- Developing riparian forest metrics data and field collection protocols;
- Collecting and processing field metric data at reference sites and landowner properties;
- Developing and testing a fiscal management system;
- Developing, testing and ground truthing LiDAR analysis using algorithms; and
- Designing, developing and testing web dashboard to track watershed health and VIP activities.

One of the most innovative aspects of this program is the recruitment of local businesses to participate in the VIP through the avenue of shared and donated services. In order to establish the best match and alignment between local business needs, goals of the VIP, and desires of the landowners participating, the EWEB-led collaboration recently reached out the business community through a focus group process.

In late September, EWEB, in conjunction with partners, held a focus group forum to establish important areas of synergy that would be informed by and identified as most likely to meet the needs of local businesses potentially participating in the VIP. Specific questions and approaches taken in interfacing with the business community forum participants are found in Attachment A. In addition to the questions explored through the forum, a number of potential mechanisms to pair-up landowners with business are under consideration, including: Corporate Giving Benefits Packages, Employer/Employee Gift Matching, Coupons for Services, Labeling Campaigns, and Opt-out Donations for Goods and Services.

### **Staff Contact**

If you have questions or need additional information, contact Greg Sieglitz at [greg.sieglitz@state.or.us](mailto:greg.sieglitz@state.or.us) or 503-986-0194 or Dana Hicks at [dana.m.hicks@state.or.us](mailto:dana.m.hicks@state.or.us) or 503-986-0079.

## **October 28-29, 2014 OWEB Board Meeting Executive Director Update #C-3: Federal Forest Health Collaborative Grants**

This report provides an update on the federal forest health collaboratives grant process approved by the Board at its special meeting on November 4, 2013 and two subsequent grant offerings provided to date during the 2013-2015 biennium.

### **Background**

Fire suppression and other land-use practices during the last century have resulted in overstocked forest stands plagued with uncharacteristically high fuel loads and lower quality habitat for native species. Without treatment, wildfires can occur and oftentimes result in the loss of property, important habitats, forest based industries, prior watershed restoration projects and even lives. The past few fire seasons in the West are good examples of these risks being realized in local communities.

The work of local forest collaborative partnerships has demonstrated the value and importance of establishing local support and agreement for forest restoration treatments. Treatments endorsed through collaborative processes, which focus on restoring more natural functions and processes, have been shown to be legally contested far less frequently than traditional planning efforts. Forest collaborative work is parallel to that of watershed councils and soil and water conservation districts with the goals focused on restoration of forested lands in a way that is ecologically sustainable, economically viable, and acceptable to diverse stakeholders.

### **Federal Forest Collaborative Capacity Assistance Grants**

Funding for forest collaboratives was secured during the 2013 Legislative session and was included in Senate Bill 5521, which provided \$2.885 million in non-Measure 76 Lottery fund revenue to the Oregon Department of Forestry (ODF). These dollars created a new funding opportunity that is known as the Federal Forest Health Project. A budget note included in House Bill 5008 directed ODF to consider funding small grants to be administered by OWEB. ODF elected to utilize the OWEB granting process for funding forest collaboratives and, at the OWEB Board's November Special Meeting, the process, criteria and timeline for this small grant program were approved.

#### *Purposes*

The small grants for forest collaboratives, known as the Federal Forest Health Collaborative Capacity Assistance Grants, were approved by the Board for the following purposes: meeting support and facilitation for specific forest restoration projects and issues; expenses associated with field tours and meetings; travel expenses; monitoring and evaluation expenses; and communication activities and materials. The grants were designed to address forest collaborative organizational needs that, when satisfied, will achieve specific performance criteria that were established to track the progress and extent to which the pace and scale of forest health treatments and participating organizations attain their planning and implementation goals. These grants were not designed to be eligible for the implementation of forest-restoration treatments.

#### *Timing and Format*

The timing of the grant solicitation approved by the Board in November of 2013 was specifically structured to enable a rapid deployment of grants during two granting periods through an accelerated grant review and approval processes. Those processes were heavily based, however, on the OWEB existing solicitation, review team, and grant award processes. The existing OWEB Technical Assistance grant application and review method was utilized with some adjustment to tailor it toward the forest collaboratives' work.

### **Winter 2013/2014 Grant Cycle Process and Awards**

There were 10 grant applications submitted to OWEB by the November 2013 deadline, with a total request of \$432,504. The funding available for this grant cycle was \$200,000 and was advertised with the solicitation. A review team comprised of industry representatives, environmental groups, state and federal agency staff, and the Governor's Natural Resources Office (GNRO) recommended that eight of the 10 applications be funded (Attachment A).

### **Summer 2014 Grant Cycle Process and Awards**

As described during the September and November 2013 and January 2014 Board meetings, a total amount of approximately \$600,000 was identified in the ODF Federal Forest Health Project budget of \$2.885 million to support the Federal Forest Health Collaborative Capacity Assistance Grants through OWEB. At the January 2014 Board meeting, the OWEB Board approved an additional forest collaborative grant cycle to be funded with up to \$400,000 of these funds to be delegated by the OWEB Director pending receipt of funding from ODF.

The application materials were completed and posted on May 22, 2014. Complete grant applications were due on June 20, 2014 and OWEB received 8 applications by the solicitation closure date. The review team met on July 23, 2014, to evaluate the applications using the process and criteria approved by the Board. With a total funding request of \$423,894 and \$400,000 available, the review team recommended funding for seven of the eight applications received by the deadline. One application was given a *Do Not Fund* recommendation by the review team. Of the seven recommended *Do Fund* applications, two applications were recommended for budget reductions and two of the applications were recommended with other conditions. Staff worked with the applicants to modify the statements of work and budgets to reflect these reductions and conditions. The grant awards are reflected in Attachment B, and the application evaluation summaries and rankings are available on request and posted through the agency's online grant management system. Utilizing the Board's delegated authority, the Director approved the final staff recommendations and grant agreements were developed with the successful applicants.

### **Next Steps**

Staff continues to work closely with GNRO, ODF the Federal Forest Advisory Committee, and forest collaboratives on administering grants from both rounds of solicitation. Importantly, focus will be on the performance reporting required of the first round grantees. This information will be assembled by OWEB and provided to ODF, GNRO and others in advance of and during the 2015 legislative session. The results from these measures and first-time reporting by June 2014 grantees will serve to inform the discussions pertaining to potential future funding in the 2015-2017 biennium. Presently, ODF has a \$6.55 million policy option package request that, if approved, would significantly increase the eligible geographic scope and budget for the forest collaboratives' grants. Staff will continue to keep the Board updated on the performance of forest collaboratives' grants and any budgetary or legislative actions that involve OWEB.

**Staff Contact**

If you have questions or need additional information, contact Greg Sieglitz at [greg.sieglitz@state.or.us](mailto:greg.sieglitz@state.or.us) or 503-986-0194.

**Attachments**

- A. Forest Collaborative Capacity Assistance—November 2013 grant cycle award list
- B. Forest Collaborative Capacity Assistance—June 2014 grant cycle award list

## Addendum to: Agenda Item H - Forest Health Collaboratives

**Forest Collaborative Capacity Assistance  
Applications Recommended for Funding by Review Team  
November 25, 2013 Grant Cycle**

OWEB Staff Recommendations are Highlighted in Gray				
Project #	Project ID	Project Name	Total Amount	Priority
214-8008	11052	Wallowa-Whitman Forest Collaborative - Implementation Phase 2 (Wallowa-Whitman NF)	15,000	1
214-8008	11058	Deschutes Collaborative Forest Landscape Restoration Project (Deschutes NF)	46,325	2
214-8008	11056	Umatilla Collaborative Capacity (Umatilla NF)	36,012	3
214-8008	11054	Issue-based Innovation Project (Malheur NF)	49,905	4
214-8008	11053	Wolf Creek Forest Monitoring Program (Malheur NF) * ^	18,156	5
214-8008	11060	Ashland Cross-boundary Forest Restoration (Rogue River-Siskiyou NF) * ^	34,602	6
214-8008	11059	Fremont/Winema Master Stewardship Agreement advanced by local Partners (Fremont-Winema NF) **	47,403	7
214-8008	11055	Lakeview Stewardship Group Collaborative (Fremont-Winema NF) **	75,000	8
<b>Total Projects Recommended for Funding to Staff by Review Team</b>			<b>\$332,403</b>	
<b>Total Projects Recommended for Funding by Staff</b>			<b>\$200,000</b>	

\* Listed Amount Reflects Recommended Reduction    ^ Fund with Conditions    \*\* recommended as potential for upcoming Oregon Department of Forestry funding opportunity

**Forest Collaborative Capacity Assistance  
Applications Not Recommended for Funding by Review Team  
November 25, 2013 Grant Cycle**

Project #	Project ID	Project Name	Total Amount
214-8008	11051	Shasta-Agness Planning Area (Rogue River-Siskiyou NF)	46,678
214-8008	11057	Page Creek Community Forest Project and Coordinated Regional Forest Restoration Strategy (Rogue River-Siskiyou NF)	34,400

**Forest Collaborative Capacity Assistance**  
**Applications *Recommended* for Funding by Review Team**  
**June 20, 2014 Grant Cycle**

OWEB Staff Recommendations are Highlighted in Gray				
Project #	Project ID	Project Name	Total Amount	Priority
214-8009	11455	Integrated Multiparty Monitoring and Community Engagement Project (Blue Mountains Forest Partners)	73,715	1
214-8009	11456	Wallowa-Whitman Forest Collaborative - SUSTAINED FACILITATION (Wallowa-Whitman NF)	58,208	2
214-8009	11458	Ochoco Forest Restoration Collaborative (Ochoco NF)	51,246	3
214-8009	11459	Umatilla Forest Collaborative Group Capacity-Building and Advancement (Umatilla NF)	46,113	4
214-8009	11460	Wolf Creek Forest Monitoring Program Y-2 (Malheur NF)	47,430	5
214-8009	11462	Shasta-Costa Planning Area (Rogue River-Siskiyou NF)	36,167	6
214-8009	11463	Rogue Basin Cohesive Forest Restoration Strategy (Rogue River-Siskiyou NF NF)	39,744	7
<b>Totals Recommended for Funding to Staff by Review Team</b>			<b>\$353,991</b>	
<b>Totals Recommended for Funding by Staff</b>			<b>\$352,623</b>	

Table 2

**Forest Collaborative Capacity Assistance**  
**Applications *Not Recommended* for Funding by Review Team**  
**June 20, 2014 Grant Cycle**

Project #	Project ID	Project Name	Total Amount
214-8009	11457	Page Creek Community Forestry Project (Rogue River-Siskiyou NF)	38,780

## October 28-29, 2014 OWEB Board Meeting Executive Director Update #C-4: October 2014 Grant Cycle Update

### Overview

In July of 2014, OWEB announced its solicitation for the October 2014 Regular Grant cycle, with a deadline of October 20, 2014. Types of applications accepted include:

- Restoration
- Land Acquisition
- Technical Assistance
- Monitoring
- Outreach

OWEB staff encourages Board members to attend the Regional Review Team (RRT) meetings, which will occur during mid-December 2014 through late January or early February 2015. Specific dates, times and locations will be available at the October 2014 Board meeting.

The Board will make funding decisions at its April 2015 meeting. Applications awarded by the Board will be funded under OWEB's 2013-2015 budget. Typically, the RRTs recommend roughly two-thirds of submitted applications for funding. If that trend holds for the October cycle, the amount of applications recommended for funding by the RRTs may exceed available funding.

### Implementation of Process Improvements

As reported in Executive Director Update # C-1, a cross-program OWEB staff team recently completed an assessment and made process improvement recommendations for the Regular Grant Program application and review processes. The team's recommendations will be implemented in a phased approach starting with the October 2014 cycle. For this cycle, the team recommended piloting acceptance of Restoration, Technical Assistance, Outreach and Monitoring applications via PDF, delivered by e-mail, to improve customer service. This recommendation is being implemented. OWEB staff will track the number of applicants who use this service, any problems encountered, and whether this method increases efficiency for applicants and OWEB staff, and make any needed changes or adjustments in future cycles.

### Staff Contact

If you have questions or need additional information, contact Lauri Aunan at [lauri.g.aunan@state.or.us](mailto:lauri.g.aunan@state.or.us) or 503-986-0047.

## **October 28-29, 2014 OWEB Board Meeting**

### **Executive Director Update #C-5: Upper Klamath Water Use Program**

Implementation of the Upper Klamath Basin Comprehensive Agreement (Comprehensive Agreement) is underway. In January of 2014, the OWEB awarded \$750,000 for activities associated with the Water Use Program under the Comprehensive Agreement. This report updates recent progress under the program.

#### **Background**

In early December of 2013, Upper Klamath Basin irrigators, the Klamath Tribes and state and federal officials signed a tentative agreement to ensure water for both ranching operations and Tribal needs. On April 18, 2014, a Comprehensive Agreement was signed that formalizes water management and restoration in the upper basin. The agreement includes:

- A Water Use Program designed to permanently increase stream flows into Upper Klamath Lake by at least 30,000 acre feet through targeted reductions of water use in key reaches of the tributaries to Upper Klamath Lake, with compliance with the Water Use Program designed in a way that provides a stable, sustainable basis for the continuation of irrigated agriculture in the Upper Klamath Basin;
- A Riparian Program designed to permanently improve and protect riparian conditions; and
- An Economic Development Program designed to create economic opportunities for the Klamath Tribes and its members, including increased opportunities for the exercise of tribal cultural rights.

The Water Use Program (WUP): 1) permanently increases the flows into Upper Klamath Lake by 30,000 acre feet by decreasing the net consumptive use of water, and 2) uses performance standards to determine when water uses above Upper Klamath Lake will be regulated to protect the Tribal water right. Participation in the WUP is voluntary. The Comprehensive Agreement set limits on how much land may be retired from irrigation (18,000 acres) to share the effects of the program fairly among the areas of the Upper Basin.

Over the long term, the WUP will reduce water use through permanent water right retirement. In the near term and in conjunction with permanent retirements over the long term, other ongoing measures—such as forbearance and leasing of water rights, water conservation and efficiency, and upland management—will reduce net consumptive use of water in a predictable, quantifiable manner.

#### **2014 OWEB Investment in the WUP**

The Board's January 2014 award in support of the Water Use Program provided important funding for forbearance and temporary leasing of water rights and programmatic costs to ensure a credible and successful delivery system is in place locally to carry out the program, achieve water-conservation targets set for Year 1 in the Comprehensive Agreement, and allow for progress toward Year 2 targets. Approximately \$500,000 of the Board's award was allocated for funding of forbearance and temporary leasing of water rights, and \$250,000 was allocated for programmatic costs to design and begin implementation of the WUP. The U.S. Fish and Wildlife Service (USFWS) and the National Fish and Wildlife Foundation (NFWF) also are funding early implementation of the Water Use Program.

Since the Board award earlier this year and the subsequent signing of the Comprehensive Agreement, staff have worked closely with signatories to the agreement and other parties to design the Transitional Water Use Program outlined in the agreement and set the stage for a reduction of net consumptive water use of at least 5,000 acre-feet for the 2014 irrigation season. Activities to date include:

- Coordinating with the Governor's Office, the Oregon Water Resources Department, Klamath Tribes, USFWS, NFWF and representatives of local ranching interests to articulate expectations for the transition program and the associated water protection process;
- Completing a valuation of water rights to be applied under leasing and forbearance agreements in the transitional WUP;
- Finalizing water use agreement templates for use during Year 1 of the transitional program;
- Coordinating with other funders to best leverage resources to maximize ecologically significant actions on the ground;
- Working with parties to the Comprehensive Agreement to plan for and begin implementing formation of the Landowner Entity and Joint Management Entity as required under the agreement;
- Initiating planning for valuation of water rights to be applied for permanent transfers and revisions to the current water use agreement templates in preparation for the 2015 irrigation season; and
- Coordinating with the Technical Team under the Comprehensive Agreement to begin 1) development of WUP guidelines and 2) drafting of alternate WUP practices, with the intent of informing prioritization of future potential water-use reductions and laying the necessary groundwork for effective and efficient outreach to landowners that will lead to completion of prioritized water use agreements.

As of the writing of this report, a total of 7,247.68 acre-feet of reductions in net consumptive use have been proposed by the Landowner Entity for review by the Joint Management entity. These reductions were realized through a combination of previous efforts to protect water rights instream and/or reduce water use and new water use agreements that were entered into during the 2014 irrigation season. This volume surpasses the 5,000 acre-feet target set for 2014. Parties to the Comprehensive Agreement, along with funders, will meet regularly throughout Fall of 2014 and Winter of 2015 to discuss lessons learned from Year 1 of the WUP, refine the approach as needed, and prepare for Year 2.

### **Staff Contact**

If you have questions or need additional information, contact Renee Davis at [renee.davis@oweb.state.or.us](mailto:renee.davis@oweb.state.or.us) or 503-986-0203.

## **October 28-29, 2014 OWEB Board Meeting Executive Director Update #C-6: OWEB 2013-2015 and 2015-2017 Spending Plans**

This report updates the Board on OWEB's 2013-2015 Spending Plan, and begins the conversation about the 2015-17 spending plan. This item is for update and discussion only; no Board action will be taken at this time.

### **Background**

After the Oregon Legislature approves OWEB's budget at the beginning of each biennium, the Board considers a plan for the distribution of grant funding for a two-year period. The OWEB Spending Plan guides the agency's grant investments for the biennium. Available funding for the Board to distribute includes Measure 76 lottery funds, federal funds and salmon license plate revenue.

### **2013-2015 Spending Plan**

At its June 2013 meeting, the Board adopted a 2013-2015 Spending Plan totaling \$67.47 million. In July 2014, the Board updated the spending plan to include additional Pacific Coastal Salmon Recovery Fund (PCSRF) monies, as well as funding transfers to other agencies. Attachment A shows the 2013-2015 Spending Plan, total Board awards to date, and the funds remaining in each line item within the Spending Plan as of October 2014.

### **2015-2017 Spending Plan**

#### **A. Spending Plan Development**

Each biennium, the OWEB Board approves a spending plan for the agency. Funds typically come from two sources: Measure 76 Lottery Funding and PCSRF. Since 2000, OWEB, on behalf of the State of Oregon, has received PCSRF grants awarded annually by NOAA Fisheries. PCSRF funds are a significant component of OWEB's budget, accounting for approximately one-third of OWEB's total funds.

The Oregon Legislature routinely allocates PCSRF funding in OWEB's biennial budget based on estimated federal grant awards over two years. While not guaranteed, the funds have proven to be a reliable source for OWEB's budget.

Based on revenue forecasts as of the date of the agency's submission of its Agency Request Budget, it is estimated that \$56 million will be available for grant distribution through Measure 76 Lottery Funds and up to \$25 million of PCSRF funding. For Lottery funding, this amount is dependent on revenues received. For PCSRF funding, this amount will be dependent on OWEB's successful receipt of PCSRF funding through their competitive grant process. If Congressional funding is available, PCSRF provides an opportunity for eligible applications—including OWEB on behalf of the State of Oregon—to submit grants each year.

## **B. Discussion of 2015-17 Spending Plan**

While details of 2015 PCSRF funding and final revenues for Lottery funding are not yet available, staff would like to begin discussing the following elements with the Board to gain a sense of options the Board would like to consider in spending plan development.

### **1) Funds for Inclusion in Spending Plan**

Typically, staff recommend that only one year of PCSRF funding (approximately \$9 million in this case, including an estimated \$4.8 million distribution to Oregon Department of Fish and Wildlife), plus remaining PCSRF FFY14 funds (approximately \$6 million) for a total of \$15 million, is included in the Board's spending plan development. This allows for the establishment of a 'base' spending plan without committing future funds that are not yet secured. Once subsequent funds are secured, staff return to the Board with a recommendation for how to distribute any additional funds received. Staff are requesting feedback on this approach.

### **2) Structure of Spending Plan Document**

Under the Long Term Investment Strategy (LTIS), staff have categorized funding under three main LTIS components: Open Solicitation, Focused Investments, and Operating Capacity. This approach recognizes that monitoring falls into all three of these categories, so does not have its own heading in the spending plan. Staff are requesting feedback on this structure and any other information the Board needs displayed as a part of their decision-making process.

### **3) Funding Distribution Among Categories**

When the Board approved the LTIS Framework, they indicated support for investments in Open Solicitation, Focused Investments, Operating Capacity and Monitoring as broad categories within which numerous grant types will fit. The Board also approved a 'gradual increase over time' in Focused Investments. As staff begin development of the 2015-17 spending plan, they are seeking initial feedback on overall whether the board would like to see a spending plan proposal that begins this gradual in 2015.

### **4) Continue Capacity-Building Grants**

The Board's 2013-2015 Spending Plan for Operating Capacity included \$200,000 to help provide resources for groups of watershed councils to transition to or create new organizational/operating structures to improve effectiveness of local capacity to achieve watershed restoration and community engagement outcomes.

The Board also reserved \$300,000 to support other capacity-related activities, such as the growing partnership between the Oregon Association of Conservation Districts (OACD) and the Network of Oregon Watershed Councils (Network) and for trainings, workshops and coaching to enhance local partners' capacity and effectiveness in watershed restoration work.

The Operating Capacity Subcommittee has indicated support for:

- Continuing capacity-building grants in 2015-2017.
- Providing transition funding to support the initial implementation costs of the newly merged Rogue River Watershed Council.

In addition, the Subcommittee noted it would be important for the Board to discuss the levels of Council Capacity grants and Soil and Water Conservation District capacity grants. Over past biennia, the Board's spending plan has increased or held steady, but not decreased, total spending for council and district capacity grants. As staff begin development of the 2015-17 spending plan, staff is seeking feedback on whether the Board intends to continue this approach.

**5) Bridge Funding for current Special Investment Partnerships (SIP) and Whole Watersheds Restoration Initiative (WWRI)**

When the Board established the process for developing priorities and selecting Focused Investment Partnerships for funding, the timeline to complete this process resulted in a six-month lag between the end of the biennium and the time when new Focused Investments will be selected. As a result, current SIP and WWRI partners would be left without the opportunity to apply through either the Regular Grant program or to participate in a new Focused Investment Partnership. The Focused Investment Subcommittee has discussed this challenge and proposes that the Board consider a one-time investment of 25 percent of each SIP/WWRI program to carry those programs through the first quarter of the 2015-17 biennium. The total cost of this would be a one-time addition of \$2,075,000. Staff is seeking initial feedback on whether a draft spending plan should include this approach.

**Staff Contact**

If you have questions or need additional information, contact Meta Loftsgaarden at [meta.loftsgaarden@state.or.us](mailto:meta.loftsgaarden@state.or.us) or 503-986-0180.

Attachment

- A. 2013-2015 OWEB Spending Plan

**OWEB 2013-15 Spending Plan - Proposed Update  
Oct 2014 Board Meeting**

<b>OWEB SPENDING PLAN</b>	<b>Spending Plan as of July 2014</b>	<b>July 2014 Awards</b>	<b>TOTAL Board Awards To-Date</b>	<b>Remaining Sepnding Plan as of July 2014</b>	<b>Oct 2014 Proposed Awards</b>
<b>Open Grants:</b>					
Restoration	27.720		13.176	14.544	7.271
Technical Assistance	2.600		1.028	1.572	0.780
Action Plans for WC	0.250		0.056	0.194	0.125
Monitoring & EM	2.500		1.343	1.157	
Outreach	1.100		0.600	0.500	
Assessments	0.000		0.000	0.000	
Regular Land and Water Acquisition	8.000		5.219	2.782	
Weed Grants	2.500		2.500	0.000	
Small Grants	2.800		2.800	0.000	
CREP TA	0.750		0.750	0.000	
CREP	0.500		0.500	0.000	
<b>TOTAL</b>	<b>48.720</b>	<b>0.000</b>	<b>27.972</b>	<b>20.749</b>	<b>8.176</b>
<b>% of assumed Total Budget</b>	<b>67.2%</b>				

<b>Focused Investments:</b>					
Deschutes SIP	4.000		4.000	0.000	
Willamette SIP	3.000		3.000	0.000	
Klamath SIP	0.800		0.800	0.000	
Whole Watershed Restoration Initiative	0.500		0.500	0.000	
Effectiveness Monitoring	1.000		0.502	0.498	
Oregon Plan/Governor Priorities	1.000	0.030	0.680	0.320	
Ecosystem Services	0.150		0.090	0.060	
<b>TOTAL</b>	<b>10.450</b>	<b>0.030</b>	<b>9.572</b>	<b>0.878</b>	<b>0.000</b>
<b>% of assumed Total Budget</b>	<b>14.4%</b>				

<b>Operating Capacity:</b>					
Capacity grants (WC/SWCD)	12.200		12.200	0.000	
Building Capacity Grants	0.615		0.615	0.000	
Lower Columbia Estuary Program	0.300		0.300	0.000	
<b>TOTAL</b>	<b>13.115</b>	<b>0.000</b>	<b>13.115</b>	<b>0.000</b>	<b>0.000</b>
<b>% of assumed Total Budget</b>	<b>18.1%</b>				

<b>Business Practices</b>	<b>0.200</b>		<b>0.150</b>	<b>0.050</b>	
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<b>TOTAL OWEB Spending Plan Proposal</b>	<b>72.485</b>	<b>0.030</b>	<b>50.809</b>	<b>21.677</b>	<b>8.176</b>
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<b>OTHER DISTRIBUTED FUNDS</b>					
Oregon Department of Fish and Wildlife - PCSRF	9.226	4.613	9.226	0.000	
IMST (1/2 M76 Operating / 1/2 PCSRF)	0.462		0.462	0.000	
USFW-Coastal Wetlands	0.120		0.120	0.000	
Forest Health Collaboratives from ODF	0.600		0.600	0.000	
PSMFC-IMW	0.300	0.300	0.300	0.000	
<b>TOTAL</b>	<b>10.708</b>	<b>4.913</b>	<b>10.708</b>	<b>0.000</b>	<b>0.000</b>

<b>TOTAL Including OWEB Spending Plan and Other Distributed Funds</b>	<b>83.193</b>	<b>4.943</b>	<b>61.517</b>	<b>21.677</b>	<b>8.176</b>
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John A. Kitzhaber, MD, Governor

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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Aunan, Grant Program Manager

**SUBJECT:** **Agenda Item E: OWEB Regular Grant Program Overview  
October 28-29, 2014 OWEB Board Meeting**

### I. Introduction

This staff report provides an overview of the April 22, 2014, regular grant cycle and budget considerations.

### II. April 2014 Cycle Background and Summary

#### A. Applications Submitted

OWEB offered the usual April cycle application types of Restoration and Technical Assistance. The special, limited offering for Technical Assistance for Watershed Council Action Plans was open only for councils without action plans, since councils need action plans in place to be eligible to apply for Council Capacity Grants in the future. A total of 153 grant applications, seeking about \$16 million, were received by the April 22, 2014, deadline. Attachment A shows applications submitted by region, project type, and dollar amount.

#### B. Applications Withdrawn and Not Eligible

Following the application deadline, two Restoration applications (215-1009 and 215-4005) and one Technical Assistance application (215-1006) were withdrawn by the applicants before review.

One application, 215-3008, was determined to be eligible for the Willamette Special Investment Partnership (SIP) program. As a result, it was not eligible for the regular grant program, and was moved to the Willamette SIP for review.

#### C. Development of Staff Recommendations

The applications were sent to the six Regional Review Teams (RRTs), which reviewed them for merit and made prioritized funding recommendations to OWEB staff.

OWEB staff considered the funding availability and the Board's 2013-2015 spending plan, as updated at the July 2014 Board meeting. Staff then integrated the separate RRT recommendations into the staff funding recommendation to the Board. Attachment B contains the overall recommendations, and specifically details by region and type the number of applications recommended by the RRTs and staff and the dollar amounts recommended by staff. Following this overview are staff reports containing the OWEB staff funding recommendations for each region.

#### **D. Review Process**

Staff sent eligible grant proposals to the RRTs to read and consider. Staff in each region then scheduled visits to as many sites as possible, emphasizing new applications and the more complicated projects. All RRT members were invited on these visits and some members were able to participate.

The RRTs met in June and July. In their RRT meetings, reviewers considered the ecological significance of the proposed project, technical merit, feasibility, likelihood of success, experience of the applicant, and whether the budget supports the proposed work. Given the increasing competitiveness of applications, together with reduced availability of OWEB grant funds, reviewers also considered the overall cost-benefit of applications, as contemplated by OWEB’s administrative rule 695-010-0070(e) (“whether the overall budget reflects the expected watershed health benefit”).

After classifying Restoration, Technical Assistance and Technical Assistance for Watershed Council Action Plan applications as “fund” or “no fund,” the RRTs then prioritized the projects recommended for funding by application type. The RRT recommendations are included in each applicable regional staff report. The recommended funding amount and any special conditions are identified in the tables attached to each regional staff report.

The review teams’ evaluations and recommendations in summary form are distributed to all applicants whose proposals were reviewed by that team. Prior to the Board meeting, staff forward to the Board all written comments received from applicants regarding the review team and staff recommendations.

### **III. Staff Funding Recommendations**

The funding recommendations for the April 2014 cycle fall within the Board’s updated spending plan, as shown in Table 1 below.

**Table 1. 2013-2015 OWEB Spending Plan and April 2014 Cycle Staff Funding Recommendations**

<b>Grant Type</b>	<b>Spending Plan</b>	<b>Staff Recommendations</b>	<b>Grant Funds Remaining*</b>
Restoration	\$14,544,000	\$7,271,481	\$7,272,519
Technical Assistance	1,572,000	780,388	791,612
TA for Watershed Council Action Plans**	194,000	124,615	69,385
<b>TOTAL</b>	<b>\$16,310,000</b>	<b>\$8,176,484</b>	<b>\$8,133,516</b>

\* There is one remaining regular grant cycle for 2013-15 (October 2014)

\*\* TA for Watershed Council Action Plans offered only in October 2013 and April 2014

**A. April 2014 Cycle – Regional Application Funding Recommendations**

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

Staff recommend funding for:

- 65 of the 74 Restoration applications recommended by the RRTs;
- 21 of the 29 Technical Assistance applications recommended by the RRTs; and
- All seven of the Technical Assistance for Watershed Council Action Plans recommended by the RRTs.

Details are contained within each of the attached regional staff reports.

Attachments

- A. Grant Applications Submitted for the April 2014 Grant Cycle
- B. RRT and Staff Funding Recommendations for the April 2014 Grant Cycle

## Oregon Watershed Enhancement Board

### Types of Applications Received for April 21, 2014

	TA for Watershed Council Action Plans	Technical Assistance	Restoration	Totals
<b>Region 1</b>	1	5	13	<b>19</b>
<b>Region 2</b>	1	9	14	<b>24</b>
<b>Region 3</b>	0	6	18	<b>24</b>
<b>Region 4</b>	1	5	14	<b>20</b>
<b>Region 5</b>	1	8	28	<b>37</b>
<b>Region 6</b>	3	6	20	<b>29</b>
<b>Totals</b>	<b>7</b>	<b>39</b>	<b>107</b>	<b>153</b>

### Dollar Amounts by Application Type

	TA for Watershed Council Action Plans	Technical Assistance	Restoration	Totals
<b>Region 1</b>	24,840.00	226,436.00	1,943,508.20	<b>\$2,194,784.20</b>
<b>Region 2</b>	18,774.00	314,146.00	2,788,169.00	<b>\$3,121,089.00</b>
<b>Region 3</b>	0	225,381.00	2,982,299.00	<b>\$3,207,680.00</b>
<b>Region 4</b>	24,981.00	201,867.00	2,932,138.00	<b>\$3,158,986.00</b>
<b>Region 5</b>	25,000.00	332,876.00	1,793,991.00	<b>\$2,151,867.00</b>
<b>Region 6</b>	43,503.00	236,696.00	1,970,142.50	<b>\$2,250,341.00</b>
<b>Totals</b>	<b>\$137,098.00</b>	<b>\$1,537,402.00</b>	<b>\$14,410,247.70</b>	<b>\$16,084,747.70</b>

**Regional Review Team and Staff Funding Recommendations  
April 2014 Grant Cycle**

**Number of Applications Recommended by Review Teams and Staff for Funding**

Region	Technical Assistance		Restoration		TA for WC Action Plans	
	RRT	Staff	RRT	Staff	RRT	Staff
Region 1	3	3	9	9	1	1
Region 2	8	5	10	8	1	1
Region 3	4	3	13	10	0	0
Region 4	4	3	10	7	1	1
Region 5	7	4	19	19	1	1
Region 6	3	3	13	12	3	3
<b>Total</b>	<b>29</b>	<b>21</b>	<b>74</b>	<b>65</b>	<b>7</b>	<b>7</b>

**Dollar Amounts by Application Type Recommended by Staff for Funding**

Region	Technical Assistance	Restoration	TA for WC Action Plans	Total
Region 1	128,598	1,356,613	24,840	1,510,051
Region 2	166,164	1,061,894	18,774	1,246,832
Region 3	102,718	1,339,268	0	1,441,986
Region 4	122,761	1,415,144	24,981	1,562,886
Region 5	158,533	1,061,206	25,000	1,244,739
Region 6	101,564	1,037,356	31,020	1,169,940
<b>Total</b>	<b>\$780,338</b>	<b>\$7,271,481</b>	<b>\$124,615</b>	<b>\$8,176,434</b>



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Aunan, Grant Program Manager  
Tom Shafer, North Coast Regional Program Representative

**SUBJECT:** **Agenda Item E: OWEB Grant Award Recommendations  
Region 1, North Coast  
October 28-29, 2014 OWEB Board Meeting**

### **I. Introduction**

This staff report summarizes the North Coast Regional Review Team (RRT) and staff recommendations for funding.

### **II. Summary of Regional Review Team Recommendations**

Applicants submitted 19 applications for a total request of about \$2.195 million. Two applications were withdrawn by the applicants before review. The North Coast RRT met in June 2014 to review the applications and make recommendations to OWEB staff. Restoration, Technical Assistance and TA for Watershed Council Action Plan applications were reviewed for merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The North Coast RRT recommended 13 applications for funding: Nine Restoration, three Technical Assistance, and one TA for Watershed Council Action Plan. (For additional information, see the summaries of the Review Team Evaluations.)

### **III. Staff Recommendation**

For the October Board meeting, staff recommend funding for all 13 applications for a total award of \$1,510,051: \$1,356,613 for Restoration, \$128,598 for Technical Assistance and \$24,840 for Watershed Council Action Plan.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. Attachment A also indicates OWEB staff “do fund” recommendations for the March Board meeting, shown in gray shading.

For some “do fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

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

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

ATTACHMENT A

**Region 1 - North Coast  
Restoration Applications Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-1001	Rock Creek Salmon Anchor Habitat Restoration**	98,312	1
215-1010	Clatskanie River Floodplain Restoration <b>PE \$17,711</b>	160,025	2
215-1008	Northwest Oregon Restoration Partnership ^	52,711	3
215-1002	Oak Ranch Creek - Salmon Passage Habitat Improvement * ^	421,377	4
215-1000	Upper SF Siletz Stream Enhancement	70,374	5
215-1004	Mill Cr. (Siletz) Watershed Restoration and Effectiveness Monitoring *	99,040	6
215-1007	Backyard Planting Program 2015 (12th Season) <b>PE \$33,130</b>	71,750	7
215-1017	McDonald Slough Reconnection Project ^ <b>EM \$36,362</b>	334,558	8
215-1014	Siuslaw Restoration Materials Acquisition IV ^	48,466	9
<b>Total Restoration Projects Recommended for Funding to Staff by RRT</b>		<b>\$1,356,613</b>	
<b>Total Restoration Projects Recommended for Funding by Staff to Board</b>		<b>\$1,356,613</b>	

\* Listed Amount Reflects Recommended Reduction \*\* Listed Amount Reflects Recommended Increase ^ Fund with Conditions PE = Plant Establishment  
EM = Effectiveness Monitoring

**Region 1 - North Coast  
Technical Assistance Applications Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-1005	Crazy Cougar Passage Design *	48,698	1
215-1015	Central Coast Watersheds Collaborative Restoration Assistance ^	50,000	2
215-1012	McBride Creek Culvert Design	29,900	3
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$128,598</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$128,598</b>	

\* Listed Amount Reflects Recommended Reduction \*\* Listed Amount Reflects Recommended Increase ^ Fund with Conditions

**Region 1 - North Coast**  
**TA for Watershed Council Action Plan Applications Recommended for Funding by the RRT**  
**April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-1018	Tillamook Bay Watershed Council Action Plan ^	24,840	1
<b>Total TA for Watershed Council Action Plan Projects Recommended for Funding to Staff by RRT</b>		<b>\$24,840</b>	
<b>Total TA for Watershed Council Action Plan Projects Recommended for Funding by Staff to Board</b>		<b>\$24,840</b>	

\* Listed Amount Reflects Recommended Reduction \*\* Listed Amount Reflects Recommended Increase ^ Fund with Conditions

**ATTACHMENT B**

**Region 1 - North Coast  
Restoration Application Not Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
215-1003	Little Rock Creek Riparian Restoration	38,768.00
215-1011	Merrill Creek Private Drive Culvert Replacement	96,025.00
215-1016	Thompson Creek Fish Passage Restoration	142,924.00

**Region 1 - North Coast  
Technical Assistance Application Not Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
215-1019	Nicolai-Wickiup Fish Passage Assessment and Prioritization	49,910.00

**Region 1 - North Coast  
Withdrawn Applications  
April 21, 2014 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
215-1006	Patterson Creek Fish Passage Feasibility Study - <b>Technical Assistance</b>	Withdrawn by Applicant
215-1009	SF Nehalem Riparian Enhancement- Thayer Farm Project - <b>Restoration</b>	Withdrawn by Applicant



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Aunan, Grant Program Manager  
Mark Grenbemer, Southwest Oregon Regional Program Representative

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations  
Region 2, Southwest Oregon  
October 28-29, 2014 OWEB Board Meeting**

### I. Introduction

This staff report summarizes the Southwest Oregon Regional Review Team (RRT) and staff recommendations for funding.

### II. Summary of Regional Review Team Recommendations

Applicants submitted 24 applications for a total request of about \$3.1 million. The Southwest Oregon RRT met in June 2014 to review the applications and make recommendations to OWEB staff. Restoration, Technical Assistance and Technical Assistance (TA) for Watershed Council Action Plan applications were reviewed for merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The Southwest Oregon RRT recommended funding for 19 applications: 10 Restoration, 8 Technical Assistance and 1 TA for Watershed Council Action Plan. (For additional information, see the summaries of the Review Team Evaluations.)

### III. Staff Recommendations

For the October Board meeting, staff recommend funding for 13 applications for a total award of \$1,246,832: \$1,061,894 for Restoration, \$166,164 for Technical Assistance and \$18,774 for TA for Watershed Council Action Plan.

Restoration application 215-2000, China Camp Creek Project, requests \$515,000 for tidegate replacement as part of a larger wetland/estuary and agricultural operations grant proposal submitted to the the U.S. Fish and Wildlife Service’s National Coastal Wetlands Conservation Grant Program in June 2014. The Coastal Wetlands proposal received a review by a subset of the RRT in May. This review was to determine if the project could be submitted for consideration through the federal program, and was not a detailed analysis of project merits, which is designed to occur during the OWEB application review for the regular grant program. During this initial review in May, the review team raised specific concerns about the lack of a water management plan for tidegate operation, and the fact that tidegates are being designed with several alternatives under consideration. This left the RRT with significant questions about ecological benefits in

the project's current state. However, understanding that a Coastal Wetlands award would provide significant federal funding, the RRT recommended funding with conditions. Staff does not recommend funding at this time. The Coastal Wetlands application for \$1,000,000 is pending and the USFWS decision is expected in January 2015. Work has been done to improve the project since initial submission, but more work remains to be done. The applicant can resubmit in either October 2014 or April 2015 as questions posed by the review team are able to be addressed. A resubmitted application should include a draft water management plan to enable the RRT to evaluate ecological benefits.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as "do fund" to OWEB staff by the RRT. Attachment A also indicates OWEB staff "do fund" recommendations, shown in gray shading.

For some "do fund" projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

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

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

#### Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

ATTACHMENT A

**Region 2 - Southwest Oregon  
Restoration Applications Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-2008	West Fork Millicoma River & Buck Creek Restoration	209,090	1
215-2021	Munger Creek Stream Restoration	44,519	2
215-2013	Fitzpatrick & Sawyer Creeks Instream Restoration	43,637	3
215-2014	Lutsinger Creek Instream Restoration 2015 ^	91,724	4
215-2007	Tioga Creek Stream Restoration	181,965	5
215-2015	Harrington Creek Instream Restoration	177,563	6
215-2022	Thompson Creek Habitat Restoration** ^ PE \$53,012	238,126	7
215-2012	South Myrtle Creek Dam Removal ^	75,270	8
215-2000	China Camp Creek Project ^	515,000	9
215-2019	Shutters Creek Bridges	58,626	10
<b>Total Restoration Projects Recommended for Funding to Staff by RRT</b>		<b>\$1,635,520</b>	
<b>Total Restoration Projects Recommended for Funding by Staff to Board</b>		<b>\$1,061,894</b>	

\* Listed Amount Reflects Recommended Reduction \*\* Listed Amount Reflects Recommended Increase ^ Fund With Conditions PE = Plant Establishment

**Region 2 - Southwest Oregon**  
**Technical Assistance Applications Recommended for Funding by the RRT**  
**April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-2011	Rice Creek Outreach & Technical Assistance	30,112	1
215-2004	Umpqua Estuary Tidegate Prioritization & Landowner Identification	48,214	2
215-2010	Butcherknife Creek Culvert Replacement	12,736	3
215-2006	N. Slough, Catching Slough & Larson Slough Rest. Project Dev.	38,629	4
215-2023	Lower Elk Restoration & Design	36,473	5
215-2003	Jackson Creek Fish Passage Restoration at Hanley Road Culvert	23,710	6
215-2018	Offield Fish Passage Engineering ^	29,457	7
215-2009	South Fork Coos River Aquatic Inventory Surveys	49,815	8
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$269,146</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$166,164</b>	

\* Listed Amount Reflects Recommended Reduction \*\* Listed Amount Reflects Recommended Increase ^ Fund With Conditions

**Region 2 - Southwest Oregon**  
**TA for Watershed Council Action Plan Applications Recommended for Funding by the RRT**  
**April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-2002	Lower Rogue Watershed Action Plan^	18,774	1
<b>Total TA for Watershed Council Action Plan Projects Recommended for Funding to Staff by RRT</b>		<b>\$18,774</b>	
<b>Total TA for Watershed Council Action Plan Projects Recommended for Funding by Staff to Board</b>		<b>\$18,774</b>	

\* Listed Amount Reflects Recommended Reduction \*\* Listed Amount Reflects Recommended Increase ^ Fund With Conditions

**ATTACHMENT B**

**Region 2 - Southwest Oregon  
Restoration Applications Not Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
215-2001	Oak Street Water Conservation Project (OSWCP)	880,755
215-2005	Daniels Creek Sub-Basin Restoration Enhancement	68,835
215-2016	North Fork Deer Creek Restoration	131,790
215-2020	Woodward Creek- Fairview LWD Restoration	88,940

**Region 2 - Southwest Oregon  
Technical Assistance Application Not Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
215-2017	Rogue Basinwide Barrier Removal Feasibility Analysis	45,000



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Aunan, Grant Program Manager  
Liz Redon, Willamette Basin Regional Program Representative

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations  
Region 3, Willamette Basin  
October 28-29, 2014 OWEB Board Meeting**

### I. Introduction

This staff report summarizes the Willamette Basin Regional Review Team (RRT) and staff recommendations for funding.

### II. Summary of Regional Review Team Recommendations

Applicants submitted 24 applications for a total request of about \$3.2 million. One application (215-3008) was moved to the Willamette Special Investment Partnership program for review. The Willamette Basin RRT met in June 2014 to review the applications and make recommendations to OWEB staff. Restoration and Technical Assistance (TA) applications were reviewed for merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding. No TA for Watershed Council Action Plan applications were submitted.

The Willamette Basin RRT recommended funding for 17 applications: 13 Restoration applications and four Technical Assistance applications. (For additional information, see the summaries of the Review Team Evaluations.)

### III. Staff Recommendations

For the October Board meeting, staff recommend funding for 13 applications for a total award of \$1,441,986: \$1,339,268 for Restoration and \$102,718 for Technical Assistance.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. Attachment A also indicates OWEB staff “do fund” recommendations, shown in gray shading.

For some “do fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

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

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

ATTACHMENT A

**Region 3 - Willamette Basin  
Restoration Applications Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-3005	Dieckman Slough Restoration * PE \$86,726	200,858	1
215-3010	Graham Bottomland Oak Woodland & Wetland Prairie Hab. Rest	53,570	2
215-3021	Middle Crabtree Creek Riparian Restoration PE \$149,715	199,793	3
215-3004	Chip Ross Area Oak Habitat Restoration	120,166	4
215-3017	Restoring Habitat Diversity to Mid-Valley Conservation Areas, Ph II ^	96,782	5
215-3019	Fisher's Bend Phase I - Alcove * ^ PE \$56,137	192,888	6
215-3012	BWCA Riparian Enhancement Phase II PE \$54,531	101,404	7
215-3003	Tualatin Basin Habitat Interconnect* ^ PE \$15,410	142,732	8
215-3022	Courtney Creek Instream Hab. Enhancement & Culvert Replacement	126,675	9
215-3009	Bear Creek Fish Passage Enhancement Phase I	104,400	10
215-3016	Meadowlark Prairie & Oak Savanna Restoration PE \$20,512	231,963	11
215-3011	Upper Price Creek Barrier Removal & Fish Hab. Enhancement	121,784	12
215-3002	Wind Creek Fish Passage Restoration	72,189	13
<b>Total Restoration Projects Recommended for Funding to Staff by RRT</b>		<b>\$1,765,204</b>	
<b>Total Restoration Projects Recommended for Funding by Staff to Board</b>		<b>\$1,339,268</b>	

\*Listed Amount Reflects Recommended Reduction ^Fund with Conditions PE= Plant Establishment

**Region 3 - Willamette Basin**  
**Technical Assistance Applications Recommended for Funding by the RRT**  
**April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-3006	Lower North Santiam Floodplain Restoration Alternative Analysis ^	34,871	1
215-3014	McKenzie Watershed Action Plan ^	17,917	2
215-3018	Mid & Upper Marys Landowner Outreach and Rapid Bio-Assessment	49,930	3
215-3023	Strategic Steps Toward Splash Dam Recovery in Luckiamute Watershed	49,156	4
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$151,874</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$102,718</b>	

\*Listed Amount Reflects Recommended Reduction ^Fund with Conditions

**Region 3 - Willamette Basin**  
**TA for Watershed Council Action Plan Applications Recommended for Funding by the RRT**  
**April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
	NONE SUBMITTED		
<b>Total TA for Watershed Council Action Projects Recommended for Funding to Staff by RRT</b>		<b>\$0</b>	
<b>Total TA for Watershed Council Action Plan Projects Recommended for Funding by Staff to Board</b>		<b>\$0</b>	

**ATTACHMENT B**

**Region 3 - Willamette Basin  
Restoration Applications Not Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
215-3000	Row River Floodplain Restoration	186,300
215-3007	Little Rock Creek Stream Crossing Improvement	210,900
215-3015	Irrigation Automation in Santiam Water Control District	245,500
215-3020	Johnson Creek Riparian Reforestation (CreekCare)	139,925

**Region 3 - Willamette Basin  
Technical Assistance Applications Not Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
215-3001	Rowell Creek Fish Passage Design	23,616
215-3013	Lost Creek Hydrology and Habitat Study	49,891

**Region 3 - Willamette Basin  
Ineligible Application  
April 21, 2014 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount</b>
215-3008	Sturgeon Lake Restoration Project	Moved to SIP (Willamette)



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Aunan, Grant Program Manager  
John Amoroso, Central Oregon Regional Program Representative

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations  
Region 4, Central Oregon  
October 28-29, 2014 OWEB Board Meeting**

### I. Introduction

This staff report summarizes the Central Oregon Regional Review Team (RRT) and staff recommendations for funding.

### II. Summary of Regional Review Team Funding Recommendations

Applicants submitted 20 applications for a total request of about \$3.16 million. One Restoration application was withdrawn by the applicant before review. The RRT met in July 2014 to review the applications and make recommendations to OWEB staff. The Restoration, Technical Assistance (TA) and TA for Watershed Council Action Plan applications were reviewed for merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The Central Oregon RRT recommended funding for 15 applications: 10 Restoration, four TA and one TA for Watershed Council Action Plan.

### III. Staff Recommendation

For the October Board meeting, staff recommend funding for 11 applications for a total award of \$1,562,886: \$1,415,144 for Restoration, \$122,761 for TA and \$24,981 for TA for Watershed Council Action Plan. (For additional information about the Restoration and Technical Assistance projects, see the summaries of the Review Team Evaluations.)

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. Attachment A also indicates: OWEB staff “do fund” recommendations, shown in gray shading.

For some “do fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

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

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

ATTACHMENT A

**Region 4 - Central Oregon**  
**Restoration Applications Recommended for Funding by the RRT**  
**April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-4013	Suplee's Grouse Habitat & Watershed Enhancement * ^	458,265	1
215-4019	Lindell Dam Removal and Irrigation Efficiency Upgrade ^	159,051	2
215-4016	Blackburn Fire Rehabilitation	120,546	3
215-4014	Cottonwood Creek Fish Passage & Garrett Ranch Wetland Enhancement ^	54,316	4
215-4003	Lateral 58-11 Water Initiative - Phase 4 ^	226,115	5
215-4004	Dee Flat On-Farm Irrigation Improvement ^	198,874	6
215-4018	Lower Mill Creek Side Channel* EM \$64,000	197,977	7
215-4012	Landscape Restoration in Upper Crooked River Basin ^	360,040	8
215-4008	Willow Creek Upland and Riparian Enhancement ^	142,800	9
215-4006	Flymon Stewardship Project	302,580	10
<b>Total Restoration Projects Recommended for Funding to Staff by RRT</b>		<b>\$2,220,564</b>	
<b>Total Restoration Projects Recommended for Funding by Staff to Board</b>		<b>\$1,415,144</b>	

\* Listed Amount Reflects Recommended Reduction ^Fund with Conditions EM = Effectiveness Monitoring

**Region 4 - Central Oregon**  
**Technical Assistance Applications Recommended for Funding by the RRT**  
**April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-4002	MFID Temp Evaluation for Flow Mgmt. Strategies	42,800	1
215-4000	Upper Deep Creek Fish Passage Design & Stream Recon Plan ^	39,661	2
215-4011	Cold Springs Ranch Instream Restoration Design ^	40,300	3
215-4017	Mosier Groundwater Restoration Project	50,000	4
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$172,761</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$122,761</b>	

^Fund with conditions

**Region 4 - Central Oregon**  
**TA for Watershed Council Action Plan Applications Recommended for Funding by the RRT**  
**April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-4015	Wasco County Watersheds Action Plan	24,981	1
<b>Total TA for Watershed Council Action Plan Projects Recommended for Funding to Staff by RRT</b>		<b>\$24,981</b>	
<b>Total TA for Watershed Council Action Plan Projects Recommended for Funding by Staff to Board</b>		<b>\$24,981</b>	

**ATTACHMENT B**

**Region 4 - Central Oregon  
Restoration Applications Not Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
215-4001	McGarva Ranch Fish Passage	125,892
215-4007	Scabby Hollow Juniper Treatment IV	52,029
215-4009	Horse Heaven Creek Instream Restoration	244,653

**Region 4 - Central Oregon  
Technical Assistance Applications Not Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
215-4010	Dry River Water Quality Control	29,106

**Region 4 - Central Oregon  
Withdrawn Application  
April 21, 2014 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount</b>
215-4005	Tumalo Feed Canal Phase 4	Withdrawn by Applicant



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Aunan, Grant Program Manager  
Karen Leiendecker, Eastern Oregon Regional Program Representative

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations  
Region 5, Eastern Oregon  
October 28-29, 2014 OWEB Board Meeting**

### I. Introduction

This staff report summarizes the Eastern Oregon Regional Review Team (RRT) and staff recommendations for funding.

### II. Summary of Regional Review Team Recommendations

Applicants submitted 37 applications for a total request of more than \$2.15 million. The Eastern Oregon RRT met in June 2014 to review the applications and make recommendations to OWEB staff. Restoration, Technical Assistance (TA) and TA for Watershed Council Action Plan applications were reviewed for merit and given a “do fund” or “no fund” recommendation by the RRT. The RRT then prioritized the applications recommended for funding.

The Eastern Oregon RRT recommended 27 applications for funding: 19 Restoration, seven TA and one TA for Watershed Council Action Plan. (For additional information, see the summaries of the Review Team Evaluations.)

### III. Staff Recommendation

For the October Board meeting, staff recommend funding for 24 applications for a total award of \$1,244,739: \$1,061,206 for Restoration, \$158,533 for TA and \$25,000 for TA for Watershed Council Action Plan.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. Attachment A also indicates OWEB staff “do fund” recommendations, shown in gray shading.

For some “do fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

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

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

ATTACHMENT A

**Region 5 - Eastern Oregon  
Restoration Applications Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-5013	Iron Mountain Pipeline Project ^	23,346	1
215-5036	Catherine Creek Restoration Corridor ^	160,816	2
215-5019	Foursome Open Ditch Replacement	52,673	3
215-5025	Piping Fletcher Drain	18,010	4
215-5003	Haymaker WQ Improvement * ^	31,132	5
215-5034	Zumwalt Grassland Bird Habitat Integrated Restoration Project * ^	81,677	6
215-5026	Coyote Drain Water Quality Improvement ^	67,368	7
215-5029	Powerline WQ Restoration ** ^	26,907	8
215-5001	Cow Hollow Dreamin Phase I ** ^	71,426	9
215-5017	Cottonwood Creek Upland Restoration Phase II ^	79,062	10
215-5000	Glasgow Butte Watering Project ^	33,817	11
215-5002	Dad's Hill - Take 3 ** ^	61,416	12
215-5007	Thompson Springs Developments ^	38,659	13
215-5020	Alder Slope Forest Health Improvement Partnership- Weaver Creek	84,412	14
215-5006	Hibbard Gulch Riparian & Water Quality Improvement ^	34,584	15
215-5030	Rollin' in the Steep - Flood to Pivot ** ^	42,862	16
215-5016	Moore's Hollow Upland Enhancement ^	44,791	17
215-5015	Pharmacy Hill Streambank Restoration	42,279	18
215-5018	Whiskey Creek Courtney Ranch Restoration *	65,969	19
<b>Total Restoration Projects Recommended for Funding to Staff by RRT</b>		<b>\$1,061,206</b>	
<b>Total Restoration Projects Recommended for Funding by Staff to Board</b>		<b>\$1,061,206</b>	

\*\* Listed Amount Reflects Recommended Increase \*Listed Amount Reflects Recommended Reduction ^ Fund with Conditions

**Region 5 - Eastern Oregon**  
**Technical Assistance Applications Recommended for Funding by the RRT**  
**April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-5021	The Model to Protect Sage-Grouse - Site Specific Plan - Phase II ^	50,000	1
215-5008	The Wallowa River - Baker Project	49,894	2
215-5032	Getting the Word Out and Making Things Happen in the Malheur River Basin	18,400	3
215-5010	Lick Creek Culvert Replacement Project	40,239	4
215-5014	Lower Clear Creek Restoration Plan *	50,000	5
215-5035	Saving Greater Sage Grouse in Malheur County	49,990	6
215-5033	Oregon State Parks & Recreation Invasive Plant Assessment & Planning	28,356	7
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$286,879</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$158,533</b>	

\*\* Listed Amount Reflects Recommended Increase \*Listed Amount Reflects Recommended Reduction ^ Fund with Conditions

**Region 5 - Eastern Oregon**  
**TA for Watershed Council Action Plan Applications Recommended for Funding by the RRT**  
**April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-5011	Harney WC 7 Basins Action Plan ^	25,000	1
<b>Total TA for Watershed Council Action Plan Projects Recommended for Funding to Staff by RRT</b>		<b>\$25,000</b>	
<b>Total TA for Watershed Council Action Plan Projects Recommended for Funding by Staff to Board</b>		<b>\$25,000</b>	

\*Listed Amount Reflects Recommended Reduction ^ Fund with Conditions

**ATTACHMENT B**

**Region 5 - Eastern Oregon  
Restoration Applications Not Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
215-5005	Newt-Young Restoration	186,351
215-5009	Zumwalt Prairie and Imnaha Medusahead Rye	94,949
215-5012	Phase II- Divide Allotment- 3900 Road Fence	49,707
215-5022	Up On Cripple Creek	132,586
215-5023	South Bridge Creek	24,668
215-5024	South Willow Creek	31,705
215-5027	Connecting the Corner on Hyline	14,361
215-5028	Harper Valley WQ Improvement	32,824
215-5031	Clover Creek Slash Abatement	125,396

**Region 5 - Eastern Oregon  
Technical Assistance Applications Not Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
215-5004	Powder Valley Connector Design	43,000



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Aunan, Grant Program Manager  
Sue Greer, Mid-Columbia Regional Program Representative

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations  
Region 6, Mid-Columbia Region  
October 28-29, 2014 OWEB Board Meeting**

### I. Introduction

This staff report summarizes the Mid-Columbia Regional Review Team (RRT) and staff recommendations for funding.

### II. Summary of Regional Review Team Recommendations

Applicants submitted 29 applications for a total request of more than \$2.25 million. The Mid-Columbia RRT met in June 2014 to review the applications and make recommendations to OWEB staff. Restoration, Technical Assistance (TA) and TA for Watershed Council Action Plan applications were reviewed for merit and given a “do fund” or “no fund” recommendation. The RRT then prioritized the applications recommended for funding.

The RRT recommended 19 applications: 13 Restoration, three TA and three TA for Watershed Council Action Plan. (For additional information, see the summaries of the Review Team Evaluations.)

### III. Staff Recommendations

For the October Board meeting, staff recommend funding for 18 applications for a total award of \$1,169,640: \$1,037,356 for Restoration, \$101,564 for TA and \$31,020 for TA for Watershed Council Action Plan.

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. Attachment A also indicates OWEB staff “do fund” recommendations, shown in gray shading.

For some “do fund” projects, the amount shown in the table and the conditions may be the staff recommendation rather than the RRT recommendation. Staff-recommended funding adjustments and conditions are described in the Review Team Evaluations and incorporated by reference into this staff report.

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

Staff recommend the Board approve the staff funding recommendation as shown in the gray shaded sections of Attachment A to this report.

Attachments

- A. Applications Recommended for Funding
- B. Applications Not Recommended for Funding

ATTACHMENT A

**Region 6 - Mid Columbia  
Restoration Applications Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-6010	Lonerock Creek Steelhead Barrier Removal **	20,503	1
215-6012	Lower Cottonwood Fish Passage Improvements - Phase II - POD #10 ^	79,270	2
215-6001	Dunstan Preserve Low Flow Enhancement	34,280	3
215-6018	Dillon Dam Removal: Phase II - Pipeline * ^	297,383	4
215-6013	Lower Cottonwood Fish Passage Improvements - Phase II - POD #8 ^	66,576	5
215-6024	Lower Bridge - Bear Habitat Water Quality Phase #3* ^	198,100	6
215-6009	Upper South Fork John Day Riparian Fence Project ^	32,323	7
215-6015	Sherman County Direct Seed Incentive ^	93,363	8
215-6005	South Fork Upland Initiative - Johnnie's and Caps Creek Aspen Restoration	27,917	9
215-6007	Fox & Cottonwood Leafy Spurge Control - Phase II * ^ <b>EM \$7,842.00</b>	71,309	10
215-6000	Kangaroo Basin Restoration	52,371	11
215-6026	Pine Creek Upland Improvement ^	63,961	12
215-6008	Mill Ditch Pipe Project	75,942	13
<b>Total Restoration Projects Recommended for Funding to Staff by RRT</b>		<b>\$1,113,298</b>	
<b>Total Restoration Projects Recommended for Funding by Staff to Board</b>		<b>\$1,037,356</b>	

\*Listed Amount Reflects Recommended Reduction \*\*Listed Amount Reflects Recommended Increase ^Fund with Conditions EM = Effectiveness Monitoring

**Region 6 - Mid Columbia**  
**Technical Assistance Applications Recommended for Funding by the RRT**  
**April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-6014	Bull Run Tailing Restoration Technical Assistance ^	20,617	1
215-6016	Birch Creek Assessment and Action Plan - Landowner Outreach	32,151	2
215-6017	Athena Bridge Passage Feasibility Study	48,796	3
<b>Total Technical Assistance Projects Recommended for Funding to Staff by RRT</b>		<b>\$101,564</b>	
<b>Total Technical Assistance Projects Recommended for Funding by Staff to Board</b>		<b>\$101,564</b>	

^Fund with Conditions

**Region 6 - Mid Columbia**  
**TA for Watershed Council Action Plan Applications Recommended for Funding by the RRT**  
**April 21, 2014 Grant Cycle**

Grant Award Staff Recommendations to the Board are Highlighted in Gray			
Project #	Project Name	Total Amount	Priority
215-6002	Technical Assistance for Watershed Council Action Plan ^	19,668	1
215-6003	Gilliam-East John Day Watershed Council Action Plan Creation ^	5,500	2
215-6025	Mid John Day - Bridge Creek Watershed Council Action Plan ^	5,852	3
<b>Total TA for Watershed Council Action Plan Projects Recommended for Funding to Staff by RRT</b>		<b>\$31,020</b>	
<b>Total TA for Watershed Council Action Plan Projects Recommended for Funding by Staff to Board</b>		<b>\$31,020</b>	

^Fund with Conditions

**ATTACHMENT B**

**Region 6 - Mid Columbia  
Restoration Applications Not Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
215-6004	Lick Creek Pasture Restoration	17,947
215-6006	Summit and Reed Fire Restoration	161,099
215-6011	Cox-Bansen Diversion Consolidation	137,631
215-6020	West Little Walla Walla River Fish Passage	46,445
215-6022	Butte Creek Passage	60,155
215-6023	Indian Creek Diversions & Pipeline	150,985
215-6027	Upper Bridge Creek Watershed Improvement	130,699

**Region 6 - Mid Columbia  
Technical Assistance Applications Not Recommended for Funding by the RRT  
April 21, 2014 Grant Cycle**

<b>Project #</b>	<b>Project Name</b>	<b>Total Amount Requested</b>
215-6019	Lower South Fork Walla Walla Habitat	48,067
215-6021	Upper Greasewood Creek Flood Control Alternatives	50,000
215-6028	Rowe Creek Floodplain Restoration Preliminary Design	49,548



# Oregon

John A. Kitzhaber, MD, Governor

## Oregon Watershed Enhancement Board

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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Executive Director  
Renee Davis, Deputy Director

**SUBJECT: Agenda Item F: Budget and Legislative Update  
October 28-29, 2014 OWEB Board Meeting**

### I. Introduction

This report updates the Board about budget preparation for the 2015 legislative session and budget proposal ideas that were included in the Agency Request Budget. This report also summarizes preparations for the upcoming 2015 session.

### II. Budget Preparations for the 2015 Legislative Session

The Oregon Legislature approves budgets for state agencies on a biennial basis. In preparing for the next biennium, budgets are structured so that each agency's current (or "base") budget is recalibrated and submitted without need for specific policy description or justification though based on revenue availability and shifting agency or Governor's priorities, shifts can be proposed in what is called "current service level." Any resources requested to be added to the base budget by agencies must be identified separately with full policy narratives and justification of funds requested. The requested additions to an agency's base budget are called "Policy Option Packages or POPs."

The Governor provides instructions to guide agency development of POPs. Agencies submitted their Agency Request Budgets (ARB) to the Governor and the Department of Administrative Services (DAS) this summer. Staff presented the POPs contained in the ARB to the Board at the July Board meeting, a summary is provided as Attachment A. The Governor's Office is in the process of developing state budget recommendations, known as the Governor's Recommended Budget (GRB). This budget proposal includes agency POPs that reflect the Governor's priorities and initiatives.

The GRB is the starting point for agency budget discussions at legislative hearings. During the session, agencies may advocate for their individual POPs only to the extent that they are included in the GRB.

In March 2014, Governor Kitzhaber initiated the process for state agencies to prepare budget proposals for the 2015-2017 biennium. This effort continues aspects of the Governor's 10-Year Plan for Oregon that was initiated in advance of the 2013 legislative session. Governor Kitzhaber launched the 10-Year Plan as a way to redesign how state government builds its

budget and makes investment decisions. It seeks to better position the two-year budget process to achieve long-term outcomes.

The 10-Year Plan organizes the state budget into five major outcome areas—Education, Healthy People, Economy and Jobs, Healthy Environment, and Safety. State agency budget programs are considered within the context of the appropriate outcome area. OWEB’s budget is placed entirely within the Healthy Environment outcome area.

Once the GRB is publicized, staff will update the Board on components related to OWEB at the January Board meeting.

### **III. Next Steps for Budget Development**

- Sept.-Nov. 2014 Governor’s Office develops Recommended Budget
- December 2014 Governor’s Recommended Budget released

The Governor’s Office is in the process of developing priority budget proposals for the 2015 legislative session. OWEB staff have taken part in these conversations and will report on its status at the October meeting.

### **V. 2014 Interim and Preparations for 2015 Legislative Session**

The 2014 interim has included several organizational Legislative Days events, the most recent of which occurred in September. During this time, policy committees held informational hearings, which included updates to several committees about the Federal Forest Health Project (see Agenda Item C-3 for more information). OWEB’s connection to this project is the agency’s administration of Federal forest health collaborative grants. Prior to the 2015 session, additional Legislative Days will be held December 8-10, 2014 and January 12-14, 2015.

The 2015 Legislative session begins on February 2, 2015. Executive branch legislative concepts are still in the drafting stage, with the last day for pre-session filing of bills being December 12, 2014. Although OWEB has no agency legislative concepts, staff will update the Board at the October meeting about potential concepts that are of relevance to the agency.

### **VI. Recommendation**

This report is for informational purposes only. No board action is requested at this time.

Attachment

- A. OWEB 2015-17 Agency Request Budget Policy Option Package Proposals

OWEB 2015-2017 Agency Request Budget  
Policy Option Package Proposals

1. Program Continuity

Fund Type	FTE	OWEB Strategic Plan
<p>Willamette Partnership Coordinator – Continues a limited duration position established in the 2011-13 biennium to manage the work associated with a federal grant from the Bonneville Power Administration (BPA). The position coordinates Willamette River restoration and protection work with the Willamette Special Investment Partnership approved by the OWEB Board. The position will have split funding from BPA and OWEB Measure 76 dollars.</p>	<p>LF- Ops/BPA 1.0</p>	<p>Goals 1 and 4</p>
<p>Senior Partnership Coordinator – Continues a partnerships position focused on coordination of four current programs: the Upper Deschutes Special Investment Partnership, the Coastal Wetlands Grant program, the Conservation Reserve Enhancement Program’s technical assistance work, and the Board’s newly funded Coastal Coho Business planning efforts. This position is requested to be made permanent.</p>	<p>LF-Ops/ FF-PCSRF 1.0</p>	<p>Goals 1 and 4</p>
<p>Website, Graphics and Administrative Specialist – This position includes half-time resources to maintain the agency’s website and to produce other material that help staff educate customers about agency grants and other program using the latest available technology. The other half of this position is dedicated to providing administrative resources for the agency’s Focused Investment and Acquisition programs. These resources were previously unavailable due to high administrative workload demands in all grant program areas. This position is requested to be made permanent.</p>	<p>LF-Ops 1.0</p>	<p>Goal 3</p>
<p>Office Rent – This proposal covers the biennial rent for OWEB field staff in Region 4 to share office space with staff from the Water Resources Department office in Bend.</p>	<p>LF-Ops N/A</p>	<p>Goals 1, 3 and 5</p>
<p>Contracted Services – OWEB Measure 76 grant funds are not eligible to use for contracting. There are certain work products and functions OWEB needs carried out that are most efficiently and effectively accomplished through personal services contracts. OWEB needs to ensure it has adequate funds available for contracting purposes next biennium. These funds will be used in lieu of hiring additional staff to provide training for effective watershed restoration and conservation; continuous improvement in program delivery; and long-term protection implementation (title, appraisal, etc.).</p>	<p>LF-Ops N/A</p>	<p>Goal 1-5</p>

## 2. Program Enhancement

	Fund Type	FTE	OWEB Strategic Plan
<p><u>Grant Program Analyst</u> – This requests a limited duration position to assist with routine grant and administrative processing workload, relieving some of this work from OWEB grant managers, thereby allowing them to spend more of their time working in the field with grantees and other stakeholders to build, strengthen and maintain local partnerships.</p>	LF-Ops	1.0	Goals 1, 2 and 5
<p><u>Conservation Outcomes Coordinator</u> – This limited duration position will lead OWEB’s program to measure and report on the ecological, economic and social outcomes resulting from OWEB grant investments at the landscape level. The position will coordinate with other state and federal agencies to determine priorities and carry out implementation efforts of the Conservation Effectiveness Partnership and other similar initiatives. The position will also work with other agencies and local stakeholders to develop conservation outcome metrics, coordinate monitoring and data, ecosystem evaluation methods, and report results at the landscape level and statewide scales.</p>	LF-Ops	1.0	Goals 1 and 3
<p><u>Conservation Outcomes Specialist</u> – This limited duration position will implement aspects of OWEB’s program to measure and report on the ecological, economic and social outcomes resulting from OWEB grant investments at the landscape level. This position will have a specific focus on measuring and reporting on salmon habitat and recovery activities across the state.</p>	FF-PCSRF	1.0	Goals 1 and 3
<p><u>Federal Forest Health Grant Administration</u> – This limited duration position will help OWEB continue its grant management role for collaborators as part of administering Oregon’s Federal Forest Health program. While OWEB undertook this work through the 2013-2015 biennium without additional resources, some limited support is sought with this policy package to cover administrative expenses associated with any similar Federal Forest Health program funding approved for the 2015-2017 biennium.</p>	Other Funds	0.25	Goals 2 and 4
<p><u>Klamath Comprehensive Agreement Implementation</u> – This limited duration position will act as the agency’s local lead to develop and implement actions during the initial transition period under the Upper Klamath Basin Comprehensive Agreement. The position will coordinate with other funders, manage grant investments, and serve as the agency’s lead on working with the Joint Management Entity and other local partners.</p>	FF	1.0	Goals 1, 2 and 4
<p><u>Independent Multidisciplinary Science Team</u> – In anticipation of legislation from the Governor’s Office to replace IMST with a different independent science review approach, this policy package proposes to remove funding for IMST from the base budget. The reduction would involve \$237,826 of LF-Ops and \$237,608 FF-PCSRF.</p>	LF- Ops FF-PCSRF		

## 3. Program Restoration

<u>Community Engagement Grant Coordinator</u> – This limited duration position restores staff capacity to manage grants associated with conservation education and community outreach. This position supports local watershed councils and conservation districts as they seek to increase local community outreach and engagement.			
Fund Type	FTE	OWEB Strategic Plan	
LF- Ops	1.0	Goal 2 and 3	

## 4. Carry Forward

This policy package proposes to extend expenditure limitation for non-lottery fund grants that have been awarded and continue to be active. This will allow funds for these grants to be expended in the 2015-2017 biennium.			
Fund	FTE	OWEB Strategic Plan	
FF- PCSRF Other	N/A	Goals 1-5	

## 5. Lottery Funds – Measure 76 Grant Funds

This policy package provides the budget vehicle for Measure 76 grant funds, which are the primary source of grant funds for OWEB and are used to support a wide variety of grants, including watershed council and soil and water conservation district capacity, restoration, acquisition, technical assistance, monitoring and outreach. At this time, over \$56 million in M76 grant funds are anticipated for next biennium.			
Fund	FTE	OWEB Strategic Plan	
LF- Grants	N/A	Goals 1-5	

## 6. Additional Grant Funds

This policy package would allow OWEB to receive and expend as grants for collaboratives under the State's Federal Forest Health Program, should additional funds be appropriated by the Legislature for this purpose in 2015-2017. Staff anticipate up to \$600,000 in additional expenditure limitation will be needed.			
Fund	FTE	OWEB Strategic Plan	
Other	N/A	Goals 1-5	

### OWEB Strategic Plan Goals

1. Adaptive Investment – Restore and sustain resilient ecosystems through investments that enhance watershed functions and support community needs
2. Local Infrastructure Development – Support an enduring, high-capacity local infrastructure for conducting watershed and habitat restoration and conservation
3. Public Awareness and Involvement – Provide information to help Oregonians understand the need for and engage in activities that support healthy watersheds
4. Partnership Development – Build and maintain strong partnerships with local, state, tribal and federal agencies, nonprofit organizations and private landowners for watershed and habitat restoration and conservation
5. Efficient and Accountable Administration – Ensure efficient and accountable administration of all investments



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### MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Lauri Aunan, Grant Program Manager  
Courtney Shaff, Grant Program Coordinator

**SUBJECT: Agenda Item H: Rogue Merger Project  
October 28-29, 2014 OWEB Board Meeting**

#### **I. Introduction**

This staff report provides an introduction to a presentation to be provided at the October Board meeting by four Rogue watershed councils (WC): Upper Rogue WC, Little Butte Creek WC, Bear Creek WC, and Stream Restoration Alliance of the Middle Rogue. The councils will report to the Board on the status of the merger of these four watershed councils.

#### **II. Background**

The Board's 2013-2015 spending plan allocated \$200,000 for "building capacity/watershed council transition" grants. The Board delegated authority to the Executive Director to award grants to support councils' transition to new organizational/operating structures to improve capacity for watershed restoration and community engagement outcomes. OWEB announced this new grant offering in July 2013. Two grants were awarded, including one in the amount of \$66,511 for the merger of four Rogue watershed councils.

#### **III. Merger Update**

The four watershed councils began this process in July, 2013 and facilitated meetings on their own every two weeks until a consultant, Bob Harrington of La Piana, was hired at the end of March 2014. Phase I of this project was completed in May 2014. This exploratory phase include initial assessments; trust and relationship building; discussions and exploration of benefits and challenges and other stakeholders and potential partners; communication strategy; refinement of the timeline; and a list of potential items needing negotiation.

The Consolidation Committee made a decision, by consensus, to move forward into Phase II Negotiations in May 2014. All four individual watershed councils then passed resolutions confirming their commitment to continue with the process and enter into Phase II Negotiations and Merger Plan development. Phase II includes financial and legal due diligence as well as the formation of the new Rogue River Watershed Council Board of Directors. Phase II is due to be complete by the end of October 2014, at which time the councils will move into implementation.

#### **IV. Recommendation**

This is an information item only.



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### MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Greg Sieglitz, Monitoring and Reporting Program Manager

**SUBJECT:** **Agenda Item I: Oregon Plan for Salmon and Watersheds 2013-2015 Biennial Report -- OWEB Board Recommendations**  
**October 28-29, 2014 OWEB Board Meeting**

#### **I. Introduction**

This report provides an update on the activities of the agency's development of the 2013-2015 Biennial Report on the Oregon Plan for Salmon and Watersheds. The Board will be asked to adopt recommendations to include in the report, which will be submitted to the Legislature and Governor's Office by January 15, 2015.

#### **II. Background**

ORS 541.420 requires OWEB to submit a report to the Governor and appropriate committees of the Legislative Assembly that assesses the statewide and regional implementation and effectiveness of the Oregon Plan for Salmon and Watersheds. The report must address each drainage basin in the state and include watershed and key habitat conditions, an assessment of data and information needs, an overview of state agency programs and voluntary restoration activities, a summary of Board investments, and recommendations from the Board for enhancing effectiveness of the Oregon Plan. The 2013-2015 Oregon Plan Biennial Report is due on January 15, 2015.

#### **III. Composition of the 2013-2015 Biennial Report**

As reported at the April 2014 OWEB Board meeting, staff developed a similar approach to completing the 2013-2015 biennial report as to that taken in 2012 for last biennium's report. The report will consist of two major structural components. First, as required by the Legislature, there will be a two-page Executive Summary available both electronically and in hard copy. Second, the full report will be produced electronically in its entirety and be made accessible through the OWEB and other agencies' websites.

As with the last biennial report, the online version of the 2013-2015 report will include access to data and information about all of the 15 Oregon Plan reporting basins through web-based resources such as the maps and tools. (Previous biennial reports are also available through the OWEB website at <http://www.oregon.gov/oweb>)

In order to accommodate these statutory requirements and tap into expertise and assistance from other agency staff, Attachment A contains the time table that staff developed and are working from to ensure successful delivery of the report.

One significant area of report development each year includes work with the other agencies required to provide information on Oregon Plan accomplishments (Attachment B). Staff are currently reaching out to all agencies listed in statute in a more comprehensive manner than previous biennia. This outreach provides the potential for a much more comprehensive view of other agencies' contributions to the Oregon Plan beyond what past reports have attempted. Another enhancement included with this biennial report includes streamlining and reorganizing the structure of the web-based report so that users have a more seamless experience when viewing and using the online version of the report. A third enhancement with this report is focused on combining use of static maps and near real-time data in the electronic version of the report. As a result, information for the last six months of the biennium will be updated through June 30, 2015.

Once completed, the 2013-2015 report will consist of the information required statutorily, but also any recent investments, accomplishments and other data that is made available during the final quarter of the biennium. This approach results in a more "living document" feel to the report. Finally, a popular item with 2011-2013 biennial report—the six short regional videos depicting landscapes, challenges and accomplishments and landowners involved in cooperative conservation—will be included in the current report as they remain relevant.

#### **IV. OWEB Board Recommendations**

Following the April 2014 Board meeting update, staff worked with the Board's Executive Committee to review and consider past biennial report recommendations by the full OWEB Board and drafted recommendations for the 2013-2015 biennial report. The consensus of the Executive Committee was to utilize a similar approach to the past reports, but include a limited suite of relevant recommendations. The committee also supported the staff recommendation of incorporating the OWEB Long-Term Investment Strategy and the Governor's 10-year Vision for a Healthy Environment into the recommendations (both of which were referenced only briefly in the prior biennial report due to the timing of their development and production of the prior report). At the time of writing this staff report, the Executive Committee had not yet met to review and discuss the final draft recommendations. An update from staff, along with the final draft recommendations from the Executive Committee, will be provided at the October Board meeting for consideration.

#### **V. Staff Recommendation**

Staff recommend the Board adopt the final draft recommendations, as developed by the Board's Executive Committee and to be provided at the October 2014 Board meeting, for inclusion in the 2013-2015 Biennial Report for the Oregon Plan for Salmon and Watersheds.

#### Attachments

- A. Timeline for 2013-2015 Biennial Report development
- B. Oregon Plan accomplishments

**Oregon Plan for Salmon and Watersheds 2013-2015 Biennial Report**

TASKS

	2014								2015
	May	Jun	July	Aug	Sept	Oct	Nov	Dec	Jan
Begin scoping layout									
Draft executive committee observations									
Initiate other agency conversation									
<b>Executive committee meeting #1 re: draft observations</b>									
Check-in with other agencies									
Continue Module Development									
Check-in with other agencies									
<b>Executive committee meeting #2 (Sept or Oct)</b>									
Pre-draft modules									
Agency first drafts									
<b>Board adoption of recommendations</b>									
Final draft of modules									
Final products from agencies (may extend into late Nov./early Dec.)									
Completed modules									
Wrap up by December 15									
<b>Produce hardcopies and deliver (Jan 15, 2015)</b>									

**2013 ORS § 541.972<sup>1</sup>****Oregon Watershed Enhancement Board  
reports to Governor and Legislative  
Assembly on Oregon Plan**

- (1) The Oregon Watershed Enhancement Board shall, by January 15 of each odd-numbered year, submit a report to the Governor and to the appropriate committee or committees of the Legislative Assembly that assesses the implementation and effectiveness of the Oregon Plan in the state. The report shall address each drainage basin in the state and shall include, but need not be limited to:
  - (a) A status report on watershed and key habitat conditions in the drainage basin based on available information;
  - (b) An assessment of data and information needs deemed critical to monitoring and evaluating watershed and habitat enhancement programs and efforts;
  - (c) An overview of state agency programs addressing watershed conditions;
  - (d) An overview of voluntary restoration activities addressing watershed conditions;
  - (e) A summary of investments made by the board from funds received under section 4b, Article XV of the Oregon Constitution, and all other sources; **and**
  - (f) The recommendations of the board for enhancing the effectiveness of Oregon Plan implementation in each drainage basin.
- (2) In order to provide the board with the information necessary to complete the report described in subsection (1) of this section, each natural resources agency shall provide information requested by the board in the format and at the times determined by the board.
- (3) For purposes of this section, natural resources agency includes:
  - (a) Department of Environmental Quality;
  - (b) State Department of Agriculture;
  - (c) State Department of Fish and Wildlife;

- (d) State Forestry Department;
  - (e) Department of State Lands;
  - (f) Water Resources Department;
  - (g) Department of Land Conservation and Development;
  - (h) State Department of Geology and Mineral Industries;
  - (i) Oregon Watershed Enhancement Board;
  - (j) Fish and Wildlife Division of the Department of State Police;
  - (k) Department of Transportation;
  - (L) State Parks and Recreation Department;
  - (m) Oregon Business Development Department;
  - (n) State Marine Board; and
  - (o) Any other state agency that is required to manage, allocate or protect natural resources, either as the primary responsibility of the agency or in conjunction with the primary responsibilities of the agency.
- (4) In addition to the report specified under subsection (1) of this section, the Oregon Watershed Enhancement Board shall report regularly during the interim on the implementation of the Oregon Plan to the appropriate legislative committee. [Formerly 541.420]

Note: 541.972 (Oregon Watershed Enhancement Board reports to Governor and Legislative Assembly on Oregon Plan) was enacted into law by the Legislative Assembly but was not added to or made a part of ORS chapter 541 or any series therein by legislative action. See Preface to Oregon Revised Statutes for further explanation.

...

(No annotations for this section.)

<sup>1</sup> Legislative Counsel Committee, *CHAPTER 541—Water Distributors; Water Releases; Conservation and Storage; Water Development Projects; Watershed Management and Enhancement*, [https://www.oregonlegislature.gov/bills\\_laws/lawsstatutes/2013ors541.html](https://www.oregonlegislature.gov/bills_laws/lawsstatutes/2013ors541.html) (2013) (last accessed Apr. 27, 2014).

<sup>2</sup> OregonLaws.org contains the contents of Volume 21 of the ORS, inserted alongside the pertinent

statutes. See the preface to the ORS Annotations for more information.

<sup>3</sup> OregonLaws.org assembles these lists by analyzing references between Sections. Each listed item refers back to the current Section in its own text. The result reveals relationships in the code that may not have otherwise been apparent.

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### MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Renee Davis, Deputy Director

**SUBJECT: Agenda Item J: Fifteenmile Creek Water Acquisition Grant Update  
October 28-29, 2014 OWEB Board Meeting**

#### **I. Introduction**

This staff report introduces a presentation to be provided about the Fifteenmile Action to Stabilize Temperatures (FAST) Program (Grant #214-8200). At the October Board meeting, staff from the National Fish and Wildlife Foundation (NFWF) and The Freshwater Trust (TFT) will report to the Board on the status of the program and respond to questions posed previously by the Board.

#### **II. Background**

At its January 2014 meeting, the Board approved water acquisition program guidance, which describes the priorities, principles and process for water acquisition grant-making. The process section of the guidance outlines that the 2013-2015 biennium would be used as a pilot test of a coordinated funder framework described in the Board approved guidance. OWEB contracted with NFWF to assist the agency with developing and overseeing the coordinated funder framework process.

The first grant under the pilot process was awarded by the Board to NFWF in April of 2014. This award included support in the amount of \$57,740 for TFT's FAST program, which is an innovative program that uses a predictive model to identify when low streamflow and increased water temperature may present survival risks for native fish species. When these scenarios are predicted, irrigators involved in the FAST program are alerted and decide if they will voluntarily shut off their irrigation withdrawals with the intent of protecting additional water instream. The FAST program involves strong community collaboration, including coordination of landowner outreach by the Fifteenmile Watershed Council. It also provides an opportunity for irrigators to voluntarily contribute to instream flow while retaining flexibility for permitted water use that meets the needs of their operations. FAST is one of several tools that TFT is using to achieve flow restoration in the Fifteenmile Watershed, and complements other tools such as short-term leases. The increased streamflow provided by the FAST program at critical low-flow times helps protect steelhead, lamprey and coho salmon, and to some degree addresses 303(d) listings for water temperature in Fifteenmile Creek.

During discussion of the FAST program at the April 2014 meeting, the Board expressed interest in hearing an update following 2014 program implementation, including such topics as: Number of

participating landowners and information about irrigation water-use in Fifteenmile Creek; payments to participants; and information about the ecological benefits of this year's program.

### **III. Status Update**

At the time of writing this staff report, irrigation season was wrapping up in Fifteenmile Creek. TFT is completing final quantification of the voluntary curtailment and landowner compensation under the 2014 program and drafting the FAST monitoring report. The report is scheduled for completion in October and results will be presented to the Board at the October meeting. In the meantime, TFT has provided for a brief summary in advance of the meeting (see the following three paragraphs).

2014 was the first year Fifteenmile irrigators were eligible to receive compensation for participation in FAST. Irrigators had the choice of two compensation options representing two different levels of commitment: Option 1 offered irrigators upfront payment for complete curtailment of their water rights during an alert; and Option 2 offered irrigators the flexibility to curtail their water rights on a level of their choosing (including non-participation) and offered payment at the end of the irrigation season based on the actual volume of water curtailed during an alert. Nine total irrigators signed up with TFT to receive compensation for participation in FAST (five under Option 1 and four under Option 2).

The Fifteenmile watershed had one FAST alert during the 2014 irrigation season from July 8-15. During this time, Option 1 participants alone contributed 1.72 cfs to Fifteenmile Creek. Results from Option 2 participants are not yet known as irrigation season is just wrapping up in the watershed. During the alert, streamflow gages throughout the watershed confirmed the expected bump in streamflow as a result of water curtailment and recorded stream temperatures showed a downward trend. In addition, no fish or lamprey kills were documented by the Oregon Department of Fish and Wildlife or the Confederated Tribes of the Warm Springs Indian Reservation during the alert.

While this information is very encouraging, TFT is still analyzing the ecological benefits of the FAST response to the 2014 alert. One major consideration is that water curtailed under FAST is not legally protectable by the Oregon Water Resources Department. Therefore, any increase in streamflow, as a result of FAST implementation, has the potential to be offset by the associated delay in water use regulation by the Watermaster. TFT will explore this further in its final report.

At the October meeting, NFWF and TFT staff will report to the Board, providing additional information about program status--including an update about the evaluation approach for ecological results—and responding to questions previously posed by the Board.

### **IV. Recommendation**

This is an information item only.



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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Executive Director

**SUBJECT: Agenda Item L: Focused Investment Partnership Solicitation Process and Capacity-Building Cap Approval  
October 28-29, 2014 OWEB Board Meeting**

### I. Introduction

This staff report updates the Board on Priority submissions received and next steps for the priority-setting process. In addition, staff request Board consideration for a Focused Investment Partnership Selection Process as well as recommending a \$150,000 cap for Focused Investment Partnership Capacity-Building Funding.

### II. Background

In June of 2013, the OWEB Board approved its Long-Term Investment Strategy Framework with four major areas of investment: Operating Capacity, Open Solicitation, Focused Investments, and Effectiveness Monitoring.

Though OWEB has participated in efforts that align with the qualities of 'focused investments' in the past, there has been no formal definition, process or solicitation approach for the program. In October of 2013, OWEB kicked off a nine-month process to develop a definition, criteria, solicitation approach, program design and process for the Focused Investment category of OWEB funding.

To assist with this effort, the agency has organized a set of external and internal (i.e., OWEB staff) work groups. In selecting the external work group, members were recruited from every region of the state, in addition to representatives from soil and water conservation districts (SWCDs), watershed councils, land trusts, Tribes and other non-profit organizations. The executive boards of the Oregon Association of Conservation Districts, Network of Oregon Watershed Councils and Coalition of Oregon Land Trusts also are represented. These individuals have been meeting together since late 2013 to provide input to the Board on the program's design and implementation.

### III. Input Received

This work continues the Focused Investment Partnership Program plan described at the January Board meeting. Input to this point has included:

- October 2013 – Began design process with work groups
- January 2014 Board Meeting – Board reviewed draft documents and solicited public comment; work group then continued design process

- March 2014 (all six regions) – OWEB staff held listening sessions in all regions of the state to receive input on the first draft of the solicitation process for Focused Investment Partnerships.
- April 29-30, 2014 (Bandon, OR) – OWEB Board received public comment on the draft solicitation process and other aspects of the Focused Investment Partnerships program as outlined above.
- July 29-30, 2014 (The Dalles, OR) – OWEB Board approved definition, criteria, solicitation approach, timeline and priority selection processes.

#### **IV. Priority Setting Process**

In August, OWEB released the Board-approved questions for consideration as Focused Investment Partnership Priorities are developed (Attachment A). Submissions for this first round of input are due October 15, 2014. Staff will provide an update of priority submissions received at the October Board meeting, including the number of submissions and general categories received. Public comment will also be received at the October meeting, providing a chance for groups and individuals to support submitted proposals or to suggest new priority concepts.

Following the October Board meeting, staff and the Board Subcommittee on Focused Investments will be working with technical experts to revise, combine and refine proposals for the Board to consider at their January and April 2015 Board meetings. These steps are based on the process approved by the Board in July of 2014.

#### **V. Overview of Staff Recommendations**

Staff and the Board Subcommittee have finalized two proposals for Board consideration at the October 2014 Board meeting:

- Process for Selecting Focused Investment Partnership Implementation and Capacity-Building investments (Attachment B).
- A cap for Capacity-Building investments of \$150,000 per partnership each biennium.

##### **A. Process for Selecting Focused Investment Partnership Implementation and Capacity-Building investments**

Staff, the Focused Investment Partnership work group and the Board Subcommittee have worked over the last four months to develop a process for selecting partnerships for investment. The process differs from individual project grant submission in the Regular Grant Program from the perspective that these are multi-biennia commitments at the program, rather than the project, level. As such, additional vetting processes are proposed, including:

*For Capacity-Building Funding:*

- 1) A Letter of Interest process for Capacity-Building funding so staff are aware of potential applicants and can guide them through submission of a full application.

*For Implementation Funding:*

- 1) A pre-proposal process for Implementation Funding. This process will allow for three options:
  - a. Incomplete applications can be removed from the process.
  - b. The Subcommittee will ‘invite’ a set of full proposals that are within the range of the funding made available by the Board. Those proposals not invited can still submit, but will do so with a clear understanding of the funding limitations.

- c. The subcommittee can recommend an applicant for Implementation Funding move instead to the Capacity-Building Funding pool.
- 2) A process for Board members to interview applicants at the full proposal stage to provide recommendations to the Board

**B. Capacity-Building Funding Cap**

At OWEB’s July 2014 Board meeting, the Board approved a two-year funding limit, with the funding cap amount to be determined, to the Focused Investment Partnership Capacity-Building program. At that time, staff and the Board Subcommittee pledged to propose a maximum funding amount for that program at the October 2014 Board meeting. **Staff and the subcommittee have determined that \$150,000 over the two-year funding period constitutes an appropriate maximum funding amount for the Capacity-Building program.**

Capacity-Building applicants will be working from varying degrees of partnership history and structure when submitting applications. Thus, applicants may pursue a wide range of capacity-building actions that will incur an equally wide range of expenses. Such actions may include: development of a strategic action plan, development of a partnership MOU or other formalized partnership materials, meeting facilitation, and community outreach and engagement in the partnership or strategic action planning process, among other things.

In order to best understand the range of funding suitable for a diverse set of Capacity-Building applicants, staff looked at other capacity-building investments of a similar nature both within and outside OWEB. Staff research suggests that although some partnerships may be able to justify expenses over \$150,000, that amount should be sufficient in achieving the Capacity-Building goals OWEB intends for the Focused Investment Partnership program.

**VI. Recommendation**

Staff requests the Board approve the following:

- A. Final Process for Focused Investment Partnership funding selection as described in Attachment B of this staff report; and
- B. A cap of \$150,000 for Focused Investment Partnership Capacity-Building funding.

Attachments

- A. Proposals for Board Priority Consideration – Final Questions
- B. Process for Selecting Focused Investment Partnership Implementation and Capacity-Building investments

## Input for Board Proposed Priority Consideration

Between August 2014 and April 2015, the OWEB Board will receive input as it develops a set of priorities of statewide ecological significance for Focused Investment Partnership funding. This is a new process for the OWEB Board. These priorities will apply only to the Focused Investment Partnership funding within OWEB's spending plan (currently between 10-12% of OWEB's funds). In an effort to secure early advice and input from a broad cross-section of stakeholders, the Board has developed a set of questions for stakeholder response.

If you are interested in providing input to the Board during this first phase of priority-setting, please respond to the attached questions in a letter. The letter should not exceed ten pages. The Board has identified these questions as a part of their decision-making process. Your feedback will help them better understand priorities from a variety of perspectives.

The steps for priority-setting are as follows:

- 1) August 1-October 15, 2014      OWEB Board receives potential priorities recommendations from stakeholders
- 2) October 28-29, 2014              OWEB Board meeting in Grants Pass - opportunity for stakeholders to provide input on priority proposals and receive additional suggestions during public comment process
- 3) October-December, 2014        OWEB staff and Focused Investment Subcommittee review input; combine similar proposals and develop summary for Board, along with preliminary recommendations
- 4) January 27-28, 2015              OWEB Board Meeting in Astoria – Board reviews subcommittee summary; additional opportunity for stakeholders to provide feedback on proposals during public comment
- 5) January-March, 2015              Subcommittee and staff solicit additional input as needed through a variety of mechanisms; revise proposals based on feedback from Board and stakeholders
- 6) April 28-29, 2015                Board Meeting in Salem - review final draft priorities; additional opportunity for public comment; Board approves final priorities

If you would like further information about this process or to ask questions, please contact Meta Loftsgaarden at OWEB - [meta.loftsgaarden@state.or.us](mailto:meta.loftsgaarden@state.or.us).

## Proposed Priority Response Questions for OWEB Board

*The following questions include factors the Board will consider as they select priorities for the Focused Investment Partnership Program. We recognize all factors are not applicable or known for every priority. Please provide information as available. Summarize the following information about your proposed priority for the OWEB Board to consider (the Board encourages submissions of ten or fewer pages). Your input will be integrated and refined with other input and expertise.*

### 1. Proposed Priority Description

- a) What is the native fish or wildlife habitat to be conserved or other natural resource issue to be addressed?
- b) What are the specific expected ecological outcome(s) to be achieved after this priority is addressed?
- c) What is the defined geographic location within which this proposed priority can be successfully addressed?

### 2. Significance to the State

- a) Why is this proposed priority of ecological significance to the state, even though it may not be present everywhere in the state?
- b) Are there any social and/or economic considerations that the Board should understand regarding this proposed priority?
- c) In addition to its significance to the state, identify how the proposed priority fits within regional & local ecological priorities.

### 3. Limiting Factors

- a) What ecological limiting factors exist that relate to the proposed priority identified? *Limiting factors* are the physical, biological, or chemical conditions and associated ecological processes and interactions (e.g., population size, habitat connectivity, water quality, water quantity, etc.) experienced by the habitat that may influence viable population parameters (i.e. abundance, productivity, spatial structure, and diversity).
- b) Reference any framework(s) that exist (Recovery Plans, Implementation plans, etc.).

### 4. Threats and Benefits

- a) What overall threats exist to the proposed priority identified? *Threats* are the human actions (e.g., fishing, development, road building, etc.) or natural (e.g., flood, drought, volcano, tsunami, etc.) events that *cause or contribute-to* limiting factors. Threats may be associated with one or more specific life cycle stages and may occur in the past, present, or future.
- b) What will happen if the threats aren't addressed?
- c) Describe the economic, social, iconic and cultural benefits of addressing the outcome and impacts of not addressing it.
- d) Briefly summarize how much has been done already, how much is remaining.
- e) What is your best estimate of cost to address the priority, and as a result, how economically feasible do you believe it is to address this priority over time?

## 5. Opportunities

## a) Ecological:

1. What are the measures of ecological success? What's the likelihood of ecological success in the short (6-year), medium and long-term (define the term lengths)?
2. What types of voluntary conservation actions could be undertaken to address the proposed priority?
3. Should the proposed priority be divided into geographic areas that are appropriate for partners to address?

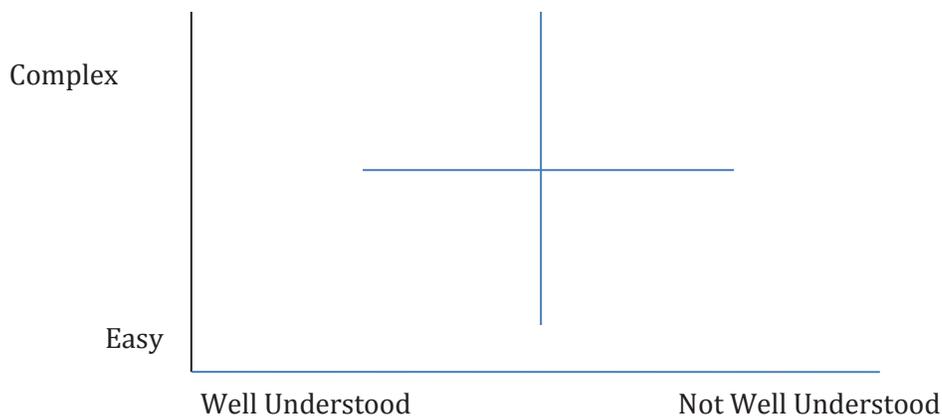
## b) Social:

1. Do partnerships exist to address the proposed priority? If so, briefly describe. If not, note why this proposed priority is important enough that partnerships may form to address it.
2. What social opportunities exist to address the proposed priority? Is there momentum built?
3. Describe educational benefits, if any.
4. Summarize the social, community, political, regulatory or other factors that will help lead to the success of this proposed priority.
5. What can be leveraged to address the proposed priority (funding, acreage impacts, other resources)?

## a) Economic Benefits

1. Describe the economic benefits of addressing the ecological proposed priority, including ecosystem services

6. FOR ALL SUBMISSIONS: Assess the proposed priority by locating the proposed priority in one of the quadrants below. Describe why the proposed priority falls in this quadrant. There is no wrong answer to this question and there may be multiple answers.



7. Is there other information the Board should know regarding this priority?
8. In lieu of attaching letters of support for this proposal, please submit a list of other supporting individuals or organizations.

***Focused Investment Partnerships:***  
Proposed Solicitation Process, October 2014

CAPACITY-BUILDING FUNDING	IMPLEMENTATION FUNDING
May1-July 1, 2015	May1-July 1, 2015
Letters of Intent submission period. Due date: July 1, 2015.	Application Phase I submission period. Due date: July 1, 2015.
July1-August 15, 2015	July1-August 15, 2015
Staff receives Letters of Intent. Upon receipt, staff will inform applicants of next steps in the process. This stage is not intended to be a pre-screening for applications and will not include any evaluative action.	Staff convenes technical teams designated for each priority area for review of Phase I applications.
	Subcommittee takes information from staff and technical teams, and invites select partners to submit Phase II application materials, including work plan and budget. Other applicants not invited can submit if they choose, though it will be noted there is limited funding available.
August 15-October 31, 2015	August 15-October 31, 2015
Capacity-Building full application submission period. Due date: October 31, 2015.	Application Phase II submission period. Due date: October 31, 2015.
November 1-January 8, 2016	November 1-January 8, 2016
RPRs review Capacity-Building applications and provide feedback to capacity review team and subcommittee for their consideration.	RPRs review applications and provide feedback to technical review teams and subcommittee for their consideration.
Staff convenes state capacity review team to make recommendations to subcommittee through staff.	Staff convenes technical review teams designated for each priority area to complete a technical review of applications in their area and provide feedback.
Subcommittee reviews feedback from RPRs and recommendations from the state capacity review team. Provides final recommendations for funding to Board based on available funds.	Subcommittee receives applications, technical teams and RPRs feedback, and asks any follow-up questions of RPRs and/or technical teams.
	Subcommittee interviews all applicants, negotiates budgets, and recommends Implementation grants for funding based on available funds.
January 2016 Board Meeting	January 2016 Board Meeting
Board reviews subcommittee recommendations and selects Capacity-Building programs for funding. There will be an opportunity for public comment at this time.	Board reviews subcommittee recommendations and selects Implementation programs for funding. There will be an opportunity for public comment at this time.



# Oregon

John A. Kitzhaber, MD, Governor

## Oregon Watershed Enhancement Board

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## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Meta Loftsgaarden, Executive Director  
Renee Davis, Deputy Director

**SUBJECT: Agenda Item M: OWEB Land Acquisition -- Retroactive Approval of Deer Creek Conveyance  
October 28-29, 2014 OWEB Board Meeting**

### I. Overview

Staff request the Board consider retroactive approval of the conveyance of Deer Creek Ranch (Grant #206-277) from Deer Creek Center (DCC) to Siskiyou Field Institute (SFI), in accordance with provisions of the conservation easement held by OWEB. In considering retroactive approval of the conveyance, staff request the Board also consider conditions tied to the conveyance itself and to the results of monitoring conducted on the property in 2012.

### II. Property Ownership Change

The Board awarded funding in September 2006 for the acquisition of Deer Creek Ranch, located in Josephine County. In return, the Board was granted a conservation easement by DCC, the non-profit that was formed to own and manage the property.

DCC dissolved in 2014, and in doing so, conveyed Deer Creek Ranch to SFI in June 2014. Like all of OWEB's conservation easements, the Deer Creek Ranch easement specifies that DCC may not sell, lease, exchange, or otherwise dispose of the property without prior written approval from OWEB, and that the Board will consider any such approval at a regularly scheduled public business meeting of the Board. DCC did not receive approval from the Board before it conveyed the property to SFI. DCC notified OWEB staff that the conveyance was imminent; however, the timeframe between notification and conveyance was too short for staff to review the conveyance and finalize details prior to the July 2014 OWEB Board meeting.

### III. Property Management

In 2012, a monitoring contractor hired by OWEB reported concerns about the property's ecological trajectory. Specifically, the contractor recommended aggressive treatment of weeds, and a variety of other actions to halt and reverse degradation of the property's conservation values. Staff visited the property and have followed up with suggestions and recommendations to improve DCC's partnerships for management of the property. SFI is currently going through an overall strategic planning process for their organization. OWEB staff have requested that upon completion of the strategic planning, SFI take on development of a farm management plan to address challenges identified in the 2012 monitoring report.

#### **IV. Retroactive Approval of Property Ownership Change**

ORS 541.960 states that the Board may require conditions on the sale or transfer of land purchased with Board funding to, among other things, ensure consistency with the intent of the original grant and ensure the ability of the party receiving the land through the sale or transfer to carry out the obligations under the grant. In addition, ORS 541.960 prohibits the Board from allowing a sale or transfer that results in any profit to any person.

Staff recommend that the Board retroactively approve the conveyance of the property from DCC to SFI with conditions to ensure consistency with the intent of the original grant, which was protection and enhancement of the property's conservation values, as identified in Attachment A.

#### **V. Staff Recommendation**

Staff recommend that the Board retroactively approve the conveyance of Deer Creek Ranch to the Siskiyou Field Institute, with the conditions specified in Attachment A.

Attachment

A. Conditions for Retroactive Approval

### Conditions of Retroactive Approval of Conveyance, Grant #206-277

- SFI confirms that the conveyance of the property did not result in any profit to any person, consistent with ORS 541.960(2).
- SFI acknowledges its understanding that the property is encumbered by the conservation easement granted to OWEB, dated November 24, 2008;
- SFI agrees to comply with the terms and conditions of the conservation easement over time, including obligations associated with management of the property;
- SFI agrees to assume remaining obligations under grant agreement #206-277;
- SFI will permanently maintain copies of: (i) the conservation easement; (ii) the baseline inventory for the property, dated July 7, 2008; (iii) the OWEB-approved management plan for the property, dated September 20, 2010; (iv) OWEB/Deer Creek correspondence regarding management issues related to the property; and (v) a current title report for the property, which clearly identifies valid encumbrances of record affecting the property. Within **1 month** of the OWEB Board's retroactive approval of conveyance of the property, SFI will notify OWEB of any missing materials and OWEB will provide copies of the materials in as timely a manner as possible;
- SFI acknowledges its understanding that the special warranty deed received by SFI does not accurately identify encumbrances affecting the property, including the conservation easement. OWEB will assess the current condition of the property's title and the potential for problems to arise from the inaccuracies in the deed. If requested to do so by OWEB in writing, SFI will expediently record a title instrument approved by OWEB to remedy the inaccuracies in the deed and will cooperate with OWEB to clarify any other title matters identified by OWEB;
- SFI will make all reasonable efforts to comply with staff's recommendation that SFI develop a specific farm plan for the property in conjunction with relevant experts including public institutions with expertise in the area. Staff highly recommend that the plan contain actions and timelines for weed management that are adequate to address the issues raised in OWEB's monitoring report for the property, dated December 27, 2012. SFI should endeavor to complete the plan, including OWEB approval, within **18 months** of the OWEB Board's retroactive approval of conveyance of the property;
- If SFI receives OWEB approval of a farm plan, SFI should update the OWEB-approved management plan for the property, dated September 20, 2010, in accordance with the process specified in the management plan. The update should incorporate the approved farm plan by reference;
- SFI will make all reasonable efforts to comply with staff's recommendation that SFI cooperate with OWEB on any other actions that OWEB determines are necessary to ensure that the property will be managed in accordance with the conservation easement over time;
- SFI affirms its understanding that in the event that OWEB determines that SFI does not have the capacity to ensure that the property is being managed in accordance with the conservation easement, OWEB has the right to pursue remedies in accordance with the conservation easement; and
- The SFI Board will, within **3 months** of the OWEB Board's retroactive approval of conveyance of the property, take formal action to acknowledge and agree to comply with the above conditions.



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**TO:** Oregon Watershed Enhancement Board

**FROM:** Greg Sieglitz, Monitoring and Reporting Program Manager

**SUBJECT: Agenda Item N: Other Business – Shift in Fund Source for Grant Number #214-3040  
October 28-29, 2014 OWEB Board Meeting**

### I. Introduction

This staff report requests the Board revise a motion made at its April 2014 meeting to adjust the fund source utilized for a portion of the award for Grant #214-3040. All other aspects of the award would remain the same.

### II. Background

At the April 2014 Board meeting, the Board awarded \$167,442 in Pacific Coastal Salmon Recovery Funds (PCSRF) to Monitoring Grant Application #214-3040, *Assessing Salmon Use of Off-Channel Wetlands along the Multnomah Channel*. The application was recommended for funding by staff following a ‘do-fund’ recommendation from the Willamette Basin Regional Review Team. The project is evaluating juvenile salmon use of backwater habitats in an area of barrier removal and habitat improvements in the Multnomah Channel in the Portland metropolitan region. Due to the project’s significant regional implications and effectiveness monitoring goals, this project was funded from the Effectiveness Monitoring line item in the Board’s 2013-2015 spending plan.

### III. Recent Developments

The project funded by the Board consists of significant work conducted by both the Oregon Department of Fish and Wildlife (ODFW) and NOAA Fisheries. While NOAA was contacted earlier this spring and it was confirmed that the use of PCSRF was an eligible expense and supported action, more recent determinations by the Seattle NOAA office contradicted the earlier finding. It was determined that the financial support for the NOAA expenses in the project could not originate from PCSRF. Funding to the Oregon Department of Fish and Wildlife for its aspects of the project can remain supported by the federal fund source since ODFW has sufficient limitation from the legislature.

### IV. Recommendation

Staff recommend the Board revise its April 2014 motion for grant application #214-3040 to read: “Staff recommend the Board award \$87,095 from the Pacific Coastal Salmon Recovery Fund and \$80,347 in Measure 76 Lottery Fund dollars to grant application #214-3040: *Assessing Salmon Use of Off-Channel Wetlands along the Multnomah Channel* for the purposes of including it in OWEB’s Effectiveness Monitoring Program.”

**APPROVED BY THE BOARD JANUARY 27, 2015**  
**Oregon Watershed Enhancement Board**  
**October 28, 2014**  
**OWEB Board Meeting**  
**Grants Pass, Oregon**

**Minutes**

**OWEB Members Present**

Dan Thorndike  
Debbie Hollen  
Cindy Deacon Williams  
Will Neuhauser  
Lisa Phipps  
Morgan Rider  
John Roberts  
Bob Webber  
Karl Wenner  
Alan Henning  
Mike Haske  
Randy Labbe

**OWEB Staff Present**

Meta Loftsgaarden  
Lauri Aunan  
Greg Sieglitz  
Renee Davis  
Juniper Davis  
Brandi Elmer  
Liz Redon  
Courtney Shaff  
John Amoroso  
Sue Greer  
Sharon Clarke  
Karen Leiendecker  
Mark Grenbemer  
Tom Shafer

**Others Present**

Eric Riley  
George Hemmingway  
Dan Bell  
Bob Jones  
John Ward  
Tim Walters  
Kelley Beamer  
Dan Delany  
Amy Patton  
Anna Rankin  
Ryan Gordon  
Jerry Nicolescu  
Dale Cramer Burr  
Esther Lev  
Katie Voelke  
Amy Patton  
Jim Seeley  
Fred Messerle  
Steve Denney

**A. Board Member Comments**

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

**B. Review and Approval of Minutes**

Minutes of the July 29-30, 2014 Board meeting in The Dalles were presented for approval.

*The board moved to approve the July 29-30, 2014 Board meeting minutes. Moved by Will Neuhauser, seconded by: John Roberts. Motion passed unanimously.*

### **C. Executive Director Update**

Meta Loftsgaarden, Executive Director, updated Board members on the Long-Term Investment Strategy. Some of the items she touched briefly on were: 1) Online process for grant applications and grant agreements – this process is one that continues, with winter of 2015 as the timeline for the initial version of the online system build and the online system still anticipated to be launched for first use during October 2016 grant cycle. 2) Effectiveness Monitoring and Focused Investment programs – she mentioned that there has been significant work being accomplished in these areas and the Board will hear more detail about Focused Investments tomorrow during Agenda Items L. She briefly discussed the work of the continuation of the effectiveness monitoring efforts, including the commitment to evaluating significant categorical investments including riparian restoration projects and the Upper Middle Fork John Day Intensively Monitored Watershed. (See staff report for more information)

Executive Director Loftsgaarden briefly updated Board members on Ecosystem Services, and the significant work being accomplished in the McKenzie River watershed. The program has a specific focus on healthy riparian forests, wetlands, and floodplains in the McKenzie River watershed and is unique in the nation. This work is being done with a number of partners, including the Eugene Water and Electric Board. The McKenzie River is the source of drinking water for the Eugene metropolitan area and a significant contributor to overall water quality in the Willamette River. It is also the last remaining stronghold for native Upper Willamette River spring Chinook and Columbia River bull trout and provides critical habitat for the Oregon Chub. (See staff report for more information)

Executive Director Loftsgaarden updated the Board on the Forest Health Collaborative Grants and awards to date. This work continues and is very valuable as the number of fires during wildfire seasons are increasing. Just last week there was a meeting convened with Oregon Department of Forestry regarding this topic and how successful it has been since its inception in November of 2013.

Executive Director Loftsgaarden updated the Board on the progress made during the 2014 Grant Cycle and suggested that the Board Members try and attend a Regional Review Team Meeting, which would be occurring from mid-December and through early February of 2015. She noted that the Board will make funding decisions at its April 2015 meeting. Applications awarded by the Board will be funded under OWEB's 2013-15 budget. If the trend holds true, the amount of applications recommended for funding could exceed available funding. Director Loftsgaarden also talked about a new process that a team led by Grant Program Manager Lauri Aunan team had recommended to improve customer service and efficiency for OWEB staff. For the October 2014 cycle OWEB accepted emailed PDF applications for the first time. With this new process approximately 83 percent of the applications were submitted, saving on staff time and making it more efficient for applicants. This process will continue into the next grant cycle.

Executive Director Loftsgaarden updated the Board on the Upper Klamath Water Use Program and its great successes so far. This has been a program that got off the ground very quickly. With the Board's January 2014 award in support of the program, the program has provided important funding for forbearance and temporary leasing of water rights and programmatic costs to ensure a credible and successful delivery system is in place locally to carry out the program, achieve water-conservation targets set for Year 1 in the Comprehensive Agreement, and allow progress toward Year 2 targets. Renee Davis, Deputy Director, came up to explain more to the

Board about the use of the \$250,000 that was allocated for programmatic costs to design and begin to implement the Water Use Program. She also talked about the U.S Fish and Wildlife Service and the National Fish and Wildlife Foundation being involved in funding the early implementation of the Water Use Program. This sparked some comment from Board members regarding the seemingly high programmatic costs of the project at the outset and a question about if OWEB dollars are obligated to support the programmatic structure in the future. They also wanted staff to track this closely. Executive Director Loftsgaarden let the Board members know that Ms. Davis has been involved in this process since the beginning and is tracking it very closely, including providing input at meetings where funding discussions occur.

Executive Director Loftsgaarden talked about the development of the 2015-17 Spending Plan and asked the Board members for their comments and feedback. She explained that between now and the January Board meeting, the Spending Plan will be in development stage.

Comments from Board members about development of the spending plan included:

- 1) Don't include PCSRF funds before we receive them
- 2) There was a question about development – is it a 2 year plan? Response – this is a 1-Year spending plan at a time – gave parenthetic indication
- 3) Board recommended shifting – Business Plan, Oregon Plan Products, Ecosystem Services, and Effectiveness Monitoring (if not tied to FIP) – this layout gives an indication of where funds are spent by percent. When making decisions it is important to be accurate about numbers so that it is clearly understood what percent is spent where work on Monitoring
- 4) Board recommended the inclusion of bridge funds for current Special Investment Partnerships
- 5) Capacity: need to support work of councils to merge (short-term costs) – funds will increase for a short time (\$200,000), but there is not yet an answer to the question about what it looks like after that. Consider tying to percent of council/district for OACD/NOWC. Continue capacity funds for next cycle (reconsider for 17-19) – there will be a balancing needed not to punish those councils who consolidate. The Board would like to see a panel speak about consolidation at a future meeting, and prefers to hold Operating Capacity steady
- 6) Focused Investment – wait until we know more – bring at least one option with an increase
- 7) Suggestion for Weed Board to present at a future OWEB Board meeting, in addition to information about Small Grants (including the historical picture)

**D. Public Comment - General**

- Anna Rankin, representing the Pudding River Watershed Council, came and spoke to the Board in support of the Council.
- Esther Lev of the Wetlands Conservancy gave an update on conservation projects
- Kelley Beamer, Executive Director of Coalition of Oregon Land Trusts, gave the Board updates on current events.
- Katie Voelke, North Coast Land Conservancy, updated the board on the good work that they are doing, with OWEB as a partner, in regards to acquisition and restoration efforts.

- Amy Patton, Patton Environmental LLC, spoke to the board about the importance of groundwater projects and the need for OWEB to fund more of these kinds of projects as they relate to watershed enhancement.

### **E. Grant Applications/Recommendations for Funding**

Lauri Aunan, Grant Program Manager, provided an overview of the grant cycle for Board members. She explained that during this grant cycle there were 153 grant applications submitted asking for \$16 million for restoration and technical assistance grants. The applications were then sent to six Regional Review Teams which reviewed them for merit and made prioritized funding recommendations to OWEB staff. Staff considered the funding availability and the Board's 2013-15 spending plan, as updated at the July 2014 Board meeting. Staff then integrated the separate RRT recommendations into the staff funding recommendation to the Board. Lauri explained to the Board that they would hear public comment on specific grant applications that were submitted for funding.

#### Public Comment:

- George Hemmingway, Chair of the Lower Nehalem Watershed Council, talked in support of project merited tidegates (Region 1 – 215-1017)
- Jim Seeley, Executive Director, of the Wild Rivers Coast Alliance spoke in support of the China Camp Creek project (Region 2 – 215-2000)
- Fred Messerle of the Beaver Slough Drainage District spoke in support of the China Camp Creek project (Region 2 – 215-2000)
- Steve Denney of the Nature Conservancy spoke in support of the China Camp Creek project and noted the agriculture and natural resource benefits (Region 2 – 215-2000)
- Tim Walters, Oregon Department of Fish and Wildlife, spoke in support of the China Camp Creek project (Region 2 – 215-2000)

Board Member Cindy Deacon Williams commented on the need for guidelines when applying for the program and at what level.

Board member Morgan Rider commented that OWEB should develop tools, workshops or some type of guidance materials to help watershed council coordinators.

Staff then presented an overview/summary of their region's grant submissions, either in total or highlighting a specific project.

Tom Shafer, Regional Program Representative for Region 1, talked about one of the highlighted projects that is recommended for funding. Project number 215-1008 started with three volunteers and grew so significantly that they needed to expand and hire staff to help with the workload. This project, the Northwest Oregon Restoration Project, has 9 satellite nurseries in 8 counties and 36 partners, and grows plants specifically for riparian plantings.

Mark Grenbemer, Regional Program Representative for Region 2, talked about the outcomes of the projects if all of the recommended projects are funded. He explained that there are 8 restoration projects and 5 technical assistance projects slated for funding with a broad range of benefits if funded.

Liz Redon, Regional Program Representative for Region 3, talked about project 215-3010 submitted by the Long Tom Watershed Council. She talked about GIS mapping and its uses to define projects and its ecological benefit to projects.

John Amoroso, Regional Program Representative for Region 4, talked about a project that is taking place in his region that will enhance Sage Grouse habitat along with watershed enhancement

Karen Leiendecker, Regional Program Representative for Region 5, provided an overview of all of her projects up for funding. She mentioned that there were 8 water-quality projects that will treat 817 acres and 5 riparian projects that will address the lack of riparian vegetation, streambank stability, and floodplain connectivity. There are 6 Upland Enhancement Projects that will enhance Sage Grouse habitat and livestock habitat and upland vegetation for birds of prey.

Sue Greer, Regional Program Representative for Region 6, discussed 6 projects for opening fish passage and improving aquatic habitat, 5 projects that improve upland watershed habitat, and 1 dam-removal project.

Co-Chair Thorndike opened up to Region 1 for any comments questions by Board members:

1) Cindy Deacon Williams commented on 215-1019 and its do-not-fund recommendation based upon a concern that citizen science was being used and lack of QA/QC. She mentioned that she supports citizen science and noted its importance and the fact that it is used at the federal and local levels as well. Tom Shafer clarified that there were several issues with the application, not just citizen science.

Co-Chair Thorndike opened up for Region 2 for any comments or questions by Board members:

- 1) 215-2000 – discussion on importance of project and question about other funding sources and if those have been sought.

Fred Messerle answered questions about other funding sources.

Comment: Project has great potential, but questions about design and implementation concerns and those seem like basic requirements.

Comment: This is a new program and is the leading edge of tidegate restoration; the Board could consider funding with very specific conditions.

Comment: Some risk of failure of system if we wait a year – OWEB has the opportunity to help fund now.

Fred Messerle answered questions about the risk and how great the risk is currently.

Comment: Support for the project is here, but do we fund this project now or later.

Co-Chair Thorndike opened up for questions or comments in Region 4

- 1) Cindy Deacon Williams commented on 215-4017 and she noted her concern that this is not funded due to the groundwater issue. Lauri clarified that it wasn't recommended due to it relating to domestic wells.

Another comment: Does OWEB have rules related to ground surface water?

Co-Chair Thorndike opened up to comments or questions in Region 6

Comment on 215-6015 regarding direct seed/minimal fill applications. RRT emphasized water quality benefits.

*The board moved to approve the staff funding recommendations as shown in the gray shaded sections of Attachment A of Region 1 excluding 215-1002 and 215-1007. Moved by Co-Chair Dan Thorndike, seconded by Will Neuhauser. The Board unanimously approved the motion.*

*The board moved to approve the staff funding recommendations as shown in the gray shaded sections of Attachment A of Region 1 including 215-1002 and 215-1007, moved by Co-Chair Dan Thorndike, seconded by Cindy Deacon Williams. Lisa Phipps recused herself. The Board unanimously approved the motion.*

*The board moved to approve the staff funding recommendations as shown in the gray shaded sections of Attachment A of Regions 2,3,4,5 and 6, moved by Co-Chair Dan Thorndike, seconded by Cindy Deacon Williams. The Board unanimously approved the motion.*

*The board made a motion to fund 215-2000 with these conditions:*

- Oversight of water management plan (MOA)
- Effectiveness Monitoring Plan, no new funding for budget
- Water Management Plan reviewed and approved by USFWS, ODFW, NOAA
- Coastal Wetlands decision in January
- Designs finalized and approved as appropriate
- RRT members as appropriate

*Moved by: Bob Webber, seconded by Karl Wenner. Approved by: Bob Webber, Randy Labbe, Will Neuhauser, John Roberts, Morgan Rider, Cindy Deacon Williams. No voters: Karl Wenner, Lisa Phipps and Dan Thorndike. Staff initially provided incorrect information relating to the conditions required for approval of a funding motion. As a result, the board voted again on the motion with the proper procedural rules regarding passage requirements for board funding decisions.*

*Revote on motion -- Approved by: Bob Webber, Randy Labbe, Will Neuhauser, John Roberts, Morgan Rider, Cindy Deacon Williams, Dan Thorndike, Karl Wenner. No: Lisa Phipps. Motion passes.*

**F. Budget and Legislative Update**

Meta Loftsgaarden, Executive Director, briefed the Board about the process to develop the Agency Request Budget and the submittal of the budget to the Chief Financial Office and Legislative Fiscal Office. She explained that the next phase of the budgeting process will be the release of the Governor’s Recommended Budget. She said that is not out yet and would be released in early November. She talked about Lottery funds declining and noted that OWEB’s budget is based largely on lottery dollars. She then called upon Deputy Director, Renee Davis, to talk about the Legislative update. Renee told the Board that OWEB is not submitting any OWEB-specific legislative concepts. She told the Board that Legislative Days for legislative session will be held in December and January, with the full legislative session kicking off in early February 2015. She mentioned that at this time, there are two items that OWEB will be involved in: the Forest Health Collaboratives funding package and IMST repeal. She also mentioned a legislative concept being put forward for the Working Forests and Farms legislation. She said in January she will have an updated summary of likely legislative issues for the Board.

**N. Shift in Fund Source for Grant Number 214-3040**

Greg Sieglitz, Monitoring and Reporting Program Manager, briefed the Board on the need to shift fund source for a portion of the grant award for Grant #214-3040. All other aspects of the award remain the same.

*The board moved to revise its April 2014 motion for Grant Application #214-3040 to read: “Staff recommend the Board award \$87,095 from the Pacific Coastal Salmon Recovery Fund and \$80,347 in Measure 76 Lottery Fund dollars to Grant Application #214-3040, Assessing Salmon Use of Off-Channel Wetlands along the Multnomah Channel, for the purposes of including it in OWEB’s Effectiveness Monitoring Program.” Moved by Lisa Phipps, seconded by Karl Wenner. The Board unanimously approved the motion.*

**G. Pre-Tour Presentaion**

The Board was given a brief presentation by Bob Hunter before touring the Gold Hill Dam removal site.

**APPROVED BY THE BOARD JANUARY 27, 2015**  
**Oregon Watershed Enhancement Board**

**October 29, 2014**  
**OWEB Board Meeting**  
**Grants Pass, Oregon**

**Minutes**

**OWEB Members Present**

Dan Thorndike  
Debbie Hollen  
Will Neuhauser  
Morgan Rider  
Bob Webber  
Karl Wenner  
John Roberts  
Alan Henning  
Mike Haske  
Randy Labbe

**OWEB Staff Present**

Brandi Elmer  
Meta Loftsgaarden  
Lauri Aunan  
Renee Davis  
Liz Redon  
Courtney Shaff  
Greg Sieglitz  
Juniper Davis  
John Amoroso  
Sharon Clarke  
Greg Sieglitz  
Mark Grenbemer  
Karen Leindecker  
Sue Greer  
Tom Shafer

**Others Present**

Jerry Nicolescu  
Julie DiLeone  
John O'Keefe  
Justin Ferrell  
Jon Souder  
Kelly Coates  
Dale Cramer Burr  
Ryan Gordon  
Katie Briggs  
Clint Driver  
John Gardiner

**H. Rogue Merger Project**

Steve Mason, of the Bear Creek Watershed Council presented to the Board about the Merger of four watershed councils. Upper Rogue, Little Butte Creek, Bear Creek and Stream Restoration Alliance of the Middle Rogue are the four councils that are merging into one. He discussed the funding that OWEB was able to provide to assist with the transition to new organizational/operational structure that will improve capacity for watershed restoration and community engagement outcomes. He discussed the fact that they were very reliant on the OWEB funds to help with the merger, as there is a lack of diversity in funding sources available for such activities.

He discussed the process that they went through to reorganize from 4 separate entities into one. Some of the items he discussed were keeping two board members from each group that met for six months to plan for the consolidation and reorganization and to strategize and plan (this was before receiving the OWEB funding). He discussed the high cost to merge and that there was a lot of administrative work to be done. He discussed bringing in an outside consultant, Bob Harrington of La Piana, who helped to diversify funding.

The results that they hope to accomplish and see from this merger are:

- More effective staffing
- More projects on the ground
- Diverse funding portfolio

- Healthier Rogue River
- More connected community
- More & stronger partnerships

The lessons learned:

- Long process
- Open communication
- More time and more funds than imagined
- Professional help is a must
- Your goals and why your goals are set
- OWEB has to be a partner

Some of the challenges:

- Prioritization must include all areas regardless of whether in merged council
- Lack of full connection on watershed council geography

Some questions by Board members included:

- How many staff are expected? Answer – they hope to have 5 full time employees (that is the goal)
- Is the merged organization sharing their story with other councils? Answer – Yes
- Are new funders coming to the table? Answer – Yes
- What local outreach is occurring? Answer - Work groups are in each area; Prioritization will be key to restoration and outreach
- How will new councils be added? Answer - Still a work in progress – questions are: scale and process, and time commitment; Have provided flexibility for partnerships and future mergers; Location of office matters
- Question - How can OWEB help? Answer - Keep funding flexible; Transition funding will be critical for success; Think about challenge grants

#### **I. Oregon Plan for Salmon and Watersheds 2013-15 Biennial Report**

Greg Sieglitz, Monitoring and Reporting Program Manager, reviewed the development process and recommendations of the biennial report with the Board. Sharon Clarke, Information Management Specialist, explained the layout of the biennial report, including the electronic component.

*The board moved to adopt the final draft of the Oregon Plan recommendation concepts, as developed by the Board's Executive Committee and as provided at the October 2014 Board meeting, for inclusion in the 2013-15 Biennial Report for the Oregon Plan for Salmon and Watersheds. Moved by Karl Wenner, seconded by Debbie Hollen. The motion passed unanimously.*

#### **J. Fifteenmile Creek Water Acquisition Grant Update**

Renee Davis, Deputy Director, presented to the Board on Fifteenmile Creek Water Acquisition (Grant #214-8200). She was joined by staff from National Fish and Wildlife Foundation (NFWF) and The Freshwater Trust (TFT) to discuss the status of the program and respond to questions by the Board.

Some items of note:

- Explanation of the valuation process
- First two years show positive trend lines for flow and temperature
- Surveys show no dead or dying steelhead
- Limited Lamprey death

Results:

- More participation than expected
- Streamflow is up
- Temperatures are down
- Help is needed to coordinate water gauge measurement
- Will review program this winter to improve
- Try to raise partnerships in lower tributaries (8 mile)

How to achieve long-term sustainability

- Raise awareness
- Adaptive Management
- Funding – keep going
- Size of project
- Relationship with lease program

#### **K. Public Comment - General**

- Robert Coffin, Rogue Basin Partnership, talked about the newly formed partnership
- Jack Shipley, Rogue Basin Partnership, talked about the newly formed partnership
- Clint Driver and Katie Briggs, Laird Norton Foundation, talked about restoration work done in the Rogue Basin and the newly formed partnership
- Jon Souder, Coos Watershed Association, referenced the Palouse and Larson Creek 35-year study and partners
- Ryan Gordon, Executive Director, Network of Oregon Watershed Councils, spoke regarding the 2014 conference
- John Gardner, Rogue Basin Partnership, spoke in support of funding the Rogue Basin Partnership

#### **L. Focused Investment – Update and Board Approval**

Meta Loftsgaarden, Executive Director, provided an update to the Board on priority submissions received and next steps for the priority setting process. Executive Director Loftsgaarden explained the process that the Focused Investment category of OWEB's Long-Term Investment Strategy has undergone over the last several months and the importance of this formalization of the process. She explained the two proposals brought forward by the subcommittee and staff for Board consideration: a) the process for selecting focused investment partnership implementation and capacity building investments (see attachment B to the staff report) and b) a cap for capacity building investments of \$150,000 per partnership per biennium.

*The board moved the Board approve the following:*

- A. The Final Process for 2015-17 biennium for Focused Investment Partnership funding selection as described in Attachment B of the staff report;*
- B. A cap of \$150,000 per grant for Focused Investment Partnership Capacity-Building*

*funding. Moved by John Roberts, seconded by Karl Wenner. The motion passed unanimously.*

Public Comment:

- Julie DiLeone, Sandy River Basin Partners, spoke in support of the Sandy priority area
- Kelly Coates, Cow Creek Band of Umpqua Tribe of Indians, spoke in support of their Lamprey focused investment priority submittal/partnership
- Catherine Corbett, Lower Columbia Estuary Partnership, spoke in support of Oregon estuaries and climate change focused investment priority suggestion
- Jon Souder, Executive Director, Coos Watershed Council, spoke in support of their focused investment priority submission
- Dan Nichols, Harney County Court & Harney Basin Wetland Initiative, spoke in support for Harney Basin Wetlands and Malheur Lake (20 partners) focused investment priority suggestion
- Jerry Nicolescu, Executive Director, Oregon Association of Conservation Districts, spoke in support of Sage Grouse focused investment priority submission
- Justin Ferrell, Lake County Soil and Water Conservation District, spoke in support of Sage Grouse focused investment priority submission
- Priscilla Johnson, Crook County Soil and Water Conservation District, spoke in support of a focused investment priority suggestion for all Oregon Candidate Conservation Agreement (CCAA) and Strategic Steering Committee for sage-grouse

**M. Retroactive Approval of Deer Creek Land Acquisition Conveyance**

Renee Davis, Deputy Director, presented on the Deer Creek Ranch, Grant number 206-277, and the need for retroactive approval of the conveyance. Staff requested the Board consider conditions tied to the conveyance itself and to the results of monitoring conducted on property in 2012 (see conditions, Attachment A to the staff report).

The Board asked questions about the need for the approval of conveyance:

- What happens if we don't approve; what are the legal remedies?
- Why wasn't the deed recorded appropriately by the grantee (OWEB to assist in this process)?
- What's happening with other land acquisition grants?

*The board moved to retroactively approve the conveyance of Deer Creek Ranch (Grant #206-277) from Deer Creek Center to Siskiyou Field Institute, with the conditions specified in Attachment A of the staff report, Moved by Randy Labbe, seconded by Alan Henning. The Board unanimously approved the motion.*

Having no further business, the meeting was adjourned.