



Kate Brown, Governor



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*Agenda Item J supports OWEB's Strategic Plan priority #3: Community capacity and strategic partnerships achieve healthy watersheds.*

## MEMORANDUM

**TO:** Oregon Watershed Enhancement Board

**FROM:** Eric Williams, Grant Program Manager  
Andrew Dutterer, Partnerships Coordinator  
Eric Hartstein, Senior Policy Coordinator

**SUBJECT:** Agenda Item J - Proposed Revisions to Focused Investment Partnerships (FIP)  
Board-Identified Priorities  
October 15-16, 2019 Board Meeting

### I. Background

In July 2014, the board initiated a FIP priority-setting process. This process included stakeholder input, review by teams of experts, and ultimately board adoption of seven FIP Priorities of significance to the State at the April 2015 board meeting.

The current board-adopted FIP Priorities are:

- Aquatic Habitat for Native Fish Species
- Coastal Estuaries in Oregon
- Coho Habitat and Populations along the Oregon Coast
- Dry-Type Forest Habitat
- Oak Woodland and Prairie Habitat
- Oregon Closed Lakes Basin Wetland Habitat
- Sagebrush/Sage-Steppe Habitat

FIP administrative rules were adopted by the board in January 2018. Regarding FIP board-identified Priorities, the FIP rules state: "At least every five years, the Board shall approve ecological priorities of significance to the State to be addressed by Focused Investment Partnership Initiatives. Ecological priorities shall be determined with public input and scientific rigor, and shall include maps and narrative describing the desired ecological outcomes for eligible Focused Investment Partnership Initiative activities" (OAR 695-047-0030). Pursuant to this rule, OWEB staff and the focused investments subcommittee of the board initiated an assessment of the FIP Priorities in fall 2018 with the intent of having revised Priorities in place for the next solicitation of Implementation FIP initiatives in January 2020.

## **II. Proposed FIP Priority Revisions**

Based on conversations with the FIP subcommittee, staff recommend the seven priorities remain in place, to provide applicants consistency as the program continues to mature. Within the existing priorities, consistent with the FIP Reassessment Timeline found in Attachment A, staff reviewed the board-adopted FIP Priorities and consulted agency partners who provided information to support the proposed revisions to the Priorities. Revisions are proposed for the Aquatic Habitat for Native Fish Species, Coastal Estuaries in Oregon, Coho Habitat and Populations along the Oregon Coast, and Dry-Type Forest Habitat Priorities at this time.

Attachment B provides a summary of the proposed revisions to the Priorities. Staff held a public comment period from July 18 – August 20 to solicit input on the proposed revisions. A summary of public comment and staff response is provided in Attachment C. Following the public comment period, staff updated each of the Priorities to include the proposed revisions and public comment input as applicable. The updated Priorities can be found in Attachment D.

## **III. Staff Recommendation**

Staff and the focused investments subcommittee are proposing revisions to four of the seven FIP Priorities. Staff do not recommend either eliminating or adopting new Priorities at this time.

### **Attachments**

- A. 2019 FIP Priorities Reassessment Timeline
- B. Table summarizing proposed revisions to board-identified FIP Priorities
- C. Table of Public Comment and Staff Response
- D. Updated FIP Priority Memos (including proposed revisions)

Focused Investment Partnerships (FIP)  
2019 FIP Priorities Reassessment Timeline

<p><b>September-November 2018</b></p>
<ul style="list-style-type: none"> <li>• Staff discusses Priorities reassessment with subcommittee for input.</li> <li>• Staff prepares process and timeline for conducting Priorities reassessment review.</li> <li>• Staff initiates engagement with partnering agencies to assist with Priority review.</li> </ul>
<p><b>November 2018-April 2019</b></p>
<ul style="list-style-type: none"> <li>• ODFW conducts Native Fish map update process. ODFW produces a draft map for Staff review by April 30.</li> <li>• ODFW reviews Coho Priority relative to final OCC recovery plan and potential updates to Priority narrative and map.</li> <li>• Staff explores ODF Action Plan for Oregon Forests and coordinates with ODF to scope potential updates to Dry-type forest and/or Oak Woodlands Priorities.</li> <li>• Staff coordinates with ODFW wildlife habitat mapping to update Dry-Forest priority map.</li> <li>• Staff prepares updated Priorities materials: overview of Priority updates, explanation of ODFW's Native Fish mapping process, inventory of funding request/award for FIP Priorities, and Priority generic results chains to include with Priority memos as available.</li> </ul>
<p><b>May-June 2019</b></p>
<ul style="list-style-type: none"> <li>• Staff compiles full package of materials for public comment (including materials listed above).</li> <li>• Staff shares package of materials for OWEB review.</li> <li>• Staff shares package of materials for FIP Subcommittee review (June 14 mtg.).</li> <li>• Staff revises package of materials and prepares for release for public comment.</li> </ul>
<p><b>July-August 2019</b></p>
<ul style="list-style-type: none"> <li>• <b>July 16-17 OWEB Board Meeting:</b> Staff discuss status of FIP Priorities reassessment. This includes an overview of expectations for presenting final proposed revisions at October board meeting for board approval.</li> <li>• <b>July 18 – August 20 Public Comment:</b> Package of Priorities materials is shared publicly for a minimum 30-day public comment period, including with Oregon Tribes and current FIP grantees.</li> </ul>
<p><b>August-September 2019</b></p>
<ul style="list-style-type: none"> <li>• Public comment is considered for additional revisions to updated Priorities. Staff coordinates with ODFW and/or other partners as needed.</li> <li>• Staff prepares final package of materials, including updated Priorities memos, for presentation to board at October meeting for consideration of approval.</li> </ul>
<p><b>October 2019</b></p>
<ul style="list-style-type: none"> <li>• <b>October 15-16 OWEB Board Meeting:</b> Staff presents final package of materials, including updated Priorities memos, to OWEB Board for consideration of approval.</li> </ul>

## Focused Investment Partnerships (FIP)

Table summarizing proposed revisions to FIP Board-Identified Priorities, September 2019

FIP Priority	Proposed Revisions
Aquatic Habitat for Native Fish Species	<p>ODFW reviewed the map in the context of current conservation and recovery plans and consulted with ODFW staff statewide for professional input. Revisions have been made to the following:</p> <ul style="list-style-type: none"> <li>• Map was revised to focus on 5<sup>th</sup> field HUCs to increase spatial resolution and improve consistency across the state.</li> <li>• Southwest Oregon basins were assigned priority tiers (previously not designated with priority and identified in aqua color).</li> <li>• Several specific basins were reassessed for priority designation, including Warner, Walla Walla, Pudding, and NW coastal basins containing populations of chum salmon.</li> </ul> <p>The Priority memo narrative was updated based on the following:</p> <ul style="list-style-type: none"> <li>• Stream habitats not covered by state conservation and/or federal recovery plans were also considered in the narrative discussion based on professional judgement of ODFW staff across the state.</li> <li>• Information was reviewed and updated relative to any new and/or revised plans since 2015.</li> <li>• Oregon Tribal plans are referenced relative to conservation/recovery plans guiding native fish conservation efforts.</li> <li>• Lamprey are recognized in the narrative discussion and noted as a benefitting species from conservation work related to this Priority. No lamprey plans were incorporated into the Conservation and Recovery Plans table.</li> </ul> <p>The Conservation and Recovery Plans for Native Fish Species table (Table 1) was updated based on the following:</p> <ul style="list-style-type: none"> <li>• Updated based on new and/or revised plans since 2015.</li> <li>• Added ODFW Rogue Spring Chinook Salmon Conservation Plan (2007) and ODFW Conservation Plan for Fall Chinook Salmon in the Rogue Species Management Unit (2013).</li> <li>• Added dates of all plans.</li> </ul>
Coastal Estuaries in Oregon	<p>The Priority memo narrative has been updated based on public comment to include both the current and historical extent of estuary habitat as eligible for inclusion in FIP initiative geographies under this Priority.</p>

<b>FIP Priority</b>	<b>Proposed Revisions</b>
Coho Habitat and Populations along the Oregon Coast	<p>The Priority memo narrative has been updated based on NOAA Fisheries having finalized recovery plans for the Oregon Coast Coho (OCC) and Southern Oregon Northern California Coast Coho Recovery (SONCC) evolutionary significant units (ESUs) since 2015.</p> <p>The Priority memo narrative and map have been updated in anticipation of the planned removal of several major dams on the Klamath River and Coho recolonizing historical habitat in the upper Klamath basin.</p>
Dry-Type Forest Habitat	<p>OWEB Staff worked with ODFW to determine if a species distribution map would align with the existing map illustrating percent of watersheds needing disturbance restoration. After extensive discussion, it was determined not to overlay the species map and to leave the priority map as is. Instead, staff proposes that the Dry-type Forest Habitat priority should be revised to include language that directs FIP applicants under this priority to describe how their actions would benefit Oregon Conservation Strategy Species and/or provide source drinking water protection.</p>
Oak Woodland and Prairie Habitat	<p>OWEB Staff reviewed the priority memo and determined that updates are not necessary.</p>
Oregon Closed Lakes Basin Wetland Habitat	<p>OWEB Staff reviewed the priority memo and determined that updates are not necessary.</p>
Sagebrush/Sage-Steppe Habitat	<p>OWEB Staff reviewed the priority memo and determined that updates are not necessary.</p>

## Summary of Public Comments: Focused Investment Partnerships (FIP) Priorities 2019 Proposed Revisions

This table outlines public comments received from July 18 – August 20, 2019 regarding proposed FIP Priority revisions. The complete emails and/or letters containing the public comments are available upon request.

### General

Commenter(s)	Comments	Response	Priority Revision(s)
Marilyn Simpson, Eugene Oregon 7.21.2019	I support FIP priorities.	None.	None.
Ken Diebel, Malheur Watershed Council 8.19.2019	Instead of focusing on aquatic habitat, or Coho habitat, OWEB should consider prioritizing small watersheds to work on. Too often conservation efforts that only restore riparian areas or fish habitat neglect other serious problems in the uplands that affect restoration. Managing a watershed from ridge-top to ridge-top will lead to greater environmental improvement than selecting only a few aspects to work on.	An implementation FIP is designed to invest at a scale that will achieve measurable ecological outcomes. The size of the watershed is not determined by FIP program criteria. A ridgetop-to-ridgetop approach to addressing a habitat problem is encouraged. FIP applications may address more than one board identified ecological priority.	None.
Ken Diebel, Malheur Watershed Council 8.19.2019	The statement “Board Identified Priorities” used in the FIP program goes against years of OWEB tradition that encouraged locals to decide priorities. I think local entities, SWCDs, Councils, local biologists, and landowners should work together to develop proposals selecting the small priority watersheds.	The board identified priorities are based on public feedback, and cover broad geographic areas. It is up to the local entities, working in partnership, to determine priorities within those broad geographic areas.	None.
Ken Diebel, Malheur Watershed Council 8.19.2019	The policy that entities cannot apply for funding to OWEB for projects that occur in a FIP geography for the same restoration actions is not clear. This creates conflict, and the view that some groups are “better” than others. It encourages territoriality and lessens healthy competition.	The policy states that projects that address the same actions and outcomes within a FIP geography cannot apply for open solicitation funding. All partnerships are required to have a process to consider changes to partnership member organizations; rather than encouraging territoriality, the policy is designed to encourage better communication among organizations working within a FIP geography. The evaluation process considers whether the	None.

## Summary of Public Comments: Focused Investment Partnerships (FIP) Priorities 2019 Proposed Revisions

		partnership includes the right organizations and specifically asks them to address why organizations who may be working in that geography are not included in the partnership.	
Brad Chalfant, Deschutes Land Trust; Ron Nelson, Deschutes River Conservancy; Kris Knight, Upper Deschutes Watershed Council 8.20.2019	The Oregon spotted frog was recently listed under the ESA, and has the potential to create conflict among water users in the Deschutes basin. DLT, DRC, and UDWC will direct collaborative efforts in the future to Oregon spotted frog restoration in the Deschutes basin, in conjunction with shifting water management strategies and Habitat Conservation Planning. OWEB should consider how existing FIP priorities might be enhanced or expanded in the future to include the opportunity for funding for Oregon spotted frog restoration through the FIP program. This may be accomplished by expanding the scope of the Aquatic Habitat for Native Fish Species priority or adding a new priority specific to the Oregon spotted frog and native amphibians.	The geographic area for Aquatic Habitat for Native Fish Species FIP priority was developed utilizing state conservation and federal recovery plans for fish species, which articulate high priority stream reaches and limiting factors for native fish. At this time there is no recovery plan for the Oregon spotted frog. While OWEB recognizes the importance in addressing flow and habitat needs for the Oregon spotted frog in the Upper Deschutes Basin, OWEB staff recommend not incorporating this into the FIP priority Aquatic Habitat for Native Fish Species, nor add a new priority at this time. Staff propose the board gives this topic serious consideration for a new priority during the next round of FIP priority review to occur within the next 5 years. The board reserves the right to reevaluate sooner if recovery guidelines are established for the Oregon spotted frog.	None.

### Aquatic Habitat for Native Fish Species

Commenter(s)	Comments	Response	Priority Revision(s)
Daniel Elefant, Cardno 7.19.2019	I would rank coastal rivers as a higher priority than the upper Willamette. Lots of degradation on coastal rivers that restoration monies could address with relative ease of engineering feasibility. I see that some of the coastal watersheds are high priority but not the mainstem rivers (i.e. Yaquina, Tillamook, Nehalem, Siuslaw, etc.). I do see that the Coho map focuses priority to watersheds, but again not to mainstem	The priority designation process for basins across the state follows a process designed by Oregon Department of Fish & Wildlife (ODFW). This process considers state conservation and federal recovery plans and incorporates input from ODFW District Biologists, research staff, Implementation Coordinators, and Conservation & Recovery Program staff in order to further refine the priority	None.

## Summary of Public Comments: Focused Investment Partnerships (FIP) Priorities 2019 Proposed Revisions

	<p>rivers like the Siletz (high summer water withdrawals) and Tillamook (water quality concerns and lack of riparian veg from dairies and cattle). Could mainstem river prioritizations include an assessment of major current and legacy impairments like water withdrawal pressure, dairy cattle, clear-cuts?</p>	<p>designations. The designation process considers limiting factors outlined in plans, including: water quality, water quantity, habitat connectivity, instream habitat quality, and non-native fish presence. River basins around the state were evaluated against the same criteria, not against other river basins. These criteria include impacts of irrigation withdrawals, agriculture, and timber harvest.</p>	
<p>Bill Bakke, The Conservation Angler 8.7.2019</p>	<p>The Conservation Angler (TCA) appreciates OWEB's investment in native fish habitat through the FIP program. However, TCA believes it is important for the Aquatic Habitat for Native Fish priority to set goals for spawner abundance in streams.</p>	<p>The Aquatic Habitat for Native Fish Species Priority supports conservation actions in accordance with state conservation and federal recovery plans for anadromous fishes and other native fish species. According to FIP administrative rules, one of the evaluation criteria by which partnerships applying for OWEB FIP funding under this Priority will be evaluated is the degree to which the proposed initiative fulfills the Priority. Thus, if the conservation and/or recovery plans outline goals for spawner abundance in streams the partnership is expected to consider those goals in their initiative planning.</p>	<p>None.</p>
<p>Bill Bakke, The Conservation Angler 8.7.2019</p>	<p>The Aquatic Habitat for Native Fish priority should include a distinction between wild and native fish. A lack of definition and goals for wild fish allows for hatchery fish to spawn naturally in streams and adversely impact wild fish genetics, thus degrading the reproductive productivity of wild salmon and steelhead in Oregon.</p>	<p>The intent of this Priority is to support habitat restoration strategies addressing limiting factors, as outlined in state conservation and federal recovery plans. In doing so, the Priority supports restoration for wild, native fish as defined in those planning efforts. Further, while this distinction may be relevant for some native fish species considered in this Priority (e.g. salmon and steelhead in various river basins), it is not relevant to the full scope of native fish species encompassed by the Priority. Not all native fish species included in this Priority have populations supplemented by hatchery fish.</p>	<p>None.</p>

## Summary of Public Comments: Focused Investment Partnerships (FIP) Priorities 2019 Proposed Revisions

### Coastal Estuaries in Oregon

Commenter(s)	Comments	Response	Priority Revision(s)
Daniel Elefant, Cardno 7.19.2019	Oregon estuaries map should also show both current and historical extent of estuaries. For example, the map could utilize this reference: <a href="http://www.pacificfishhabitat.org/data/estuary-extents/">http://www.pacificfishhabitat.org/data/estuary-extents/</a> . Showing this layer would be similar to showing the historical distribution of oak habitats and adds much value to the map.	This Priority is intended to include both the current and historic extent of estuaries as eligible to be included in FIP restoration initiatives. OWEB will update the priority memo narrative to reflect this, although the map detailing Oregon estuaries will remain the same. Further, any change in historic vs. current extent of estuaries may be pertinent to a partnership in their strategic action plan and restoration initiative planning and should be considered by partnerships in that context.	Yes.

### Coho Habitat and Populations along the Oregon Coast

Commenter(s)	Comments	Response	Priority Revision(s)
<i>No comment submitted.</i>			

## Summary of Public Comments: Focused Investment Partnerships (FIP) Priorities 2019 Proposed Revisions

### Dry-Type Forest Habitat

Commenter(s)	Comments	Response	Priority Revision(s)
Daniel Elephant, Cardno 7.19.2019	OWEB could become the leading entity for climate change solutions by funding reforestation. Could this be stated explicitly as a focus of the dry-type forest habitat FIP program? Reforestation of lands set aside for conservation is a key climate change solution. You'll love this article: <a href="https://www.pbs.org/wgbh/nova/article/climate-changereforestation/">https://www.pbs.org/wgbh/nova/article/climate-changereforestation/</a>	OWEB supports reforestation activities in many of the projects that the agency funds; however in the Dry-type Forest Habitat Priority the intent is to address the uncharacteristically intense wildfires in dry-type forests in a manner that supports wildlife habitat and/or water quality. In addition to climate change, a principle factor driving these types of wildfires is elevated fuel levels in the forests. It is expected that initiatives seeking funding under this Priority will seek to reduce these fuels through management actions including thinning of small-diameter vegetation and introducing prescribed fire to the landscape. These actions will reduce the fuels that contribute to catastrophic wildfire, while preserving older, larger trees species mixed with areas of younger trees.	None.

### Oak Woodland and Prairie Habitat

Commenter(s)	Comments	Response	Priority Revision(s)
<i>No comment submitted.</i>			

### Oregon Closed Lakes Basin Wetland Habitat

Commenter(s)	Comments	Response	Priority Revision(s)
<i>No comment submitted.</i>			

### Sagebrush/Sage-Steppe Habitat

Commenter(s)	Comments	Response	Priority Revision(s)
<i>No comment submitted.</i>			