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Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board
January 24-25, 2006

Conference Center
The Inn at Otter Crest
301 Otter Crest Loop
Otter Rock, Oregon

**Located off Hwy 101, 7 miles north of Newport*

January 24, 2006

Business Meeting – 8:30 a.m.

A public comment period is provided at approximately 11:00 a.m. today for comment on any issue before the Board.

A. Board Member Comments

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

B. Review and Approval of Minutes

The minutes of the September 13-14 and September 19, 2005, meetings 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. Revisit 2005-2007 Non-Capital Funds Spending Plan

Tom Byler, Executive Director, will lead a discussion with Board members on proposed revisions to the spending plan for the use of non-capital funds for the 2005-2007 biennium. The Board will be asked to consider revising or authorizing the reservation and allocation of non-capital funds for the following non-capital grant program areas: technical assistance; education and outreach; monitoring and assessment; and local capacity enhancement. *Action item.*

E. Public Comment [approximately 11:30 a.m.]

This time is reserved for public comment on any matter before the Board. Anyone wishing to speak to the Board is asked to fill out a comment request sheet as early as possible in the morning's proceedings (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly.

F. Recovery Planning Update

Louise Solliday, Governor's Natural Resources Office, will update Board members on the current activities and schedule for Oregon's Endangered Species Act recovery planning for salmon and steelhead. *Information item.*

G. Willamette River Legacy Program Update

Louise Solliday, Governor's Natural Resources Office, will update Board members on the current activities and schedule for the Willamette River Legacy Program. *Information item.*

H. Oregon Plan State Agency Activities Update

Oregon Department of Agriculture

Director Katy Coba, Ray Jaendl, and Larry Ojua will provide a presentation on Oregon Department of Agriculture activities under the Oregon Plan for Salmon and Watersheds. *Information item.*

Oregon Department of Fish and Wildlife

Acting Director Roy Elicker, Ed Bowles, and Charles Corrarino will provide a presentation on Oregon Department of Fish and Wildlife activities under the Oregon Plan for Salmon and Watersheds. *Information item.*

Local Partner Discussion [approximately 4:00 p.m.]

Representatives of the MidCoast Watersheds Council and the Lincoln Soil and Water Conservation District will share information on local projects in the area.

Informal Reception [5:00 – 6:00 p.m.]

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

5:00 – 6:00 p.m.

Inn at Otter Crest Dining Room

January 25, 2006

Business Meeting – 8:00 a.m.

I. Deferred Acquisitions

Melissa Leoni, Senior Policy Coordinator, will update Board members on land acquisition projects deferred from previous meetings. *Information and possible action item.*

J. 2005-2007 Capital Funds Spending Plan and Signature Projects

Ken Bierly, Deputy Director, will lead a discussion with Board members on the proposed use of Measure 66 Lottery Funds for “signature projects” and innovative partnerships with federal and regional restoration and enhancement programs. *Information item.*

K. Restoration Priorities Update

Ken Bierly, Deputy Director, will update Board members on the program for completion and adoption of basin restoration priorities. *Information item.*

L. 2006 Biennial Conference

Roger Wood, Grant Program Manager, will update Board members on planning for the 2006 Biennial Conference and will ask the Board to consider authorization of reserved non-capital funds for Oregon Plan efforts for conference costs. *Action item.*

M. Board Consideration of Pending Local Innovation Fund Proposals

Tom Byler, Executive Director, and Allison Hensey, Local Innovation Fund Manager, will update Board members on proposals received by the December 1, 2005, deadline. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *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. However, public testimony must be limited on items marked with a double asterisk (**). The double asterisk means that the item has already been the subject of a formal public hearing. Further public testimony may not be taken except upon changes made to the item since the original public comment period, or upon the direct request of the Board members in order to obtain additional information or to address changes made to proposed rules following a public hearing.

A public comment period for any issue before the Board will be held at approximately 11:30 a.m. on Tuesday, January 24. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. The Board will not accept any additional written materials pertaining to pending grant proposals at that time.

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

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

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

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

Oregon Watershed Enhancement Board Membership

Voting Members

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

Non-voting Members

Representative of Director of Agricultural Extension Service: **Scott Reed**
Representative of U.S. Forest Service: **Alan Christensen**
Representative of U.S. BLM: **Paula Burgess**
Representative of U.S. NRCS: **Dianne Guidry**
Representative of U.S. EPA: **Dave Powers**
Representative of NMFS: **Michael Tehan**

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2006-2007 Board Meeting Schedule

2006
January 24-25, 2006 – Otter Rock
March 15-16, 2006 – Roseburg
May 16-17, 2006 – Redmond
September 19-20, 2006 – Medford

2007
January 24-25, 2007 – Seaside
March 14-15, 2006 – Hillsboro
May 15-16, 2007 – Salem
September 18-19, 2007 – La Grande

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

January 10, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

**SUBJECT: Agenda Item D: Revisiting the 2005-2007 Non-Capital Funds Spending Plan
January 24-25, 2006 OWEB Board Meeting**

I. Introduction

In this report, staff review the September Board decision to adopt a spending plan for \$4.35 million in non-capital funds appropriated to the Oregon Watershed Enhancement Board by the Legislature for the 2005-2007 biennium. This report also updates the Board on the status of Congressional actions regarding the Federal Fiscal Year 2006 appropriation of Pacific Coastal Salmon Recovery Funds (PCSRF). This information, along with other developments, will provide important context for the Board to make adjustments to the spending plan. This report is intended primarily as an information item; however, staff may recommend action on certain items that are determined to be time sensitive at the time of the Board meeting.

II. Background

A. 2005-2007 Legislatively Adopted Budget

The 2005-2007 Legislatively Adopted Budget for OWEB includes \$4.35 million [\$1.55 million of Measure 66 Lottery Funds and \$2.8 million of federal Pacific Coastal Salmon Recovery Funds] available to be allocated by the Board for non-capital purposes. Non-capital funds are used for an assortment of needs that capital funds cannot support. These purposes include: technical assistance, education and outreach, monitoring and assessment, watershed council and local capacity support, and agency efforts related to the Oregon Plan for Salmon and Watersheds. Non-capital funds may be distributed through the competitive grant process or by direct allocation by the Board.

Measure 66 non-capital funds may be used for a wide variety of purposes that further the goals of improving water quality, recovering fish and wildlife habitat, and enhancing watershed health. The criteria for use of PCSRF funds are for recovery planning or for recovery and restoration of salmon or steelhead.

B. The September 2005 Spending Plan

The distribution of non-capital funds proposed by staff at the September 2005 Board meeting identified immediate allocation priorities and reserved funds for future allocation decisions, pending further information concerning the availability of federal (PCSRF) funds. Attachment A describes the spending plan approved by the Board at the September meeting. The current spending plan does not meet all non-capital program needs. The plan was premised on the expectation that additional PCSRF funds would be available during the

biennium to help meet program needs that were insufficiently funded under the September plan.

In September, staff proposed a non-capital funds spending plan that emphasized local capacity support by targeting Board investments to support the actions of local watershed groups - watershed councils, soil and water conservation districts, and other local groups, primarily through a significant allocation of funds to technical assistance grants.

C. Status of Federal Fiscal Year 2006 PCSRF Funds

For 2006, there will be a significant reduction in funding compared with past years. Oregon, Idaho, California, and the Tribes will receive half of the funding received in FFY 2005. The Congressional conference committee agreement on the Department of Commerce budget includes \$6.5 million for Oregon with an earmark of \$1 million for mass marking at Columbia River hatcheries and \$1.04 million for the purchase of one mass marking trailer. Barring any further changes, this means there will be \$4.36 million available for Oregon. To receive these funds, OWEB must request permission from the Legislative Emergency Board to apply for and expend them. If all approvals are secured, the PCSRF funds may become available in the summer of 2006.

III. Current Status and Preliminary Recommendations

At the time of writing this report, there remains a level of uncertainty around the availability of the FFY 2006 PCSRF funds. At the same time, funding issues and needs continue to press forward. Therefore, it is important for Board members to understand recent developments that may influence adjustments to the non-capital funds spending plan. Below is a list of issues that could affect priorities within the spending plan. A number of these items will not require Board action at the January meeting. However, staff may recommend action on several items at the meeting, depending on information that may be obtained between now and the meeting.

The issues of significance are:

A. Monitoring

1. Grant Applications

At the September meeting, the Board reserved \$250,000 for the October monitoring grant solicitation. Applications for more than \$1.4 million were received, many for the continuation of ongoing projects that would be implemented over the full biennium. The amount of grant funds requested exceeded staff expectations. With only \$250,000 reserved for this grant offering there is the potential that a number of worthy projects would not be funded. Moreover, insufficient funding could affect the overall quality of monitoring projects by breaking the continuity of data gathering. On the other hand, retaining the more modest reserve for the pending monitoring grant cycle would potentially allow the Board to reserve more funds for use later in the biennium, and would allow time for staff to develop more refined guidance for the next offering.

Preliminary Staff Recommendation:

Determining whether to award more funds early or reserving the majority of funds until later in the biennium is a critical factor in deciding how much funding to commit to monitoring grant applications in the current grant cycle. Staff will propose a spending

plan for monitoring grants at the January meeting, including a suggested total to award for the pending grant cycle. However, the Board may choose to defer action on this issue until the March Board meeting.

2. State Monitoring Needs

The interagency Oregon Plan Monitoring Team (OPMT) has worked on the Oregon Plan Monitoring Strategy over the last year. Recently, the OPMT established specific linkages between monitoring conducted by agencies and unmet needs under the monitoring strategy. They have identified a group of projects that directly resulted from last year's assessment on the viability of coho salmon on the Oregon Coast. This effort and its proposed monitoring funding needs are described in Attachment B.

Staff recommendation:

Staff may propose the Board take action in January to allocate funds to meet specific parts of the state monitoring strategy. Staff do not have a specific proposal at this time as we are still discussing with the other agencies the timing needs for this funding.

OWEB will have staff from the appropriate agencies available at the meeting to discuss the planned work and to answer Board questions.

B. Capacity of Local Conservation Partners

Following the September allocation of funds to watershed councils, staff became aware that soil and water conservation districts (SWCDs) had lost part of their operations funding during the 2005-2007 legislative budget process. SWCDs remain a key local partner for implementing OWEB projects. In an effort to maintain the Board's focus on building local capacity, staff may recommend the Board consider the use of non-capital funds to assist with SWCD operations needs over the biennium at the January meeting.

In addition, conversations have begun between OWEB, the Oregon Department of Agriculture, Oregon Association of Conservation Districts (OACD), and Network of Oregon Watershed Councils intended to lead toward a strategic collaboration to maintain and build the organizational capacity for local groups. Key to this effort will be the development of shared messages that emphasize the value of local conservation efforts. Leadership from the OACD and the Network will be critical to the success of this endeavor.

Preliminary Staff recommendation:

Staff are meeting next week with representatives from ODA and OACD to determine more specifically SWCD unmet operations needs for the biennium. Based on that discussion, staff will likely propose at the January meeting the Board allocate additional funding to restore SWCD operations capacity. Staff anticipate that additional funding may also be needed to help move the Council/District collaboration forward, specifically to help the Network and OACD assume appropriate leadership roles. It is not clear at this time whether a Board funding decision will be needed at the January meeting. Staff will update the Board on this effort and potential funding needs at the upcoming meeting.

C. Education and Outreach

At the September Board meeting, there was a discussion about the appropriate level of funding for education and outreach grants. The Board concluded in September that \$200,000 was insufficient to support the October-March grant offering, which focused exclusively on

watershed knowledge development (from the OWEB Education and Outreach Strategy). Subsequently, applications for more than \$2 million were received in the current grant cycle, with a number of applications appearing to be for purposes other than knowledge development. At the September meeting, the Board allocated \$150,000 for staff to hire an in-house staff person to carry out OWEB's communications and outreach efforts. Staff are now expecting to hire a person part time to fill this need. Staff will use \$37,000 of the savings accrued from the delay in hiring this position to support the 2006 Biennial Conference. (See Agenda Item L.) Additional details on this program element are contained in Attachment C.

Preliminary Staff Recommendation:

Additional Board discussion on the level of funding desired to be reserved for the current education grant cycle will help staff prepare for the March meeting. Staff will also present ideas on how education and outreach funding for the rest of the biennium could fit into the spending plan, assuming additional federal funds will be available.

D. Watershed Assessment

Based on the September spending plan, applications were not solicited for watershed assessments in the October-March grant cycle. Staff anticipated FFY 2006 PCSRF funds would help support watershed assessment grant cycles later in the biennium. In light of the limited 2006 federal funds expected later in the year, and the significant interest in monitoring and education indicated by the current grant applications, only one watershed assessment grant offering may be advisable during this biennium.

Staff Recommendation:

No action is needed at this time. At the upcoming meeting, staff will present a revised funding scenario that will propose the amount and timing of funding a watershed assessment grant cycle.

E. Oregon Plan Products

The September spending plan reserved \$250,000 for projects and products needed to implement the Oregon Plan for Salmon and Watersheds that arise during the course of the biennium. Staff are aware of several agency projects that fit into this category. Two significant items -- the Calapooia River Hatchery Coho Research Project and the continuation of Lower Columbia fish and habitat monitoring -- are ongoing efforts that have received OWEB funding in the past. The Board received a memo from ODFW briefly describing these projects at the September meeting. The Calapooia River Coho Project is developing cutting edge data on the pedigree of hatchery fish and evaluating the effects of interbreeding with wild fish. The Lower Columbia monitoring is critical for evaluation of the population viability of Lower Columbia Coho ESU. There would be a significant loss of data and information if funding for these projects were to be discontinued. There is an understanding between OWEB and ODFW staff that these projects would be presented to the Board for potential funding early in 2006. ODFW staff will further brief the Board on these projects and others during their presentation under Agenda Item H.

Staff Recommendation:

Staff are working with ODFW and other agencies to determine the extent of agency funding needs under this category. Staff are working with the agencies to explore potential alternative funding strategies, such as the use of Measure 66 research funds. Staff will line

out the potential projects and funding sources for the Board at the meeting. At present, staff may recommend action to fund selected projects if the timing of funding is critical.

F. Local Innovation Fund

The Board reserved \$50,000 for the Local Innovation Fund (LIF), a new grant offering that focuses on finding stronger linkages between OWEB's conservation funds and local economic and community needs. The \$50,000 is to be used as seed money to further develop projects that meet OWEB's LIF criteria. Fully developed project proposals will be submitted to OWEB this summer. In September, the Board will be asked to consider allocating funds for the fully developed proposals.

Staff Recommendation:

In Agenda Item M, staff offer two options for the initial round of funding. The first option would fund four projects at \$59,020. The second option would fund an additional four projects and bring the total non-capital funding to \$100,270. Option two would require an adjustment to the spending plan. Staff have emphasized to potential grantees that the September 2006 awards will be primarily from capital funds; however, the Board may want to consider reserving additional non-capital funds for these projects.

G. Technical Assistance

Technical assistance plays a key role to develop proposals for capital funded projects by increasing the capacity of OWEB's local partners to engage in project development, planning, design, coordination, and permitting. The spending plan allocated \$500,000 for CREP, and reserved \$1.4 million for three grant cycles. Of the \$1.4 million, the Board targeted \$500,000 for the pending "early action" technical assistance grant cycle. A more detailed update on the technical assistance program element may be found in Attachment D.

Preliminary Board Recommendation:

There is a significant need for technical assistance funding to help design and implement restoration projects. However, given the diminished federal funding anticipated for 2006 and the other non-capital program needs, the Board may consider using part of the remaining \$900,000 in funds reserved for technical assistance grants as a source of funding for other non-capital needs.

IV. Conclusion

The Board has many issues to consider as it attempts to adjust the non-capital spending plan to accommodate anticipated federal funds in 2006. Staff will present a more detailed proposal to update the spending plan at the January meeting. The proposal may include requests for the Board to allocate funds for certain items.

Attachments

- A. 2005-2007 OWEB September Non-Capital Spending Plan (September 2005)
- B. Oregon Plan Monitoring Team Proposed Monitoring Needs
- C. Update on OWEB Education and Outreach Program
- D. Update on OWEB Technical Assistance Program

OWEB 2005-2007 Non-Capital Funds Spending Plan (September 2005)

Program Element	Description of Purpose and Status	9/05 Spending Plan		Total Funds
		Allocated Funds	Reserved Funds	
Local Capacity	This program element involved an immediate allocation of funds in September to fulfill the watershed council support grant funding decision made at the May 2005 Board meeting. There is a continuing need to assist council and district capacity in a manner that helps both organizations and improves collaborative partnerships. Early action may be appropriate to address these needs. Staff will discuss this item in more detail at the meeting.	\$561,000	\$0	\$561,000
Technical Assistance	Technical assistance plays a key role to develop proposals for capital funded projects by increasing the capacity of OWEB's local partners to engage in project development, planning, design, coordination and permitting. The spending plan allocated \$500,000 for CREP, and reserved \$1.4 million for three grant cycles. The Board targeted \$500,000 for the pending "early action" technical assistance grant cycle. The remaining \$900,000 may be the source of funding for other non-capital needs if the Board chooses to update the spending plan.	\$1,000,000	\$900,000	\$1.9 million
Recovery Planning	Planning for salmon and steelhead recovery is an important priority for the Governor's Office, Legislature, and the National Marine Fisheries Service. The \$200,000 the Board allocated as a financial incentive for local groups to participate in federal recovery planning stakeholder team processes is helping to ground the planning effort in local values and knowledge. Additional funds may be necessary to complete recovery plans through the end of the biennium.	\$200,000	\$0	\$200,000
Monitoring Grants	A reduced grant offering to continue monitoring projects was proposed for the October 2005 grant cycle.	\$0	\$250,000	\$250,000
Oregon Plan Monitoring	The spending plan also recommended reserving significant resources to provide state level monitoring associated with recovery planning and the Oregon Plan for Salmon and Watersheds. Staff may recommend Board action to fund portions of the state level monitoring at the upcoming meeting.	\$0	\$600,000	\$600,000

Watershed Assessment	Limited non-capital funds compelled staff to recommend not offering a watershed assessment grant cycle in October 2005. This is an area that could use funding in order to make at least one grant offering during the biennium.	\$0	\$0	\$0
Agency Outreach Efforts	The investment in Education and Outreach is guided by the strategy recently adopted by the Board that focuses on awareness, knowledge, and skill development. The Board spending plan allocated \$150,000 for increasing awareness through hiring in-house staff for that purpose. This position will now be filled on a part time basis, allowing for some savings.	\$150,000	\$0	\$150,000
Education/Training Opportunities	A total of \$50,000 was allocated for skill development to provide specific training opportunities to local partners.	\$50,000	\$0	\$50,000
Education/Outreach Grants	A grant cycle for October targeted education projects focused on building knowledge. Staff proposed \$200,000 for the grant cycle, but the Board deferred the decision to reserve a specific amount. Over \$2 million in requests were received in October 2005.		\$200,000	\$200,000
Sustainability	The Board reserved \$50,000 as initial funding for the Local Innovation Fund, a new type of grant offering targeted to strengthen the linkages between ecological, economic, and community values for OWEB-funded projects. The first allocation of funds is requested in Agenda Item M. The Board will be asked to consider increasing the amount of funding initially reserved in September. The Board will also need to consider additional capital and non-capital funds to implement LIF projects in September 2006.	\$0	\$50,000	\$50,000
Oregon Plan Products	OWEB, through its funding resources, plays a key role in supporting projects and products from state agencies and other partners that help implement the Oregon Plan for Salmon and Watersheds. Staff may ask the Board to allocate some of these funds at the upcoming meeting.	\$0	\$250,000	\$250,000
Regional Priorities	The continuation of the effort to develop regional priorities (at the reporting basin scale) for the Board will help to guide future restoration funding decisions and be useful in the review of projects. The funding will be used to integrate Board priorities with similar regional efforts throughout the Columbia Basin. No additional funding is expected to be needed for this program element.	\$0	\$139,000	\$139,000
TOTAL		\$1,961,000	\$2,389,000	\$4,350,000

January 10, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager

**SUBJECT: Agenda Item D, Attachment B: Oregon Plan Monitoring Team Proposed Monitoring Needs
January 24-25, 2006 OWEB Board Meeting**

I. Introduction

The interagency Oregon Plan Monitoring Team (OPMT) has been working on the implementation of the Oregon Plan Monitoring Strategy over the last year. Recently, the OPMT has been meeting to establish specific linkages between monitoring conducted by agencies and unmet needs under the monitoring strategy. The projects described in this report are a variety of actions that provide important information for recovery planning actions for salmon and steelhead and are a direct result of information gaps identified in the Oregon Coastal Coho ESU Assessment (Coastal Coho Assessment). The proposed work programs were developed through collaboration and significant discussion.

II. Background

In September 2005, the Board supported the staff recommendation to reserve \$600,000 for joint monitoring efforts to assist Oregon's recovery planning efforts, including efforts to address state agency needs for focused statewide scale effectiveness monitoring, status and trends monitoring, and data management and dissemination activities that are consistent with, and further the objectives of, the Oregon Plan for Salmon and Watersheds. As the coordinator for the Oregon Plan Monitoring Team, OWEB staff have facilitated extensive discussions about the information needed and the location and scale of information that can assist in informing recovery planning efforts. The Oregon Plan Monitoring Team identified five specific projects that can add value to understanding limiting factors to salmon and steelhead populations.

III. Proposed Projects

The five proposed projects address the relationship between water quality and aquatic resources and provide better access to more data. These new projects would satisfy specific data collection analysis and information management needs outlined in the Coastal Coho Assessment. Each project builds on existing efforts and either provides focus or expands current monitoring efforts to cover the areas needed by recovery planning efforts. The five projects are described below:

1. Expanded Ambient Water Quality Monitoring Network in Oregon Coastal Coho ESU. DEQ proposes to add three additional monitoring stations for long-term water quality trending and change the location of approximately three existing stations to improve water quality monitoring coverage for trending in the Oregon Coast Coho ESU. These three new stations will be in Coho populations currently without trending stations and will be in addition to 31 existing ambient monitoring stations DEQ currently monitors in the Oregon Coastal Coho ESU. Station locations will be coordinated with ODFW staff. Ambient stations will be monitored six times per year for standard water quality parameters.
Two-year cost: \$40,920 (DEQ)

2. Macroinvertebrate Sampling for Water Quality and Temperature. ODFW proposed to use field crews to collect macroinvertebrate samples at 160 random juvenile Coho monitoring sites also surveyed by ODFW. Sample density will be increased in selected Coho populations in different years on a rotating basis. DEQ will provide field crew training, sampling equipment, supplies, sample processing, macroinvertebrate contractor services, data management and analysis. The data will be used to estimate temperature (seasonal maximum seven day moving average), sediment, and overall stream water quality and ecological integrity.
Two-year cost: \$279,680 (Contracted Services-\$10,000; DEQ-\$269,680)

3. Temperature Monitoring at Selected Random ODFW Juvenile Coho Sites in the Oregon Coastal Coho ESU. Continuous temperature monitoring at approximately 20 randomly selected sites snorkel surveyed for juvenile Coho salmon will be done by ODFW field crews in the Coastal Coho ESU under this project proposal. Temperature loggers will be deployed, retrieved, and field audited by ODFW field crews. DEQ will supply the temperature loggers and related materials, pre- and post-deployment laboratory accuracy checks, temperature data downloading, storage, and summary statistics.
Two-year cost: \$39,280 (DEQ)

4. Watershed Council Data Compilation. This effort calls for the capture of project results from Oregon Plan funded agencies, as well as the remaining OWEB-funded watershed council sampling and monitoring efforts into a statewide online data library. An additional outcome would be to develop minimum data standards and data entry templates for future data collection efforts to ensure consistency and compatibility across watersheds and agencies.
Two-year cost: \$88,500 (ODFW)

5. Fish Habitat Distribution Maintenance and Development. The goal of this proposed project is to improve the quality, consistency, and availability of Oregon's fish habitat distribution dataset. This proposal describes efforts to reconcile differences between existing coho distribution datasets, thereby providing the Oregon Plan and the Monitoring Team with one consistent, high quality, comprehensive dataset. This effort will also update existing distribution information for other species based on available information. Tools will be developed to capture new observation information.
Two-year cost: \$109,500 (ODFW)

Total cost of five projects: \$557,880

January 10, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item D, Attachment C: Update on OWEB Education and Outreach Program
January 24-25, 2006 OWEB Board Meeting**

I. Introduction

In this report, staff describe the current status of the Board's allocation of non-capital funding to implementing OWEB's Education and Outreach Strategy, including the number of Education and Outreach grants received and the total amount of funding requested in October 2005.

II. Background

The Board adopted its Education and Outreach Strategy (Strategy) in May 2005. The purpose of the Strategy is to help the Board and OWEB staff identify priorities and the best way to invest in those priorities. The Strategy focuses on three key elements: *Awareness*, *Improve Knowledge*, and *Skills Development*. The *Awareness* element of the Strategy aims to motivate interest and inform Oregonians about the significance of watersheds in their everyday lives, the Oregon Plan for Salmon and Watersheds, OWEB investments in local communities, and the important role watershed groups play in their communities. The *Improve Knowledge* element supports more formal, intensive, interactive and educational efforts where there is a specific teaching objective aimed at increasing the level of the audience's knowledge of certain watershed principles. The *Skills Development* element is watershed education that helps participants acquire specific technical skills and/or tools to promote individual and/or group actions in ways consistent with the Oregon Plan for Salmon and Watersheds.

At the September 2005 meeting, staff recommended allocating \$400,000 for Education and Outreach efforts to implement the Strategy: \$200,000 for an October 2005 *Improve Knowledge* grant cycle; \$150,000 for addressing *Awareness* needs through the efforts of in-house staff, and \$50,000 for *Skills Development* for local partners through training opportunities that may arise during the biennium. The sense of the Board was that these amounts, and particularly the \$200,000 for the grant cycle, were not nearly enough to address the high priority needs. The Board approved the allocation for *Awareness* and *Skills Development*, but did not reserve \$200,000 for the pending *Improve Knowledge* Education grant cycle and directed staff to return with an updated proposal in January when more is known about grants received.

III. Summary

Thirty seven Education grant applications seeking a total of \$2,061,835 were received by the October 24, 2005, grant deadline. Of the three types of Education and Outreach grants defined by the Strategy, only one type, those to *Improve Knowledge*, was solicited and considered in this funding cycle.

Area	Applications	Requested Amounts
Region 1	4	59,979
Region 2	4	146,119
Region 3	14	682,067
Region 4	7	356,860
Region 5	4	81,962
Statewide	4	734,848
Totals	37	\$2,061,835

Those for the other two strategic areas, *Awareness* and *Skills Development*, were not invited or accepted. Applicants were referred to the definitions, objectives, and other language in that Strategy document. However, the application form and the review guidance sheets used by the reviewers were the same as those used in previous cycles.

IV. Review Process

After being screened for basic eligibility and completeness, the applications were sent to the five Regional Review Teams (RRTs) or, in the case of the four statewide applications, to a sub-committee of the Oregon Plan Outreach Team, which will review them for merit and make prioritized funding recommendations to OWEB staff in January 2006. Because we invited only one type of Education and Outreach grants and because organizing Education and Outreach projects into categories is relatively new to OWEB's applicants, a number of eligibility issues are being raised by the RRTs and are being considered by staff. OWEB staff will also consider present and future funding availabilities, special needs and circumstances in balancing and integrating the separate RRT recommendations into a staff funding recommendation that will be presented to the Board at its March 2006 meeting. A better idea of the number of applications that qualify for the *Improve Knowledge* target will be available at the Board meeting.

V. Budget Considerations

The Board and staff discussion about non-capital funds allocations at the January 2006 meeting may have an impact on how staff prepare the Education and Outreach grant funding recommendations for the March 2006 Board meeting. The dollar amounts requested, both the total of \$2,061,835 and the per-application average request of \$55,725, suggest a significant unmet need for Education and Outreach grant funds.

January 10, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Wendy Hudson, Grant Program Coordinator

**SUBJECT: Agenda Item D, Attachment D: Update on OWEB Technical Assistance Program
January 24-25, 2006 OWEB Board Meeting**

I. Introduction

In this report, staff describe the current status of the Board's allocation of non-capital funding to technical assistance, including actions related to "early action" grants, Conservation Reserve Enhancement Program (CREP) technical assistance, and future technical assistance grant cycles.

II. Background

At the September 2005 meeting, the Board allocated \$1.9 million to technical assistance, recognizing that such funding plays a key role in developing proposals for capital-funded projects. Of that \$1.9 million, the Board reserved:

- \$500,000 of non-capital funds for an "early action" technical assistance grant cycle, which occurred in October 2005 and will be concluded at the end of January 2006.
- \$500,000 of non-capital funds for CREP technical assistance to soil and water conservation districts, with \$38,000 of that amount available to the Oregon Department of Agriculture to support coordination of the State CREP Program.
- \$900,000 of non-capital funds for grants to be distributed through the April and October 2006 grant cycles.

III. "Early Action" Technical Assistance

For the October 2005 grant cycle, OWEB received 31 "early action" technical assistance applications for a total request of \$851,605 (see table on page 2). This grant cycle is so named because staff wanted to create an opportunity for applicants who will be able to complete the technical assistance project in time to submit a restoration application for either the April or October 2006 grant cycles. The early action grant cycle was:

- Open to any applicant eligible for OWEB grants;
- Limited to those applicants who were confident of being able to meet the tight time schedule for submitting restoration applications; and
- Limited to staff or contracting support for the development of project-specific, technical designs addressing a locally acknowledged limiting factor or watershed restoration priority.

The Regional Review Teams, which meet in January 2006, will review the technical assistance applications and make funding recommendations to OWEB staff. Staff will then take the recommendations and finalize awards, not to exceed \$500,000. Funding decisions will be posted on the OWEB website on or around January 31, 2006.

**‘Early Action’ Technical Assistance
Applications Received October 24, 2005 Grant Cycle**

Region	Project #	Project Name	Amount
1	z206-165	Lost Cr Large Wood Enhancement	3,385
1	z206-166	Vaughn Cr Reach 2 Fish Passage Engineering Design	37,000
1	z206-167	Conyers Cr Planning Phase	24,150
1	z206-168	Engineering Design for Re-establishment of Reneke Cr Channel	24,200
1	z206-169	Lint Slough Hydrologic Analysis	39,375
5		Region 1 Total	\$128,110
2	z206-170	Bear Cr Riparian Program Development-Site Prescriptions	15,500
2	z206-171	Jumpoff Joe Cr Bio-Engineering Technical Design	8,925
2	z206-172	Roberts Cr & South Fork Deer Cr Conservation Planning	50,000
2	z206-173	West Fork Williams Cr Salmonid Habitat Restoration Plan	17,466
2	z206-174	Bennett Cr Culvert Replacement Design	12,593
2	z206-175	Sediment Abatement Project Plan Development	27,461
2	z206-176	Brummit Cr Instream Log Placement Design	8,190
2	z206-177	S Fork Coos R Mixed-ownership High-Risk Road Sediment Reduction	39,151
8		Region 2 Total	\$179,286
3	z206-178	Willow Cr Confluence Restoration Scoping & Budgeting	36,435
3	z206-179	East Lane Riparian Restoration Planning	49,770
3	z206-180	Hatch Airport Fish Passage/Habitat Restoration Design Feasibility Study	39,565
3	z206-181	Deer Cr Wetland & Stream Restoration Design	8,653
3	z206-182	Pond Turtle Enhancement Project	12,473
3	z206-183	Sauvie Island Hydraulic & Hydrologic Modeling	21,950
3	z206-184	Luckiamute WS Winter Steelhead Fish Passage Survey	33,589
3	z206-185	West Fork Dairy Cr Culvert Removal & Stream Enhancement Design	28,196
8		Region 3 Total	\$230,631
4	z206-186	Squaw Cr Restoration Design	50,000
4	z206-187	Upper McKay Cr Flow Study & Restoration Design	24,220
4	z206-188	Wastewater to Constructed Wetland Design	47,700
4	z206-189	Middle Crooked R WS Restoration Planning & Design	23,805
4		Region 4 Total	\$145,725
5	z206-190	Ordell Ditch/Grande Ronde Ditch Diversion Rehabilitation	36,278
5	z206-191	USFS Road 4600-930 Chesnimnus Cr Crossing Design	30,000
5	z206-192	Zell Ditch Diversion Design	8,400
5	z206-193	Cow Hollow Engineering Project	3,570
5	z206-194	Five Point Diversion Fish Screen & Passage	39,605
5	z206-195	Wallowa Lake Dam Replacement- Final Engineering	50,000
6		Region 5 Total	\$167,853
31		Total ‘Early Action’ Technical Assistance Applications	\$851,605

IV. CREP Technical Assistance

In November 2005, OWEB signed an interagency agreement with the Oregon Department of Agriculture for \$38,000 to provide coordination of the CREP program. Additional coordinator

duties include finalizing the CREP biological opinion, developing a CREP easement program, providing outreach and public information, and preparing a final report for submission to OWEB, the Farm Service Agency, and other partners.

In December 2005, OWEB began writing separate grant agreements with participating soil and water conservation districts to provide staff or contracting support for CREP technical training and outreach to landowners. To date, eleven contracts, totaling \$462,000 have been written. Local districts, the Natural Resources Conservation Service, Oregon Department of Forestry, and Farm Service Agency will provide match for OWEB funds.

CREP Technical Assistance Grants to Soil and Water Conservation Districts

Region	Project #	Grantee	Award Amount
2	206-406	Coos-Curry SWCDs	\$60,300
2	206-412	Umpqua	\$57,620
3	206-410	Polk	\$30,150
3	†206-410a	Yamhill	\$30,150
4	206-414	Wasco	\$32,080
4	206-411	Sherman	\$16,530
4	206-407	Crook-Deschutes-Jefferson SWCDs	\$40,200
4	206-409	Klamath	\$60,300
5	206-405	Baker-Malheur SWCDs	\$50,250
5	206-408	Harney	\$24,120
5	206-413	Union	\$60,300
		TOTAL	\$462,000

† Resulting from a recent Yamhill SWCD request, OWEB took the Polk/Yamhill contract, 206-410, and split it equal into two contracts, 204-410 for Polk and 204-410a for Yamhill.

IV. OWEB Technical Assistance Grant Cycle

In November 2005, staff announced funding availability for technical assistance and invited applications to be submitted for the April 2006, October 2006, and April 2007 grant cycles. These grant cycles are open to any applicant eligible for OWEB grants, and are limited to supporting staffing or contracting to accomplish any of the following (shown in order of award preference):

- Developing a technical design for a specific restoration project that addresses a locally acknowledged limiting factor or watershed restoration priority. Preference will be given to those applications that identify specific site(s) and landowner(s), demonstrate a high likelihood of implementation, and provide a timeline for restoration implementation. The final report, among other things, must include the final project design(s).
- Developing or updating an action plan, or developing a project to address a locally acknowledged limiting factor(s) or watershed restoration priority. Preference will be given to those proposals that will identify specific projects and sites and other outcomes that demonstrate a high likelihood of being implemented within a year. The final report, among other things, must include a completed action plan.
- Recruiting multiple landowners for a cooperative conservation or restoration project, or for a state or federal landowner assistance program (e.g., Environmental Quality

Incentives Program, Wetland Reserve Program, or Wildlife Habitat Incentives Program) that addresses a locally acknowledged limiting factor(s) or watershed restoration priority. Preference will be given to those applications that thoroughly describe the needs and geographic area(s) to be addressed, detail the methods and timetable for participant recruitment, and demonstrate that enrollment will result in the successful implementation of the intended projects or programs. The final report, among other things, must include a list of the landowners contacted and recruited, the reasons that landowners agreed or declined to participate, and the resulting list of sites secured for project implementation.

Regional Review Teams will evaluate the technical assistance applications and make recommendations to the OWEB Board for funding consideration.

January 6, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Louise Solliday, Governor's Natural Resources Office

**SUBJECT: Agenda Item F: Recovery Planning Update
January 24-25, 2006 OWEB Board Meeting**

I. Introduction

This staff report describes the current status of the State of Oregon's expedited participation in recovery planning for salmon and steelhead listed under the federal Endangered Species Act (ESA).

II. Background

After a species is listed under the federal Endangered Species Act, the listing agency must develop a recovery plan. A recovery plan is a detailed documentation of the biological status and necessary actions to recover the species to a viable status.

The State has begun working with the Northwest Regional Office of National Oceanic and Atmospheric Administration (NOAA) Fisheries to develop recovery plans under the ESA that will also serve as Native Fish Conservation Plans under the Oregon Department of Fish and Wildlife's (ODFW) Native Fish Conservation Policy.

Oregon has federal salmon and steelhead listings (all "threatened" listings) in five Evolutionarily Significant Units (ESUs), four of which we share with other states. These include the Southern Oregon/Northern California (SONC) ESU (coho), the Lower Columbia ESU (chum, coho, steelhead, Chinook), the Upper Willamette ESU (Chinook, steelhead), the Mid Columbia ESU (steelhead) and the Snake ESU (Chinook, steelhead). In addition, the Oregon Coast Coho ESU is currently proposed for listing as threatened. Attached to this staff report is a map of the recovery domains (Attachment A), a description of the salmon recovery domains (Attachment B), and the ESA status of West Coast salmon and steelhead (Attachment C).

III. Recovery Planning Status

Oregon has developed a recovery planning structure for each ESU that includes a planning team and a stakeholder team. The planning teams are led by ODFW staff and include staff from state and federal natural resource agencies. The stakeholder teams represent the private and public interests in each ESU and provide input and feedback to the state and NOAA on recovery planning products. The Governor's Natural Resource Office is providing overall coordination and policy direction for the recovery planning effort.

Work plans have been developed for each ESU. It is anticipated that draft recovery plans for each ESU will be completed according to the following schedule:

Oregon Coast	June 2006
Lower Columbia	December 2006
Mid Columbia	December 2006
Snake	December 2006
Upper Willamette	June 2007
**SONC	Unknown

** This ESU is covered by NOAA Southwest Region who has not yet developed a schedule for SONC coho recovery planning.

NOAA and Oregon are sharing costs for the recovery planning efforts. Oregon is using Pacific Coastal Salmon Recovery Funds (\$900,000 allocated by OWEB and \$750,000 allocated by ODFW) as well as state resources. NOAA is assisting us to coordinate with other states as needed. Washington is expected to have draft recovery plans before Oregon does. Washington's Lower Columbia Recovery Plan has already been submitted to NOAA.

In all recovery planning areas we plan to build on already completed work, including but not limited to, the Oregon Plan for Salmon and Watersheds, the Oregon Coastal Coho Assessment, subbasin plans in the Columbia Basin, watershed assessments and action plans, and ODFW basin management plans. Each plan will include sections on current viability and desired future status for each ESU (including both delisting criteria and broad sense recovery goals), population, limiting factors and threats, management actions to address limiting factors and threats, an implementation schedule and costs estimates, and research, monitoring and evaluation needs. The plans will provide a focused identification of limiting factors that can be used to guide OWEB funding decisions.

The schedule is ambitious and the budget is limited, but we are cautiously optimistic that we can and will deliver draft plans as scheduled.

IV. Recommendation

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

Attachments

- A. Maps of Recovery Domains
- B. Salmon Recovery Domain Descriptions
- C. ESA Status of West Coast Salmon and Steelhead

Recovery Domains and Evolutionarily Significant Units



Salmon Recovery Domains

Puget Sound Recovery Domain

This domain covers Puget Sound; it includes rivers and streams flowing into Puget Sound, Hood Canal, and the Strait of Georgia in Washington, including the Strait of Juan de Fuca from the Elwha River eastward. Recovery activities for sockeye salmon in Ozette Lake are included in this domain.

Oregon Coast Recovery Domain

This domain covers the Oregon coastal streams south of the Columbia River and north of Cape Blanco. The domain includes the Nehalem, Wilson, Nestucca, Siletz, Yaquina, Alsea, Siuslaw, Umpqua, Coos and Coquille basins.

Willamette/Lower Columbia Recovery Domain

This domain encompasses the Columbia River basin downstream of the Hood River in Oregon and the White Salmon River in Washington. The domain also includes the following Columbia River tributaries: Sandy, Willamette, Scappoose, Clatskanie, Little White Salmon, Wind, Washougal, Lewis, Kalama, Cowlitz, Elochoman, Grays and Chinook rivers, and Youngs Bay.

Middle/Upper Columbia Domain

This domain covers all of the Columbia River basin accessible to anadromous salmon and steelhead between Bonneville and Chief Joseph Dams, except for the Snake Basin. This domain includes the Entiat, Methow, Okanogan, Wenatchee, Yakima, Big White Salmon, Klickitat, Upper and Lower Mainstem Columbia, Fifteenmile, Deschutes, John Day, Umatilla and Walla Walla basins.

Snake Basin Domain

This domain includes all of the Snake River Basin accessible to anadromous salmon and steelhead. The domain includes parts of the states of Idaho, Oregon and Washington. Major tributaries are the Snake River itself (downstream of Hells Canyon Dam), Salmon and Clearwater rivers.

<http://www.nwr.noaa.gov/Salmon-Recovery-Planning/Recovery-Domains/Index.cfm>

Endangered Species Act Status of West Coast Salmon & Steelhead

(Updated October 13, 2005)

Salmonid Species		Evolutionarily Significant Unit (ESU) ¹	Current Endangered Species Act Listing Status ²	Proposed Endangered Species Act Listing Status	ESA Listing Actions Under Review
Sockeye Salmon (<i>Oncorhynchus nerka</i>)	1	Snake River ESU	Endangered		
	2	Ozette Lake ESU	Threatened		
	3	Baker River ESU	Not Warranted		
	4	Okanogan River ESU	Not Warranted		
	5	Lake Wenatchee ESU	Not Warranted		
	6	Quinalt Lake ESU	Not Warranted		
	7	Lake Pleasant ESU	Not Warranted		
Chinook Salmon (<i>O. tshawytscha</i>)	8	Sacramento River Winter-run ESU	Endangered		
	9	Upper Columbia River Spring-run ESU	Endangered		
	10	Snake River Spring/Summer-run ESU	Threatened		
	11	Snake River Fall-run ESU	Threatened		
	12	Puget Sound ESU	Threatened		
	13	Lower Columbia River ESU	Threatened		
	14	Upper Willamette River ESU	Threatened		
	15	Central Valley Spring-run ESU	Threatened		
	16	California Coastal ESU	Threatened		
	17	Central Valley Fall and Late Fall-run ESU	Species of Concern		
	18	Upper Klamath-Trinity Rivers ESU	Not Warranted		
	19	Oregon Coast ESU	Not Warranted		
	20	Washington Coast ESU	Not Warranted		
	21	Middle Columbia River spring-run ESU	Not Warranted		
	22	Upper Columbia River summer/fall-run ESU	Not Warranted		
	23	Southern Oregon and Northern California Coastal ESU	Not Warranted		
	24	Deschutes River summer/fall-run ESU	Not Warranted		
Coho Salmon (<i>O. kisutch</i>)	25	Central California Coast ESU	Endangered		
	26	Southern Oregon/Northern California ESU	Threatened		
	27	Oregon Coast ESU	Proposed Threatened	Threatened³	<ul style="list-style-type: none"> • ESA Listing Status; • Critical Habitat Designation
	28	Lower Columbia River ESU	Threatened		
	29	Southwest Washington ESU	Not Warranted		
	30	Puget Sound/Strait of Georgia ESU	Species of Concern		
	31	Olympic Peninsula ESU	Not Warranted		
Chum Salmon (<i>O. keta</i>)	32	Hood Canal Summer-run ESU	Threatened		
	33	Columbia River ESU	Threatened		
	34	Puget Sound/Strait of Georgia ESU	Not Warranted		
	35	Pacific Coast ESU	Not Warranted		
O. mykiss (steelhead)	36	Southern California ESU	Endangered	Endangered³	<ul style="list-style-type: none"> • ESA Listing Status
	37	Upper Columbia River ESU	Endangered	Threatened³	<ul style="list-style-type: none"> • ESA Listing Status
	38	Central California Coast ESU	Threatened	Threatened³	<ul style="list-style-type: none"> • ESA Listing Status
	39	South Central California Coast ESU	Threatened	Threatened³	<ul style="list-style-type: none"> • ESA Listing Status
	40	Snake River Basin ESU	Threatened	Threatened³	<ul style="list-style-type: none"> • ESA Listing Status
	41	Lower Columbia River ESU	Threatened	Threatened³	<ul style="list-style-type: none"> • ESA Listing Status
	42	California Central Valley ESU	Threatened	Threatened³	<ul style="list-style-type: none"> • ESA Listing Status
	43	Upper Willamette River ESU	Threatened	Threatened³	<ul style="list-style-type: none"> • ESA Listing Status
	44	Middle Columbia River ESU	Threatened	Threatened³	<ul style="list-style-type: none"> • ESA Listing Status
	45	Northern California ESU	Threatened	Threatened³	<ul style="list-style-type: none"> • ESA Listing Status
	46	Oregon Coast ESU	Species of Concern		
	47	Southwest Washington ESU	Not Warranted		
	48	Olympic Peninsula ESU	Not Warranted		
	49	Puget Sound ESU	Not Warranted		<ul style="list-style-type: none"> • ESA listing status⁴
	50	Klamath Mountains Province ESU	Not Warranted		
Pink Salmon (<i>O. gorbuscha</i>)	51	Even-year	Not Warranted		
	52	Odd-year	Not Warranted		

1 An Evolutionarily Significant Unit, or "ESU", is a distinctive group of Pacific salmon or steelhead. NOAA Fisheries considers an ESU a "species" under the ESA

2 Updated final listing determinations for 16 salmon ESUs were issued on June 28, 2005 (70 FR 37160). On September 2, 2005, we issued final critical habitat designations for 19 West Coast salmon and steelhead ESUs (70 FR 52488 and 52630).

3 The final listing determinations for the Oregon Coast coho ESU and ten *Oncorhynchus mykiss* ESUs have been extended for 6 months until December 12, 2005. See the announcements published in the *Federal Register* on June 28, 2005 (70 FR 37217, and 70 FR 37219).

4 A petition to list Puget Sound steelhead was received on September 13, 2004. The ESU is currently under review.

January 6, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Louise Solliday, Governor's Natural Resources Office

**SUBJECT: Agenda Item G: Willamette River Legacy Program Update
January 24-25, 2006 OWEB Board Meeting**

I. Introduction

This staff report provides Board members with an update on the status of the Willamette River Legacy program.

II. Background

On March 5, 2004, Governor Kulongoski announced that his "top environmental priority over the next three years is to clean up the crown jewel of Oregon's river system - the Willamette River." The Governor has identified three priority focus areas and high priority implementation actions for each area:

REPAIR	Cleaning up the industrial pollutants and toxins that have contaminated the river;
RESTORE	Returning the river to its natural state, restoring its abundant wildlife and pristine riverbanks; and
RECREATE	Addressing the incredible role that the Willamette River plays in Oregon's quality of life so Oregonians can enjoy the many activities the river offers, and to do so responsibly so that it will be here for future generations.

Attachment A lists the high priority items developed to address the three priority focus areas and identifies action items, benefits, funding, key partners, the timeline, and targets for performance measures.

III. Willamette River Legacy Program Actions

Since the previous report to the Board in September 2005, the following activities have taken place:

1. Continued discussions with the tribes, land trusts and Bonneville Power Administration about negotiating a Wildlife Mitigation Trust Fund for the Willamette and Columbia hydro projects, which, if successful, could provide matching funds for OWEB funded projects in the Willamette and Columbia basins;

2. Reviewed and ranked 32 grant proposals for the National Fish and Wildlife Foundation Oregon Governor's Fund for the Environment grant program, along with staff from OWEB, DEQ and ODFW;
3. Helped design and presented at the Environmental Law Education Center's Continuing Law Education Conference on the Willamette;
4. Toured the Lambert Bend site and discussed restoration alternatives with Department of Geology and Mineral Industries and landowners;
5. Worked with Oregon Department of Fish and Wildlife to develop work plans and identify stakeholders for recovery planning for the Upper Willamette and Lower Columbia Evolutionarily Significant Units (OWEB staff will provide technical assistance during the recovery planning process);
6. Established an interagency steering committee for the Willamette River Legacy Program, which includes staff from OWEB;
7. Discussed with various state (OWEB) and federal agency staff how to report progress on the priority action items in the Governor's Blueprint; and
8. Joined EPA and Willamette Partnership in announcing a Targeted Watershed Grant to establish the Willamette Ecosystem Marketplace with an initial focus on water quality trading for temperature, creating another potential source of funding for protection and restoration projects in the basin.

Work will continue on implementation on the priority actions in the *Governor's Blueprint for Restoring and Enjoying a Healthy Willamette River Basin* over the next year. The Blueprint can be found at http://governor.oregon.gov/Gov/Willamette_River_Legacy/vision_background.shtml.

IV. Recommendation

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

Attachment

- A. Willamette River Legacy Program High Priority Strategic Actions

The Willamette River Legacy Program

The Governor's Blueprint for Restoring and Enjoying a Healthy Willamette River Basin

***From the Headwaters to the Columbia,
From the Coast Range to the Cascades***

May 2005

THE WILLAMETTE RIVER LEGACY PROGRAM

**The Governor's Blueprint for Restoring and Enjoying a Healthy Willamette River Basin
From the Headwaters to the Columbia, From the Coast Range to the Cascades**

The Vision

The Willamette River Basin is of vital environmental, economic and social importance to the state of Oregon. Ensuring that it is healthy for current and future generations is paramount to the state's future. The water must be clean and in sufficient quantities to support both human and wildlife needs. Fish and wildlife populations must be viable and enjoy the variety of habitats needed to sustain them into the future. Willamette Valley communities and citizens will thrive due to the health of the river, and derive many benefits from the recreational opportunities that the river provides.

Background

On March 5, 2004 Governor Kulongoski announced that his *“top environmental priority over the next three years is to clean up the crown jewel of Oregon's river system - the Willamette River. I don't just mean parts of the river - I mean the entire river – from the headwaters east of Eugene all the way to the Columbia.”*

The Willamette River Basin (WRB) comprises almost 12,000 square miles, is home to almost 70% of Oregon's population, and generates approximately 75% of the economic activity of the state. It is the 13th largest river, based on stream flow, in the contiguous United States. Thirteen major tributaries feed into the mainstem Willamette including: Calapooia, Clackamas, Coast Fork Willamette, Long Tom, Luckiamute, McKenzie, Marys, Middle Fork Willamette, Molalla, Pudding, Santiam, Tualatin, and Yamhill rivers. The river has been designated an American Heritage River since 1998.

The WRB supports a variety of plant and wildlife species, some of which are listed as threatened or endangered under the federal Endangered Species Act. At least 1400 miles of the basin's 16,000 miles of streams do not meet water quality standards. While less than 10%, many of the 1400 miles lie adjacent to our most populated areas. Because historic use of rivers by communities was as a place to carry away waste, most developed with their backs to the river.

Important habitats were lost as the Willamette Valley developed to support its growing population and economy. 97-99% of the prairie habitat has been lost, 80% of the riparian forests have been lost and over half the original wetlands have been lost. Many non-native invasive plant and animal species have taken hold in the basin, to the detriment of native species.

In the late 1960s and early 1970s a major initiative was launched to clean up the river that focused on addressing water pollution coming from industrial and municipal activities in the basin. These efforts addressed pollution from point sources (end of pipe discharges). The effort was highly successful as industrial and municipal dischargers were required to treat waste before discharging effluent into the river.

The population in the Willamette Valley is expected to grow to 4 million by 2050. This creates a significant challenge as we try to balance the needs of an increasing population and expanding economy with the need to sustain healthy watersheds to support viable fish and wildlife populations and highly desired recreational activities over the long term.

In recent years several major planning efforts have been completed that assess current conditions and concerns in the WRB and propose actions that should be taken to improve the health of the basin. These include the:

- Oregon Plan for Salmon and Watersheds, developed by the state in 1997 and amended in 1998 to include the Willamette River Basin;
- Willamette Restoration Strategy, developed by the Willamette Restoration Initiative (WRI, now the Willamette Partnership) in 2001;
- Willamette River Basin Planning Atlas, developed by the Pacific Northwest Ecosystem Research Consortium in 2002;
- Willamette Subbasin Plan, developed by the WRI and adopted by the Northwest Power and Conservation Council (NPCC) in 2004, and
- Total Maximum Daily Load (TMDL), developed by the Department of Environmental Quality (DEQ) in 2004 and expected to be adopted by DEQ in 2005.

In addition to these basin-scale efforts, watershed councils have completed watershed assessments and action plans for all the major tributaries to the Willamette. Soil and water conservation districts, working with local landowners and others have completed agricultural water quality area management plans (SB1010 plans) throughout the basin to address water quality concerns associated with agricultural lands in the basin.

These efforts have identified common areas of concern that need to be addressed. This includes on-going water quality problems, loss of fish and wildlife habitat (including wetlands, off channel habitat, riparian areas, and woodland forests), lack of water supply to address current and future needs to support both ecological and economic values, and loss of floodplain function.

Governor Kulongoski's Priorities

Governor Kulongoski has identified three priority areas of focus for the Willamette River Legacy Program:

- *REPAIR*- cleaning up the industrial pollutants and toxins that have contaminated the river;
- *RESTORE*- returning the river to its natural state, restoring its abundant wildlife and pristine riverbanks; and
- *RECREATE*- addressing the incredible role that the Willamette River plays in Oregon's quality of life so Oregonians can enjoy the many activities the river offers, and to do so responsibly so that it will be here for future generations.

Below are the high priority actions identified for implementation under the Willamette River Legacy Program. This is not an exhaustive list of all that needs to be done to restore the health of the Willamette River Basin but is a set of actions that will put the river on the path to recovery in the near term.

High Priority Strategic Actions

REPAIR- Below are high priority actions needed to improve water quality to a swimmable, fishable, drinkable condition throughout the Willamette River Basin.

Action: Fully implement watershed based National Pollution Discharge Elimination System (NPDES) permitting in the Willamette and reduce the permit backlog to less than 10%

Benefit: Consideration given to cumulative impacts on the basin, permits will comply with current standards, improved water quality

Funding: Governor's Recommended Budget (GRB) for 05-07 includes \$419,000 General Funds (GF) and \$544,000 Other Funds (OF) to restore 4 staff in 05 and add 2.5 staff in 06; 07-09 add 1.5 staff in 07, 1.0 staff in 08, cost is \$79,000 GF, \$103,000 OF

Key Partners: Department of Environmental Quality (DEQ)

Timeline: By 2007 reduce the NPDES permit backlog and fully implement watershed based permitting in the Willamette River Basin. Because of the number of permits in the Willamette there will be a two year cycle for all permits issued in the Basin.

Target: Reduce permit backlog to less than 10% by 2007, fully implement watershed based permitting in the Willamette by 2008.

Progress to Date:

Action: Finalize and implement the Total Maximum Daily Loads (TMDLs) for the Willamette and its subbasins

Benefit: Improved water quality, compliance with Clean Water Act requirements

Funding: Governor's Recommended Budget includes funds for implementation (\$835,000), 319 grants available to designated management agencies (DMAs), pursue EPA targeted watershed grant for the Willamette in 2005

Key Partners: DEQ with DMAs including cities, state agencies, Willamette Partnership, soil and water conservation districts, local watershed councils, private industry, local landowners

Timeline: DEQ finalizes and issues the TMDL as an Order summer 2005 for most of the basin and submits to Environmental Protection Agency (EPA) for approval, implementation plans from DMAs within 12-18 months of DEQ's Order, complete phase 2 of the mercury TMDL to update the TMDL in 2010, two remaining TMDLs will be completed for the Molalla-Pudding and Yamhill watersheds in 2006.

Target: By 2007 80% of DMAs have TMDL implementation plans in place and implementation is under way

Progress to Date:

Action: Investigate the feasibility of point source/non-point source pollution trading system for the basin using DEQ's new Water Quality Trading Internal Management Directive (January 2005)

Benefit: Faster improvement in water quality associated with non-point source pollution, added growth potential for future municipal and industrial uses

Funding: Seek EPA targeted watershed grant to initiate program

Key Partners: Willamette Partnership, DEQ, industrial and municipal NPDES permit holders, watershed councils, soil and water conservation districts, agriculture and timber interests

Timeline: Establish Willamette Water Quality Trading Work Group in 2005 to identify trade opportunities in the Willamette River Basin

Target: Establish Willamette Water Quality Credit Bank through a temperature trade by December 2006.

Progress to Date:

Action: Clean up the Portland Harbor Superfund site- EPA has lead role for in-water site investigation and cleanup, DEQ has lead role in identifying and controlling upland sources of contamination to the Harbor

Benefit: Improved water quality, removal from Superfund list, improved economic development opportunities for Portland Harbor

Funding: Costs of clean up unknown until Proposed Plan is developed in 2007/2008, costs assigned to potentially responsible parties; DEQ, EPA and Lower Willamette Group providing funding for current work

Key Partners: EPA, DEQ, Lower Willamette Group, potentially responsible parties, natural resource trustees, Willamette River Cleanup Authority

Timeline: Remedial Investigation Report 2006, Risk Assessment 2006/2007, Feasibility Study 2007, Proposed Plan/Record of Decision 2007/2008

Target: Timeline for clean up dependent on Record of Decision

Progress to Date:

Action: Clean up Black Butte Mine

Benefit: Eliminate mercury leaching into Cottage Grove Lake and the Upper Willamette, eliminate or reduce fish consumption advisory days

Funding: Up to \$8 million for cleanup involving full removal of material, EPA providing \$60,000 to DEQ to complete a removal assessment to evaluate alternative removal options and costs, \$1 million request in Federal Fiscal Year 06 budget to begin clean up

Key Partners: Responsible parties (current, past owners and operators), DEQ

Timeline: Declared an Orphan Site by DEQ in 2002, Removal Assessment to be completed 12/05, cleanup timeline dependent on recommended actions and available funding

Target: Clean up dependent on available funding

Progress to Date:

Action: Reduce excessive nitrate in groundwater in the Southern Willamette Valley. DEQ declared a Groundwater Management Area for this area in 2004.

Benefit: Improved water quality, reducing public health threats that may currently be impacting private well owners and protection of public water supplies, avoiding expensive treatment options.

Funding: Advisory Committee established (see list of Partners below); DEQ providing 0.5 FTE to staff and participate on workgroup.

Key Partners: DEQ and multiple partners, including: Oregon State University Extension; Lane Council of Governments; Oregon Department of Agriculture (ODA); Water Resources Department; Department of Human Resources; Department of Land Conservation and Development; Benton, Linn and Lane Counties; the cities of Monroe, Harrisburg, Junction City and Coburg; soil and water conservation districts, watershed councils, rural residents, farmers; and private industry.

Timeline: Nitrate loading to the groundwater will be reduced within a timeframe established by the Groundwater Management committee.

Target: Rescind the Groundwater Management Area declaration when the groundwater quality is reduced to less than 7.0 milligrams of nitrate per liter.

Progress to Date:

RESTORE- Below are high priority actions that will restore important watershed habitats needed to support viable fish and wildlife populations.

Action: Prioritize watershed restoration actions in the Willamette River Basin

Benefit: Shift from competitively selected investments to strategic investments to target restoration strategies with a high likelihood of success in areas where they will provide the biggest benefit.

Funding: \$100,000, contract awarded

Key Partners: Oregon Watershed Enhancement Board (OWEB), watershed councils

Timeline: Completed December 2005

Target: OWEB uses prioritization in grant decision making beginning in 2006

Progress to Date:

Action: Protect existing healthy riparian vegetation and reestablish riparian vegetation, with focus on Willamette floodplain and major tributaries

Benefit: Shading to reduce temperature, filter runoff to improve water quality, reduce bank erosion to minimize private property loss and improve water quality, increase large wood instream to provide rearing habitat for salmonids, provide increased wildlife habitat

Funding: OWEB grants, Conservation Reserve Enhancement Program enrollments, 319 grants, Restoration & Enhancement grants, The Nature Conservancy (TNC) utility customer salmon habitat grants, seek enhancements to the CREP program for the entire Willamette as was done in the Tualatin, Bonneville Power Administration (BPA) habitat mitigation funds

Key Partners: Oregon Parks and Recreation Department (OPRD), Department of State Lands (DSL), Department of Geology and Mineral Industries (DOGAMI), Oregon Department of Forestry (ODF), ODA, local governments, willing landowners with support from soil and water conservation districts, local watershed councils, non-government organizations (NGOs)

Timeline: Restore 150 miles of riparian vegetation per year

Target: 750 miles of riparian vegetation restored by 2010

Progress to Date:

Action: Protect existing functioning floodplains and reconnect historic floodplains, with a focus on tributary confluence areas between Eugene and Salem

Benefit: Reduced stream temperature, less severe flooding downstream, improved water quality, improved habitat, increased natural storage of water

Funding: OWEB grants, CREP enrollments, 319 grants, R&E grants, Wetland Reserve and Wetland Reserve Enhancement Programs, TNC utility customer salmon habitat grants, BPA habitat compensation funds

Key Partners: OPRD, DSL, DOGAMI, willing landowners with support from soil and water conservation districts, local watershed councils, Willamette Partnership, land trusts and other NGOs

Timeline: Reconnect 200 acres per year

Target: 1000 acres reconnected by 2010

Progress to Date:

Action: Protect existing wetlands and restore historic wetlands with focus on the area between Eugene and Corvallis, and the area of Mission Bottoms

Benefit: Reduced stream temperature, improved habitat, increased natural storage

Funding: OWEB to negotiate a Wetland Reserve Enhancement Program agreement with NRCS for \$4 million (NRCS- \$3 million, OWEB- \$1 million match) to restore up to 2000 acres, TNC utility customer salmon habitat grants

Key Partners: Natural Resources Conservation Service (NRCS), OWEB, OPRD, The Wetlands Conservancy, The Nature Conservancy, willing landowners, Willamette Partnership, soil and water conservation districts, watershed councils

Timeline: Enroll/restore 400 acres per year

Target: 2000 acres restored by 2010

Progress to Date:

Action: Protect existing and restore additional prairie, oak savanna and oak woodlands

Benefit: Improved wildlife habitat for at-risk species, prevent listings under the Endangered Species Act

Funding: Farm and Rangeland Protection Program, Grassland Reserve Program, Forest Legacy Program

Key Partners: NRCS, Defenders of Wildlife, Willamette Partnership, soil and water conservation districts, watershed councils, willing landowners

Timeline: Enroll/restore 300 acres per year

Target: 1500 acres enrolled by 2010

Progress to Date:

Action: Restore streamflows in high priority water availability basins (wabs) for instream uses, with emphasis on water quality, fish and wildlife habitat, recreational uses

Benefit: Improved water quality, fish and wildlife habitat, recreational uses

Funding: BPA mitigation funds, OWEB grants

Key Partners: Water Resources Department, willing water right holders, Oregon Water Trust

Timeline: Ongoing

Target: Transactions in 16% of high priority wabs by 2006.

Progress to Date:

Action: Increase measurement of water diversions over 5 cubic feet per second or greater than 10% of stream flow

Benefit: Better management of water resources in the Willamette River Basin

Funding: Capitalize the Water Measurement Cost Share Revolving Fund

Key Partners: WRD, OWEB, large water right holders

Timeline: Secure initial funding in 2005 for Fund

Target: Add measurement devices to 8 diversions per year for 5 years

Progress to Date:

RECREATE- Below are actions needed to reconnect Basin communities and cities with the aesthetic and recreational assets provided by the Willamette River.

Action: Establish Willamette River Water Trail

Benefit: Increased recreational use of the river, increased tourism investments in river communities

Funding: GI Joes, Columbia Sportswear commitment- \$25,000 each (\$5,000 per year for 5 years), Oregon Parks Trust continuing to seek funds for development of additional phases, long term maintenance

Key Partners: OPRD, Mid-Willamette River Connections, National Park Service, Willamette Riverkeeper, Willamette River Navigator

Timeline: Announced 9/2/04, Phase 1 Buena Vista to Wheatland Ferry- Ribbon Cutting Ceremony June 4, 2005, Phase 2 Eugene to Buena Vista and Phase 3 Wheatland Ferry to Portland by 2007

Target: Signed and mapped water trail from Eugene to Portland by 2007

Progress to Date:

Action: Establish Willamette Scenic Bikeway from Portland to Eugene

Benefit: Increase tourism for communities along the Willamette Greenway, connect citizens to the Greenway and river

Funding: Cycle Oregon, OPRD

Key Partners: OPRD, Cycle Oregon, Oregon Department of Transportation (ODOT)

Timeline: Phase 1- Champoeg State Park to Armitage County Park, Eugene announced February 2005, inaugural ride Cycle Oregon: Weekend June 25-26; Phase 2 Champoeg to Portland in 2006

Target: Signed trail between Portland and Eugene by end of 2006

Progress to Date:

Action: Work with local governments to develop new parks in the Willamette Greenway based on recommendations from the Willamette Parklands Strategy Task Force

Benefit: Provide additional park and open space areas for growing population

Funding: Measure 66 park funds

Key Partners: OPRD, local governments, Oregon Solutions, land trusts

Timeline: Task Force Report to OPRD Commission in summer 2005

Target: One new park or expansion of an existing park per year for five years

Progress to Date:

Action: Develop a conservation/recovery plan for listed salmonids in the Lower Columbia and Willamette including bull trout, chum, Chinook, steelhead, and coho

Benefit: Support recreational and commercial fish harvest

Funding: Pacific Coastal Salmon Recovery Funds, Measure 66

Key Partners: Oregon Department of Fish and Wildlife (ODFW), National Marine Fisheries Service (NMFS), US Fish and Wildlife Service, working with local, state and federal entities

Timeline: Complete final plan by 2007

Target: Restore listed salmonids to sustainable and harvestable levels by 2020

Progress to Date:

CUTTING ACROSS THE 3 Rs- Below are ongoing priority actions that will enhance other efforts to repair, restore and enjoy the Willamette River Basin.

Promoting Partnerships and Collaboration

Action: Working through Oregon Solutions and other efforts, promote partnerships and collaborative efforts to identify and resolve problems at the local level

Benefit: Local citizens feel empowered to solve local problems with assistance from appropriate state and federal agencies

Key Partners: National Policy Consensus Center, Willamette Partnership, watershed councils, local governments, federal and state agencies

Progress to Date:

Monitoring and Maintenance

Action: Implement the Oregon Plan Monitoring Strategy in the Willamette River Basin above Willamette Falls, to measure trends in water quality, fish and wildlife habitat/populations and effectiveness of restoration actions; develop and implement a toxics monitoring program in the basin; develop and implement long term maintenance programs for restoration projects

Benefit: Make more strategic investments in restoration activities, projects more effective over the long-term

Key Partners: OWEB, DEQ, ODFW, ODF, federal agencies, watershed councils, soil and water conservation districts, landowners

Progress to Date:

Outreach and Education

Action: Provide information to citizens about how they can help protect, restore and enjoy the Willamette River Basin, develop basin wide stewardship ethic

Benefit: Informed citizens make daily choices that reduce adverse impacts on the river

Key Partners: Watershed councils, soil and water conservation districts, Willamette Riverkeeper (River Discovery), Healthy Waters Institute (Salmon Watch, etc.), Institute for Natural Resources (Willamette Explorer Website), SOLV (Team Up for Watershed Health, Service Learning), Oregon Plan agencies, local governments

Progress to Date:

Technical Assistance

Action: Make more efficient use of existing technical assistance by establishing a one stop shop; add new resources as needed to deliver financial incentive programs on the ground

Benefit: Easier for landowners to seek assistance, participate in financial incentive programs such as CREP, WRP, etc., increased landowner participation in protection and restoration incentive programs, improved watershed function

Key Partners: OWEB, ODA, NRCS, Farm Services Agency (FSA), soil and water conservation districts, local watershed councils

Progress to Date:

January 6, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator

**SUBJECT: Agenda Item I: Deferred Acquisitions
January 24-25, 2006 OWEB Board Meeting**

I. Introduction

This staff report updates the Board on the status of three land acquisition grant applications that were deferred at previous Board meetings.

II. Background

Land acquisition grant applications often require more time to fully evaluate and prepare a funding recommendation than is available in the regular 21-week grant cycle. Staff frequently recommend that the Board defer final consideration of land acquisition applications to a future Board meeting. The number one reason for that recommendation is to allow for a complete due diligence review of each proposal.

At the time of writing this staff report, none of the three land acquisition projects deferred at previous Board meetings are ready for consideration at the January 2006 Board Meeting. The description and current status of each project is briefly described below.

III. Deferred Acquisition Projects

A. Luckiamute Conservation Easement (z205-174)

This application was submitted in October 2004 and originally requested \$400,000 from OWEB out of a total project cost of \$550,500. (Staff expect the applicant to reduce its request in response to the final appraisal.) The Greenbelt Land Trust is requesting funding to purchase a permanent conservation easement on approximately 145 acres of a 183-acre farm along the Luckiamute River in Benton County. The permanent easement will be purchased on 83 acres that are also enrolled in the Conservation Reserve Enhancement Program (CREP) administered by the Farm Services Agency.

The Willamette Basin Regional Review Team concluded that the property encompasses approximately one mile of riparian and floodplain habitat along the mainstem of the Luckiamute River and one-half mile of the lower reach and confluence of Price Creek, which serve as migration and rearing habitat for winter steelhead and both resident and fluvial cutthroat.

Staff and OWEB's attorneys have reviewed the title report and have not identified any impediments to OWEB's interest in the easement. OWEB's attorneys are currently reviewing the most recent draft of the conservation easement, but no issues of concern were identified in the review of the preliminary draft. The fair market value appraisal has taken longer to complete than anticipated, largely because this is the first project to take a 15-year CREP contract and turn it into a permanent conservation easement. The appraisal was submitted to OWEB's independent review appraiser for review on December 13, 2005. This application was submitted prior to the effective date of OWEB's current administrative rules and therefore has not been evaluated by the Board Acquisition Subcommittee. Staff will bring a recommendation to the Board after the appraisal and easement review are complete.

B. Tenmile Creek Corridor Easement Project (z206-058)

The McKenzie River Trust submitted an application in April 2005 requesting \$900,000 from OWEB to assist in the purchase of conservation easements on 318 acres in four ownerships in the Tenmile Creek watershed. The conservation easements have been appraised at \$1.8 million and the total project cost is estimated at approximately \$2 million. Tenmile Creek drains directly to the Pacific Ocean in Lane County, roughly ten miles south of the community of Yachats.

The Tenmile Creek Corridor Easement Project is generally viewed favorably by staff, the Board Acquisition Subcommittee, and the North Coast Regional Review Team. During evaluation of the application, all parties became concerned about the implications of two of the ownerships involved in the project. Staff are working with the McKenzie River Trust to revise the application to remove the Pine Tree Conservation Society and National Audubon Society properties and bring in two additional private parcels. Staff are also continuing to review and process due diligence information on the properties involved. Staff will bring a recommendation to the Board when the due diligence review is complete and after consideration by the Board Acquisition Subcommittee.

C. Crosel Creek Habitat Reserve (z206-059)

The grant application from the North Coast Land Conservancy (Conservancy) submitted in April 2005 requests \$420,000 from OWEB to assist in the purchase of 121 acres along Crosel Creek, which is a small sub-basin draining directly into the east side of Youngs Bay, roughly 1.5 miles south of the City of Astoria. The total project cost is estimated at \$560,000.

The Crosel Creek Habitat Reserve project has received a high ecological and educational rating from the North Coast Regional Review Team. The application was deferred in September 2005 to allow for staff to complete a due diligence review of the project. The title report and Phase I Environmental Site Assessment have been reviewed and approved. The fair market value appraisal has been reviewed and OWEB's independent review appraiser has identified additional work to be completed in order for the report to be approved. OWEB and the applicant are working to resolve those issues as quickly as possible. Staff will bring a recommendation to the Board when the appraisal has been approved and after consideration by the Board Acquisition Subcommittee.

IV. Recommendation

Staff do not recommend funding any of these projects at this time. If the due diligence status changes for any of these projects, staff will update the Board at the January meeting.

January 6, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item J: 2005-2007 Capital Funds Spending Plan and Signature Projects
January 24-25, 2006 OWEB Board Meeting**

I. Introduction

This report continues the Board discussion regarding the potential uses of Measure 66 Lottery Capital Funds for special or “signature” projects. The Board and staff discussed reserving \$7.5 million in capital funds for such purposes at the September 2005 meeting. This report describes how these funds could be used during the biennium and discusses two potential funding opportunities. This is an information item and requires no Board action.

II. Background

The 2005-2007 Legislatively Adopted Budget for OWEB includes \$41.3 million of Measure 66 Lottery Funds to be allocated by the Board for capital grant purposes. At the September 2005 meeting, the Board considered reserving the majority of capital funds (\$30 million) to be allocated through the four regular competitive grant cycles for restoration and acquisition projects. In addition, staff recommended that the remaining \$7.5 million of capital funds be reserved to be used for special projects that are large-scale or regional in scope, or involve partnerships that do not conveniently fit within the regular OWEB grant process. Staff also proposed to further explore these types of partnership investments for further discussion by the Board.

III. Potential Uses of the Capital Funds for “Signature” Project Ideas

There are major watershed restoration efforts in each part of the state that could benefit from a significant OWEB investment. These projects can be distinguished from other restoration and acquisition grants by their large scale, higher cost, regional impact, and ability to address whole-watershed functions. There are two general categories for opportunities for use of this reserve of capital funds.

First, the funds can be used to support large-scale projects received through the regular grant process that the Board is interested in funding. This would allow the grant cycle to better absorb one or two significant, higher-cost projects without adversely affecting our ability to fund other worthy grant applications. The Paisley Weir project from last biennium provides an example of how the reserve fund can be useful. In that instance, the Board awarded \$1.3 million to the Bagley Ditch Company in the Chewaucan River basin on the condition that all the mainstem fish

passage barriers be removed. The project required a significant portion of funds from that particular grant cycle and resulted in staff “drawing the line” above a number of other good restoration projects. If such a project were partially or fully funded from the reserve of capital funds for special projects, it would reduce the impact on other smaller-scale projects competing under the same grant cycle that merit funding support.

Second, the capital funds reserve can be used to support special, large-scale projects that present themselves through means other than the regular grant process. These types of projects represent significant partnerships designed to address watershed restoration from a comprehensive, whole-watershed perspective. Ideas for these types of projects can be developed by the board and staff or through ideas from our partners and stakeholders.

IV. Proposed Partnerships

Staff are currently exploring two potential partnership opportunities that may warrant future Board consideration for funding with the special reserve of capital funds. One opportunity is to partner with the USDA Forest Service (USFS) to conduct “whole watershed restoration” efforts. The other proposed partnership is with the United States Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) and the Institute of Applied Ecology to improve wetland restoration sites in the Willamette Valley. Each opportunity would involve an investment of OWEB capital funds that would be matched with other funds to complete restoration efforts at a more comprehensive watershed scale.

A. USFS Partnership

Staff are looking at the potential to participate as a partner with the USFS and others to fund whole watershed restoration efforts. (Attachment A) The partnership would involve the pooling of OWEB and USFS funding sources. These funds would be used in high priority basins and be subject to specific funding criteria identified by OWEB and USFS. Subject to these priorities and criteria, the funds would be administered by an independent non-governmental organization. This partnership will focus on 1) addressing geographic priorities, and 2) accelerating and completing priority work in selected whole watersheds. The combined OWEB and USFS funds would serve as “seed funding” for high priority projects that will be further leveraged at the local level to complete the most-needed work in these watersheds. OWEB funds would allow work on private lands within watersheds comprised of both public and private lands. Immediate priorities are the Middle and North Fork John Day, North Fork Umpqua, South and Mid Coast drainages, and Lower Columbia watersheds. OWEB would receive a final report accounting for the funds and recognition as a major funder for projects implemented.

This proposed partnership could be initiated with \$500,000 of capital funds from OWEB. The partnership could involve a funding commitment of another one million in capital funds over the following two years.

B. NRCS Partnership

Staff are working with NRCS and the Institute for Applied Ecology on a funding strategy to develop a Wetland Reserve Enhancement Program (WREP) for the Willamette Valley. (Attachment B) Under this proposal, OWEB funding would match NRCS funding to enhance plant species diversity and habitat values for wetland-dependent species on 12 Willamette Valley Wetland Reserve Program (WRP) projects by adding native species in

appropriate areas. The project would enhance 595 acres enrolled in WRP in Yamhill, Polk, Benton, and Lane counties and contribute to listed plant species recovery. OWEB funds would be used specifically to implement native plant establishment on these WRP sites.

NRCS has committed the funds for the Willamette Valley WREP. OWEB funds could be used to match the federal funds of \$412,000 and another match of \$130,000. This proposed partnership would require \$250,000 of capital funds from OWEB for this project.

V. Recommendation

Both projects described above present interesting opportunities to address watershed restoration needs at a watershed scale and to leverage significant amounts of other funds. At the same time, staff need to further consider these opportunities to ensure our administrative requirements for disbursement of funds and reporting are met. Staff will work to find the right balance between these interests before bringing a funding proposal before the Board.

No action is requested at this time. Staff anticipate bringing more detailed funding proposals on the two potential partnerships to the Board for its consideration at the March 2006 Board meeting.

Attachments

- A. U.S. Forest Service Partnership Concept
- B. NRCS WREP proposal

Pacific Northwest Watershed Restoration Venture Partnership Concept Proposal for the Oregon Watershed Enhancement Board

Goals: Focus collaborative funding to accelerate completion of whole watershed restoration in priority basins and to recover key habitats for Pacific salmon and trout in Oregon and Washington.

Overview: Leverage OWEB funds (\$500,000 per year for 3 years) with Forest Service Venture Fund grant (approximately \$300,000 per year for three years) and funding from other partners and stakeholders to accelerate completion of highest priority work in focus watersheds (to be determined.). These “venture funds” would be leveraged with resources of other agencies and non-governmental organizations such as Ecotrust, Oregon Trout, National Fish and Wildlife Foundation. Grant funds would be awarded to and administered by Ecotrust, who would facilitate the process for selection of watersheds and projects by Venture Fund participants. Ecotrust would market the work of the partnership to recruit new members, and produce annual accomplishment reports.

Background: For the past two decades the US Forest Service, Pacific Northwest Region (“the Region”), along with many partners, has implemented a large, comprehensive watershed restoration program to benefit aquatic resources, particularly Pacific salmon, native trout and water quality. After nearly ten years of implementation, the most efficient approach, resulting in the greatest resource benefits is to work collaboratively to focus and integrate treatments for priority watersheds. This work is done by cooperatively identifying focus watersheds and applying treatments that address core problems. This approach integrates landscape-scale and sets these watersheds on a trajectory for natural recovery of aquatic resources and watershed conditions. Over 20 examples of this “whole watershed restoration” have been completed to date in the Region. A recent publication “Ridge Top to Valley Bottom, Restoring Whole Watersheds.” summarizes these accomplishments.

The Region is committed to expand these accomplishments. This Venture fund is an exciting new partnership for collaborative action in priority basins. In FY 05, a pilot effort was initiated, with \$240,000 of Forest Service funding to be applied in the States of Oregon and Washington. In Oregon, \$150,000 of in-kind and matching FS funds were leveraged with \$224,000 from OWEB and OR Trout to complete high priority work in the Middle Fork John Day, North Fork Umpqua, Alsea and Sandy River sub-basins. Based on the initial success of this program, the Forest Service will expand its investment in FY 06 combining with partner resources to provide “venture capital” for investment in restoration of important watersheds. It appears to be an excellent time to continue and expand OWEB/FS cooperation in the program. This funding is seed money applied to high visibility projects, then locally leveraged to expand accomplishments and ownership. The specific objective is to accelerate the rate of completion of active restoration in priority watersheds, currently estimated at about 2 watersheds per year within the Region.

Methodology: Using a peer-reviewed priority setting process, the Region has initially identified priority basins for active restoration emphasis. In Oregon, these include the John Day, Lower Columbia, Rogue/Umpqua, and Mid and North Coast (process available on request.). Discussions indicate these priorities match well with those of others involved in Regional and state-wide restoration. Forest Service “basin stewards” are working with local partners, State and Federal agencies and Tribal governments to complete initial selection of priority watersheds for collaborative action by the fall of 2005. Each basin partner group will submit recommendation for focus watershed(s), and begin identification of a program of priority work (based on watershed analysis) designed to promote processes needed for watershed and aquatic riparian recovery. Basin partner groups will leverage any “Venture funds” received with local resources to accomplish the needed work.

The Region is well-suited to help facilitate this work, with a decade of experience in watershed analysis/diagnosis, restoration project design/implementation and monitoring. Forest Service staff have provided technical support for many of the watershed councils in OR/WA for years, and are an active part of the network of partners needed to efficiently complete prioritization and action planning for this effort. The Region has developed and interdisciplinary Design Assistance Team of highly-skilled Forest staff to aid in the development of watershed treatment strategies, and the design and implementation of a wide range of treatments. The result is a program of work that addresses core problems, not symptoms, and results in multiple resource benefits for stream and aquatic ecosystems. Treatments address the whole watershed and include activities including road improvements and/or decommissioning, riparian planting/thinning, fish passage improvements, and in-channel treatments.

Final Product: This approach will focus cooperative actions to recover watersheds/habitat supporting listed Pacific salmon and native trout. Collaborative decision-making on priority watersheds will enhance the treatment and completion of restoration on a subset of the highest-value salmonid streams in Oregon. Specific outputs of this program are dependent on the watersheds and action plans submitted by each of the basin groups (fall 2005.) Priority work in one or more focus watersheds should be completed during the grant period.

Contact information: Pacific NW Region, USDA Forest Service
333 SW First Ave, Portland, OR 97204-3440
Dave Heller; Phone, (503) 808-2847; dheller@fs.fed.us

Wetlands Reserve Enhancement Program Proposal

Project title: Enhancing diversity and habitat for at-risk species on WRP prairies of the Willamette Valley, Oregon.

Proposed start date: March 1, 2006

Proposed end date: March 1, 2009

Number of projects and acres addressed: 12 previously enrolled WRP easements with enhancement of 595 project acres

Project objective and summary:

We propose to enhance plant species diversity and habitat value for wetland-dependent species in the Willamette Valley, Oregon. The goal of the proposed project is to create high quality, diverse native plant communities with the potential to provide habitat for 7 Federally Threatened and Endangered species, 2 Candidate species, and 7 Species of Concern. To achieve this we will:

1. Design enhancement prescriptions
2. Collect and increase native seed
3. Implement prescriptions through on-the-ground activities such as mowing, spraying, burning, and seeding.

Summary of costs:	Total Project	Technical Assistance
WREP funds	\$412,000	\$100,000
<u>Matching funds</u>	<u>\$380,000</u>	<u>\$255,000</u>
Total	\$792,000	\$355,000

Submitted by:

Rob Fiegenger, Program Director

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Project collaborators:

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Jonathon Soll, Willamette Valley Preserve Manager, The Nature Conservancy
Eric Wold, Wetlands Program Supervisor, City of Eugene

The Institute for Applied Ecology in partnership with the Oregon Watershed Enhancement Board, U.S. Fish & Wildlife Service (USFWS), The Nature Conservancy, and the City of Eugene proposes to enhance plant species diversity and habitat value for wetland-dependent species in the Willamette Valley, Oregon. This proposal targets 12 sites, comprising 595 acres, of previously enrolled WRP land. The goal of the proposed project is to create high quality, diverse native plant communities that have the potential to provide habitat for 7 Federally Threatened and Endangered species, 2 Candidate species, and 7 Species of Concern.

PROJECT AREA

The Willamette Valley is located in the Pacific Flyway, providing essential habitat for migrating and wintering waterfowl, shorebirds, neotropical migrants, and significant breeding duck populations. More than 30 species of ducks, geese, and swans, and a diverse assemblage of shorebirds and wading birds depend on these wetlands. The Willamette Valley Ecoregion is the primary wintering grounds for the majority of the entire population of dusky Canada geese (approximately 15,000 – 20,000) and cackling Canada geese (approximately 150,000). The area is also considered the most important wintering area within western Oregon for northern pintails and mallards, with concentrations as high as 40,000 and 60,000, respectively, for each species. Small numbers of lesser scaup and greater scaup also use the area during migration and wintering periods.

Willamette Valley wetlands and wet prairies are among the most endangered habitat types in the state of Oregon, and among the rarest of North American ecosystems (Noss et al. 1995). Merely one percent of the Willamette Valley is managed for conservation purposes and only a fraction of that is for wetland habitats (Floberg et al. 2004). Twenty taxa in the Willamette Valley are listed under the federal Endangered Species Act and 155 more are imperiled. Of these 175 at-risk taxa, thirty-one occur in or use wetland prairie habitat for some portion of their lifecycle (Floberg et al. 2004). Oregon Governor Ted Kulongoski has declared that his number one environmental priority for the state of Oregon is to improve the Willamette River system, emphasizing improved wildlife habitat for at-risk species and restored historic wetlands and prairies, among other objectives (Kulongoski 2005).

Ninety-six percent of the Willamette Valley ecoregion is privately owned (Gregory et al. 2002). Consequently, over 97% of the estimated historic 768,000 acres of wet prairies have been converted to other uses, primarily agriculture. Restoration of farmed wetlands to wetland prairie, in particular, holds the greatest potential for restoration of winter waterbird habitat (Taft & Haig 2003). Wetland prairies in good condition, compared with other Willamette Valley habitat types, “provide the best reproductive habitat for 38 wildlife species, and are used regularly by at least an additional 54 breeding wildlife species” (Primozych & Bastasch 2004). As WRP and WREP have the objective of restoring and protecting the functions and values of wetlands in the agricultural landscape, these programs are particularly critical in meeting conservation objectives for the region.

OBJECTIVE: Restore native plant communities for the benefit of wildlife

The sites identified for enhancement through this proposal (Table 1) have been selected because their potential for high quality wildlife habitat is not being realized. Status reviews and monitoring visits made to these sites by NRCS District Conservationists, landowners, USFWS and the Oregon Department of Fish & Wildlife (ODFW) have generally concluded that:

1. The ecological objectives outlined in the existing management plans are difficult to evaluate or absent, and
2. These sites have the potential to offer significantly improved habitat value for several species of concern including Federally Listed plants, invertebrates, and birds, all of which are wetland and upland prairie dependent.

The general condition of the selected sites is that they have had wetland hydrological function successfully restored, but do not have the desired plant communities. Sites are either dominated by a single species or they are dominated by weeds and have very low cover of native species. Descriptions of each site are found in Appendix A.

Given the WRP objective that “*where there are important species or species groups associated with the easement or those that could be associated with the easement, such species or species groups should be a principal target in restoration and protection efforts,*” (NRCS Conservation Practices Manual 514H.2) we propose to enhance these WRP easements by creating diverse plant communities that are potential habitat for Listed species.

Maintaining native wetland prairies and habitat for rare wetland-dependent species requires active management and reintroduction of fire (Pendergrass et al. 1998, Wilson 1999). Prescribed burning has been demonstrated to increase the seeding success of some Willamette Valley species, particularly forbs (Clark & Wilson 2001), and is an effective tool for maintaining population viability of Federally Endangered Bradshaw’s lomatium (Kaye et al. 2001, Pendergrass et al. 1999). Burning alone is insufficient to increase species diversity (Wilson, 1999), so seed will need to be added to the sites to achieve the diversity objective. Seeding a diversity of species has been successful in Willamette Valley wet prairie restorations in the West Eugene Wetlands (Wilson 2004).

Once a habitat network of protected sites containing a desired matrix of native plants has been established, recovery of several Listed species could be achieved by re-introduction and/or augmentation (Table 2). The USFWS and NRCS could cooperate to accomplish the recovery or de-listing of several species through Farm Bill and USFWS programs. Nelson’s checkermallow, a Federally Threatened plant, has already been successfully introduced to three Willamette Valley easements restored through CREP and WRP (Gisler 2001). Nelson’s checkermallow is a valuable source of nectar for the Federally Endangered Fender’s blue butterfly and Federal Candidate species Taylor’s checkerspot.

PROJECT DESCRIPTION

There are three core elements to the proposal, to occur over three years:

1. Development of a Wildlife Habitat Conservation & Management Plan for each site. This plan will detail a prescription for enhancement of the site. In addition, we propose to include a recommendation and schedule for long-term

maintenance of the target habitat and plant community structure and composition. The proposed format for these plans is that currently being used by the USFWS and NRCS for projects being implemented through a Cooperative Agreement.

2. Native seed collection and increase. Successful enhancement of these sites requires the addition of a diverse mix of native plants. Priority species are identified in Table 3.
3. Implementation of the enhancement prescription. Prescriptions will be site-specific and may include activities such as mowing, burning, herbicide application, and seeding.

Products at the end of the three year period include:

- Enhanced prairie and wetland WRP sites with increased species richness & habitat value.
- A plan for the ongoing maintenance of quality habitat at each site.
- Development of native seed stocks and a larger, more experienced base of native seed producers.
- Significant progress towards the establishment of a network of prairie habitats capable of supporting Federally Listed and Candidate plants, invertebrates and bird species.

The target habitats for this proposal are wet prairies and adjacent upland prairies previously restored by WRP. Target species will be determined on a site by site basis and will include those species identified in Table 2. The basic goal is to reduce the abundance of the dominant species and create openings for the introduction of additional species. Weedy sites would undergo aggressive weed control and reseeding with natives. Available seed supplies are inadequate to meet the needs of this project so will be augmented by new collections and growout.

Designing a Wildlife Habitat Conservation & Management Plan for each site will make it easier to identify the ecological goals and objectives of the restoration and evaluate progress towards achieving those objectives. Presently such goals are not clearly identified or lack measurable indicators of success. Plans developed as part of the enhancement prescription will specifically outline habitat goals and objectives, including protocols for evaluating maintenance schedules, practices, and habitat quality.

Development of the enhancement prescription will essentially follow the implementation design process used to establish the restoration plan of operations. Engineering and structural work will not be included, as this work has already been done and is not part of the enhancement proposal.

An important benefit of this project is the increased availability of source-identified locally-native seed stocks. The native seed currently available is quite limited in terms of species diversity and genetic provenance. The seed production knowledge resulting from this proposal would be helpful in setting a standard for future restoration efforts throughout the Willamette Valley, encouraging larger markets, larger-scale production, and lower costs per pound. Future WRP and WREP enrollments, as well as other Willamette Valley wetland restoration activities, will benefit from lower cost locally-adapted seed for a diversity of native species. The species targeted for collection and

production have been selected as priority species with the greatest potential for widespread application and highest value for wetland-dependent wildlife (Table 3).

Several efforts to increase the supply of native seed in the Willamette Valley have been initiated or proposed. We will work closely with these key partners to coordinate a regional seed strategy to increase the efficiency and cost-effectiveness of plant materials procurement. Seed collections will be made on private and public lands from ecologically appropriate donor sites throughout the ecoregion.

Schedule of Activities

Spring – Summer 2006

- Site visits
- Develop prescriptions
- Coordinate seed availability and seed procurement strategy
- Collect seed
- Contract seed growout

Fall 2006 – Winter 2007

- Write prescriptions and management plans
- Begin site treatments
- Monitoring treatments
- Plant seed for initial growout
- Documentation and reporting

Spring – Summer 2007

- Weed control, site prep
- Collect seed
- Harvest seed from growout
- Monitoring

Fall 2007 – Winter 2008

- Weed control and site prep
- Plant additional seed collections
- Monitoring
- Documentation and reporting

Spring – Summer 2008

- Conduct prescribed burning
- Harvest seed from growout
- Weed control
- Monitoring

Fall 2008 – Winter 2009

- Conduct prescribed burning
- Pre-planting site prep
- Plant seed
- Monitoring
- Documentation and Final reporting

PROJECT MANAGEMENT AND PARTNERS

The Institute for Applied Ecology (IAE) is a 501(c)(3) not-for-profit organization dedicated to natural resource conservation, research, and education. IAE has been actively involved in restoration projects, invasive species control and research, conservation biology, and habitat management in the Willamette Valley since 1998. IAE specializes in work related to rare plants, focusing on monitoring and researching habitat management techniques. The highly trained, professional staff of IAE provides technical services to public and private agencies by developing and communicating information on ecosystems, species, and effective management strategies.

The work outlined in this proposal would be managed and coordinated by a qualified Project Manager to be hired for the three-year term. The project manager would be responsible for coordinating with partners and subcontractors, designing enhancement prescriptions, overseeing the enhancement activities, reporting, and generally ensuring the success of the project. Assisting the project manager will be a seed program coordinator, charged with coordinating and organizing native seed collection and increase. This position would be for five months of project years 1 and 2. Seed collectors (2-3) would be hired for seasonal seed collection (three months) of project years 1 and 2. We will subcontract with qualified equipment operators, drawn from a local pool of skilled technical services providers, to implement on-the-ground activities. The enhancement activities will be routine vegetation management actions such as herbicide application, mowing, burning, disking, and seeding.

Monitoring and evaluation of the project will be conducted by project staff on a continual basis. We will monitor all actions taken at each site, employing an adaptive management strategy that will accommodate the variable nature of field-based projects. Annual reviews may be coordinated with NRCS and USFWS staff.

The USFWS has shown an outstanding commitment to restoring and conserving critical habitat for imperiled species in the Willamette Valley. Staff of the USFWS William L. Finley National Wildlife Refuge Complex have restored and enhanced over 3,000 acres of Willamette Valley wetlands and wetland-type habitats during the past 7 years for the benefit of migratory waterfowl and other wetland-dependent species. USFWS will contribute expertise in wetland habitat management, especially for listed species, including assistance with ESA and NEPA compliance, where required.

The Oregon Watershed Enhancement Board is a state agency that promotes and funds voluntary actions to enhance Oregon's watersheds. OWEB provides grants to carry out on-the-ground restoration projects that aim to restore aquatic habitat, improve water quality, and restore biodiversity. OWEB staff support this proposal and are recommending the allocation of \$250,000 in matching funds towards the project, pending Board approval in September 2005.

The Nature Conservancy (TNC) is contributing technical assistance in developing and reviewing enhancement prescriptions. TNC staff has expertise in the natural history of the Willamette Valley and knowledge of the composition of historic habitats. TNC will also provide access to its properties for seed collecting.

The City of Eugene has a well established seed collection program for wetland and upland prairie species. They are contributing technical assistance with regards to seed collecting as well as access to seed collecting sites. We will also be collecting

seed from sites that are owned or managed by the Greenbelt Land Trust, City of Corvallis, Benton County, and other public and private landowners.

Table 1. WRP Easements selected for habitat enhancement.

WRP Site	Year Enrolled	County	Site Acres	Project Acres
Gahr	1999	Yamhill	117	20
Mud Slough	1995	Polk	320	100
Bessett	2000	Polk	68	25
Winter Creek	1994	Polk	58	40
Dooghe	2002	Polk	62	30
Tyee	2001	Benton	180	50
Dunn	1998	Benton	200	30
Raindance Ranch	1998	Benton	68	25
Mary's River	1998	Benton	62	15
Long Tom Ranch	1998	Lane	300	100
Bergey	2002	Lane	210	100
Helt	1999	Lane	103	60
			Total: 1748	Total: 595

Table 2. Species with Federal ESA Status that will potentially benefit from enhancement activities of this proposal (Oregon Natural Heritage Information Center 2004).

Scientific name	Common name	Federal ESA Status
Animals		
<i>Icaricia icarioides fenderi</i>	Fender's blue butterfly	Endangered
<i>Eremophila alpestris strigata</i>	Streaked horned lark	Candidate
<i>Euphydryas editha taylori</i>	Taylor's checkerspot butterfly	Candidate
<i>Emys marmorata marmorata</i>	Northwestern pond turtle	Species of Concern
<i>Poocetes gramineus affinis</i>	Oregon vesper sparrow	Species of Concern
<i>Acetropis americana</i>	American grass bug	Species of Concern
Plants		
<i>Erigeron decumbens</i> var. <i>decumbens</i>	Willamette Valley daisy	Endangered
<i>Lomatium bradshawii</i>	Bradshaw's lomatium	Endangered
<i>Plagiobothrys hirtus</i>	Rough popcornflower	Endangered
<i>Castilleja levisecta</i>	Golden paintbrush	Threatened
<i>Lupinus sulphureus</i> ssp. <i>kincaidii</i>	Kincaid's lupine	Threatened
<i>Sidalcea nelsoniana</i>	Nelson's checkermallow	Threatened
<i>Aster curtus</i>	White-topped aster	Species of Concern
<i>Delphinium oreganum</i>	Oregon larkspur	Species of Concern
<i>Delphinium pavonaceum</i>	Peacock larkspur	Species of Concern
<i>Horkelia congesta</i> ssp. <i>congesta</i>	Shaggy horkelia	Species of Concern

Table 3. Native plants targeted for planting at project sites.

1st Priority Forbs	2nd Priority Forbs	Priority Graminoids
<i>Eriophyllum lanatum</i>	<i>Asclepias speciosa</i>	<i>Danthonia californica</i>
<i>Lotus purshianus</i>	<i>Grindelia integrifolia</i>	<i>Carex unilateralis</i>
<i>Lomatium nudicaule</i>	<i>Lupinus polyphyllus</i>	<i>Juncus tenuis</i>
<i>Potentilla gracilis</i>	<i>Microseris laciniata</i>	<i>Elymus trachycaulus</i>
<i>Prunella vulgaris</i>	<i>Ranunculus orthorhynchus</i>	
<i>Ranunculus occidentalis</i>	<i>Sidalcea virgata</i>	
<i>Saxifraga integrifolia</i>	<i>Sisyrinchium idahoense</i>	
<i>Sidalcea campestris</i>		
<i>Symphotrichum hallii</i>		
<i>Wyethia angustifolia</i>		

Project Budget

	Match					Requested funds WREP	Project TOTAL
	IAE	OWEB	City of Eugene	TNC	Total Match		
Salaries and benefits	100,000	140,000	10,000	5,000	255,000	100,000	355,000
Travel					0	4,000	4,000
Supplies					0	4,000	4,000
Contract services		85,000			85,000	245,000	330,000
Indirect costs	15,000	25,000			40,000	59,000	99,000
Total	115,000	250,000	10,000	5,000	380,000	412,000	792,000

Budget notes

- OWEB funds have been requested and are subject to board approval in September 2005.
- NRCS Technical Assistance contribution of \$100,000 is being matched by non-federal partner contributions totaling \$255,000 (match ratio 2.55:1).
- NRCS funds allocated for implementation (\$253,000) will be matched by \$85,000 from OWEB, a 25% cost-share.
- USFWS is providing Federal non-matching assistance that is not reflected in the figures above. Contributions by USFWS include ESA and NEPA consultation, review of implementation plans, and use of seeding equipment.

Schedule of WREP funding needs

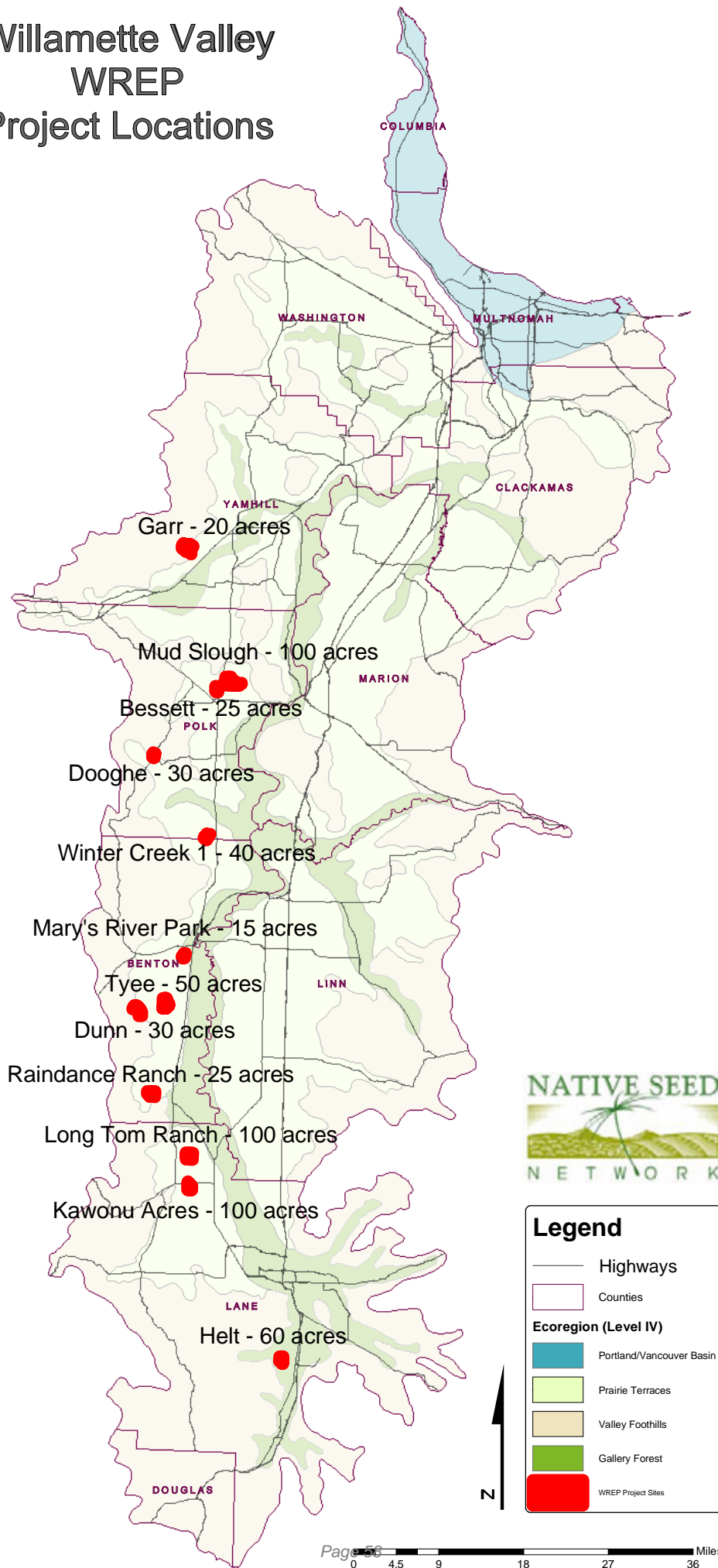
Year 1 (30%)	\$120,000
Year 2 (30%)	\$120,000
Year 3 (40%)	\$172,000
Total requested	\$412,000

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Willamette Valley WREP Project Locations



Legend

- Highways
- Counties
- Ecoregion (Level IV)**
 - Portland/Vancouver Basin
 - Prairie Terraces
 - Valley Foothills
 - Gallery Forest
 - WREP Project Sites

January 10, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item K: Restoration Priorities Update
January 24-25, 2006 OWEB Board Meeting**

I. Introduction

This staff report updates the Board on the development of regional priorities for restoration projects. The priorities are intended to be used as guidance by OWEB in the review of grant applications and to help ensure a clear and strategic approach to prioritizing the funding of projects.

II. Background

The Board has identified the development of funding priorities as a significant need for project review and evaluation in OWEB's grant program. In September 2002, the Board authorized staff to contract for the facilitation of efforts to develop restoration priorities in two pilot basins. The development of regional restoration priorities also comes from statutory direction. ORS 541.371(c) states that OWEB: "*Shall establish statewide and regional goals and priorities that shall become the basis for funding decisions by the board. In adopting such goals and priorities, the board shall adopt priorities for grant funding based on the Oregon Plan and on measurable goals. In carrying out this function, the board shall consider local economic and social impacts among the criteria.*"

Staff presented to the Board a report on the principles for restoration prioritization in January 2004. The five restoration principles are:

1. Restore Watershed Connectivity Limiting Key Fish and Wildlife Populations;
2. Restore Watershed Processes Impacting the Aquatic System, Water Quality-Limited Streams, and Wildlife Habitat;
3. Restore Key Habitats and Water Quality for ESA-Listed Species;
4. Reduce or Eliminate Human Impacts and Inputs into Watersheds from Land Use Activities in the Basin; and
5. Address the Symptoms of Disturbance that Impact Fish and Wildlife Populations and Water Quality-Limited Streams.

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

The Board allocated funding in May 2004 to coordinate OWEB regional priorities with subbasin plans in the Columbia Basin and complete regional priorities in the remainder of the state. Since that time, OWEB staff have contracted for the development of priorities in the Rogue, South Coast,

John Day, and Willamette basins. The table below lists the previous biennia commitment and amounts allocated along with the amount remaining for this effort state wide. A total of \$500,000 was allocated in May of 2004 which was reduced by three percent to make available a total of \$485,437.

Regional Restoration Priority Investments

Region	Amount
Willamette	\$100,000
South Coast	\$18,000
Rogue	\$67,000
John Day (Camp Creek)	\$74,900
TOTAL	\$259,900

The remaining \$225,537 will be used to complete priorities in the Columbia Basin and the remainder of the state. The products being developed at this time build on that approach and complement the reporting requirements for Pacific Coastal Salmon Recovery Funds and fish recovery efforts.

III. Status and Approach

OWEB staff discussed the effort to establish regional restoration priorities at the January 2004 Board meeting. At that meeting, the Board discussed the principles for establishing restoration priorities and accepted a report for use to develop regional (basin) priorities. The development of these priorities has been incorporated into the performance measures for the agency. The schedule for development of basin scale priorities is a part of OWEB’s responsibility for reporting on performance measures. Under that schedule, OWEB is to adopt watershed restoration priorities in three of the 15 Oregon Plan reporting basins by January 2006, in ten additional basins by the end of 2006, and in the final two basins by 2007.

OWEB contracted with three different groups for the development of the first three basins. The John Day effort was to complete their subbasin plan which can be readily recast into restoration priorities. Draft products have been developed by each of the working groups (Willamette, South Coast, and Rogue). A consultant has worked with each watershed council in the Willamette, the Rogue Basin Coordinating Council in the Rogue, and the South Coast Watershed Council in the South Coast.

Each working group has developed a list of limiting factors and has identified priorities for watershed geography, typically at the watershed (HUC 5) scale. After significant discussion about the potential use of “priorities” by OWEB’s regional review teams and applicants, it was felt that such an approach would provide the most useful information. Attachment A is an example of the manner in which priorities would be detailed. This format could be easily used to determine, for any given project, whether it is a high, medium, or low priority for that watershed. The matrix would inform both the technical review teams and the Board as to whether the projects proposed for funding are a priority.

The regional restoration priorities approach does not presume that there is an overriding scheme to prioritize specific types of projects or geographic areas and they will not answer the question of what is the best project or where the best project should be located. Our goal is to have regional restoration priorities help the Board determine whether a project is a priority for where it is proposed.

IV. Next Steps

Staff will bring forward completed priorities for the South Coast, Rogue, and Willamette basins this spring for Board approval. Staff will pursue completion of the remaining areas of the Columbia Basin from subbasin plans and the North Coast from the recovery planning and Oregon Plan assessment. (Attachment B) Upon completion of Board-approved priority matrices for all the subbasins in Oregon, staff will propose adoption of administrative rules for implementation of the priorities through the grant application review process. It is anticipated that staff will seek Board consideration of this action around the end of the biennium.

V. Recommendation

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

Attachments

- A. Priorities Matrix
- B. Basin Scale Prioritization Map

Example Watershed Scale Priorities

		Terrestrial			Aquatic		
WC	Keyst	Priority one	Priority two	Priority three	Priority one	Priority two	Priority three
Applegate River							
APP	Forest Creek	Seral, Fire	Rds, Shade	WoodS	Temp,Chem,Sed,Qual,Wood	Comp,Mod	
APP	Thompson Creek	Seral, Fire	Rds, Shade		Temp,Chem,Quan	Wood,Comp,Mod	Sed,Barr
APP	Williams Creek	Seral, Fire	Rds, Shade		Temp,Chem,Quan	Wood,Mod	Sed,Comp,Barr
APP	Little Applegate River	Seral, Fire	Shade,Rds		Sed,Temp,Quan,Wood	Comp,Barr	Mod
APP	Applegate River, Middle	Seral, Fire	Rds, Shade	WoodS	Temp,Wood	Sed,Comp,Mod	Quan
APP	Slate Creek	Seral, Fire	Shade,Rds		Temp,Wood,Barr,Quan	Sed	Chem,Comp,Mod
APP	Carberry Creek	Seral, Fire	Rds, Shade	WoodS	Sed,Grav,	Comp,Mod,Quan	Wood,P/R
APP	Applegate River, Lower	Seral, Fire	Rds, Shade	WoodS	Temp,Sed	Mod	Quan,P/R,Barr
APP	Applegate River, Upper	Seral, Fire	Shade,Rds		Temp,Wood,Barr	Mod	Quan,Comp
APP	Murphy Creek	Seral, Fire	Rds, Shade		Quan	Wood,Comp,Mod	Temp,Barr
APP	Chaney Creek	Seral, Fire	Rds, Shade		Quan	Wood	Sed,Barr
APP	WCA Summary	Seral, Fire	Rds, Shade	WoodS	Temp,Sed,Wood,Quan	Mod,Comp	Grav,Barr,Chem, P/R

Legend for "Combined Priorities by Stream" Table

Abbreviation:

Stands for:

Abbreviation:

Stands for:

Temp
Chem
Sed
Quan
Wood
Gra
P/R
Comp
Barr
Mod

Temperature
Chemistry
Sediment
Water Quantity
Large Wood
Gravel
Pool/Riffle Ratio
Stream complexity
Migration Barriers
Channel Modification




WoodS
Covr
Shade
Seral
Fire
Dev
Rds

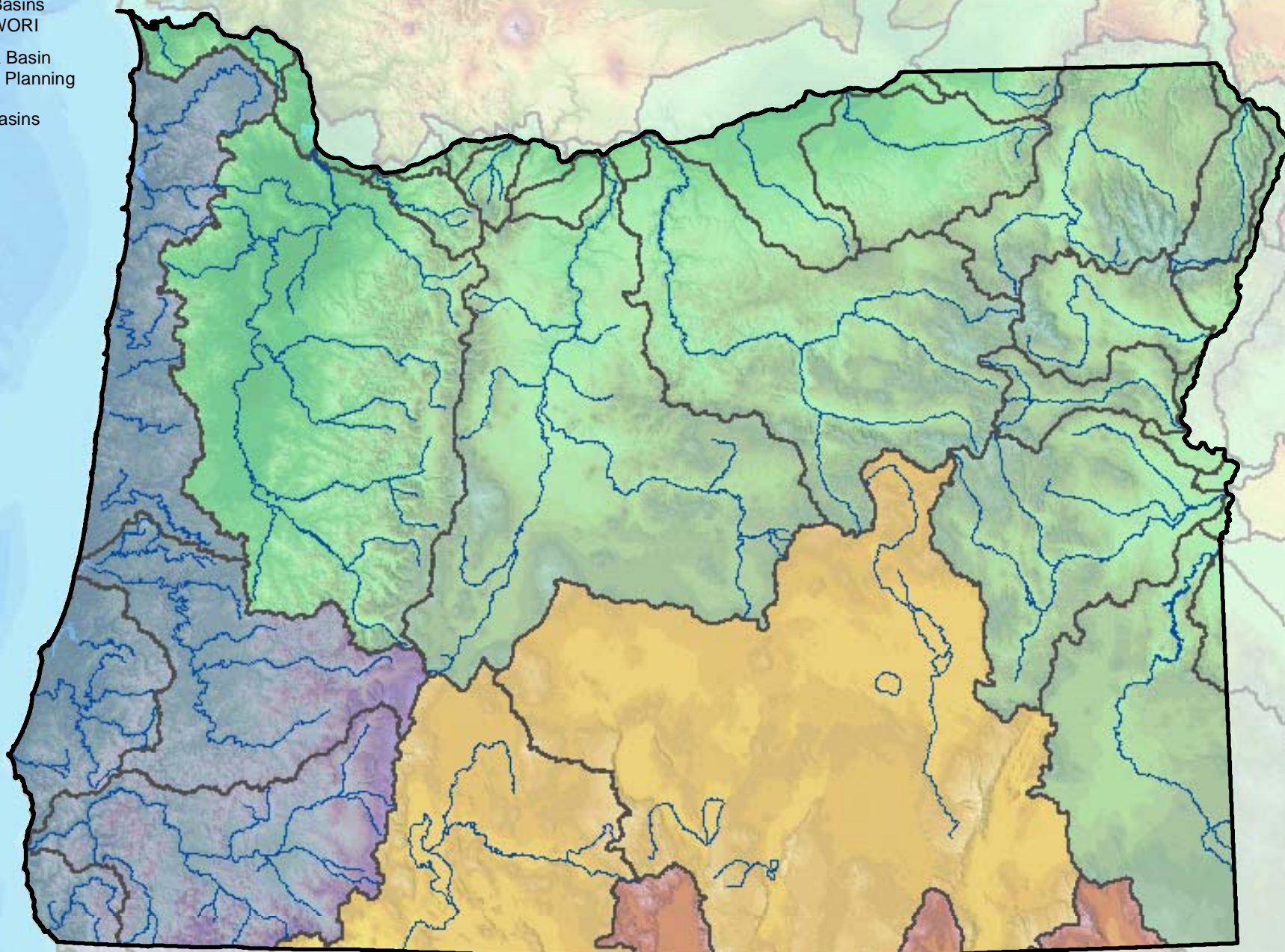
Wood Source
Vegetation Cover
Riparian Shade
Seral Stage
Fire Risk
Development
Roads

To get copies of the Definintons and Evaluation Standards for each of these terms contact Tatiana Bredikin, bredikin@jeffnet.org.



Basin Scale Prioritization

-  Coastal Basins
CSRI, SWORI
-  Columbia Basin
Subbasin Planning
-  Closed Basins



January 6, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item L: 2006 Biennial Conference
January 24-25, 2006 OWEB Board Meeting**

I. Introduction

The purpose of this staff report is to describe the proposed structure for planning the 2006 OWEB Biennial Conference and request Board approval to allocate funds in support of the conference.

II. Background

Once a biennium, OWEB organizes a watershed conference for its many partners and stakeholders. These conferences have been immensely popular as they offer the opportunity for all Oregon watershed practitioners to convene and network with each other. The conferences typically draw anywhere from 300-400 people and have offered a wide range of practical and technical information. We anticipate the 2006 conference will take place in November.

Planning for the conference is exceedingly time-consuming, requiring a steady and conscientious effort for approximately 12 months prior to the event. Because the agency does not have staff available for such an intense effort, OWEB has in the past contracted with a professional meeting planner to handle the logistics and registration.

Last biennium, in addition to contracting with a professional meeting planner, OWEB was fortunate to have Louise Solliday as a temporary employee who, as part of her OWEB duties, managed conference planning, fundraising, and other details. This worked very well, as Louise was able to devote attention to the myriad of planning details that OWEB staff simply could not. Louise also successfully raised funds, which resulted in a return of \$7,865.88 in registration receipts to OWEB.

Total conference expenses are typically around \$100,000 with most of that expense tied to the conference venue and meals, and about \$25,000 to the professional meeting planner's fees.

For the 2004 conference, the Board allocated \$25,000 out of the now-closed Board allocation to Statewide Needs and Education (201-904) to cover the costs of the professional meeting planner and in-house printing. The remaining conference expenses were covered by conference registration and fundraising. Louise was paid from a 2001 allocation by the Board for Outreach and Education (201-902).

III. 2006 Biennial Conference

For the 2006 conference, staff would like to continue the successful management formula of the 2004 conference. Staff estimate that \$45,000 should cover this need, with \$25,000 earmarked for the professional conference planner, \$18,000 for a temporary employee, and \$2,000 for in-house printing. All other costs are anticipated to be covered by conference registration and fundraising.

To cover the \$45,000 cost, staff propose to utilize \$37,134.12 from savings in the agency's Outreach and Education budget to support an in-house communications staff person. Savings have accrued as this position has not yet been filled. Staff believe no Board action is needed to redirect those funds as conference planning and preparation fit within the intended duties for the communications position. In addition, the Board may direct the \$7,865.88 returned from the 2004 conference towards the 2006 conference. Combined, these two funding sources should cover OWEB's needs to organize and implement the 2006 Biennial Conference.

IV. Recommendation

Staff request Board action to allocate the \$7,865.88 in excess registration receipts returned from the 2004 conference to support the organization and implementation of OWEB's 2006 conference.

January 6, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Allison Hensey, Local Innovation Fund Manager

**SUBJECT: Agenda Item M: The Local Innovation Fund
January 24-25, 2006 OWEB Board Meeting**

I. Introduction

This report describes the process for evaluating Local Innovation Fund Proposals and requests Board approval of funding for the proposals recommended by staff.

II. Background

In September 2005, the OWEB Board authorized staff to create the Local Innovation Fund. The purpose of this Fund is to encourage innovative projects that provide ongoing economic and community incentives for the restoration and protection of fish and wildlife habitat, water quality, and watersheds. The Fund differs from OWEB's regular grant program, which provides funding for all phases of watershed restoration and protection projects, by explicitly seeking projects that also directly connect to and benefit the local economy and community.

In October 2005, staff issued a Call for Innovation requesting proposals to the newly created Local Innovation Fund. This Call for Innovation was Phase I in a two-phase grant cycle for the Local Innovation Fund, and offers funding for the *development* of projects that benefit the local watershed, economy, and community. The Phase II grant cycle, which will occur in June-September 2006, will fund the *implementation* of projects that benefit the local watershed, economy, and community.

III. Local Innovation Fund Review Panel

Twenty-four project development proposals to the Local Innovation Fund were received by the December 1, 2005, deadline. The list of proposals is contained in Attachment A. A Review Panel with expertise in fish and wildlife habitat restoration and protection, community-based economic development, and sustainability reviewed the proposals on December 13, 2005, and made a funding recommendation to OWEB's Director.

Members of the Review Panel were:

- Julia Doermann, former Natural Resources Advisor to Governor Kitzhaber
- Krystyna Wolniakowski, Director, NW Regional Office, National Fish and Wildlife Foundation
- Mike Hibbard, Director, Institute for Policy Research and Innovation, University of Oregon
- Tom Nelson, Oregon Economic and Community Development Department

Bill Blosser, a Sustainability Consultant, reviewed the proposals and provided comments to the Review Panel, but was not able to attend the Review Panel meeting. Ken Bierly, Deputy Director of OWEB, participated in the Review Panel’s discussion and provided valuable background and knowledge to the group.

All twenty-four proposals received were creative, community-based ideas to benefit the local watershed, economy, and community. However, the Review Panel found that nine of the proposals clearly met the goals of the Local Innovation Fund, and have a likelihood of success. A summary of each proposal and the Review Panel’s comments may be found in Attachment B. The Review Panel’s funding recommendation to OWEB’s Director may be found in Attachment C.

IV. Staff Funding Recommendation

OWEB’s staff and Director worked with the Board Local Innovation Fund Subcommittee, Dan Heagerty and Dianne Guidry, to develop a final staff funding recommendation to the Board. The final funding recommendation puts the proposals recommended for funding by the Review Panel into three categories, and prioritizes the categories for funding.

While the proposals recommended for funding by staff are, with one exception, the same as those recommended for funding by the Review Panel, the priority funding order of the proposals has changed for some proposals based on their placement in the funding categories developed by staff. In particular, staff prioritized proposals that strive to create independent economic and community incentives for ongoing restoration. These proposals provide the most leverage for OWEB’s investment of funds and have the potential to be self-sustaining in the future. The staff funding recommendation excluded one proposal recommended by the Review Panel from the final funding recommendation because, while meritorious, it appeared to fund ongoing operations rather than a specific project. The staff funding categories in priority order are:

A. Creation of Market Incentives for Ongoing Watershed Restoration and Protection

The four proposals in this category will create a product produced in a way that benefits the watershed, and ask the market to pay for ongoing restoration and protection of habitat through the purchase of this product. These projects squarely meet the goals of the Local Innovation Fund, and intend to provide a self-sustaining funding source for watershed restoration and protection. The proposals in this category are the highest priority for funding through the Local Innovation Fund.

Rank	Number	Description	Amount
1.	206-400	The Juniper Group, Western Juniper Commercialization Study	\$15,000
2.	206-389	Mary’s River Watershed Council, Healthy Watersheds, Healthy Food	\$14,520
3.	206-387	South Coast Watershed Council and The Wetlands Conservancy, Sustainable Cranberry Operation Management and Branding (This proposal is a hybrid of the SCWC’s proposal and The Wetlands Conservancy proposal.)	\$14,500
4.	206-392	Clackamas County Soil and Water Conservation District, Mt. Hood Forest Health and Woody Biomass Utilization	\$15,000
		Subtotal:	\$59,020

B. Creation of a Sustainable Family Wage Restoration Workforce

The two proposals in this category will research the current workforce capabilities and the future potential for restoration and natural resources work in a basin and use that information to either expand or to develop a sustainable, family wage watershed restoration and protection workforce. The analysis and lessons learned in these projects will serve as a model for community groups in other basins who wish to create a sustainable, family wage restoration workforce in their area. The projects in this group strive to establish or expand restoration work crews who have local and technical expertise, increasing the success rate of restoration and protection projects. These crews provide an educational connection between watershed health and the communities in which they live, as well as providing a boost to the local economy through the creation of stable family wage jobs.

Rank	Number	Description	Amount
5.	206-383	Coquille Watershed Association, Model Sustainable Restoration Jobs	\$8,250
6.	206-381	Ecosystem Workforce Program, University of Oregon, Developing a High Quality Restoration Industry in the Siuslaw Basin	\$15,000
Subtotal:			\$23,250

C. Providing a Model for More Sustainable Sand and Gravel Mining

The two proposals in this category would support the collaborative efforts of community stakeholders, watershed councils, the sand and gravel mining industry, and regulatory agencies to develop a model for more sustainable sand and gravel mining in key salmon habitats. Both projects would incorporate priority restoration work identified by the watershed council into mining operations. Both projects would provide economic and community benefits by increasing the likelihood that the community’s sand and gravel needs would continue to be met locally, and that local mining jobs would continue. Restoration would go above and beyond any mitigation required by the mining permits, and would be funded by the mining company. All partners involved would share their experience with the sand and gravel industry, the conservation community, and regulatory agencies to encourage future sustainable mining projects. These projects may also examine regulatory streamlining for projects that incorporate priority restoration into their operations.

Rank	Number	Description	Amount
7.	206-386	Lower Rogue Watershed Council, Rogue River Estuary Restoration Project (reduced from \$15,000)	\$10,000
8.	206-391	McKenzie Watershed Council, Sand and Gravel Industry Habitat Restoration Incentives	\$8,000
Subtotal:			\$18,000

V. Funding Considerations

In September 2005, the OWEB Board set-aside \$50,000 in non-capital funding for Phase I project development grants through the Local Innovation Fund. The Board will again discuss a budget for non-capital funding at the January 2006 Board meeting, and may re-visit the initial budget choices made in September 2005. In recognition of this discussion, the final staff funding recommendation presents two options to the Board with different funding levels. Option One recommends the four projects in the “Creation of Market Incentives for Ongoing Restoration” category for funding through the Local Innovation Fund. These projects total \$59,020.

Option Two recommends all eight projects from each of the three categories for funding. These projects total \$100,270. Option Two is the preferred funding option if the Board chooses to commit more funding to the Local Innovation Fund.

VI. Recommendation

Staff request the Board approve funding to the Local Innovation Fund projects recommended above under either Option One or Option Two, contingent on the Board discussion in Agenda Item D about the biennial budget for non-capital funding. If additional non-capital funding is available, staff recommend Board approval of Option Two.

Attachments

- A. Local Innovation Fund Applications Received by December 1, 2005
- B. Summary of Local Innovation Fund Proposals and Review Panel Comments
- C. Local Innovation Fund Review Panel Funding Recommendation

**OWEB
Local Innovation Fund Applications Received by December 1, 2005**

Region	Project	Applicant	Project Name	Amount
1	z206-381	Ecosystem Workforce Program, Institute for a Sustainable Environment	Developing a High Quality Restoration Industry in the Siuslaw Basin	15,000
1		Region 1 Total		\$15,000
Region	Project	Applicant	Project Name	Amount
2	z206-382	The Wetlands Conservancy	Coastal Bogs: Branding and Marketing Cranberries	14,250
2	z206-383	Coquille Watershed Association	Model Sustainable Restoration Jobs	8,250
2	z206-384	Lomakatsi Restoration Project	Community Collaboration for Watershed Stewardship	15,000
2	z206-385	Twin Creeks Development Co, LLC	Pocket Park Stormwater Fountain	15,000
2	z206-386	Lower Rogue Watershed Council	Rogue River Estuary Restoration Project	15,000
2	z206-387	South Coast Watershed Council	Five Part Comprehensive Plan	14,500
2	z206-388	South Slough National Estuarine Research Reserve	Small Wood Marketing and Fuel Reduction Initiative	14,048
7		Region 2 Total		\$96,048
Region	Project	Applicant	Project Name	Amount
3	z206-389	Marys River Watershed Council	Healthy Watersheds, Healthy Food	14,520
3	z206-390	The Wetlands Conservancy	Hedges Creek Student Design and Business Outreach Restoration Design Course	9,040
3	z206-391	The McKenzie Watershed Council	Sand and Gravel Industry Habitat Restoration	8,000
3	z206-392	Clackamas County Soil and Water Conservation District	Mt. Hood Forest Health and Woody Biomass Utilization	15,000
3	z206-393	Oregon Wool Growers Association and Lane	Sustainable Wool Fiber Branding and Marketing	14,000
3	z206-394	Good Company	TMDL Compliance as Funding Source for Ongoing Restoration	14,600
3	z206-395	Verde	Verde Native Plant Nursery and Restoration Services	15,000
7		Region 3 Total		\$90,160
Region	Project	Applicant	Project Name	Amount
4	z206-396	Deschutes Soil and Water Conservation District	Community Action Livestock Feeding Oregon	12,500
4	z206-397	Oregon Institute of Technology Libraries	Klamath Basin Watershed Enhancement Projects	9,177
4	z206-398	Klamath Outdoor Science School	Klamath Outdoor Science School	15,000
4	z206-399	Farmer's Conservation Alliance	The Farmers' Screen	15,000
4	z206-400	The Juniper Group	Western Juniper Commercialization Feasibility Study	15,000
4	z206-401	Dr. Charlotte Schell, PSU, Dr. Aaron Wolf, OSU	Ochoco Irrigation District Water Efficiency Optimization Project	14,977
6		Region 4 Total		\$81,654

Region	Project #	Applicant	Project Name	Amount
5	z206-402	The High Desert Partnership	Sustainable Forestry, Forest Monitoring, Small Diameter Wood Product Development, and Biomass	15,000
5	z206-403	Wallowa Resources and Wallowa County Commission	Hands on Land Watershed Stewardship Work Program	15,000
5	z206-404	Eagle Valley Soil and Water Conservation District	Snake River Vineyards and Winery	12,800
3		Region 5 Total		\$42,800
24		Total Local Innovation Fund Applications		\$325,6622

**Oregon Watershed Enhancement Board
Local Innovation Fund Proposals
Review Panel Evaluation for December 1, 2005 Proposals**

**PROPOSALS RECOMMENDED FOR FUNDING BY STAFF
(Listed in priority order)**

PRIORITY #1

**The Juniper Group – Western Juniper Commercialization
Feasibility Study for the Prineville Area**

APPLICATION NO.: z206-400

APPLICANT: Central Oregon Intergovernmental Council

AMOUNT REQUESTED: \$15,000 **MATCH:** \$19,750

PARTNERS: OSU Extension, Crooked River Watershed Council, Crook County SWCD, USDA Forest Service, BLM, Central Oregon Partnership, Wy'East RC&D, NRCS, The Nature Conservancy, Sunergie Inc, and Lineshack Inc.

PROPOSAL SUMMARY: Conduct a feasibility study for commercialization of western juniper in Central Oregon. The mission of The Juniper Group is to “improve watershed health, reduce wildfire risk, and create family wage jobs by fostering the development of local businesses that remove and utilize Western Juniper.” The feasibility study will define supply, identify harvest and transport costs, identify priority removal areas for watershed benefit, identify potential products and their markets, and inventory workforce and available financing opportunities. The feasibility study will be shared with business people, community leaders, and federal land management agency personnel through a half-day workshop and the Juniper Group’s webpage to encourage the formation of businesses that utilize juniper.

REVIEW PANEL COMMENTS: This was the first or second highest ranked proposal by each Review Panel member. The proposal has strong watershed and economic benefits. The scope and details of the project are clear. Finding real markets for juniper is probably the only way to address juniper that has gone beyond its historic range, given the scale of the problem. Applicant will work with the local watershed council and federal land managers to target juniper removal in priority areas for watershed benefit. Review Panel members requested that the applicant ensure that harvest occurs in low-impact manner to the landscape.

Oregon Watershed Enhancement Board
Local Innovation Fund Proposals
Review Panel Evaluation for December 1, 2005 Proposals

PROPOSALS RECOMMENDED FOR FUNDING BY STAFF
(Listed in priority order)

PRIORITY #2

Healthy Watersheds, Healthy Food

APPLICATION NO.: z206-389

APPLICANT: Mary's River Watershed Council

AMOUNT REQUESTED: \$14,520 **MATCH:** \$4,500

PARTNERS: The Food Systems Coalition, Long Tom Watershed Council, Yamhill Watershed Council, South Santiam Watershed Council, Cascade Pacific RC&D. Anticipated future partners include: Food Alliance, Oregon Department of Agriculture, Salmon Safe, Oregon Environmental Council, NRCS Conservation Security Program, Other Willamette Valley Watershed Councils and Soil and Water Conservation Districts, Oregon State University.

PROPOSAL SUMMARY: It is estimated by OSU Extension that less than 2% of the food eaten in Benton County is grown in Benton County. Increasing the consumption of locally grown food to just 10% or 20% would see dramatic changes in the local economies and the community's relationship with food. The goal of this project is to develop a replicable, collaborative programmatic approach to promoting local produce grown in a watershed friendly manner, with a designation such as Food Alliance Salmon Safe. This approach aims to support local farmers in their practice of environmentally friendly and sustainable agriculture. Goals are to increase landowner participation in watershed restoration and sustainable management practices, participation in certification programs, promote locally produced food within the watershed, and reintegrate family farms into rural and urban communities.

REVIEW PANEL COMMENTS: The Review Panel thought this was an interesting idea. One member thought this proposal, of all of the proposals, best addressed supporting and strengthening the connections between the watershed, the local economy, and the local community. One member of the Review Panel noted that the workplan is refreshingly clear, and the applicant appears to have most of the right partners in place or in their outreach plan. Another member wasn't clear where these meetings would lead, and was concerned that the Council did not seem to have engaged agricultural producers yet. The Review Panel asked that the applicant make sure that outreach to agricultural producers and industry organizations like the Farm Bureau occurs as early as possible in the process. Outreach to local government officials should occur early as well. The application does not clearly reference other similar efforts by the Oregon Environmental Council (OEC) and NORPAC, although it does reference the OEC as a future partner. Staff should have conversations with the applicant to ensure that this effort partners with other groups working on the same issue.

**Oregon Watershed Enhancement Board
Local Innovation Fund Proposals
Review Panel Evaluation for December 1, 2005 Proposals**

**PROPOSALS RECOMMENDED FOR FUNDING BY STAFF
(Listed in priority order)**

PRIORITY #3

A Five-Part Comprehensive Plan for the South Coast

APPLICATION NO.: z206-387

APPLICANT: South Coast Watershed Council

AMOUNT REQUESTED: \$14,500 **MATCH:** Over
25% anticipated

PARTNERS: Curry Soil and Water Conservation District, Oregon Small Woodlands Association, Local School District, Curry County Mentoring, Ocean Spray Cranberry Growers, Curry County Economic Development Department, Individual Landowners

PROPOSAL SUMMARY: The South Coast Watershed Council proposes a five-part approach to improve and celebrate the watersheds, economy, and communities of Oregon's southern coast, which has 10 salmon-bearing rivers, and the largest concentration of wild and scenic rivers in the lower 48 states. Due to its character, the Council calls Oregon's south coast "America's Wild Rivers Coast." The proposal includes: 1) Growing Watershed-friendly Cranberries; 2) A Mentoring Program for Young Farmers and Young Foresters; 3) Growing Markets for Sustainably Produced Wood; 4) Wild Rivers Coast Marketing; and 5) Development of a Marine Research Institute on the South Coast.

REVIEW PANEL COMMENTS: The Review Panel appreciated the inspiring vision of the five-part comprehensive proposal, but felt that the scope was too large for the small amount of funding available. Given the specificity of the strategy to work with cranberry growers on the South Coast to manage bogs in a watershed friendly manner, and the potential synergy of this concept with The Wetlands Conservancy's proposal to work with cranberry growers, the Review Panel recommended funding the South Coast Watershed Council to work in partnership with the Wetlands Conservancy to assist local cranberry growers in managing bogs in a watershed friendly manner, and to investigate opportunities to market those cranberries as watershed friendly, or with a Food Alliance, Salmon Safe, or other certification. The Review Panel recommends that the South Coast Watershed Council be the grantee due to its trust relationship with landowners, and local knowledge. The Review Panel recommended that the South Coast Watershed Council work as a partner with The Wetlands Conservancy to benefit from its wetland protection expertise and branding ideas.

**Oregon Watershed Enhancement Board
Local Innovation Fund Proposals
Review Panel Evaluation for December 1, 2005 Proposals**

**PROPOSALS RECOMMENDED FOR FUNDING BY STAFF
(Listed in priority order)**

PRIORITY #4

**Mt. Hood Communities Forest Health and Woody Biomass
Utilization Development Proposals**

APPLICATION NO.: z206-392

APPLICANT: Clackamas County Soil and Water Conservation District

AMOUNT REQUESTED: \$15,000 **MATCH:** \$65,500

PARTNERS: Clackamas River Basin Watershed Council, BARK, Oregon Hunters Assn, Clackamas County Business and Economic Development Department, Mt. Hood National Forest, Clackamas County Board of Commissioners, Sustainable Northwest, American Forest Resource Council, Assn of Oregon Loggers, OSU Extension – Clackamas County, Clackamas County Economic Development Commission, The Cedars, Mt. Hood Economic Alliance, Warm Springs (Tribe) Mill, Clackamas County Farm Forest Assn, JLB Tree Farms, EcoTrust, Edelweiss Farms, Interfor Forest Products, NRCS, David Evans & Associates, Portland State University, Congresswoman Darlene Hooley, Oregon Natural Resources Council, ODF, NW Oregon RC&D, Maple Grove Trading, Gifford-Pinchot Task Force

PROPOSAL SUMMARY: The Clackamas Collaborative Group Partners is a working group formed to bring together diverse and sometimes conflicting stakeholders to collaboratively discuss and agree upon future sustainable management of the Mount Hood National Forest. In particular, the group will discuss using USFS stewardship contracting fire reduction and forestry projects on federal land and projects on private lands to provide economic benefits to the county and using USFS stewardship contracting's retained receipts as an ongoing source of watershed restoration funding. The group is also discussing increasing the economic return from small diameter wood gleaned from thinning projects through a model log sorting and utilization yard to better market the wood. This group does not currently have dedicated staffing, which hinders its productivity. This proposal would provide a part-time staff position to provide facilitation and organization to the group, pursue funding opportunities, do community outreach and education, and develop and implement multi-party monitoring protocols for projects.

REVIEW PANEL COMMENTS: Reviewers were impressed by the number and diversity of partners, and the clear focus on both watershed benefit and economic and community benefits. The plan to do multi-party monitoring will show accountability and effectiveness, and will allow for adaptive management. Because this funding would support a part-time coordinator for the working group, but is not tied to a specific

product, the Review Panel would like to require a final report from the grantee describing the progress made in action planning to accomplish the goals described.

Oregon Watershed Enhancement Board
Local Innovation Fund Proposals
Review Panel Evaluation for December 1, 2005 Proposals

PROPOSALS RECOMMENDED FOR FUNDING BY STAFF
(Listed in priority order)

PRIORITY #5

Creating a Model for Sustainable, Family Wage Restoration Jobs

APPLICATION NO.: z206-383

APPLICANT: Coquille Watershed Association

AMOUNT REQUESTED: \$8,250 **MATCH:** \$3,050

PARTNERS: The Coquille Watershed Association has a diverse group of partners at the local, state, and federal level; however, there are no direct partners listed for this project.

PROPOSAL SUMMARY: For the last eight years, the Coquille Watershed Association has maintained a full-time, year-round, family wage work crew doing watershed restoration and protection related work. The work crew has fluctuated between 7 and 11 employees. Maintaining the crew has not been easy, but has been a priority for the council, and has required “thinking beyond the fish.” Recently, the budgets of several of the council’s partners who provide a source of work for the crew have been cut and the current flow of work for the crew will likely decrease dramatically. The council has been sustaining the crew from year to year, but feels that it needs a better long-term plan for marketing and employing the work crew, and increasing its number. The goal of this project is to hire a business consultant to develop a sustainable work plan and mission for the Restoration Crew. The council plans for this project to serve as a model for other watershed councils to develop Restoration Crews in their basins.

REVIEW PANEL COMMENTS: The reviewers noted the similarity between this proposal and the proposal to plan for development of a restoration workforce in the Siuslaw Basin. The proposal in the Siuslaw requests almost twice as much funding, but is more sophisticated and focused on community-building, as described in the application. However, the Coquille Watershed Association has already proven its ability to develop and maintain a restoration work crew in an area with high unemployment. This track record inspired confidence in the reviewers. The reviewers felt that both proposals are meritorious, and because they may take different approaches, could both serve as helpful models for other watershed councils seeking to create a local restoration workforce. As with the Siuslaw proposal, the reviewers asked that OWEB require a white paper explaining how the analysis was done that will be shared with other watershed groups with similar goals.

**Oregon Watershed Enhancement Board
Local Innovation Fund Proposals
Review Panel Evaluation for December 1, 2005 Proposals**

**PROPOSALS RECOMMENDED FOR FUNDING BY STAFF
(Listed in priority order)**

PRIORITY #6

Developing a High Quality Restoration Industry in the Siuslaw Basin

APPLICATION NO.: z206-381

APPLICANT: Ecosystem Workforce Program, Institute for a Sustainable Environment at the University of Oregon

AMOUNT REQUESTED: \$15,000 **MATCH:** \$5,125

PARTNERS: Siuslaw Basin Partnership (Siuslaw Watershed Council, Siuslaw Institute, Siuslaw SWCD, and Port of Siuslaw), Siuslaw National Forest, Watershed Research and Training Center

PROPOSAL SUMMARY: The goal of this project is to develop an action plan for the Siuslaw Basin that links economic and workforce development with salmon, forest, and watershed restoration. The action plan will be developed by analyzing the basin's restoration and sustainable forestry needs in the future, the workforce capability in the basin to meet those needs, and any actions needed to develop a family wage, long-term, local workforce in the basin to meet those needs.

REVIEW PANEL COMMENTS: This proposal received a high ranking by each Review Panel member. The reviewers hope is that it will be a transferable model to develop a sustainable restoration workforce in other places. The watershed benefit is twofold: having a highly skilled workforce with local knowledge will increase the likelihood of success for restoration projects, and employing a local restoration workforce will increase understanding about the watershed in the community. The economic and community benefit is in assisting in the creation of a local restoration workforce making a family wage by doing the research needed to pursue the best workforce model. One reviewer appreciated that this proposal is flexible. The proposed analysis seeks to determine the best model, and does not presume the result. All of the reviewers believe it will be useful to have a model for this analysis that can be used by other watershed groups that want to develop a family wage, long-term restoration workforce. The reviewers asked that OWEB require a white paper explaining how the analysis was done that will be shared with other watershed groups with similar goals.

**Oregon Watershed Enhancement Board
Local Innovation Fund Proposals
Review Panel Evaluation for December 1, 2005 Proposals**

**PROPOSALS RECOMMENDED FOR FUNDING BY STAFF
(Listed in priority order)**

PRIORITY #7

Rogue River Estuary Sand and Gravel Mining Restoration

APPLICATION NO.: z206-386

APPLICANT: Lower Rogue Watershed Council

AMOUNT REQUESTED: \$14,500 **MATCH:** \$23,900

PARTNERS: Freeman Rock, USFS, USFWS, NMFS, Army Corps of Engineers, DOGAMI, Curry County, South Slough National Estuarine Research Reserve, ODFW, DSL, DLCD

PROPOSAL SUMMARY: This project proposes to continue a local sand and gravel operation serving the community's needs in Curry County in a way that minimizes impacts to the environment and the community, improves salmon habitat in the Rogue River Estuary, and provides community outreach and education about watershed health. This project will provide for enhanced salmon habitat restoration during the gravel mining operation, will provide for community education about the importance of salmon habitat in the estuary, and will provide an opportunity for research about the hydrology and habitat importance of the estuary. These funds will support surveying and modeling the hydrology of the estuary, a biological assessment, design for restoration in conjunction with gravel mining, and public outreach and education.

REVIEW PANEL COMMENTS: The watershed benefit of this proposal is strong. The project will restore key salmon habitat while allowing an important economic activity in Curry County to continue. The community engagement goals in this proposal impressed the Review Panel. The Review Panel was concerned about OWEB funds paying for another state agency employee's time. The proposal lists \$4,500 in OWEB funds supporting staff from DOGAMI as they provide technical assistance to the project design. The Review Panel suggested awarding \$10,000 for this project instead of the \$15,000 requested (\$5,000 is deducted to account for the \$4,500 proposed for DOGAMI plus approximately \$500 in related administrative overhead) in the hope that DOGAMI would recognize the importance of this project, and allocate time to it as a priority without additional funding.

Oregon Watershed Enhancement Board
Local Innovation Fund Proposals
Review Panel Evaluation for December 1, 2005 Proposals

PROPOSALS RECOMMENDED FOR FUNDING BY STAFF
(Listed in priority order)

PRIORITY #8

Sand and Gravel Industry Habitat Restoration Incentives at the Confluence of the McKenzie and Willamette Rivers

APPLICATION NO.: z206-391

APPLICANT: McKenzie Watershed Council

AMOUNT REQUESTED: \$8,000 **MATCH:** \$10,000

PARTNERS: Wildish Sand and Gravel, Eugene Sand and Gravel, Delta Sand and Gravel, McKenzie River Trust, Riveridge Golf Course, McKenzie Flyfishers, USFWS, NOAA Fisheries, Army Corps of Engineers, DOGAMI, ODFW, DSL, Lane County Land Management

PROPOSAL SUMMARY: The McKenzie Watershed Council's McKenzie River Subbasin Assessment ranked the confluence of the McKenzie and Willamette Rivers as the highest priority for river channel, riparian, floodplain and wetland habitat enhancement in the McKenzie River Watershed. Most of the sand and gravel resources for the local community are derived from floodplain mining in the Confluence Area. This funding proposal would allow the council's Confluence Area Project Steering Committee to work with the sand and gravel industry, regulatory agencies, and stakeholder groups to develop an accepted framework for using incentives to integrate floodplain mining with fish and wildlife habitat enhancement. This proposal would assist in funding a part-time staffing position for ongoing stakeholder facilitation, habitat enhancement planning, and project management. The mining companies would donate equipment and personnel to the habitat enhancement projects, and bear much of the cost. The partners in this project hope that it will provide a model for integration of habitat enhancement into sand and gravel mining operations, and provide a vehicle to streamline the permitting process for habitat enhancement in conjunction with mining operations in a way that has wider applicability in the industry.

REVIEW PANEL COMMENTS: The reviewers noted that this is a priority area for habitat enhancement. They discussed the desirability of providing a model for incorporating habitat enhancement into mining operations, particularly if the model would have wide applicability. They noted that this project will go beyond required mitigation. The partners involved in the project represent the interests that should be at the table, and a good cross-section of stakeholders. The reviewers discussed the fact that the state and federal permitting process can significantly delay watershed enhancement projects. One reviewer was concerned about focusing efforts on permit streamlining for one industry, rather than on streamlining the permitting process for all restoration projects. It was noted that OWEB has worked with both NOAA Fisheries

and the Army Corps of Engineers on streamlining the permitting process for restoration projects. Another reviewer stated that the proposal seeks to provide many incentives for the integration of mining and habitat enhancement, and permit streamlining is only one. The proposal points out that the permitting process has prevented mining companies from doing restoration projects as part of their mining operation in the past, and that permit streamlining would attempt to remove that barrier to restoration.

Oregon Watershed Enhancement Board
Local Innovation Fund Proposals
Review Panel Evaluation for December 1, 2005 Proposals

PROPOSALS NOT RECOMMENDED FOR FUNDING BY STAFF
(Listed by Application Number)

Coastal Bogs: Branding and Marketing Cranberries

APPLICATION NO.: z206-382

APPLICANT: The Wetlands Conservancy

AMOUNT REQUESTED: \$14,250 **MATCH:** \$4,500

PARTNERS: Oregon Natural Heritage Information Center, South Coast Watershed Councils, Oregon Cranberry Growers Association and Individual Growers, USFWS Threatened and Endangered Species Program, NRCS

PROPOSAL SUMMARY: Oregon's coastal sphagnum bogs are rare and of high conservation concern. One species found in this habitat, the western lily, is a federally-listed endangered species that occurs only along the coast in southwestern Oregon and northwestern California. Cranberries are often grown in and near this habitat. This project proposes to research the feasibility of and promote a lily-friendly certification program for the cranberry industry and partnering organizations similar to the Salmon Safe certification which will provide an incentive for stakeholders to be more proactive in wetland identification and protection, and add market value to cranberries grown in a manner protective of this habitat. In addition to working with cranberry growers to manage their operations in a way that is protective of these threatened habitats and species, and developing economic incentives to support this management, The Wetlands Conservancy also proposes developing restoration and management prescriptions that support bog viability and function, and training a bog restoration and management crew.

REVIEW PANEL COMMENTS: The Review Panel noted the synergy between this proposal and the South Coast Watershed Council's proposal to work with local cranberry growers on watershed friendly management practices. The Review Panel members like this idea, and the market incentives it would create for wetland-friendly cranberry bog management. However the Panel also felt that some questions remained unanswered, such as whether local cranberry growers are interested in this kind of project, whether the conservancy has a relationship with them, and whether there is room in the market for watershed or lily-friendly cranberries. The Panel members suggested doing market research about whether lily-safe would be the most effective brand. The Review Panel doubted that there is enough work on the coast for a bog restoration and management crew, and, if this appears to be true, suggested that the council and the conservancy train existing work crews, such as the Coquille Watershed Association's crew, and any restoration professionals who regularly work for the council on the South Coast, in bog restoration instead. In the end, the Review Panel felt that the South Coast Watershed Council has better relationships with local landowners, and

recommended funding the South Coast Watershed Council to work in partnership with the Wetlands Conservancy to assist local cranberry growers in managing bogs in a watershed friendly manner, and to investigate opportunities to market those cranberries as watershed friendly, or with a Food Alliance, Salmon Safe, or other certification. The Review Panel recommends that the South Coast Watershed Council be the grantee due to its trust relationship with landowners, and local knowledge, and that it turn to the Wetlands Conservancy as a partner to benefit from its wetland protection expertise and ideas regarding market branding.

**Oregon Watershed Enhancement Board
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**PROPOSALS NOT RECOMMENDED FOR FUNDING BY STAFF
(Listed by Application Number)**

Community Collaboration for Watershed Stewardship Program

APPLICATION NO.: z206-384

APPLICANT: Lomakatsi Restoration Project

AMOUNT REQUESTED: \$15,000 **MATCH:**
\$152,700

PARTNERS: Upper Rogue Watershed Association, Applegate River Watershed Council, Willow Wind Community Learning Center, Southern Oregon Historical Society, The Nature Conservancy, Southern Oregon Land Conservancy, Rogue Valley COG, Alliance of Forest Workers and Harvesters

PROPOSAL SUMMARY: The Lomakatsi Restoration Project's proposal for the Community Collaboration for Watershed Stewardship Program is broad in scope, and appears to request funding to support a wide range of ongoing projects. It describes an overarching program integrating four initiatives: 1) Full Circle Schools, 2) Ecological Workforce Training, 3) Tree Planting and Revegetation, and 4) Restoration By-Product Utilization programs. More specifically, the Project would use OWEB funds to:

- develop restoration prescriptions on 7 sites,
- continue project implementation on at least 3 of the sites,
- involve watershed restoration professionals in projects mentoring youth and volunteers in projects,
- convene 2 regional meetings with environmental education collaborators to address native plant nursery needs, and
- develop a long-term collaborative plan for the region.

REVIEW PANEL COMMENTS: The Review Panel was impressed with Lomakatsi's overall program, which seems to integrate watershed health, and the local economy and community through many projects. However, Panel members noted that Lomakatsi seems to be asking for funding to support their ongoing operations, rather than a specific project. Descriptions of the proposed use of OWEB funding were not clear or detailed. The Review Panel suggested that the Lomakatsi Restoration Project return to OWEB with a more specific project in the future.

**Oregon Watershed Enhancement Board
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**PROPOSALS NOT RECOMMENDED FOR FUNDING BY STAFF
(Listed by Application Number)**

Pocket Park Stormwater Fountain

APPLICATION NO.: z206-385

APPLICANT: Twin Creeks Development Company

AMOUNT REQUESTED: \$15,000 **MATCH:** not clear

PARTNERS: City of Central Point, Rogue Valley COG, Bear Creek
Watershed Council

PROPOSAL SUMMARY: Twin Creeks is a 235-acre development in Central Point, located in the lower reaches of the Bear Creek Watershed. Two fish-bearing streams, Jackson Creek and Griffin Creek, flow through the development. Twin Creeks has made it a priority to incorporate best management practices (BMPs) into the development to naturally treat stormwater runoff before it flows into Bear Creek and its tributaries. These BMPs include a bioretention swale, and two constructed wetlands. However, in many areas of the development, there is not enough available space to use more traditional BMPs such as constructed wetlands. Twin Creeks seeks OWEB funding to design a Pocket Park Stormwater Fountain that will serve as both a play structure in a small park, and as a stormwater treatment structure for an area without enough space to use existing BMP for stormwater management.

REVIEW PANEL COMMENTS: The Review Panel thought this was an interesting idea to deal with an important issue in urban areas. However, they noted that the project is site-specific, and not community-based. Furthermore, while this project would have watershed benefit, the watershed benefit is not as significant as in other proposals.

**Oregon Watershed Enhancement Board
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**PROPOSALS NOT RECOMMENDED FOR FUNDING BY STAFF
(Listed by Application Number)**

Small Wood Marketing and Fuel Reduction Initiative

APPLICATION NO.: z206-388

APPLICANT: South Slough National Estuarine Research Reserve
(SSNERR)

AMOUNT REQUESTED: \$14,048 **MATCH:** not clear

PARTNERS: USDA Bureau of Land Management, Coos County
Department of Forestry, Oregon State University, Oregon Department of Forestry, Coos
County Fire Protective Association, local timber companies, local watershed councils

PROPOSAL SUMMARY: The SSNERR proposes using OWEB funding to investigate potential local markets for small diameter wood from forest thinning projects, including branding the wood as linked to sustainable forest practices. These projects will be conducted to accelerate late successional habitat characteristics of the coastal forests in the SSNERR, and to reduce forest fire potential. Possible products using small diameter timber include wood chips used in the manufacture of paper and structural panels, furniture, fence posts, firewood, and biomass for commercial energy generation. The first product would likely be firewood, marketed through the Firewood Outreach Program, with the goal of increasing community awareness about the SSNERR. The SSNERR hopes that this project will enhance the potential for self-supporting forest restoration actions at the South Slough, and improve local community awareness of the benefits of healthy, functioning watersheds. OWEB funds would support a part-time intern in developing this project, and the cost of small wood products branding labels and brochures.

REVIEW PANEL COMMENTS: The Review Panel thought that this project is certainly something the SSNERR should be doing. However, the Panel noted that this kind of effort is occurring on a larger scale in many places in Oregon and the Northwest. Panel members were concerned that the proposal did not mention these other efforts, and how it may build on the ground already covered. One Panel member was concerned that an intern would be responsible for the project, which in many other instances would be managed by someone with more expertise and experience.

**Oregon Watershed Enhancement Board
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**PROPOSALS NOT RECOMMENDED FOR FUNDING BY STAFF
(Listed by Application Number)**

**Hedges Creek Student Design and Business Outreach
Restoration Design Course**

APPLICATION NO.: z206-390

APPLICANT: The Wetlands Conservancy

AMOUNT REQUESTED: \$9,040 **MATCH:** \$4,430

PARTNERS: Open Meadow Alternative School, City of Tualatin, Clean
Water Services

PROPOSAL SUMMARY: This Wetlands Conservancy project will connect the City of Tualatin's development of Phase II of its Urban Renewal Plan, development of a conservation and restoration plan for the 55 acre Hedges Creek wetland, education of high school students at the Open Meadow Alternative school in wetland restoration design, and outreach to neighboring landowners, local businesses, and the community at large about wetland function and protection. High school students from Open Meadow's Corps Restoring the Urban Environment program will work with The Wetlands Conservancy to develop and design a conservation and restoration landscape plan for the Hedges Creek wetland. The students will then do outreach to the City of Tualatin, neighbors, and local businesses about the plan to educate them about the importance of wetland protection in the city. This curriculum will be offered as a model to other educational institutions seeking guidance in project-based learning.

REVIEW PANEL COMMENTS: While the project seems worthwhile, the Review Panel did not rate this project as high as many others because it appears to be a youth education and restoration project, which does not appear to fit the goals of the Local Innovation Fund. One reviewer suggested that The Wetlands Conservancy apply to the National Fish and Wildlife Foundation's Five Star Program, which targets youth restoration projects. Another reviewer suggested involving local neighbors and businesses earlier in the design process, rather than waiting until the designs are done, so that outreach is more meaningful.

**Oregon Watershed Enhancement Board
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**PROPOSALS NOT RECOMMENDED FOR FUNDING BY STAFF
(Listed by Application Number)**

Sustainable Wool Fiber Branding and Marketing

APPLICATION NO.: z206-393

APPLICANT: Oregon Wool Growers Association and Lane MicroBusiness

AMOUNT REQUESTED: \$14,000 **MATCH:** \$16,000

PARTNERS: not clear

PROPOSAL SUMMARY: The Oregon Wool Growers Association and Lane MicroBusiness are proposing a national marketing and branding effort for small Oregon farms raising fiber animals that meet the sustainable agriculture certification standards of the Food Alliance. Food Alliance standards include soil and water conservation, reducing pesticides, safe working conditions, and wildlife habitat conservation. Lane MicroBusiness would work with these small business farms to help with marketing, technical business assistance, access to capital, and small business grants to qualified farms. This branding effort would be targeted toward a niche market of customers who are more environmentally and community conscious, and would be willing to pay more for sustainably produced wool products.

REVIEW PANEL COMMENTS: The Review Panel thought this was a terrific business idea, and would benefit the watershed. However, Panel members felt that the watershed benefit was not strategic or well defined enough to compete with some of the other proposals to the Local Innovation Fund. The applicants mentioned linking wool growers with watershed councils in the application, but local watershed councils were not partners in the application, and it was not clear that they had been contacted, or had committed to be part of the project.

Oregon Watershed Enhancement Board
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PROPOSALS NOT RECOMMENDED FOR FUNDING BY STAFF
(Listed by Application Number)

TMDL Compliance as a Funding Source for Ongoing Restoration

APPLICATION NO.: z206-394

APPLICANT: Good Company

AMOUNT REQUESTED: \$14,600 **MATCH:** not clear

PARTNERS: Eugene Water and Electric Board, Metropolitan Wastewater Management Commission, Willamette Partnership, Defenders of Wildlife, local watershed councils

PROPOSAL SUMMARY: This project will attempt to match funding used by the Eugene Water and Electric Board (EWEB) and the Metropolitan Wastewater Management Commission (MWMC) to meet regulatory requirements for clean drinking water and Total Maximum Daily Load temperature standards on the McKenzie and Willamette Rivers with landowners willing to do watershed restoration projects to use the available regulatory compliance funding in the most environmentally beneficial manner. Good Company hopes to work with its partners to develop a trading market that will help to direct regulatory compliance funding to the most strategic, effective uses. Good Company proposes spending the first half of 2006 to analyze the regulatory needs and restoration opportunities, do a “needs” mapping, and organize a working meeting of potential buyers, sellers, and key partners who will help direct the money strategically, and develop the first 3-5 potential transactions through the market.

REVIEW PANEL COMMENTS: The Review Panel praised this as an excellent idea which is exactly the kind of big picture thinking that should happen. However, several Review Panel members felt that the applicant has unrealistic expectations about how quickly this kind of market can be developed, and is planning to move too fast. Such an important idea needs careful development, and could take several years. The Review Panel was unsure whether Good Company could afford to be involved for the time-period required to develop this project thoughtfully. One Review Panel member mentioned that the Environmental Protection Agency and the Oregon Economic and Community Develop Department’s clean water revolving fund would both be good funding sources for this project. Another Review Panel member expressed concern that the application did not acknowledge that the Willamette Partnership just received a large EPA grant to do the same work in the Willamette Basin, or discuss how this project would connect to the Willamette Partnership’s work.

**Oregon Watershed Enhancement Board
Local Innovation Fund Proposals
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**PROPOSALS NOT RECOMMENDED FOR FUNDING BY STAFF
(Listed by Application Number)**

Verde Native Plant Nursery and Restoration Services

APPLICATION NO.: z206-395

APPLICANT: Verde

AMOUNT REQUESTED: \$15,000 **MATCH:**
\$226,000

PARTNERS: Latino Network, Worksystems, Inc., PCC, Hispanic Chamber of Commerce, Oregon Environmental Council, Portland Office of Sustainable Development, Portland Bureau of Environmental Services, Portland Water Bureau, Metro, OECDD, Ecotrust, The Wetlands Conservancy, Columbia Slough Watershed Council, and many others

PROPOSAL SUMMARY: Verde is a new non-profit created to provide environmental jobs, training, and entrepreneurial opportunities to residents of the Hacienda Community Development Corporation (HCDC) affordable housing community in order to promote a more inclusive environmental movement. Its purpose is to build the connections between watershed health, community, and economic sustainability, and to partner with others to protect, restore, and maintain the region's watersheds. By addressing the community's daily economic concerns through environmental job and business opportunities, Verde hopes to provide a more direct connection between the community and environmental protection. Verde plans to use OWEB funding to support opening the native plant nursery, planting of the first native nursery stock, training new Verde nursery and restoration service employees in native plant cultivation and watershed restoration services, and doing outreach to potential partners and clients of the nursery and restoration services.

REVIEW PANEL COMMENTS: The Review Panel loved the concept of linking community and economic development with environmental protection and education in an under-served community. One Review Panel member gave the application high marks for consulting with the organizations working on watershed restoration and protection in the Metro area. However, several other Review Panel members felt that the application did not adequately demonstrate clear watershed benefits that would flow from this project, or that the native plants grown and the restoration services would contribute to priority watershed enhancement actions. One Review Panel member expressed concern that obtaining pesticide applicator licenses was mentioned as a step in developing the nursery, without reference to integrated pest management practices. Despite great appreciation for this innovative concept, the Review Panel felt that a stronger connection to watershed health would need to be made before OWEB funding could be used.

**Oregon Watershed Enhancement Board
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**PROPOSALS NOT RECOMMENDED FOR FUNDING BY STAFF
(Listed by Application Number)**

Community Action Livestock Feeding Oregon (CALFO)

APPLICATION NO.: z206-396

APPLICANT: Deschutes Soil and Water Conservation District

AMOUNT REQUESTED: \$12,500 **MATCH:** \$76,000

PARTNERS: Many good potential partners are listed, such as OSU Extension, NRCS, ODA, Oregon Farm Bureau, and Oregon Food Bank; none appear to have signed on yet

PROPOSAL SUMMARY: This project proposes working with small acreage ranch and farm landowners in Central Oregon for whom agriculture is not the primary source of income to institute best conservation practices in livestock production, and donate much of the beef produced in an environmentally responsible manner to the Oregon Food Bank and its network of hunger relief agencies. The goals of this project are to encourage watershed-friendly land management, feed Oregonians in need, and support Community Food Security.

REVIEW PANEL COMMENTS: The Review Panel liked this concept, but were not confident that small acreage landowners would be willing to participate. They suggested testing the market to determine whether there is enough interest to go forward. The Review Panel also felt that, while helping landowners institute good conservation practices is worthwhile, a direct, strategic watershed benefit was not clearly demonstrated in the application.

**Oregon Watershed Enhancement Board
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**PROPOSALS NOT RECOMMENDED FOR FUNDING BY STAFF
(Listed by Application Number)**

Klamath Basin Watershed Enhancement Projects

APPLICATION NO.: z206-397

APPLICANT: Oregon Institute of Technology Libraries

AMOUNT REQUESTED: \$9,177 **MATCH:** not clear

PARTNERS: Klamath Watershed Council, Klamath Basin Ecosystem Foundation, The Nature Conservancy, and others

PROPOSAL SUMMARY: This project is the development phase of a website documenting enhancement and restoration projects in the Klamath Basin. The website will serve landowners and agencies wishing to undertake restoration projects by allowing them to easily share information on past projects and learn from the efforts of others, supporting the development of a shared vision.

REVIEW PANEL COMMENTS: The Review Panel appreciated the potential benefits of this project, but noted that this has been done in several other places in Oregon, and is not innovative (see the North Coast and Willamette Basin Portals, funded by OWEB in partnership with the Oregon Geographic Information Council, and the Institute for Natural Resources at OSU.) The Panel also felt that this project is about information sharing and outreach, and does not meet the goals of the Local Innovation Fund: to provide direct watershed, economic, and community benefits. Several Panel members suggested that OIT seek funding and assistance for this project through other OWEB grant programs, and the National Fish and Wildlife Foundation Stewardship Program.

**Oregon Watershed Enhancement Board
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**PROPOSALS NOT RECOMMENDED FOR FUNDING BY STAFF
(Listed by Application Number)**

Klamath Outdoor Science School

APPLICATION NO.: z206-398

APPLICANT: Klamath Outdoor Science School

AMOUNT REQUESTED: \$15,000 **MATCH:** \$111,000

PARTNERS: ODF, OPRD, U.S. Forest Service, USDA Bureau of Land Management, U.S. Fish and Wildlife Service, Klamath County Commissioners, Oregon State University Extension, Klamath County School District, Klamath Tribes, Northwest Science Schools, and many others

PROPOSAL SUMMARY: The Klamath Outdoor Science School (KOSS) is a group of Klamath Basin teachers, parents, natural resource professionals and community volunteers dedicated to the education of the youth of the Upper Klamath Basin Watershed in the science and appreciation of the unique natural features of their own local area. The proposed project is the development of a year-round facility to be used as a residential outdoor science school in the Klamath Basin.

REVIEW PANEL COMMENTS: While this sounds like an excellent project, the Review Panel felt that it is clearly an education project, and does not meet the goals of the Local Innovation Fund. The applicant has a pending grant with OWEB for education funds, and this request seems to be seeking additional funds to fill a budget shortfall.

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PROPOSALS NOT RECOMMENDED FOR FUNDING BY STAFF
(Listed by Application Number)

The Farmer's Screen

APPLICATION NO.: z206-399

APPLICANT: Farmer's Conservation Alliance

AMOUNT REQUESTED: \$15,000 **MATCH:** \$16,200

PARTNERS: Hood River Watershed Council, Hood River County, ODFW,
Farmer's Irrigation District, NOAA Fisheries

PROPOSAL SUMMARY: The majority of the approximately 60,000 water diversions in Oregon are unscreened. Several thousand of these are a high priority for screening due to their impact on threatened or endangered fish populations. Most current fish screen technology is expensive to install, and requires maintenance and repair on a regular basis. The Farmer's Irrigation District, with funding from OWEB and many other sources, designed and installed an innovative horizontal flat fish screen and diversion that has no moving parts, and requires very little maintenance and repair. The Farmer's Irrigation District formed a non-profit corporation, The Farmer's Conservation Alliance, to find a way to deliver this technology at a low price to priority diverters, and to seek other innovations that protect watershed resources and support the economic viability of agricultural operations. The small profit from horizontal fish screens manufactured and installed by the Farmer's Conservation Alliance will fund research into new innovations to cultivate and benefit "the New Agrarian Economy" where families, fish, and farms thrive. The Farmer's Conservation Alliance seeks OWEB funding to support initial education and outreach, permit streamlining, and business development strategies to ensure that 24 demonstration Farmer's Screens are installed in 2006 on high priority diversions with a beneficial impact on fish populations. The Farmer's Alliance will focus on 1-5 cfs diversions in the State of Oregon, identify 24 landowners with an appropriate site for the Farmer's Screen, build screens in bulk, and deliver screens only during the in-water work window for construction. Using the practices traditionally used by the private sector, it is expected that each screen will cost \$16,000-\$20,000, which is a dramatically lower price than most current screening technology. The Alliance is also working with state screen shops and engineers to be able to use The Farmer's Screen technology for additional diversion sites and sizes.

REVIEW PANEL COMMENTS: The Review Panel praised this idea, but felt that several important pieces of information were missing from the application that left questions unanswered. It was unclear how the Farmer's Conservation Alliance is coordinating with the Oregon Department of Fish and Wildlife (ODFW) to avoid duplication of effort and ensure that priority diversions will be screened. One Review Panel member wondered why this effort is necessary given ODFW's statutory charge

and funding to do this work. The specific economic benefits of this project were not discussed in any detail. It could be assumed that manufacturing these screens would create jobs. However the number of jobs and whether they would be family wage jobs was not discussed in the application. While the watershed benefit of installing these screens on diversions that would otherwise remain unscreened is clear, the economic benefit was not clear enough for the Review Panel to recommend funding.

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**PROPOSALS NOT RECOMMENDED FOR FUNDING BY STAFF
(Listed by Application Number)**

Ochoco Irrigation District Water Efficiency Optimization Project

APPLICATION NO.: z206-401

APPLICANT: Dr. Charlotte Schell, Portland State University, and
Dr. Aaron Wolf, Oregon State University

AMOUNT REQUESTED: \$14,977 **MATCH:** not
specified

PARTNERS: Members of the Ochoco Irrigation District Water Efficiency Optimization Project, including Oregon Trout, Deschutes Resources Conservancy, Ochoco Irrigation District, Crook Soil and Water Conservation District, and Oregon State University Extension Service

PROPOSAL SUMMARY: The applicant proposes an in-depth study of the challenges facing effective communication and cooperation between stakeholders in Central Oregon to produce a guide for implementing economically and environmentally sustainable community oriented processes for resolving conflict in regional water management. The study will focus on an existing project, the Ochoco Irrigation District Water Efficiency Optimization Project (WEOP), being conducted by the Wy'East Resource Conservation and Development Council in the Deschutes Basin. The goal of WEOP is to work with farm and ranch operators to optimize existing irrigation practices, using less water while producing greater farm profits, leaving more water in-stream for salmon, and reducing non-point source pollution. The applicant proposes using a Collaborative Learning model to assist the WEOP process, so that the resource use communities develop and take part in a process of actively learning about the complexities of the conflict situation they share – including new methods and skills for managing conflict situations and resource problems. The applicant requests OWEB funding to support 1) assessing the collaborative potential of stakeholders in the area, 2) evaluating any obstacles to the potential for a Collaborative Learning Process, 3) offering suggestions for dealing with any obstacles, 4) offering suggestions for widening the spectrum of stakeholders, 5) facilitating the Collaborative Learning process, if it is appropriate, and 6) preparing outreach and education materials to generate attention for the collaborative approach. Letters of support for this application were received from Gail Achterman, Director of the Institute for Natural Resources at OSU, and Joe Whitworth, the Executive Director of Oregon Trout. Letters of support for the WEOP project itself were attached from Governor Kulongoski and Representative Greg Walden.

REVIEW PANEL COMMENTS: The Review Panel agreed that the issue of water efficiency is a high priority, and noted that the partners involved in the underlying WEOP project have strong reputations. However, the Review Panel felt that the Local Innovation Fund is not the appropriate funding source for what seems to be an academic research project. Collaborative learning is a useful tool, but if this work is truly important to the partners involved in the Ochoco Irrigation District Water Efficiency Optimization Project, then the application would have come from them. This approach does not seem well-integrated into the WEOP process.

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PROPOSALS NOT RECOMMENDED FOR FUNDING BY STAFF
(Listed by Application Number)

Coordinated Resource Offering Protocol (CROP), Forest Monitoring, Small Diameter Wood Processing Facility, and Biomass Operation in South Central Oregon

APPLICATION NO.: z206-402

APPLICANT: The High Desert Partnership

AMOUNT REQUESTED: \$15,000 **MATCH:**
\$140,000

PARTNERS: Harney County Court, Harney Soil and Water Conservation District, U.S. Forest Service, Eastern Oregon Agricultural Research Center, and many others

PROPOSAL SUMMARY: In 2004 one of the nation's first biomass evaluations was completed in Harney County focusing on implementing a new *Coordinated Resource Offering Protocol* (CROP) between public agencies in watershed landscapes. The CROP model was developed by Corvallis-based Mater Engineering in 2002 in an effort to identify a consistent supply of woody biomass within a watershed landscape that would be sufficient to attract investment into economically-depressed regions. The CROP analysis had the following goals: 1) Address forest health issues on a landscape level; 2) Create economic investment in the local region; 3) Increase the value of the resource being offered and reduce the volume of "valueless" resources; 4) Create local employment opportunities based on sustainable natural resources; 5) Increase the potential for economic opportunity for private forest landowners by creating biomass markets; 6) Preserve cultures associated with timber practices; and 7) Open lines of communication and foster trust between all parties interested in forest health.

The Harney County CROP was completed in 2004 through a partnership between Harney County, the Harney County SWCD, and the U.S. Forest Service. The High Desert Partnership seeks OWEB funding to work with the CROP sponsors and other stakeholders to implement the following recommendations from the Harney County CROP report:

1. Monitor the performance in meeting CROP planned supply offerings and update CROP model. Document the watershed restoration benefits as a result of implementing the CROP model.
2. Develop a baseline business plan for establishing a local small log processing facility.
3. Develop a baseline business plan for establishing a local wood pellet processing facility.

4. Develop a baseline business plan for establishing a Hines Biomass Industrial Park and Energy Center.
5. Complete new product design trials for new product development for the Louisiana-Pacific laminated veneer lumber (LVL) facility in Hines.

REVIEW PANEL COMMENTS: Several members of the Review Panel were familiar with the High Desert Partnership, and think highly of the group and its mission. The Review Panel members would like to encourage partnerships like this one, particularly in rural eastern Oregon. The Panel also praised the goals of the project. However, the Panel felt that this particular proposal was too broad and ambitious for the small amount of funding available from OWEB, particularly given the Partnership's limited capacity. While the economic benefits of the proposal are clear, the Panel also felt that the application lacked any specificity about the watershed benefits of the project. It was unclear how the \$15,000 requested would be spent, given a \$155,000 budget for the next year. The Partnership's role and responsibilities in the overall project was also not clear. The Review Panel suggested that the High Desert Partnership either choose one small piece of this project, or start with a smaller project with more concrete outcomes. The Panel also suggested that the partnership pursue a National Fish and Wildlife Foundation Strategic grant, and National Fire Plan funding for this project.

**Oregon Watershed Enhancement Board
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**PROPOSALS NOT RECOMMENDED FOR FUNDING BY STAFF
(Listed by Application Number)**

Wallowa County Hands On Land Watershed Stewardship Work Program

APPLICATION NO.: z206-403

APPLICANT: Oregon Solutions

AMOUNT REQUESTED: \$15,000 **MATCH:** \$5,000

PARTNERS: Wallowa Resources, Wallowa County Commission, Wallowa County Natural Resource Advisory Committee (NRAC)

PROPOSAL SUMMARY: Oregon Solutions seeks funding from OWEB to support working with federal, state, and local partners in Wallowa County to develop a collaborative watershed stewardship work program that will provide jobs to unemployed and underemployed youth, displaced loggers, veterans, and other citizens in Wallowa County to address priority management needs on federal lands. The goals of the “Hands on Lands” Watershed Stewardship Work Program include establishing strong relationships and cooperation among federal, state, county, and local groups so that a shared vision of land stewardship in Wallowa County is sustained over time. The priority federal land management needs that have already been identified for the program are hazardous fuels reduction in the Upper and Lower Joseph Creek Watersheds, which was prioritized in the Wallowa County Community Wildfire Protection Plan, and trail system maintenance in the Hells Canyon National Recreation Area and the Eagle Cap Wilderness Area. Federal budgets for this kind of land management have declined for the last 15 years, and are projected to continue to decline over the next 3-5 years. The final plan developed through a collaborative community-based process will establish targets for annual job creation and training. Continuing employment and skill transfer from the experience and training received from the program will be tracked by the Wallowa County Office of the Oregon Department of Employment. Wood removal to local mills, pole plants, or other wood processing facilities will be tracked by the U.S. Forest Service and Wallowa Resources, as will the use of maintained trails. Work prescriptions for both the trail work and the hazardous fuel reduction work will be provided by the U.S. Forest Service, and personnel from the U.S. Forest Service and Wallowa Resources will conduct collaborative monitoring on the sites. Wallowa Resources will publish monitoring reports on the actions taken.

REVIEW PANEL COMMENTS: The Review Panel praised the work that Wallowa Resources and the Wallowa County Commission have done in the past on natural resource and job creation issues. Both entities have excellent reputations. The Panel thought that the economic and social benefits of the proposal were excellent. One Panel member did express the hope that attention would be paid to the lessons learned from

the unsuccessful aspects of the Jobs in the Woods Program. While fuels reduction and trail maintenance are both important issues, and have ecological benefit, the Panel felt that the proposed actions did not rise to the level of watershed benefit necessary to be competitive with other applications that had a stronger focus on watershed restoration and protection.

**Oregon Watershed Enhancement Board
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**PROPOSALS NOT RECOMMENDED FOR FUNDING BY STAFF
(Listed by Application Number)**

Snake River Vineyards and Winery

APPLICATION NO.: z206-404

APPLICANT: Eagle Valley Soil and Water Conservation District

AMOUNT REQUESTED: \$12,800 **MATCH:** \$5,000

PARTNERS: NRCS, EPA, DEQ

PROPOSAL SUMMARY: The town of Richland has suffered a decline in family wage jobs and a sense of community with the loss of its dairy industry. The Eagle Valley SWCD, working with a private landowner, proposes reclamation of an old feedlot to plant vineyards and establish a winery on the site. The Eagle Valley SWCD seeks OWEB funding to support reclamation and cleanup of the old feedlot, which was closed by the EPA due to clean water violations. Reclamation would reduce the erosion of soil and animal waste into the Snake River. Planting vineyards and establishing a winery would provide agricultural business opportunities to other local landowners to grow grapes, and could draw visitors to the area, providing economic inputs that may help to revitalize the local economy and community.

REVIEW PANEL COMMENTS: Providing agricultural jobs locally by creating a wine industry is a creative idea. The Review Panel liked the potential economic and community benefits of this project, but felt that the watershed benefit was not as clearly demonstrated. The Panel thought that the reclamation phase of the project could be submitted to OWEB's Restoration Grant Program. It was suggested that the Eagle Valley SWCD speak with the Oregon Economic and Community Development Department about possible grant or loan programs through the agency that provide support for this kind of project.

**Local Innovation Fund Review Panel Funding
Recommendation to the Director of OWEB:**

The Local Innovation Fund Review Panel recommends the following nine projects for funding by the OWEB Board, listed in order of priority. However, in recognition of the limited budget set aside for this Fund, the Panel recommends funding the top four projects listed at the amounts specified. This approach will allow the OWEB Board to remain close to the budget originally allocated for this Fund. Should the OWEB Board be willing to commit additional resources to this pilot project, the Review Panel recommends funding the nine listed projects, in order, up to the amount of Board funds available.

1. The Juniper Group, Western Juniper Commercialization Study (206-400) \$15,000
2. Ecosystem Workforce Program, U of O, Developing a High Quality Restoration Industry in the Siuslaw Basin (206-381) \$15,000
3. Lower Rogue Watershed Council, Rogue River Estuary Restoration Project (206-386) \$10,000 (Reduced from \$15,000 to eliminate funding identified for state DOGAMI employee time.)
4. Clackamas County Soil and Water Conservation District, Mt. Hood Forest Health and Woody Biomass Utilization (206-392) \$15,000

Subtotal: \$ 55,000

5. Coquille Watershed Association, Model Sustainable Restoration Jobs (206-383) \$8,250
6. Mary's River Watershed Council, Healthy Watersheds, Healthy Food (206-389) \$14,520
7. South Coast Watershed Council, Five Part Comprehensive Plan (206-387) \$14,500 (Fund only the work on sustainable cranberry operation management and branding, working with The Wetlands Conservancy as a partner.)
8. Lomakatsi Restoration Project, Community Collaboration for Watershed Stewardship (206-384) \$15,000
9. McKenzie Watershed Council, Sand and Gravel Industry Habitat Restoration Incentives (206-391) \$8,000

Subtotal: \$ 60,270

Total: \$115,270

**Approved by the Board March 15, 2006
Oregon Watershed Enhancement Board**

**January 24, 2006
OWEB Board Meeting
Otter Rock, Oregon**

Minutes

OWEB Members Present

Miles Brown
Bobby Brunoe
Dan Carver
Alan Christensen
Dianne Guidry
Dan Heagerty
Jim Nakano
Jane O'Keeffe
Dave Powers
Scott Reed
Patricia Smith
Michael Tehan
Dan Thorndike
Helen Westbrook

OWEB Staff Present

Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Douglass Fitting
Mark Grenbemer
Melissa Leoni
Tom Shafer
Courtney Shaff
Greg Sieglitz
Roger Wood

Others Present

Margaret Nover
Jo Morgan
David Noakes
Mario Solazzi
Tod Heisler
John Moriarty
Wayne Hoffman
Bruce Taylor
Mike Mader
Chuck Sams
Rachel Felice
Paul Robertson
Greg Pettit
Russ Hoeflich
Jennifer Hampel
Catherine Macdonald
Nan Evans
Paul Siebert
Bruce McIntosh
Natalie Henry Bennon
Larry Ojua
John McDonald
Ron Adams
Mark Stone
Johnny Sundstrom
Paula Crowder
Liz Vollmer-Buhl
Nancy Nichols
Kip Wood
Diane Henkels

Members Not Present

Skip Klarquist
Diane Snyder
Ken Williamson

A. Board Member Comments

Representatives on the OWEB Board commented on recent activities and issues facing their respective agencies. Board Co-Chair Dan Heagerty introduced new Board members Miles Brown representing the Bureau of Land Management, Dan Carver representing the Board of Agriculture, and Patricia Smith, public at large member from Bend.

B. Minutes

Minutes of the following Board meetings were unanimously approved:

September 13-14, 2005	Board meeting in Jordan Valley
September 19, 2005	Special Board meeting via telephone conference call

C. Executive Director Update

Executive Director, Tom Byler, provided the following comments to the Board.

- OWEB has a number of new employees since the last meeting in September:
 - Lori Warner-Dickason, Policy Specialist
 - Courtney Shaff, Effectiveness Monitoring Program Specialist
 - Becky Miller, Performance Analyst/Reporting Specialist
 - Bev Goodreau, Grant Program Specialist (Small Grant Program)
 - Dave Egleston, Business Application Specialist
 - Monte Turner, Oregon Plan Communications Coordinator
- OWEB will be recruiting for:
 - Monitoring Program GIS Specialist to replace Doug Terra
 - Administrative Assistant to the Grant Program to replace Bev Goodreau
- NOAA recently announced a no list decision for the coastal coho ESU
- OWEB will soon begin the 2007-2009 biennial budget and legislative concept development
- Director Byler provided some 2005 year end statistics on the number of grants processed, payments made, RPR miles traveled, etc.
- OWEB is working with the Department of Administrative Services, Budget and Management and Legislative Fiscal Office to fix COLA appropriations to state agency grantees (OWEB, ODFW, DEQ and ODA).

D. Revisit 2005-2007 Non-Capital Funds Spending Plan

Tom Byler, Executive Director, presented this item to Board members using a Powerpoint presentation to summarize the spending plan that was approved by Board members at the September 2005 meeting. Staff have reviewed the September Board allocations and have adjusted recommendations for the non-capital funds spending plan for the biennium. Director Byler also updated Board members on the status of Federal Fiscal Year 2006 Pacific Coastal Salmon Recovery Funds which OWEB anticipates receiving \$4.36 million in the summer of 2006.

Program Element	Sept 2005 Allocation	Jan 2006 Allocation	Jan 2006 Reservation	Total
Local Capacity	\$561,000	\$175,000	\$290,620	\$1,026,620
Technical Assistance	\$1,000,000	\$0	\$0	\$1,000,000
Recovery Planning	\$200,000	\$0	\$0	\$200,000
Monitoring Grants	\$0	\$0	\$500,000	\$500,000
Oregon Plan Monitoring	\$0	\$448,380	\$0	\$448,380
Watershed Assessment	\$0	\$0	\$0	\$0
Agency Outreach	\$150,000	\$0	\$0	\$150,000
Ed/Training Opportunities	\$50,000	\$0	\$0	\$50,000
"Knowledge" Grants	\$0	\$0	\$500,000	\$500,000
Sustainability	\$0	\$100,000	\$0	\$100,000
Oregon Plan Products	\$0	\$0	\$375,000	\$375,000
Regional Priorities	\$0	\$0	\$0	\$0
	\$1,961,000	\$723,380	\$1,665,620	\$4,350,000

Discussion centered around the Board's interest to increase support to local groups. Board members unanimously approved an allocation of \$175,000 to bring funding for soil and water conservation districts up to the last biennium's (2003-2005) level.

Board members unanimously approved the staff funding recommendation to allocate up to \$448,380 for Oregon Plan Monitoring to fund the following projects.

1. Expanded Ambient Water Quality Monitoring Network in Oregon Coastal Coho ESU. Two-year cost: \$40,920 (DEQ)
2. Macroinvertebrate Sampling for Water Quality and Temperature. Two-year cost: \$279,680 (Contracted Services-\$10,000; DEQ-\$269,680)
3. Temperature Monitoring at Selected Random ODFW Juvenile Coho Sites in the Oregon Coastal Coho ESU. Two-year cost: \$39,280 (DEQ)
4. Watershed Council Data Compilation. Two-year cost: \$88,500 (ODFW)

Board members also unanimously approved an allocation of up to \$26,000 to add to the \$500,000 approved in September 2005, toward the Early Action Technical Assistance applications that have been recommended for funding.

E. Public Comment

- John McDonald, OACD, John Moriarty, Network of Oregon Watershed Councils, and Larry Ojua, ODA, provided comments on the funding shortage for local capacity.
- Tod Heisler, Deschutes River Conservancy, commented that they were sponsoring a Deschutes Basin Water Summit in May and requested \$10,000 to assist in that effort.
- Chuck Sams and Rachel Felice, Columbia Slough Watershed Council, expressed concerns that their take on the budget numbers shows that state agencies are receiving 65

percent of the non-capital funds and local projects are only receiving 35 percent. They are pleased that education/outreach is receiving more in OWEB's proposed non-capital funds spending plan.

- Margaret Nover, City of Portland, expressed concern about the division of non-capital funds, and wanted to know how the state agencies are being held accountable for the funds. She asked if the Board would entertain a way to put a cap on non-capital funding like always using a certain percentage each biennium.

Board Co-Chair Jane O'Keeffe responded that state agencies are held accountable with the signing of MOUs between OWEB, and that the Board has asked each state agency receiving PCSRF or M66 funds to make presentations to the Board on how the funds are being spent. Director Byler also mentioned that local capacity is receiving more funds this biennium than last. Board member Mike Tehan also noted that there is a new MOU between Oregon and NMFS that has a consultation process when PCSRF funds are legislatively appropriated to state agencies. OWEB needs to obtain approval from NOAA on the funding that is legislatively directed.

- Russ Hoeflich, The Nature Conservancy, urged Board members to advocate for more federal PCSRF funds by lobbying in Washington DC.
- Ron Adams, Oregon Youth Conservation Corps, distributed copies of their 2004 Annual Report and noted the extensive list of project partners.
- Jennifer Hampel, Coquille Watershed Association, supports CWA's Application No. 206-383, as well as full funding of local innovation fund projects as recommended by staff for \$100,000.

F. Recovery Planning Update

Louise Solliday, Governor's Natural Resources Office, described the current status of Oregon's participation in recovery planning for salmon and steelhead listed under the federal Endangered Species Act. A recovery plan is developed pursuant to the federal ESA and the ODFW Native Fish Policy. The plan is a detailed documentation of the biological status and necessary actions to recover the species to a sustainable status.

The Oregon Coastal ESU (coho), that recently received a "no list" decision by NOAA Fisheries, and the Mid Columbia ESU (steelhead), are furthest along in recovery plan development. Four ESUs that Oregon shares with other states are moving ahead in recovery planning efforts (Southern Oregon/Northern California (SONC) ESU (coho), Lower Columbia ESU (chum, coho, steelhead, Chinook), Upper Willamette ESU (Chinook, steelhead), and the Snake ESU (Chinook, steelhead).

Oregon has developed a recovery planning structure for each recovery domain that includes a planning team and a stakeholder team. The Governor's Office expects to have draft recovery plans completed for the Oregon Coast, Lower Columbia, Mid Columbia and Snake in 2006, the Upper Willamette in 2007, and it is unknown when a draft recovery plan will be completed for the SONC. NOAA and Oregon (through OWEB and ODFW) are sharing costs for the recovery planning efforts. NOAA relied heavily on the coastal coho assessment in their no list decision. Oregon believes that the assessment findings support the no list decision. Oregon plans to continue to develop and implement the recovery plan in that ESU. Monitoring both now and

over the long term will provide important information for this ESU and others as recovery plans are developed.

G. Willamette River Legacy Program Update

Louise Solliday, Governor’s Natural Resources Office, provided Board members with an update on the status of the Governor’s Willamette River Legacy program. She noted several high priority items developed to address the three priority focus areas (Repair, Restore, Recreate) of the Governor’s Program. She provided a report that identified action items, benefits, funding, key partners, the timeline, and targets for performance measures to implement the plan.

H. Oregon Plan State Agency Activities Update

OWEB Board members and staff are requesting each state natural resources agency that receives Measure 66 or PCSRF funds from OWEB to provide presentations on their agency’s activities under the Oregon Plan for Salmon and Watersheds. The following state agency representatives summarized their Oregon Plan activities and were available to answer questions.

Representing the Oregon Department of Agriculture

Director Katy Coba, and ODA staff, Larry Ojua and Ray Jaendl.

Representing the Oregon Department of Fish and Wildlife

Interim Director Roy Elicker, and ODFW staff Bruce McIntosh, Charlie Corrarino, Mario Solazzi, Jim Muck, and Dan Knoll, and Dr. David Noakes from Oregon State University.

At the conclusion of the day’s meeting, an informal reception was held for OWEB Board members, OWEB staff, watershed partners, and local officials. OWEB was pleased to have Representative Alan Brown and many local partners attend the reception.

Oregon Watershed Enhancement Board

January 25, 2006

OWEB Board Meeting

Otter Rock, Oregon

Minutes

OWEB Members Present

Miles Brown
Bobby Brunoe
Dan Carver
Alan Christensen
Dianne Guidry
Dan Heagerty
Jim Nakano
Jane O'Keeffe
Dave Powers
Scott Reed
Patricia Smith
Michael Tehan
Dan Thorndike
Helen Westbrook

OWEB Staff Present

Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Douglass Fitting
Mark Grenbemer
Melissa Leoni
Tom Shafer
Courtney Shaff
Greg Sieglitz
Roger Wood

Others Present

Rachel Felice
Johnny Sundstrom
Dana Hicks
Mark Trenholm
Tom Kaye
Melanie Gisler
Wayne Hoffman
Natalie Henry Bennon
Bruce Taylor
Catherine Macdonald
Nan Evans
Russ Hoeflich
Margaret Nover
Chuck Sams
Paul Siebert
John Moriarty
Mark Stone

Members Not Present

Skip Klarquist
Diane Snyder
Ken Williamson

I. **Deferred Acquisitions**

Public Comment:

- Karlene McCabe, Greenbelt Land Trust, explained timing issues and provided background information on the Luckiamute Conservation Easement purchase, Application No. 205-174.
- Bruce Taylor, Oregon Habitat Joint Venture, supported funding for the Luckiamute Conservation Easement.

Melissa Leoni, Senior Policy Coordinator, briefed Board members on the status of the Luckiamute Conservation Easement (Application No. z205-174) submitted in April 2004, and resubmitted in October 2004. It has been in deferred status pending resolution of the review appraisal with respect to CREP enrollment. Ms. Leoni explained that the easement language had been approved by the Oregon Department of Justice. She also noted that the appraisal was close to being in an acceptable form, and a condition of establishing a firm date to complete the appraisal would encourage rapid action.

Board members unanimously approved allocating up to \$210,000 to the Greenbelt Land Trust to fund the Luckiamute Conservation Easement with the condition that the appraisal be completed and accepted by March 1, 2006.

J. 2005-2007 Capital Funds Spending Plan and Signature Projects

Ken Bierly, Deputy Director, briefed the Board on continued discussions initiated at the September 2005 Board meeting regarding reserving \$7.5 million of the \$41.3 million appropriated by the Legislature in Measure 66 Lottery capital funds and the potential uses of those funds for special or “signature projects.” Staff have identified two proposed partnerships that may warrant future Board consideration for funding with this special reserve of capital funds:

- Partner with the U.S. Forest Service (USFS) and others to fund whole watershed restoration efforts. The potential partnership would focus on 1) addressing geographic priorities, and 2) accelerating and completing priority work in selected whole watersheds.
- Partner with NRCS and the Institute for Applied Ecology on a funding strategy to develop a Wetland Reserve Enhancement Program (WREP) for the Willamette Valley.

Mr. Bierly asked if the Board was interested in staff establishing a separate process or other review steps for “large” projects. The Board did not have a clear sense that such a process was necessary. He also indicated that the reserve capital funding may be necessary to meet application needs that come through the regular grant cycles for this biennium.

K. Restoration Priorities Update

Ken Bierly, Deputy Director, briefly updated Board members on the development of regional priorities for restoration projects. The priorities are intended to be used as guidance by OWEB in the review of grant applications and to help ensure a clear and strategic approach to prioritizing the funding of projects.

A \$500,000 allocation was awarded by the Board in May of 2004 which was reduced by three percent to make available a total of \$485,437. To date, \$259,900 has been expended on regional restoration priority investments in the Willamette, South Coast, Rogue and John Day basins. Staff expect to bring the completed priorities for the Willamette, South Coast, and Rogue basins to the Board this spring. The remaining \$225,537 will be used to complete priorities in the Columbia Basin and the remainder of the state. At the completion of the basin priorities estimated to be around the end of the biennium, staff will propose adoption of administrative rules for implementation of the priorities through the grant application review process.

This was an informational item. No Board action was requested.

L. 2006 Biennial Conference

Roger Wood, Grant Program Manager, briefed Board Members on the funding needs for the 2006 Biennial Conference. Staff estimate that \$45,000 should cover costs associated with management of the conference (\$25,000 for a professional conference planner, \$18,000 for a temporary employee, and \$2,000 for in-house printing). All other conference costs are anticipated to be covered by conference registration and fundraising.

To cover the \$45,000, staff propose to utilize \$37,134.12 from savings in the agency’s Outreach and Education budget to support an in-house communications staff person, in addition to \$7,865.88 that was returned from the 2004 conference.

Board members unanimously approved the \$7,865.88 allocation to support the organization and implementation of OWEB's 2006 Biennial Conference.

M. Board Consideration of Pending Local Innovation Fund Proposals

Public Comment:

- Dana Hicks, Lower Rogue WSC/South Coast WSC, supported funding for Application Nos. 206-386 and 206-387, and was available to answer questions.
- Johnny Sundstrom, Siuslaw Basin Partnership, provided a brief history of the Siuslaw and supported funding for Application No. 206-381.

In September 2005, Board members authorized staff to create the Local Innovation Fund, and reserved \$50,000 in non-capital funding for Phase I project development grants. Allison Hensey, Local Innovation Fund Manager, briefed Board members on the evaluation process for the 24 Local Innovation Fund applications received by the December 1, 2005, deadline. A review panel with expertise in fish and wildlife habitat restoration and protection, community-based economic development, and sustainability, made a funding recommendation to the Director. Do fund applications were prioritized and presented in three categories:

- A. Creation of Market Incentives for Ongoing Watershed Restoration and Protection;
- B. Creation of a Sustainable Family Wage Restoration Workforce; and
- C. Providing a Model for More Sustainable Sand and Gravel Mining.

OWEB staff and the Director worked with the Board Local Innovation Fund Subcommittee (Dan Heagerty and Dianne Guidry) to develop a final staff funding recommendation to the Board. Two funding options were presented. Option One would fund the four projects in the "A. Creation of Market Incentives for Ongoing Restoration" category totaling \$59,020. Option Two recommends all eight projects from each of the three categories for funding totaling \$100,270.

Board members unanimously approved funding Option Two which recommended all eight projects from each of the three categories for a total of up to \$100,000 as follows:

1. The Juniper Group and Central Oregon Intergovernmental Council, Western Juniper Commercialization Study (206-400) \$15,000
2. Mary's River Watershed Council, Healthy Watersheds, Healthy Food (206-389) \$14,520
3. South Coast Watershed Council and The Wetlands Conservancy, Sustainable Cranberry Cultivation and Marketing (206-387 and 206-382) \$14,500
4. Clackamas County Soil and Water Conservation District, Mt. Hood Forest Health and Small Diameter Wood Utilization (206-392) \$15,000
5. Coquille Watershed Association, Model Sustainable Restoration Jobs (206-383) \$8,250
6. Ecosystem Workforce Program, U of O, Developing a High Quality Restoration Industry in the Siuslaw Basin (206-381) \$15,000
7. Lower Rogue Watershed Council, Rogue River Sand and Gravel Industry Estuary Restoration Project (206-386) \$10,000
8. McKenzie Watershed Council, Sand and Gravel Industry Habitat Restoration Incentives (206-391) \$8,000

N. Other Business

There was none.

Local Partners Discussion

The following local partner representatives shared stories about past and current activities and watershed enhancement projects with the Board.

- Wayne Hoffman, MidCoast Watersheds Council
- Kip Wood and Mark Stone, Lincoln SWCD

Having no further business, the meeting was adjourned.



Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board
March 15-16, 2006

Cascade Hall / East Meeting Room
Douglas County Fairgrounds Complex
2110 SW Frear Street
Roseburg, Oregon

*Exit 123 off I-5. See www.co.douglas.or.us/fair for map and directions.

Wednesday, March 15, 2006

Business Meeting - 8:00 a.m.

A. Board Member Comments

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

B. Review and Approval of Minutes

The minutes of the January 24-25, 2006, meeting will be presented for Board approval. *Action item.*

C. Executive Director Update

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

D. Restoration Priorities Update

Ken Bierly, Deputy Director, will update Board members on the program for completion and adoption of basin restoration priorities. *Action item.*

E. Monitoring Report

Greg Sieglitz, Monitoring and Reporting Program Manager, will update Board members on OWEB's effectiveness monitoring program. *Information item.*

F. Public Comment [10:00 a.m.]

This time is reserved for public comment on any matter before the Board. Anyone wishing to speak to the Board is asked to fill out a comment request sheet as early as possible in the morning's proceedings (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly.

G. 2005-2007 Non-Capital Funds Spending Plan Update

Tom Byler, Executive Director, will lead a discussion with Board members on the spending plan for the use of non-capital funds for the 2005-2007 biennium. The Board will be asked to consider revising or authorizing the reservation and allocation of non-capital funds for Oregon Plan support and the following non-capital grant program areas: technical assistance; education and outreach; monitoring and assessment; and local capacity enhancement. *Action item.*

H. Capital Partnership Projects and Use of Capital Reserve

Ken Bierly, Deputy Director, will lead a discussion regarding the potential uses of previously reserved Measure 66 Lottery Capital Funds for special projects. *Action item.*

Tour - 1:00 p.m.

OWEB is working with the Douglas Soil and Water Conservation District and the Partnership for the Umpqua Rivers to prepare a tour of projects in the Myrtle Creek Subbasin. A detailed tour itinerary will be available at the meeting and on our web site (www.oregon.gov/OWEB) prior to the meeting.

Tour participants should meet in the lobby of the Holiday Inn Express (375 W. Harvard Blvd, Roseburg) at 1:00 p.m. The public is invited to attend the tour; however space on OWEB-sponsored transportation may be limited to Board members, agency staff, and individuals making presentations. If you wish to join the tour, be prepared to provide your own transportation in the event that space is unavailable on State vehicles. We plan to return to the Holiday Inn Express by 4:45 p.m.

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 Partnership for the Umpqua Rivers.

5:30 - 6:30 p.m.
Holiday Inn Express
375 W. Harvard Blvd, Roseburg

Thursday, March 16, 2006

Business Meeting - 8:00 a.m.

During the public comment periods (Agenda Items I and K), anyone wishing to speak to the Board is asked to fill out a comment request sheet (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. Only comments pertaining to the specific grant applications will be accepted during these times. The Board will not accept any additional written materials pertaining to pending grant proposals that were not received by agency staff by the March 8, 2006, deadline.

I. Public Comment on Pending Capital Grant Applications [8:00 a.m.]

This time is reserved for public comment on individual capital grant applications to be considered for funding by the Board.

J. Board Consideration of Pending Capital Grant Applications

The Board will consider restoration/acquisition grant applications submitted by the October 24, 2005, application deadline. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

K. Public Comment on Pending Non-Capital Grant Applications [9:30 a.m.]

This time is reserved for public comment on individual non-capital grant applications to be considered for funding by the Board.

L. Board Consideration of Pending Non-Capital Grant Applications

The Board will consider monitoring and education grant applications submitted by the October 24, 2005, application deadline. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

M. Other Business

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

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

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

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

A general public comment period will be held on Wednesday, March 15, 2006, at 10:00 a.m. for any comment before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. Public comment periods for pending grant applications will be held on Thursday, March 16, 2006, at 8:00 a.m. for capital grant applications, and 9:30 a.m. for non-capital grant applications. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). The Board will not accept any additional written materials pertaining to pending grant proposals at that time.

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

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

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

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

Oregon Watershed Enhancement Board Membership

Voting Members

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

Non-voting Members

Representative of Director of Agricultural Extension Service: **Scott Reed**
Representative of U.S. Forest Service: **Alan Christensen**
Representative of U.S. BLM: **Miles Brown**
Representative of U.S. NRCS: **Dianne Guidry**
Representative of U.S. EPA: **Dave Powers**
Representative of NMFS: **Michael Tehan**

Contact Information

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

OWEB Executive Director - Tom Byler

tom.byler@state.or.us

OWEB Assistant to Executive Director and Board - Bonnie Ashford

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

2006-2007 Board Meeting Schedule

2006
January 24-25, 2006 – Otter Rock
March 15-16, 2006 – Roseburg
May 16-17, 2006 – Portland Metro Area
September 19-20, 2006 – Bend

2007
January 24-25, 2007 – Seaside
March 14-15, 2006 – Hillsboro
May 15-16, 2007 – Salem
September 18-19, 2007 – La Grande

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

OWEB Board Tour

Hosted by

Douglas SWCD and Partnership for the Umpqua Rivers

Site 1: Ben Branch Creek culvert replacements (2)

(1:30 pm)

OWEB Fish Passage 2005 #205-163 - \$369,848 (7 culvert replacements total)

- Lower Culvert:
 - Landowner: Gary Brownson
 - Contractor: Seneca Jones TC road crew
 - Installation cost: \$23,800
 - Old pipe: 48" diameter corrugated metal pipe (CMP)
 - New pipe: 128"x83"x48 foot aluminized arch pipe
- Upper Culvert:
 - Landowner: Seneca Jones TC
 - Contractor: Seneca Jones TC road crew
 - Installation Cost: \$33,300
 - Old pipe: 48"x50 foot CMP
 - New pipe: 8 foot open bottom arch with aluminum footing shoes

Stop 2: South Myrtle Ditch and Dam Removal

(2:15 pm)

OWEB #99-303 - \$45,800

- 8 landowners
- 2.5 CFS to 2 ½ mile-long flood irrigation ditch
- 14-foot high wood and steel dam on a concrete apron constructed in 1965 with funding from the Soil Conservation Service (now NRCS)
- Project to remove dam and ditch started in 1999 with landowner at the dam site, Mike Danielle, who was paid to be the project manager
- Took over one year for certified water right examiner to map out and straighten out water rights and to push applications through WRD
- Dam apron was removed, allowing total fish passage
- Electric pumps installed at 8 sites downstream
- Required extensive road boring under county road
- Main lines, hand lines and sprinkler heads purchased with various grant funds
- Total project grant funding was \$192,400 from 7 agencies and organizations
- Landowner contributions, mostly labor, amounted to \$39,400

Stop 3: Weaver Creek Stream Restoration

(3:00 pm)

OWEB Small Grant #07-04-004 - \$10,000

- Landowners: Joe and Margene Clyde
- 50 logs were placed @ 9 sites in September 2005
- Summer 2006 project work: 2,000 feet of riparian fence w/two gates; two off-channel stock water tanks and two hardened crossings

- Landowner contribution (labor): \$12,600
- Other grant funding from Derby and Roseburg District BLM
- Total project cost: \$78,800 (includes log placement on BLM-managed lands upstream)

Stop 4: Lee Creek Culvert Replacement

(3:45 pm)

OWEB Fish Passage – 2003 #204-103 \$ 121,388 (5 culvert replacements total)

- Landowners: Bill and Clem Rice
- County replaced culvert on N. Myrtle road in 2003
- Watershed council replaced a culvert with a bridge on private land in 2004
- Roseburg District BLM replaced two culverts between the county and private culverts in 2005
- 5 miles of anadromous fish habitat was opened for coho and winter steelhead
- Funding for this project was OWEB \$ 15,400; USFWS \$26,100; and Derby \$1,500

Ben Branch Culvert Replacements (2)



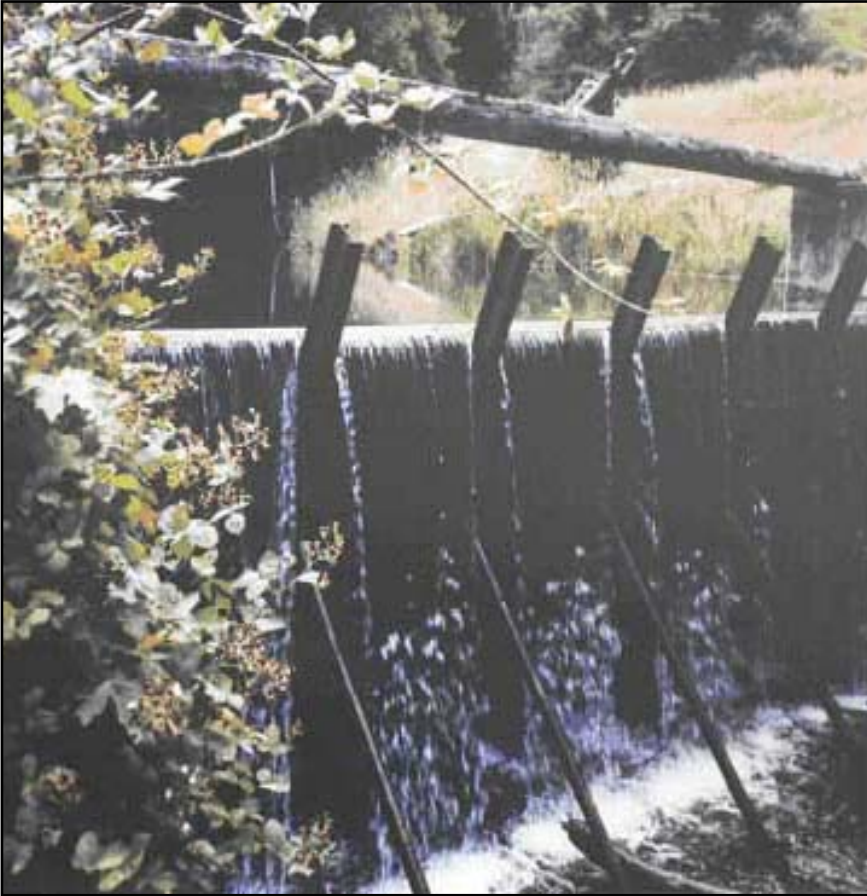
Top: This pre-project photo of the Seneca Jones TC culvert on Ben Branch Creek shows the seven-foot outfall that blocked all fish passage.

Center: Same site as above during high flows after a new, larger culvert was installed. This pipe arch has two-foot wide aluminum feet welded to each side. These feet were covered with concrete slurry and then backfilled with soil and rip rap. Fish can now pass through this culvert which was placed at the stream gradient.



Bottom: This culvert, located on Gary Brownson's property, is shown during the December 2005 flood. Seneca Jones TC road crew installed this pipe and the one pictured above. With a BLM pipe replacement between these two, fish now have access to the entire length of Ben Branch Creek, a tributary to S. Myrtle Cr.

South Myrtle Ditch & Dam Removal



Left: Fourteen-foot high dam filled a 2 ½ mile long gravity flow irrigation ditch. This was replaced with sprinkler irrigation to retain water instream for fish. This project involved seven landowners.

*Right:
Landowner,
Mike
Danielle at
site of the
dam after it
was removed.*



Weaver Creek Stream Restoration

Top: Weaver Creek is a tributary to S. Myrtle Creek. This project is a combination of log placement, fencing, stock water development and construction of two hardened livestock crossings. The log placement was completed in the summer of 2005.



Center: The landowner, Joe Clyde, wanted to do something to improve the fish habitat on his property. Numerous logs were placed under the direction of ODFW biologists. These photos were taken during the December 2005 flood

Bottom: Aside from slowing water velocity, the logs re-direct water onto the flood plain where salmon and trout can get out of the raging torrent. This refuge for fish is lacking in many streams in the Umpqua Basin.



Lee Creek Culvert Replacement



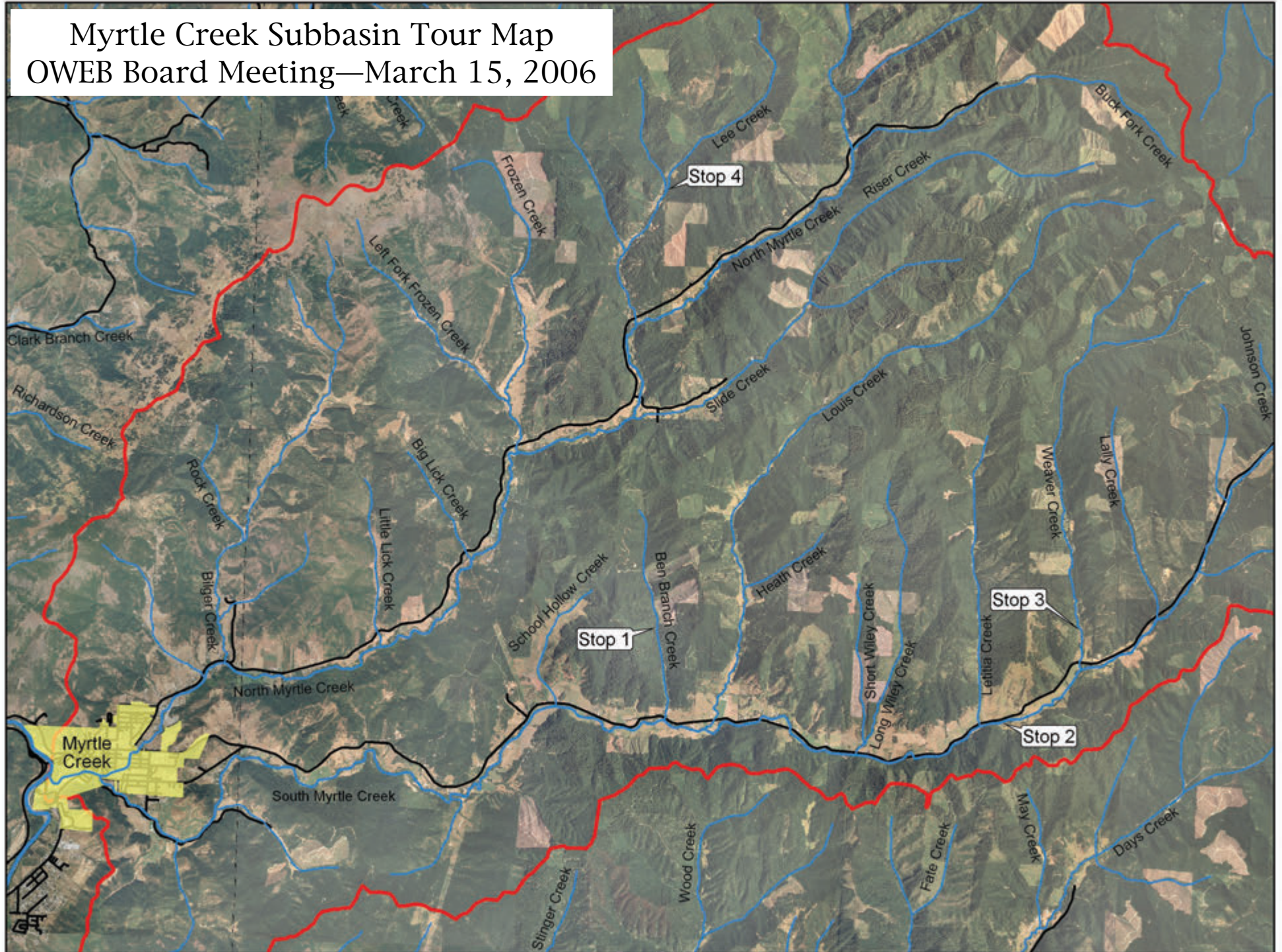
Top: Pre-project view of Lee Creek culverts on Bill and Clem Rice's property. These twin pipes were undersized, rusting out, and were too high in the road bed to allow fish passage.

Center: The council purchased the Morse Bros. bridge with Derby and other grant funding. The Seneca Jones TC road crew installed the bridge in four days.



Bottom: The landowners, Bill & Clem Rice are on the right in the photo. The BLM replaced three other major culverts on Lee Creek as a collaborative effort. Salmon now have unfettered access to over three miles of good fish habitat.

Myrtle Creek Subbasin Tour Map
OWEB Board Meeting—March 15, 2006



February 28, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item D: Restoration Priorities Update
March 15-16, 2006 OWEB Board Meeting**

I. Introduction

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

II. Background

The Board has identified the development of funding priorities as a significant need for project review and evaluation in OWEB's grant program. In September 2002, the Board authorized staff to contract for the facilitation of efforts to develop restoration priorities in two pilot basins. The development of regional restoration priorities also comes from statutory direction. ORS 541.371(c) states that OWEB: "*Shall establish statewide and regional goals and priorities that shall become the basis for funding decisions by the board. In adopting such goals and priorities, the board shall adopt priorities for grant funding based on the Oregon Plan and on measurable goals. In carrying out this function, the board shall consider local economic and social impacts among the criteria.*"

Staff presented to the Board a report on the principles for restoration prioritization in January 2004. The five restoration principles are:

1. Restore Watershed Connectivity Limiting Key Fish and Wildlife Populations;
2. Restore Watershed Processes Impacting the Aquatic System, Water Quality-Limited Streams, and Wildlife Habitat;
3. Restore Key Habitats and Water Quality for ESA-Listed Species;
4. Reduce or Eliminate Human Impacts and Inputs into Watersheds from Land Use Activities in the Basin; and
5. Address the Symptoms of Disturbance that Impact Fish and Wildlife Populations and Water Quality-Limited Streams.

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

III. Status and Approach

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

A final technical product has been completed for the Rogue and Willamette basins. The products include a summary report and a matrix for each basin. Each basin has developed limiting factors matrices for 5th field HUCs. The information in the matrix identifies factors that limit watershed function for each 5th field HUC. The final products for these basins vary as they have been the test basins for restoration priority development. Staff expect future limiting factor matrices to be similar in format to the Willamette Basin.

Attachment A is an example from the Willamette Basin that shows the limiting factors for nine of the watersheds in the basin. Attachment B is an example from the Rogue Basin that shows the limiting factors for the Applegate watershed. In the Rogue Basin, individual watershed information has also been summarized to the basin scale (Attachment B).

Full copies of the Willamette and Rogue Basin Restoration Priorities reports will be available at the Board meeting. Both documents are available online to review:

- Rogue Basin – www.jeffnet.org/~bredikin (62 MB, nine maps, 112 pages)
- Willamette Basin – www.oregon.gov/OWEB (*Willamette Watershed Council Summaries* document and full limiting factors matrix)

IV. Recommendation

Staff request the Board approve the approach and content of the Rogue and Willamette basin regional restoration priorities.

Attachments

- A. Willamette Basin Summary Limiting Factors Matrix Example
- B. Applegate River Watershed Council Limiting Factors Matrix and Limiting Factors Priorities Table
- C. Rogue Basin Restoration Priorities

Willamette Basin Summary Limiting Factors Matrix Example

Watershed	Upland Precipitation Reception and Storage					Other Important Habitats		
	Vegetation Cover	Soil Erosion	Increased Sediment / Water Runoff	Altered Hydrologic Regime	Roads and Impervious Surfaces	Oak Woodland	Grasslands & Oak Savanna	Wetlands & Wet Prairie
1709001106: Lower Clackamas River	moderate impact	moderate impact	moderate impact	moderate impact	moderate impact	Yes	Yes	Yes
1709000303: Calapooia River	low impact	low impact	moderate impact	moderate impact	moderate impact	Yes	Yes	Yes
1709000301: Long Tom River	low impact	low impact	impact unknown	moderate impact	moderate impact	Yes	Yes	Yes
1709001201: Johnson Creek	moderate impact	moderate impact	high impact	moderate impact	high impact	Yes	Yes	Yes
1709000305: Marys River	moderate impact	moderate impact	moderate impact	moderate impact	moderate impact	Yes	Yes	Yes
1709000304: Oak Creek	moderate impact	moderate impact	moderate impact	moderate impact	moderate impact	Yes	Yes	Yes
1709000806: North Yamhill River	moderate impact	high impact	high impact	high impact	moderate impact	Yes	Yes	Yes
1709000603: South Santiam River	moderate impact	moderate impact	moderate impact	moderate impact	moderate impact	No	No	Yes
1709000601: Middle Santiam River	moderate impact	high impact	high impact	high impact	high impact	No	No	No

Watershed	Terrestrial / Upland Habitats						
	Habitat Fragmentation / Connectivity	Altered Disturbance Regime	Habitat Loss	Changes in Plant and Animal Species Composition	Invasive Terrestrial Species	Domestic Animal Impacts	Altered Habitat Structure
1709001106: Lower Clackamas River	high impact	high impact	high impact	high impact	high impact	moderate impact	high impact
1709000303: Calapooia River	high impact	high impact	high impact	moderate impact	high impact	moderate impact	moderate impact
1709000301: Long Tom River	high impact	high impact	high impact	high impact	high impact	moderate impact	high impact
1709001201: Johnson Creek	moderate impact	low impact	high impact	low impact	high impact	moderate impact	moderate impact
1709000305: Marys River	high impact	high impact	high impact	high impact	high impact	low impact	high impact
1709000304: Oak Creek	high impact	moderate impact	high impact	moderate impact	high impact	high impact	high impact
1709000806: North Yamhill River	moderate impact	moderate impact	high impact	high impact	high impact	moderate impact	moderate impact
1709000603: South Santiam River	high impact	high impact	high impact	moderate impact	low impact	low impact	high impact
1709000601: Middle Santiam River	moderate impact	moderate impact	moderate impact	moderate impact	low impact	low impact	moderate impact

Watershed	Riparian / Floodplain Habitats								
	Habitat Fragmentation / Connectivity	Loss of Shade / Cover	Altered Floodplain Structure	Altered Channel Structure	Altered Hydrologic / Disturbance Regime	Changes in Species Composition	Domestic Animal Impacts	Altered Habitat Structure	Invasive Species
1709001106: Lower Clackamas River	high impact	high impact	high impact	high impact	high impact	high impact	moderate impact	high impact	high impact
1709000303: Calapooia River	high impact	high impact	moderate impact	moderate impact	low impact	moderate impact	moderate impact	moderate impact	high impact
1709000301: Long Tom River	high impact	high impact	high impact	high impact	high impact	high impact	high impact	high impact	high impact
1709001201: Johnson Creek	high impact	high impact	high impact	high impact	moderate impact	moderate impact	moderate impact	moderate impact	high impact
1709000305: Marys River	high impact	moderate impact	high impact	moderate impact	high impact	moderate impact	moderate impact	moderate impact	moderate impact
1709000304: Oak Creek	high impact	high impact	high impact	high impact	moderate impact	moderate impact	moderate impact	high impact	high impact
1709000806: North Yamhill River	high impact	high impact	moderate impact	moderate impact	high impact	high impact	moderate impact	moderate impact	high impact
1709000603: South Santiam River	high impact	moderate impact	high impact	high impact	high impact	moderate impact	low impact	moderate impact	low impact
1709000601: Middle Santiam River	moderate impact	low impact	moderate impact	moderate impact	moderate impact	low impact	low impact	moderate impact	low impact

Willamette Basin Summary Limiting Factors Matrix Example (cont)

Watershed	Aquatic / Channel Habitats I								
	Habitat Fragmentation / Connectivity / Fish Passage	Altered Disturbance Regime	Changes in Species Composition	Invasive Aquatic Species	Domestic Animal Impacts	Altered Habitat Complexity	Inputs of Bacteria	Altered Thermal Regime	Limited In-Channel Wood
1709001106: Lower Clackamas River	high impact	high impact	moderate impact	high impact	moderate impact	high impact	moderate impact	moderate impact	high impact
1709000303: Calapooia River	high impact	low impact	moderate impact	high impact	moderate impact	high impact	moderate impact	high impact	high impact
1709000301: Long Tom River	high impact	high impact	impact unknown	high impact	moderate impact	high impact	high impact	high impact	high impact
1709001201: Johnson Creek	moderate impact	moderate impact	low impact	low impact	moderate impact	high impact	high impact	high impact	high impact
1709000305: Marys River	moderate impact	moderate impact	moderate impact	moderate impact	moderate impact	moderate impact	moderate impact	high impact	moderate impact
1709000304: Oak Creek	high impact	moderate impact	moderate impact	high impact	moderate impact	high impact	high impact	high impact	high impact
1709000806: North Yamhill River	high impact	high impact	moderate impact	moderate impact	low impact	high impact	high impact	high impact	high impact
1709000603: South Santiam River	moderate impact	high impact	moderate impact	moderate impact	low impact	high impact	low impact	impact unknown	high impact
1709000601: Middle Santiam River	low impact	moderate impact	low impact	low impact	low impact	moderate impact	low impact	low impact	moderate impact

Watershed	Aquatic / Channel Habitats II					
	Inputs of Pesticides / Toxins	Floodplain Connection	Excessive Inputs of Nutrients	Altered Hydrologic Regime	Altered Sediment Regime / Excessive Inputs	Instream Flow
1709001106: Lower Clackamas River	moderate impact	high impact	moderate impact	moderate impact	moderate impact	moderate impact
1709000303: Calapooia River	low impact	moderate impact	low impact	low impact	moderate impact	high impact
1709000301: Long Tom River	impact unknown	high impact	moderate impact	high impact	moderate impact	impact unknown
1709001201: Johnson Creek	high impact	high impact	high impact	high impact	high impact	high impact
1709000305: Marys River	moderate impact	high impact	moderate impact	high impact	moderate impact	high impact
1709000304: Oak Creek	high impact	high impact	moderate impact	moderate impact	moderate impact	high impact
1709000806: North Yamhill River	impact unknown	moderate impact	impact unknown	high impact	high impact	high impact
1709000603: South Santiam River	low impact	high impact	low impact	high impact	moderate impact	moderate impact
1709000601: Middle Santiam River	low impact	moderate impact	low impact	moderate impact	high impact	low impact

Watershed	Wetland Habitats							
	Habitat Fragmentation / Connectivity	Habitat Loss	Altered Hydrologic Regime	Domestic Animal Impacts	Altered Species Composition	Invasive Species	Altered Soil Condition / Compaction / Fill	Floodplain Connection
1709001106: Lower Clackamas River	high impact	high impact	high impact	moderate impact	moderate impact	high impact	moderate impact	high impact
1709000303: Calapooia River	high impact	high impact	high impact	moderate impact	moderate impact	high impact	moderate impact	moderate impact
1709000301: Long Tom River	high impact	high impact	high impact	moderate impact	high impact	high impact	high impact	high impact
1709001201: Johnson Creek	high impact	high impact	high impact	moderate impact	moderate impact	high impact	high impact	high impact
1709000305: Marys River	high impact	moderate impact	high impact	moderate impact	high impact	moderate impact	moderate impact	high impact
1709000304: Oak Creek	moderate impact	high impact	high impact	high impact	moderate impact	high impact	moderate impact	moderate impact
1709000806: North Yamhill River	high impact	high impact	high impact	high impact	high impact	high impact	impact unknown	high impact
1709000603: South Santiam River	moderate impact	moderate impact	moderate impact	moderate impact	moderate impact	moderate impact	moderate impact	moderate impact
1709000601: Middle Santiam River	impact unknown	impact unknown	impact unknown	impact unknown	impact unknown	impact unknown	impact unknown	impact unknown

Applegate River Watershed Council Limiting Factors Matrix and Limiting Factors Priorities Table

APPLEGATE WATERSHED COUNCIL AREA Watershed Health Factors Matrix																					
GEOGRAPHIC DELINIATION		Instream Water Quality					Instream Habitat						Upland (Hydrologic Function)					RIPARIAN			
Representative Stream	Temperature	Chemistry	Sediment	Quantity	Wood	Gravel	Pool	Str	Complexity	Barriers	Channel Mod	Representative Stream	Wood Source	UpVegCov	Seral Stg	Fire Risk	Dveipmnt	Roads	Inv Speci	Rip Shade	Wetld
Applegate River, Lower	limit	ade	limit	mod	ade	ade	mod	ade		mod	limit	Applegate River, Lower	limit	ade	limit	limit	mod	limit	nd	ade	nd
Applegate River, Middle	limit	ade	limit	mod	limit	ade	ade	limit		ade	limit	Applegate River, Middle	limit	ade	limit	limit	mod	limit	nd	ade	nd
Applegate River, Upper	limit	ade	ade	mod	limit	ade	ade	mod		limit	limit	Applegate River, Upper	mod	ade	limit	limit	ade	limit	nd	mod	nd
Carberry Creek	ade	ade	limit	mod	mod	limit	mod	limit		ade	limit	Carberry Creek	limit	ade	limit	limit	ade	limit	nd	ade	nd
Cheney Creek	ade	ade	mod	limit	limit	ade	ade	ade		limit	ade	Cheney Creek	mod	ade	limit	limit	mod	limit	nd	ade	nd
Forest Creek	limit	limit	limit	limit	limit	ade	ade	limit		ade	limit	Forest Creek	limit	ade	limit	limit	ade	limit	nd	mod	nd
Little Applegate River	limit	ade	limit	limit	limit	ade	ade	limit		limit	limit	Little Applegate River	mod	ade	limit	limit	ade	mod	nd	mod	nd
Murphy Creek	mod	ade	ade	limit	limit	ade	ade	limit		mod	limit	Murphy Creek	mod	ade	limit	limit	mod	limit	nd	ade	nd
Slate Creek	limit	mod	limit	limit	limit	ade	ade	mod		limit	ade	Slate Creek	mod	ade	limit	limit	ade	limit	nd	mod	nd
Thompson Creek	limit	limit	mod	limit	limit	ade	ade	limit		mod	limit	Thompson Creek	mod	ade	limit	limit	mod	limit	nd	ade	nd
Williams Creek	limit	limit	mod	limit	limit	ade	ade	mod		mod	limit	Williams Creek	mod	ade	limit	limit	mod	limit	nd	ade	nd

Limiting (limit): the watershed health factor is unhealthy and a significant amount of restoration activities are needed to improve watershed conditions.
 Moderate (mod): the watershed health factor is lower than desired and moderate to significant levels of restoration activities are needed to improve existing conditions.
 Adequate (ade): the watershed health factor is robust and minimal restoration activities are needed to maintain existing condition.

LIMITING FACTORS PRIORITIES TABLE							
Aquatic Priorities				Terrestrial Priorities			
Representative stream	One	Two	Three	Representative stream	One	Two	Three
Applegate River, Lower	Temperature,Sediment	Modification	Quan,Pool Riffle Ratio,Barr	Applegate River, Lower	Rds,Riparian Shade	Seral Stage, Fire	Wood S
Applegate River, Middle	Temperature,Wood Source	Sed,Stream Complexity,Mod	Water Quan	Applegate River, Middle	Rds,Riparian Shade	Seral Stage, Fire	Wood S
Applegate River, Upper	Temp,Wood Source,Barrier	Modification	Water Quan,Comp	Applegate River, Upper	Rds,Riparian Shade	Seral Stage, Fire	
Carberry Creek	Sediment,Gravel,	Strm Complexity,Mod,Wtr Quan	Wood Source,Pool Riffle Ratio	Carberry Creek	Rds,Riparian Shade	Seral Stage, Fire	Wood S
Cheney Creek	Water Quantity	Wood	Sediment,Barrier	Cheney Creek	Rds,Riparian Shade	Seral Stage, Fire	
Forest Creek	Temp,Chem,Sed,Water Qual,Wood	Stream Complexity,Mod		Forest Creek	Rds,Riparian Shade	Seral Stage, Fire	Wood S
Little Applegate River	Sed,Temp,Water Quan,Wood Source	Stream Complexity,Barr	Modification	Little Applegate River	Rds,Riparian Shade	Seral Stage, Fire	
Murphy Creek	Water Quantity	Wood,Stream Complexity,Mod	Temperature,Barrier	Murphy Creek	Rds,Riparian Shade	Seral Stage, Fire	
Slate Creek	Temp,Wood,Barr,Water Quan	Sediment	Chem,Stream Complexity,Mod	Slate Creek	Rds,Riparian Shade	Seral Stage, Fire	
Thompson Creek	Temp,Chem,Water Quantity	Wood,Stream Complexity,Mod	Sediment,Barrier	Thompson Creek	Rds,Riparian Shade	Seral Stage, Fire	
Williams Creek	Temp,Chem,Water Quantity	Wood Source,Modification	Sed,Stream Complexity,Barr	Williams Creek	Rds,Riparian Shade	Seral Stage, Fire	
WCA Summary	Temp, Sed, Wood, Water Quantity	Modification, Stream Complexity	Grav, Barr, Chem, Pool Riffle Ratio	WCA Summary	Rds,Riparian Shade	Seral Stage, Fire	Wood S

Rogue Basin Restoration Priorities

Watershed Council Area's Terrestrial Priorities Summaries

Watershed Council Area's Terrestrial Priorities Summaries			
	One	Two	Three
Applegate River			
	Seral Stage, Fire Risk	Roads, Shade	Wood Source
Bear Creek			
	Seral Stage, Fire Risk, Wood Source	Development, Shade	
Illinois Valley			
	Seral Stage, Fire Risk, Roads	Wood Source, Shade	
Lower Rogue			
	Seral Stage, Roads	Wood Source	
Little Butte Creek			
	Roads, Seral Stage,	Fire Risk, Wood Source	
Middle Rogue			
	Fire Risk, Roads, Seral Stage	Wood Source, Development	
Seven Basins			
	Fire Risk, Roads, Seral Stage	Wood Source, Development	
Upper Rogue			
	Fire Risk, Roads, Seral Stage	Wood Source, Shade	

Rogue Basin Restoration Priorities

Watershed Council Area's Aquatic Priorities Summaries

Watershed Council Area's Aquatic Priorities Summaries			
WCA	One	Two	Three
Applegate River			
	Temperature, Sediment, Large Wood, Water Quantity	Channel Modification, Stream Complexity	Gravel, Barriers, Chemistry, Pool/Riffle
Bear Creek			
	Temperature, Chemistry, Large Wood, Water Quantity, Channel Modification	Sediment, Stream Complexity, Barriers	Gravel, Pool/Riffle
Illinois Valley			
	Temperature, Sediment, Large Wood, Water Quantity	Channel Modification, Stream Complexity, Barriers	Chemistry, Pool/Riffle
Lower Rogue			
	Temperature, Water Quantity	Chemistry, Stream Complexity, Sediment, Large Wood	Channel Modification
Little Butte Creek			
	Temperature, Sediment, Chemistry, Water Quantity	Channel Modification, Stream Complexity, Pool/Riffle, Large Wood	Gravel, Barriers
Middle Rogue			
	Temperature, Water Quantity,	Channel Modification, Stream Complexity, Sediment, Large Wood	Gravel, Barriers, Chemistry
Seven Basins			
	Temperature, Water Quantity	Channel Modification, Stream Complexity, Sediment, Large Wood, Pool/Riffle	Gravel, Barriers, Chemistry
Upper Rogue			
	Temperature, Water Quantity, Barriers	Channel Modification, Stream Complexity, Sediment, Pool/Riffle, Large Wood	Gravel

February 27, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager

**SUBJECT: Agenda Item E: Monitoring Report
Effectiveness Monitoring Program
March 15-16, 2006 OWEB Board Meeting**

I. Introduction

This staff report provides an overview of the effectiveness monitoring program activities that have taken place between September 2005 and March 2006.

II. Background

In September 2004, the Board approved an implementation plan for the effectiveness monitoring program. This program is designed to fulfill specific needs identified within the Monitoring Strategy of the Oregon Plan for Salmon and Watersheds. The Monitoring and Reporting Program staff are making progress on a number of fronts, specifically, western juniper removal projects, Pacific Coastal Salmon Recovery Fund reporting, and the effectiveness monitoring workshop.

III. Update on Activities

A. Western Juniper Removal Project Evaluation

Western juniper has been rapidly expanding over the last 130 years and is negatively affecting the ecological functions of the landscape including plant diversity, hydrology, nutrient cycling, and energy flow (Barrett 2004¹, Miller *et al.* 2005²). Documented watershed benefits from the removal of western juniper include reduced soil erosion, increased infiltration of water, improved plant diversity, an increase in forage production and positive impacts on water yield. Success or failure of a project is often determined through one or a combination of the following; 1) site selection, 2) method of removal, and 3) follow-up management. Staff will provide some observations, opportunities, and suggestions regarding programmatic management of juniper restoration projects at the Board meeting.

B. Pacific Coastal Salmon Recovery Fund (PCSRF) Reporting

Several milestones were passed with OWEB's reporting function since the last update given to the Board in September of 2005. In November, the Performance Analyst and Reporting Specialist was hired to be the lead technical contact for the National Marine Fisheries Service

¹ Barrett, R. H. J. 2005. Draft Effectiveness Monitoring - Western Juniper: A Summary of Findings. CSR Natural Resources Consulting, Inc

² Miller, R., F., J. D. Bates, T. J. Svejcar, F. B. Pierson, and L. E. Eddleman. 2005. Biology, ecology, and management of western juniper (*Juniperus occidentalis*). Technical Bulletin 152, Oregon State University, Corvallis, Oregon.

(NMFS) staff that compile data and information for the PCSRF expenditures each year. Becky Miller, who previously worked on 2004 updates to the OWEB restoration database, was hired to fulfill this role. Staff provided several updates to the PCSRF database as required under the new federal annual and quarterly reporting requirements.

1. **November 2005** - Annual report: data “up-load” to PCSRF database. Included several databases including the small grants, maps, and further details about recently initiated projects.
2. **December 2005** - Conducted an analysis of data sent to NMFS regarding other Oregon Plan agency expenditures, provided explanatory information and updated NMFS database.
3. **January 2006** - First quarterly update following new requirements. Sent several databases and worked with NMFS staff in preparation of the draft 2006 Report to Congress.
4. **February 2006** - Provided Oregon stories for the 2006 Report to Congress and edited PCSRF database.

Staff have developed some new tools to assist in the reporting functions of the agency. Specifically, staff developed a form to capture more information on incoming grant applications that allows for more robust data collection and greater detail for reports to NMFS. This form, and work with the Fiscal Program staff on database modifications, also allows OWEB more information about projects when they are initially proposed for funding. This information will be housed in the OWEB databases and will be available to regional staff and their review teams.

C. Effectiveness Monitoring Workshop

OWEB has enlisted the help of the Independent Multidisciplinary Science Team (IMST) in order to develop a credible, robust and inclusive strategy to evaluate implementation under the Oregon Plan. This strategy could include recommendations on the types of projects, collections of project types, or large scale assessments (i.e., the coho assessment) to implement.

A workshop format was selected as the starting point for this initiative. OWEB staff have been working with a planning team comprised of members of the Oregon Department of Environmental Quality, The Nature Conservancy, and watershed councils for several months. The planning team is meeting on a weekly basis to develop an agenda, plan workshop activities, and develop outreach materials. We are also developing a set of questions that workshop participants will answer under the guidance of a facilitator during the workshop. The answers to these questions will provide the IMST guidance in the development of an effectiveness monitoring framework for OWEB. In addition, OWEB staff have been contacting watershed councils and SWCDs as well as scientists and agency representatives to invite them to participate in the workshop. The response has been very positive, and many people are looking forward to the opportunity to discuss effectiveness monitoring. The workshop will be held at the LaSells Stewart Center in Corvallis on April 18 and 19, 2006.

IV. Recommendation

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

March 2, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

**SUBJECT: Agenda Item G: Non-Capital Funds Spending Plan Update
March 15-16, 2006 OWEB Board Meeting**

I. Introduction

This report provides an update on board discussions regarding the potential use of non-capital funds. During meetings in September 2005 and January 2006, the Board made a series of funding decisions to allocate and reserve non-capital funds for a variety of purposes. This report continues those discussions.

II. Background

A. 2005-2007 Legislatively Adopted Budget

The 2005-2007 Legislatively Adopted Budget for OWEB includes \$4.35 million [\$1.55 million of Measure 66 Lottery Funds and \$2.8 million of federal Pacific Coastal Salmon Recovery Funds (PCSRF)] available to be allocated by the Board for non-capital grant purposes. Non-capital funds are used to fund an assortment of needs that capital funds cannot support. These include technical assistance, education and outreach, monitoring and assessment, watershed council support, and agency efforts related to the Oregon Plan for Salmon and Watersheds. Non-capital funds may be distributed through the competitive grant process or by direct allocation by the Board.

Measure 66 non-capital funds may be used for a wide variety of purposes that further the goals of improving water quality, recovering fish and wildlife, and enhancing watershed health. The criteria for use of PCSRF funds are focused on recovery planning or for recovery and restoration of salmon or steelhead.

B. The Current Spending Plan

At the September and January Board meetings, staff proposed a non-capital spending plan that emphasized local capacity support by targeting Board investments to support the actions of local watershed groups -- watershed councils, soil and water conservation districts, and other local partners. The plan included the allocation and reserve of funds to directly supplement the operations budgets for councils and districts, to support significant investments for technical assistance grants, and for local involvement in recovery planning.

Of the \$4.35 million legislatively allocated to OWEB's non-capital program, \$2,684,380 was allocated by the Board to specific purposes at the September and January meetings. This leaves \$1,665,620 in non-capital funds until the 2006 PCSRF funds are available. The Board reserved the remaining funds for specified potential uses. Attachment A sets out the allocations and reserves of these funds to date by program category. An update on the status of those funding needs follows in Section III of this report.

C. Status of Federal Fiscal Year 2006 PCSRF Funds

Staff anticipate OWEB will receive approximately \$4.1 million in 2006 PCSRF funds. This is a significant decrease in funding compared to previous years. OWEB must seek legislative approval to apply for and expend the funds. If all approvals are secured, these funds may become available this summer. Attachment B contains the proposed reservation of PCSRF funds as discussed at the January Board meeting. Staff recommend no changes to the proposed distribution at this time.

III. Current Status and Preliminary Recommendations

The following section provides updates on several non-capital program elements.

A. Local Capacity

At the January 2006 meeting, the Board reserved \$290,620 to further support the capacity needs of local conservation groups that regularly partner with OWEB. During the meeting, the Board was briefed about a potential collaboration between OWEB, the Oregon Department of Agriculture, the Oregon Association of Conservation Districts and the Network of Oregon Watershed Councils. The collaboration is intended to strengthen public understanding of the importance of watershed councils and soil and water conservation districts in enhancing, restoring, and maintaining watershed health in a manner that benefits their local communities and economies. A work group of representatives from the aforementioned entities have met twice since the January meeting to discuss and develop a plan of action for this effort.

At the time of writing this report, council and district representatives are developing a work plan and budget needed to carry out the collaborative effort. The Board may be presented with a work plan and specific funding request at the March meeting.

B. Oregon Plan Products

At the January meeting, the Board reserved \$375,000 to support Oregon Department of Fish and Wildlife (ODFW) monitoring of fish and wildlife habitat on the Lower Columbia River. These funds would allow ODFW to continue monitoring activities in this area for the remainder of the biennium.

Staff continue to recommend funding this monitoring activity as it supports the Oregon Plan for Salmon and Watersheds by increasing our understanding of the status of fish and wildlife in the Lower Columbia River. Staff anticipate requesting action on this item at the May 2006 Board meeting.

C. Education Grants

The Board has reserved \$500,000 in non-capital funds to support education grant applications that will be considered for funding as part of Agenda Item L. More detail on the education grant offering can be found in that report.

No action associated with this report is requested of the Board. The Board will be asked to fund education grant applications in Agenda Item L.

D. Monitoring Grants

The Board reserved \$500,000 in non-capital funds to support monitoring grant applications that will be considered for funding as part of Agenda Item L. More information on the monitoring grant offering is contained in that report.

No action associated with this report is requested of the Board. The Board will be asked to fund monitoring grant applications in Agenda Item L.

E. Additional Funds

During previous discussions regarding the non-capital spending plan, Board members expressed concern over the lack of funds to meet all the needs for the different program elements. In response to this concern, staff committed to determine if additional non-capital resources are available. Staff looked at the amount of funding available through the “recapture” of previously granted funds that are unspent. These funds are unspent either because a grant is completed under budget or because the need for the funds changed before the funds were used.

Staff have identified a total of \$758,965 in recaptured non-capital funds. The majority of these are unspent funds that have come back to OWEB from previously awarded grants, some of which date back to 2000-2001. Of the total recaptured funds, \$125,000 remains from a \$150,000 reservation by the Board in September 2003 to assist watershed councils with the audit and bonding requirements of the 2003-2005 council support grant agreements. In September 2004, the Board only allocated a portion of those funds towards watershed council bonding, as staff had determined subsequent to the original reservation that the risk of fiscal mismanagement was low due to the strength of OWEB’s grant administration. Staff expect more recaptured funds to accrue over time as grants are completed.

Staff recommend the Board reserve \$299,225 of recaptured non-capital funds, including the \$125,000 previously reserved to council audit and bonding, to more fully fund the education and monitoring grant applications recommended in Agenda Item L. The remaining \$459,740 will be available for use in future grant cycles.

IV. Recommendation

Staff recommend the Board reserve \$299,225 of recaptured non-capital funds, including the \$125,000 previously reserved for council audit and bonding, to more fully fund the education and monitoring grant applications recommended in Agenda Item L.

Attachments

- A. 2005-2007 Legislatively Adopted Budget Spending Plan
- B. FFY 2006 Pacific Coastal Salmon Recovery Funds Proposed Allocation

ATTACHMENT A**2005-2007 Legislatively Approved
Non-Capital Funds Spending Plan**

Program Element	Sept 2005 Allocated	Jan 2006 Allocation	Jan 2006 Reservation	Total
Local Capacity	\$561,000	\$175,000	\$290,620	\$1,026,620
Technical Assistance	\$1,000,000	\$0	\$0	\$1,000,000
Recovery Planning	\$200,000	\$0	\$0	\$200,000
Monitoring Grants	\$0	\$0	\$500,000	\$500,000
Oregon Plan Monitoring	\$0	\$448,380	\$0	\$448,380
Watershed Assessment	\$0	\$0	\$0	\$0
Agency Outreach	\$150,000	\$0	\$0	\$150,000
Ed/Training Opportunities	\$50,000	\$0	\$0	\$50,000
"Knowledge" Grants	\$0	\$0	\$500,000	\$500,000
Sustainability	\$0	\$100,000	\$0	\$100,000
Oregon Plan Products	\$0	\$0	\$375,000	\$375,000
Regional Priorities	\$0	\$0	\$0	\$0
TOTALS	\$1,961,000	\$723,380	\$1,665,620	\$4,350,000

**2006 Pacific Coastal Salmon Recovery Funds
Proposed Spending Plan**

Program Element	FFY 2006 PCSRF
Technical Assistance	\$1,000,000
Recovery Planning	\$600,000
Monitoring Grants	\$750,000
Oregon Plan Monitoring	\$110,000
Watershed Assessment	\$450,000
Education Grants	\$500,000
Oregon Plan Products	\$690,000
Total	\$4,100,000

March 3, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item H: 2005-2007 Capital Partnership Projects and Use of Capital Reserves
March 15-16, 2006 OWEB Board Meeting**

I. Introduction

This report continues the Board discussion regarding the potential uses of Measure 66 Lottery Capital Funds for special or “signature” projects at the September 2005 and January 2006 meetings. This report describes the current demand for these funds and requests a specific allocation for two partnership projects and three capital projects described in Agenda Item J.

II. Background

The 2005-2007 Legislatively Adopted Budget for OWEB includes \$41.3 million of Measure 66 Lottery Funds to be allocated by the Board for capital grant purposes. At the September 2005 meeting, the Board considered reserving the majority of capital funds (\$30 million) to be allocated through the four regular competitive grant cycles for restoration and acquisition projects. In addition, staff recommended that an additional \$7.5 million of capital funds be reserved to be used for special projects that are large-scale or regional in scope, or involve partnerships that do not conveniently fit within the regular OWEB grant process.

Based on discussions at the January 2006 Board meeting staff have limited further partnership discussions to the two partnerships described in the January 2006 staff report. Staff have also identified four significant restoration and acquisition grants submitted in the October 2005 grant cycle that fit the criteria discussed in September 2005.

III. Proposed Partnerships

Two potential partnership opportunities were presented to the Board in January 2006. One opportunity is to partner with the USDA Forest Service (USFS) to conduct “whole watershed restoration” efforts. The other proposed partnership is with the U.S. Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) and the Institute of Applied Ecology to improve wetland restoration sites in the Willamette Valley. Each opportunity involves an investment of OWEB capital funds that would be matched with other funds to complete restoration efforts at a more comprehensive watershed scale.

A. USFS Partnership

Staff have worked with the USFS and other partners to develop a process to fund whole watershed restoration efforts that focuses on 1) addressing geographic priorities, and 2) accelerating and completing priority work in selected whole watersheds. Attachment A includes an overall description of the proposal and implementation information for 2006.

The proposed partnership would involve the pooling of OWEB and USFS funding sources and would serve as “seed funding” for high priority projects that will be further leveraged at the local level to complete the most-needed work in these watersheds. OWEB funds would allow work on private lands within watersheds comprised of both public and private lands. Immediate priorities are the Middle and North Fork John Day, North Fork Umpqua, South and Mid Coast drainages, and Lower Columbia watersheds.

Funds for this partnership would be administered by an independent non-governmental organization. OWEB funding requirements will be included as a condition of the interagency agreement developed as a result of this partnership. OWEB would receive a final report accounting for the funds and recognition as a major funder for projects implemented.

This proposed partnership could be initiated with \$500,000 of capital funds from OWEB. The partnership could involve a funding commitment of another \$1.0 million in capital funds next biennium. The results of this biennium’s funding would be presented to the Board at the time the future request would be considered.

B. NRCS Partnership

Staff have worked with NRCS and the Institute for Applied Ecology on a funding strategy to develop a Wetland Reserve Enhancement Program (WREP) for the Willamette Valley. (Attachment B) Under this proposal, OWEB funding would match NRCS funding to enhance plant species diversity and habitat values for wetland-dependent species on 12 Willamette Valley Wetland Reserve Program (WRP) projects by adding native species in appropriate areas. The project would enhance 595 acres enrolled in WRP in Yamhill, Polk, Benton, and Lane counties and contribute to listed plant species recovery. OWEB funds would be used specifically to implement native plant establishment on these WRP sites.

NRCS has committed the funds for the Willamette Valley WREP. OWEB funds could be used to match the federal funds of \$412,000 and another match of \$130,000. This proposed partnership requests \$250,000 of capital funds from OWEB for this project. OWEB funds used for the WREP will be required to meet Measure 66 “capital” funds requirements.

IV. Significant Restoration Projects Received in this Grant Cycle

Three significant projects have been received and reviewed by OWEB’s Regional Review Teams (RRTs). These projects if funded from the regular grant cycle budget or through regional allocations would significantly reduce the funding available for other worthy restoration projects. The three projects are z206-289, Diamond Lake Restoration; z206-290, Gold Hill Dam Removal and Restoration; and z206-328, Wetland Restoration Williamson River.

Using \$2,571,778 of reserved capital funds to cover all or a portion of the total cost of these projects will allow the Board to fund all the restoration projects recommended by the RRTs. Each of these three projects is highly recommended by their respective RRT. Use of the

reserved capital funds would allow these projects to go forward without significantly affecting the funding available to other projects this grant cycle. Staff will ask the Board to consider allocating \$2,571,778 of the reserved capital funds towards projects z206-289, z206-290, and z206-328 in Agenda Item J.

V. Recommendation

Staff recommend that the Board allocate \$750,000 of the reserved capital funds to the two proposed partnerships (\$500,000 with the U.S. Forest Service and \$250,000 with the Institute for Applied Ecology).

Attachments

- A. Pacific Northwest Whole Watershed Restoration Venture Partnership Proposal & 2006 Implementation
- B. NRCS WREP proposal

**Pacific Northwest Whole Watershed Restoration Venture Partnership
Proposal to the Oregon Watershed Enhancement Board**

Goals: Focus collaborative funding to accelerate completion of whole watershed restoration in priority basins and to recover key habitats for Pacific salmon and trout in Oregon and Washington.

Overview: Leverage OWEB funds (\$500,000 per year for 3 years) with Forest Service Venture Fund grant (approximately \$300,000 per year for three years) plus funding from other partners and stakeholders to accelerate completion of highest priority work in focus watersheds (to be determined). Participating agencies and non-governmental organizations include Ecotrust, Wolfree, Oregon Trout, National Fish and Wildlife Foundation, and BLM (other potential partners include NOAA, USFWS and SRFBD.) Grant funds would be awarded to and administered by Ecotrust, who is facilitating the process for selection of watersheds and projects by Venture Fund participants. Ecotrust will market the work of the partnership to recruit new members and produce annual accomplishment reports.

Background: For the past two decades the US Forest Service, Pacific Northwest Region (“the Region”), along with many partners, has implemented a large, comprehensive watershed restoration program to benefit aquatic resources, particularly Pacific salmon, native trout and water quality. After nearly ten years of implementation, the most efficient approach, resulting in the greatest resource benefits, is to work collaboratively to focus and integrate treatments for priority watersheds. This work is done by cooperatively identifying focus watersheds and applying treatments that address core problems. This approach integrates landscape-scale treatments, and sets these watersheds on a trajectory for natural recovery of aquatic resources and watershed conditions. Over 20 examples of this “whole watershed restoration” have been completed to date in the Region. A recent publication “Ridge Top to Valley Bottom, Restoring Whole Watersheds” summarizes these accomplishments.

The Region is committed to expand these accomplishments. This Venture fund is an exciting new partnership for collaborative action in priority basins. In FY 05, a pilot effort was initiated, with \$240,000 of Forest Service funding applied in the States of Oregon and Washington. In Oregon, \$150,000 of in-kind and matching FS funds were leveraged with \$224,000 from OWEB and OR Trout to complete high priority work in the Middle Fork John Day, North Fork Umpqua, Alsea and Sandy River sub-basins. Based on the initial success of this program, the Forest Service is expanding its investment in FY 06, combined with partner resources to provide “venture capital” for investment in restoration of important watersheds. It appears to be an excellent time to continue and expand OWEB/FS cooperation in the program. This funding is seed money applied to high visibility projects, which is then locally leveraged to expand accomplishments and ownership. The specific objective is to accelerate the rate of completion of active restoration in priority watersheds, currently estimated at about 2 watersheds per year within the Region.

Methodology: Using a peer-reviewed priority setting process, focus basins (3rd Field HUCs) have been identified for active restoration emphasis. In Oregon, these include the John Day, Lower Columbia, Rogue/Umpqua, and Mid and North Coast (process available on request.). Discussions indicate these priorities match well with others’ involved in Regional and state-wide restoration. Forest Service “basin stewards” are working with local partners, State and Federal agencies and Tribal governments to complete initial selection of priority watersheds for

collaborative action. Each basin partner group will submit recommendations for focus watershed(s), and begin identifying a program of priority work, based on watershed analysis, designed to promote processes needed for watershed and aquatic riparian recovery. Basin partner groups will leverage any “Venture funds” received with local resources to accomplish needed work.

The Region is well-suited to help facilitate this work, with a decade of experience in watershed analysis/diagnosis, restoration project design/implementation and monitoring. Forest Service staff have provided technical support for many of the watershed councils in OR/WA for years, and are an active part of the network of partners needed to efficiently complete prioritization and action planning for this effort. The Region has developed an interdisciplinary Design Assistance Team of highly-skilled Forest staff to aid in the development of watershed treatment strategies, and the design and implementation of a wide range of treatments. The result is a program of work that addresses core problems, not symptoms, and results in multiple resource benefits for stream and aquatic ecosystems. Treatments address the whole watershed and include activities such as road improvements and/or decommissioning, riparian planting/thinning, fish passage improvements, and in-channel treatments.

Final Product: This approach will focus cooperative actions to recover watersheds/habitat supporting listed Pacific salmon and native trout. Collaborative decision-making on priority watersheds will enhance the treatment and completion of restoration on a subset of the highest-value salmonid streams in Oregon. Specific outputs of this program are dependent on the watersheds and action plans submitted by each of the basin groups. Priority work in one or more focus watersheds should be completed during the grant period.

Contact information: Pacific NW Region, USDA Forest Service
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PNW Whole Watershed Restoration Joint Venture: Implementation 2006

Working together to select and complete priority restoration work on whole watersheds is the focus of this Joint Venture. This program is committed to making a difference on the ground. To accomplish this, a growing list of partners is collaborating to improve focus and provide seed money to support implementation of important restoration projects. These projects are part of multi-year plans to complete the highest priority work on watersheds of mutual interest, with high opportunity and ecological values.

A starting point for the program is an initial identification of relative restoration priorities for river basins (3rd field HUCs) in Oregon and Washington. This was done using a peer reviewed process for setting ecological restoration priorities. Other important considerations, including ongoing/potential partnerships, the effective leveraging of funds, skills/capacity to design and complete a full range of restoration treatments, etc, then provide a working framework for river basin priorities. In Oregon, these include the John Day, Lower Columbia, Rogue/Umpqua, and Mid/North Coast.

At the basin level, Forest Service “basin stewards” have worked with local partners, State and Federal agencies and Tribal governments to select initial priority watersheds for collaborative action. Each basin partner group will recommend a focus watershed(s), and identify a program of priority work (based on watershed analysis) designed to promote processes needed for watershed and aquatic riparian recovery. Joint Venture funding is intended to be applied primarily to proposals developed from these action plans.

Although this framework is designed to help focus restoration work, it is clear that every basin has important watersheds with strong ongoing partnerships with priority work to complete. Recognizing this, proposals from any basin and watershed will be considered.

An initial set of proposals has been solicited from all National Forests and their watershed partners. By mid-March, a review panel convened by Ecotrust and composed of representatives from Trout Unlimited, USFWS, OWEB, BLM and USFS will rank proposals. Criteria for rating proposals incorporate current OWEB evaluation elements. For the Joint Venture, these include the following considerations:

- Whether the project is the product of a watershed analysis, recovery, and/or formal action plan.
- The presence of clearly stated objectives and identified, quantifiable results.
- The relative magnitude of ecological benefits (# species, area of habitat improved).
- The number and diversity of partnerships.
- The degree of leveraged funding.
- Readiness for implementation.
- A clearly articulated approach for monitoring project implementation and effectiveness.
- The basin and watershed priority (within priority river basin and/or priority watershed from recovery plans).

Joint Venture funding for selected projects would be awarded by Ecotrust to project implementation leads (either USFS or partner organizations such as watershed councils, SWCDs). Ecotrust will monitor and report individual project outputs annually to all project partners, meeting all OWEB reporting requirements. A final report, displaying Joint Venture outcomes, will be prepared and distributed to partners at the end of the three year period.

Wetlands Reserve Enhancement Program Proposal

Project title: Enhancing diversity and habitat for at-risk species on WRP prairies of the Willamette Valley, Oregon.

Proposed start date: March 1, 2006

Proposed end date: March 1, 2009

Number of projects and acres addressed: 12 previously enrolled WRP easements with enhancement of 595 project acres

Project objective and summary:

We propose to enhance plant species diversity and habitat value for wetland-dependent species in the Willamette Valley, Oregon. The goal of the proposed project is to create high quality, diverse native plant communities with the potential to provide habitat for 7 Federally Threatened and Endangered species, 2 Candidate species, and 7 Species of Concern. To achieve this we will:

1. Design enhancement prescriptions
2. Collect and increase native seed
3. Implement prescriptions through on-the-ground activities such as mowing, spraying, burning, and seeding.

Summary of costs:	Total Project	Technical Assistance
WREP funds	\$412,000	\$100,000
<u>Matching funds</u>	<u>\$380,000</u>	<u>\$255,000</u>
Total	\$792,000	\$355,000

Submitted by:

Rob Fiegener, Program Director

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Steve Smith, Private Lands Biologist, US Fish & Wildlife Service
Jonathon Soll, Willamette Valley Preserve Manager, The Nature Conservancy
Eric Wold, Wetlands Program Supervisor, City of Eugene

The Institute for Applied Ecology in partnership with the Oregon Watershed Enhancement Board, U.S. Fish & Wildlife Service (USFWS), The Nature Conservancy, and the City of Eugene proposes to enhance plant species diversity and habitat value for wetland-dependent species in the Willamette Valley, Oregon. This proposal targets 12 sites, comprising 595 acres, of previously enrolled WRP land. The goal of the proposed project is to create high quality, diverse native plant communities that have the potential to provide habitat for 7 Federally Threatened and Endangered species, 2 Candidate species, and 7 Species of Concern.

PROJECT AREA

The Willamette Valley is located in the Pacific Flyway, providing essential habitat for migrating and wintering waterfowl, shorebirds, neotropical migrants, and significant breeding duck populations. More than 30 species of ducks, geese, and swans, and a diverse assemblage of shorebirds and wading birds depend on these wetlands. The Willamette Valley Ecoregion is the primary wintering grounds for the majority of the entire population of dusky Canada geese (approximately 15,000 – 20,000) and cackling Canada geese (approximately 150,000). The area is also considered the most important wintering area within western Oregon for northern pintails and mallards, with concentrations as high as 40,000 and 60,000, respectively, for each species. Small numbers of lesser scaup and greater scaup also use the area during migration and wintering periods.

Willamette Valley wetlands and wet prairies are among the most endangered habitat types in the state of Oregon, and among the rarest of North American ecosystems (Noss et al. 1995). Merely one percent of the Willamette Valley is managed for conservation purposes and only a fraction of that is for wetland habitats (Floberg et al. 2004). Twenty taxa in the Willamette Valley are listed under the federal Endangered Species Act and 155 more are imperiled. Of these 175 at-risk taxa, thirty-one occur in or use wetland prairie habitat for some portion of their lifecycle (Floberg et al. 2004). Oregon Governor Ted Kulongoski has declared that his number one environmental priority for the state of Oregon is to improve the Willamette River system, emphasizing improved wildlife habitat for at-risk species and restored historic wetlands and prairies, among other objectives (Kulongoski 2005).

Ninety-six percent of the Willamette Valley ecoregion is privately owned (Gregory et al. 2002). Consequently, over 97% of the estimated historic 768,000 acres of wet prairies have been converted to other uses, primarily agriculture. Restoration of farmed wetlands to wetland prairie, in particular, holds the greatest potential for restoration of winter waterbird habitat (Taft & Haig 2003). Wetland prairies in good condition, compared with other Willamette Valley habitat types, “provide the best reproductive habitat for 38 wildlife species, and are used regularly by at least an additional 54 breeding wildlife species” (Primozych & Bastasch 2004). As WRP and WREP have the objective of restoring and protecting the functions and values of wetlands in the agricultural landscape, these programs are particularly critical in meeting conservation objectives for the region.

OBJECTIVE: Restore native plant communities for the benefit of wildlife

The sites identified for enhancement through this proposal (Table 1) have been selected because their potential for high quality wildlife habitat is not being realized. Status reviews and monitoring visits made to these sites by NRCS District Conservationists, landowners, USFWS and the Oregon Department of Fish & Wildlife (ODFW) have generally concluded that:

1. The ecological objectives outlined in the existing management plans are difficult to evaluate or absent, and
2. These sites have the potential to offer significantly improved habitat value for several species of concern including Federally Listed plants, invertebrates, and birds, all of which are wetland and upland prairie dependent.

The general condition of the selected sites is that they have had wetland hydrological function successfully restored, but do not have the desired plant communities. Sites are either dominated by a single species or they are dominated by weeds and have very low cover of native species. Descriptions of each site are found in Appendix A.

Given the WRP objective that “*where there are important species or species groups associated with the easement or those that could be associated with the easement, such species or species groups should be a principal target in restoration and protection efforts,*” (NRCS Conservation Practices Manual 514H.2) we propose to enhance these WRP easements by creating diverse plant communities that are potential habitat for Listed species.

Maintaining native wetland prairies and habitat for rare wetland-dependent species requires active management and reintroduction of fire (Pendergrass et al. 1998, Wilson 1999). Prescribed burning has been demonstrated to increase the seeding success of some Willamette Valley species, particularly forbs (Clark & Wilson 2001), and is an effective tool for maintaining population viability of Federally Endangered Bradshaw’s lomatium (Kaye et al. 2001, Pendergrass et al. 1999). Burning alone is insufficient to increase species diversity (Wilson, 1999), so seed will need to be added to the sites to achieve the diversity objective. Seeding a diversity of species has been successful in Willamette Valley wet prairie restorations in the West Eugene Wetlands (Wilson 2004).

Once a habitat network of protected sites containing a desired matrix of native plants has been established, recovery of several Listed species could be achieved by re-introduction and/or augmentation (Table 2). The USFWS and NRCS could cooperate to accomplish the recovery or de-listing of several species through Farm Bill and USFWS programs. Nelson’s checkermallow, a Federally Threatened plant, has already been successfully introduced to three Willamette Valley easements restored through CREP and WRP (Gisler 2001). Nelson’s checkermallow is a valuable source of nectar for the Federally Endangered Fender’s blue butterfly and Federal Candidate species Taylor’s checkerspot.

PROJECT DESCRIPTION

There are three core elements to the proposal, to occur over three years:

1. Development of a Wildlife Habitat Conservation & Management Plan for each site. This plan will detail a prescription for enhancement of the site. In addition, we propose to include a recommendation and schedule for long-term

maintenance of the target habitat and plant community structure and composition. The proposed format for these plans is that currently being used by the USFWS and NRCS for projects being implemented through a Cooperative Agreement.

2. Native seed collection and increase. Successful enhancement of these sites requires the addition of a diverse mix of native plants. Priority species are identified in Table 3.
3. Implementation of the enhancement prescription. Prescriptions will be site-specific and may include activities such as mowing, burning, herbicide application, and seeding.

Products at the end of the three year period include:

- Enhanced prairie and wetland WRP sites with increased species richness & habitat value.
- A plan for the ongoing maintenance of quality habitat at each site.
- Development of native seed stocks and a larger, more experienced base of native seed producers.
- Significant progress towards the establishment of a network of prairie habitats capable of supporting Federally Listed and Candidate plants, invertebrates and bird species.

The target habitats for this proposal are wet prairies and adjacent upland prairies previously restored by WRP. Target species will be determined on a site by site basis and will include those species identified in Table 2. The basic goal is to reduce the abundance of the dominant species and create openings for the introduction of additional species. Weedy sites would undergo aggressive weed control and reseeding with natives. Available seed supplies are inadequate to meet the needs of this project so will be augmented by new collections and growout.

Designing a Wildlife Habitat Conservation & Management Plan for each site will make it easier to identify the ecological goals and objectives of the restoration and evaluate progress towards achieving those objectives. Presently such goals are not clearly identified or lack measurable indicators of success. Plans developed as part of the enhancement prescription will specifically outline habitat goals and objectives, including protocols for evaluating maintenance schedules, practices, and habitat quality.

Development of the enhancement prescription will essentially follow the implementation design process used to establish the restoration plan of operations. Engineering and structural work will not be included, as this work has already been done and is not part of the enhancement proposal.

An important benefit of this project is the increased availability of source-identified locally-native seed stocks. The native seed currently available is quite limited in terms of species diversity and genetic provenance. The seed production knowledge resulting from this proposal would be helpful in setting a standard for future restoration efforts throughout the Willamette Valley, encouraging larger markets, larger-scale production, and lower costs per pound. Future WRP and WREP enrollments, as well as other Willamette Valley wetland restoration activities, will benefit from lower cost locally-adapted seed for a diversity of native species. The species targeted for collection and

production have been selected as priority species with the greatest potential for widespread application and highest value for wetland-dependent wildlife (Table 3).

Several efforts to increase the supply of native seed in the Willamette Valley have been initiated or proposed. We will work closely with these key partners to coordinate a regional seed strategy to increase the efficiency and cost-effectiveness of plant materials procurement. Seed collections will be made on private and public lands from ecologically appropriate donor sites throughout the ecoregion.

Schedule of Activities

Spring – Summer 2006

- Site visits
- Develop prescriptions
- Coordinate seed availability and seed procurement strategy
- Collect seed
- Contract seed growout

Fall 2006 – Winter 2007

- Write prescriptions and management plans
- Begin site treatments
- Monitoring treatments
- Plant seed for initial growout
- Documentation and reporting

Spring – Summer 2007

- Weed control, site prep
- Collect seed
- Harvest seed from growout
- Monitoring

Fall 2007 – Winter 2008

- Weed control and site prep
- Plant additional seed collections
- Monitoring
- Documentation and reporting

Spring – Summer 2008

- Conduct prescribed burning
- Harvest seed from growout
- Weed control
- Monitoring

Fall 2008 – Winter 2009

- Conduct prescribed burning
- Pre-planting site prep
- Plant seed
- Monitoring
- Documentation and Final reporting

PROJECT MANAGEMENT AND PARTNERS

The Institute for Applied Ecology (IAE) is a 501(c)(3) not-for-profit organization dedicated to natural resource conservation, research, and education. IAE has been actively involved in restoration projects, invasive species control and research, conservation biology, and habitat management in the Willamette Valley since 1998. IAE specializes in work related to rare plants, focusing on monitoring and researching habitat management techniques. The highly trained, professional staff of IAE provides technical services to public and private agencies by developing and communicating information on ecosystems, species, and effective management strategies.

The work outlined in this proposal would be managed and coordinated by a qualified Project Manager to be hired for the three-year term. The project manager would be responsible for coordinating with partners and subcontractors, designing enhancement prescriptions, overseeing the enhancement activities, reporting, and generally ensuring the success of the project. Assisting the project manager will be a seed program coordinator, charged with coordinating and organizing native seed collection and increase. This position would be for five months of project years 1 and 2. Seed collectors (2-3) would be hired for seasonal seed collection (three months) of project years 1 and 2. We will subcontract with qualified equipment operators, drawn from a local pool of skilled technical services providers, to implement on-the-ground activities. The enhancement activities will be routine vegetation management actions such as herbicide application, mowing, burning, disking, and seeding.

Monitoring and evaluation of the project will be conducted by project staff on a continual basis. We will monitor all actions taken at each site, employing an adaptive management strategy that will accommodate the variable nature of field-based projects. Annual reviews may be coordinated with NRCS and USFWS staff.

The USFWS has shown an outstanding commitment to restoring and conserving critical habitat for imperiled species in the Willamette Valley. Staff of the USFWS William L. Finley National Wildlife Refuge Complex have restored and enhanced over 3,000 acres of Willamette Valley wetlands and wetland-type habitats during the past 7 years for the benefit of migratory waterfowl and other wetland-dependent species. USFWS will contribute expertise in wetland habitat management, especially for listed species, including assistance with ESA and NEPA compliance, where required.

The Oregon Watershed Enhancement Board is a state agency that promotes and funds voluntary actions to enhance Oregon's watersheds. OWEB provides grants to carry out on-the-ground restoration projects that aim to restore aquatic habitat, improve water quality, and restore biodiversity. OWEB staff support this proposal and are recommending the allocation of \$250,000 in matching funds towards the project, pending Board approval in September 2005.

The Nature Conservancy (TNC) is contributing technical assistance in developing and reviewing enhancement prescriptions. TNC staff has expertise in the natural history of the Willamette Valley and knowledge of the composition of historic habitats. TNC will also provide access to its properties for seed collecting.

The City of Eugene has a well established seed collection program for wetland and upland prairie species. They are contributing technical assistance with regards to seed collecting as well as access to seed collecting sites. We will also be collecting

seed from sites that are owned or managed by the Greenbelt Land Trust, City of Corvallis, Benton County, and other public and private landowners.

Table 1. WRP Easements selected for habitat enhancement.

WRP Site	Year Enrolled	County	Site Acres	Project Acres
Gahr	1999	Yamhill	117	20
Mud Slough	1995	Polk	320	100
Bessett	2000	Polk	68	25
Winter Creek	1994	Polk	58	40
Dooghe	2002	Polk	62	30
Tyee	2001	Benton	180	50
Dunn	1998	Benton	200	30
Raindance Ranch	1998	Benton	68	25
Mary's River	1998	Benton	62	15
Long Tom Ranch	1998	Lane	300	100
Bergey	2002	Lane	210	100
Helt	1999	Lane	103	60
			Total: 1748	Total: 595

Table 2. Species with Federal ESA Status that will potentially benefit from enhancement activities of this proposal (Oregon Natural Heritage Information Center 2004).

Scientific name	Common name	Federal ESA Status
Animals		
<i>Icaricia icarioides fenderi</i>	Fender's blue butterfly	Endangered
<i>Eremophila alpestris strigata</i>	Streaked horned lark	Candidate
<i>Euphydryas editha taylori</i>	Taylor's checkerspot butterfly	Candidate
<i>Emys marmorata marmorata</i>	Northwestern pond turtle	Species of Concern
<i>Poocetes gramineus affinis</i>	Oregon vesper sparrow	Species of Concern
<i>Acetropis americana</i>	American grass bug	Species of Concern
Plants		
<i>Erigeron decumbens</i> var. <i>decumbens</i>	Willamette Valley daisy	Endangered
<i>Lomatium bradshawii</i>	Bradshaw's lomatium	Endangered
<i>Plagiobothrys hirtus</i>	Rough popcornflower	Endangered
<i>Castilleja levisecta</i>	Golden paintbrush	Threatened
<i>Lupinus sulphureus</i> ssp. <i>kincaidii</i>	Kincaid's lupine	Threatened
<i>Sidalcea nelsoniana</i>	Nelson's checkermallow	Threatened
<i>Aster curtus</i>	White-topped aster	Species of Concern
<i>Delphinium oreganum</i>	Oregon larkspur	Species of Concern
<i>Delphinium pavonaceum</i>	Peacock larkspur	Species of Concern
<i>Horkelia congesta</i> ssp. <i>congesta</i>	Shaggy horkelia	Species of Concern

Table 3. Native plants targeted for planting at project sites.

1st Priority Forbs	2nd Priority Forbs	Priority Graminoids
<i>Eriophyllum lanatum</i>	<i>Asclepias speciosa</i>	<i>Danthonia californica</i>
<i>Lotus purshianus</i>	<i>Grindelia integrifolia</i>	<i>Carex unilateralis</i>
<i>Lomatium nudicaule</i>	<i>Lupinus polyphyllus</i>	<i>Juncus tenuis</i>
<i>Potentilla gracilis</i>	<i>Microseris laciniata</i>	<i>Elymus trachycaulus</i>
<i>Prunella vulgaris</i>	<i>Ranunculus orthorhynchus</i>	
<i>Ranunculus occidentalis</i>	<i>Sidalcea virgata</i>	
<i>Saxifraga integrifolia</i>	<i>Sisyrinchium idahoense</i>	
<i>Sidalcea campestris</i>		
<i>Symphotrichum hallii</i>		
<i>Wyethia angustifolia</i>		

Project Budget

	Match					Requested funds WREP	Project TOTAL
	IAE	OWEB	City of Eugene	TNC	Total Match		
Salaries and benefits	100,000	140,000	10,000	5,000	255,000	100,000	355,000
Travel					0	4,000	4,000
Supplies					0	4,000	4,000
Contract services		85,000			85,000	245,000	330,000
Indirect costs	15,000	25,000			40,000	59,000	99,000
Total	115,000	250,000	10,000	5,000	380,000	412,000	792,000

Budget notes

- OWEB funds have been requested and are subject to board approval in September 2005.
- NRCS Technical Assistance contribution of \$100,000 is being matched by non-federal partner contributions totaling \$255,000 (match ratio 2.55:1).
- NRCS funds allocated for implementation (\$253,000) will be matched by \$85,000 from OWEB, a 25% cost-share.
- USFWS is providing Federal non-matching assistance that is not reflected in the figures above. Contributions by USFWS include ESA and NEPA consultation, review of implementation plans, and use of seeding equipment.

Schedule of WREP funding needs

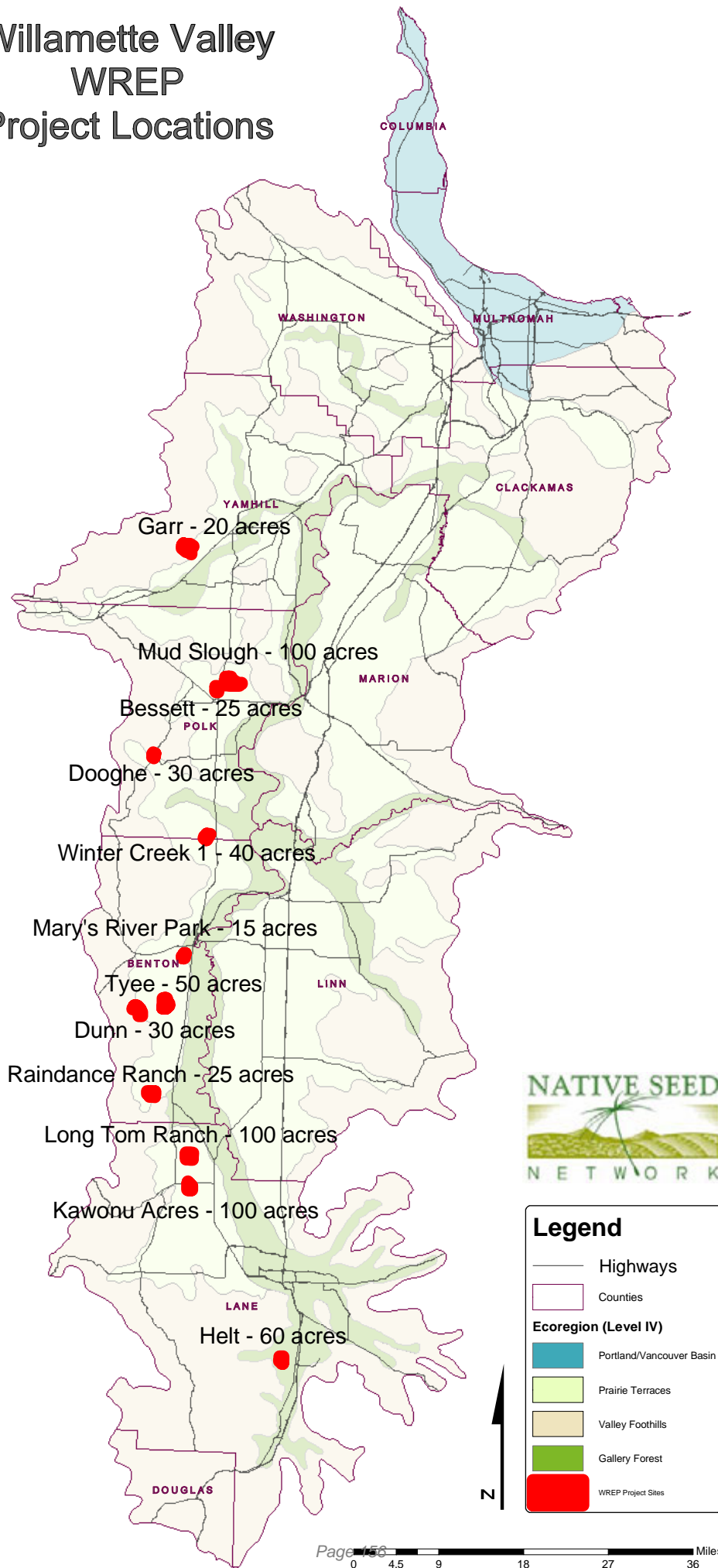
Year 1 (30%)	\$120,000
Year 2 (30%)	\$120,000
Year 3 (40%)	\$172,000
Total requested	\$412,000

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Willamette Valley WREP Project Locations



Legend

- Highways
- Counties
- Ecoregion (Level IV)**
 - Portland/Vancouver Basin
 - Prairie Terraces
 - Valley Foothills
 - Gallery Forest
- WREP Project Sites

March 2, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item J: OWEB Capital Grant Award Recommendations
Overview
March 15-16, 2006 OWEB Board Meeting**

I. Introduction

This staff report only addresses *capital* grant award recommendations. The Overview staff report for Agenda Item L addresses *non-capital* grant awards.

II. Background

One hundred seventeen Restoration grant applications seeking a total of \$12,677,963 and five Acquisition applications seeking a total of \$2,580,000 were received by the October 24, 2005, deadline. The breakdown by region, project type, and dollar amount is shown on the attached table. (Attachment A)

After being screened for eligibility and completeness, the *capital* applications were sent to the five Regional Review Teams (RRTs) who reviewed them for merit and made prioritized funding recommendations to OWEB staff. OWEB staff considered present and future funding availability, and special needs and circumstances in balancing and integrating the separate RRT recommendations into this staff funding recommendation to the Board. A map showing the location of the projects recommended for funding by OWEB staff is attached. (Attachment B)

Following this overview are staff reports containing the OWEB staff funding recommendations for Regions 1 through 5.

A. Review Process

The grant proposal reviews in this cycle followed OWEB's usual process. The RRTs were sent packets of eligible grant proposals to read and consider. Then, as has become standard process over the past two years, OWEB staff scheduled visits in all regions to as many sites as possible, emphasizing new applications, acquisitions, and the more complicated, expensive, or less routine projects. All RRT members were invited on these visits and some members were able to participate at each site.

In RRT meetings, reviewers were asked to determine the technical merits of each proposal and, with the exception of acquisition projects where additional evaluation steps are required, whether to recommend each project for funding. After classifying projects as "fund" or "no

fund,” the RRTs were then asked to prioritize the projects recommended for funding. The RRT recommendations are included in each applicable regional staff report in this agenda item. Any applications recommended for funding at a reduced amount and/or with special conditions are so identified in the tables attached to each regional staff report.

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

B. Acquisition Projects

Five new land acquisition applications were reviewed during this grant cycle. Other applications deferred from previous cycles may be discussed at the Board meeting.

Under the administrative rules adopted by the Board in September 2004, acquisition projects undergo a multifaceted review. First, applications are reviewed by a Board Acquisition Subcommittee consisting of at least one non-voting and two voting Board members. The Subcommittee recommends whether staff should proceed with a due diligence review or whether the application be denied and no due diligence review of the application occur. Simultaneously, applications are reviewed by the RRTs for ecological and educational values. The Subcommittee may ask for additional information from the applicant or may ask that specific questions be addressed by the RRT.

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

After a due diligence review of a proposed land acquisition project is complete, the Subcommittee synthesizes the proposed project’s ecological and educational benefits, applicant capacity, partnerships, local support, local and regional community effects, RRT evaluation, and due diligence results into a funding recommendation to OWEB staff.

Finally, staff consider all evaluation criteria, the Subcommittee’s recommendation, and available funding resources to develop a funding recommendation to the full Board. The staff funding recommendations, based on this process, are then summarized in a separate acquisition section in the appropriate regional staff report for Board review.

One acquisition project submitted in October 2005 is recommended for funding at this time. One project is not recommended for funding based on the Subcommittee and RRT evaluations. Three projects are recommended for deferral to allow for completion of the due diligence review.

III. Budget Considerations

As usual, and per the Board’s expressed preference, staff established *capital* funding targets for this grant cycle by dividing the amount of *capital* funds anticipated to be available in the 2005-

2007 biennium by the number of grant cycles expected in this biennium, after setting certain funds aside for other purposes. The present funding targets were arrived at through this process:

OWEB's 2005-2007 Legislatively Adopted Budget allocated \$41.3 million in Lottery funds for *capital* expenditure. At its May 2005 meeting, the OWEB Board allocated \$1 million of this toward the Conservation Reserve Enhancement Program (CREP) and another \$2.8 million to re-fund OWEB's Small Grant Program, leaving \$37.5 million unallocated. Dividing \$37.5 million by four would establish nominal *capital* funding targets for each of the regular 2005-2007 grant cycles at \$9.375 million of Lottery funds per cycle.

The Board elected to reserve some of this *capital* funding for significant projects or partnerships that might be funded outside of the regular grant cycles and process, and consequently adopted nominal targets of \$7.5 million of *capital* funds per cycle. This totals \$30 million over four cycles and leaves approximately \$7.5 million of the *capital* funds available for significant projects and unique partnership opportunities that may not otherwise arrive through the regular grant process ("Reserve" fund). A separate staff report (Agenda Item H) considers in detail certain possible uses for this unallocated money.

As usual, Salmon License Plate revenues are available for use in this grant cycle. OWEB by statute and Board policy uses these funds to address *road-related* fish passage, habitat, and water quality issues. The OWEB staff funding recommendations for Regions 1 through 5 contain \$354,487 in Salmon License Plate funds for projects this grant cycle.

Per the advice of legal counsel OWEB now uses *non-capital* money to fund the Education and Outreach elements of Restoration projects. These *non-capital* costs have their own columns and totals in the reports and tables for the individual regions.

IV. Summary of Funding Options

The total statewide funding recommended by staff is shown below. Details are contained within each of the attached regional staff reports. "Do Fund" projects are indicated on the tables by shading.

In some grant cycles, the limited availability of *capital* funds obliges staff to recommend fewer projects for funding than the RRT. In this second cycle of the new biennium, staff believe all the RRT "do funds," as conditioned and/or reduced in amount, are worthy and ready for OWEB funding. Staff believe there are sufficient *capital* funds to provide for all of the "do funds" from all of the RRTs. However, this will require using funds from both the regular grant cycle reserve of \$7.5 million and from the as-yet unallocated *capital* reserve fund for significant projects and partnerships, as further described in the staff report for Agenda Item H. The summary of staff recommended "do funds" for all five Regions:

81 Regular Restoration Projects*	\$6,284,765
3 Significant Restoration Projects	\$2,641,500
1 Acquisition Project	\$1,500,000
TOTAL <i>capital</i> Staff Recommendation this cycle	\$10,426,265
TOTAL <i>non-capital</i> costs associated with these applications	\$27,450

*Includes \$4,000 which was inadvertently not included in the funding of project #206-082 at the September 2005 meeting.

Restoration projects proposed for funding through the “Reserve” Fund are those with unusual qualities that make them candidates use some of the reserve *capital* funds. Additional details on these projects are in the regional reports. The following table summarizes how *capital* funding would be drawn from different sources.

Restoration *Capital* Project Funding for March 2006

Region	Funding Source			Total Amount Recommended by Staff
	Measure 66	Salmon Plates	“Reserve” Fund \$7,500,000	
1	\$493,367 (Acquisition)\$1,500,000	\$131,472	\$0	\$493,367 \$1,500,000
2	\$1,463,130	\$100,071	\$571,778	\$1,493,479
3	\$1,309,799	\$62,125	\$0	\$1,371,924
4	\$686,475	\$19,615	\$2,000,000	\$2,706,090
5	\$2,047,229	\$41,204	\$0	\$2,088,433
Totals	\$7,500,000	\$354,487	\$2,571,778	\$10,426,265

V. Recommended Board Action

Staff recommend that the Board award funding for the projects indicated in each of the five attached regional reports.

While the resulting total award for all five Regions is \$2,571,778 above the nominal capital expenditure target for this grant cycle of \$7.5 million, we note that the “do funds” include a remarkable estuarine acquisition opportunity for \$1.5 million and an equally remarkable large-scale, large impact restoration project in the Williamson River watershed for \$2.0 million, which, added together, account for more than the over-shoot of the original grant cycle target.

Attachments

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

Oregon Watershed Enhancement Board

Types of Applications Received October 24, 2005

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Region 1	5	4	8	2	16	35
Region 2	8	4	8	1	19	40
Region 3	8	14	1	1	24	48
Region 4	4	7	2	0	17	30
Region 5	6	4	7	1	41	59
Statewide	0	4	0	0	0	4
Totals	31	37	26	5	117	216

Dollar Amounts Requested by Application Type

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Region 1	128,110	59,979	330,803	1,620,000	924,507	\$3,063,399
Region 2	179,286	146,119	547,939	500,000	2,391,749	\$3,765,093
Region 3	230,631	682,067	15,400	210,000	2,529,024	\$3,667,122
Region 4	145,725	356,860	217,879	0	3,391,343	\$4,111,807
Region 5	167,853	81,962	312,727	250,000	3,441,340	\$4,253,882
Statewide	0	734,848	0	0	0	\$734,848
Totals	\$851,605	\$2,061,835	\$1,424,748	\$2,580,000	\$12,677,963	\$19,596,151

TA Projects # z206-165 Through z206-195
 Ed Projects #z206-196 Through z206-232
 Mon. Projects #z206-233 Through z206-258
 Acq/Res Projects #z206-259 Through z206-380

R-3 z206-311, \$283,800 Withdrawn by Applicant a/o 12-13-05 (not subtracted from totals)

February 28, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item J: OWEB Grant Award Recommendations
Region 1, North Coast
March 15-16, 2006 OWEB Board Meeting**

I. Background

A total of 35 applications were received from the North Coast, resulting in a total request of \$3,063,399. The breakout by type of grant is shown in an attachment to the Overview Report. The North Coast Regional Review Team (RRT) met at the Yurt Meeting Hall at Beverly Beach State Park north of Newport on January 11, 2006, to review the applications received in this grant cycle. All applications were reviewed for technical merit and a fund/no fund recommendation was made by the RRT. The RRT then prioritized the applications recommended for funding.

II. Regional Review Team Recommendations

Attachment A shows the *capital* projects and Attachment C shows the *non-capital* projects recommended and ranked for funding by the RRT. The attachments also indicate which projects were recommended for funding with special conditions or at reduced amounts. The shading indicates the projects recommended by staff for funding by the Board.

Remarks pertinent to particular grant types and project applications are noted below.

III. Restoration Projects

Projects of special note include Coal Creek Dam Removal (z206-263); Alder Creek Farm Restoration (z206-272); and Skipanon Floodplain Restoration (z206-274). Tom Shafer, North Coast Regional Program Representative, will briefly highlight these projects at the Board meeting.

Two road-related projects, z206-270, Lobster Creek Watershed Basin Fish Passage Improvement (\$85,247) and z206-271, Elk Creek Culvert Reconnection (\$46,225), have been selected to receive Salmon License Plate funding.

You'll notice two ties in the priority rankings recommended by the RRT. Staff generally eliminate such ties, usually with the help of the RRT, but did not do so this time in anticipation of having enough funding to provide for all the "do fund" projects.

IV. Acquisition Projects

Two land acquisition grant applications were received in this region. The results of the evaluation process described in the Overview Report are described below. Two land acquisition applications received in April 2005 and deferred by the Board in September 2005 are also updated in this staff report.

A. Svensen Island (z206-259)

The grant application was submitted by the Columbia Land Trust (CLT) and requests \$120,000 toward acquisition of 253 acres of diked island habitat within the Columbia River estuary. The acquisition proposal involves several parcels located on the west end of Svensen Island. The project will ultimately restore floodplain connectivity, intertidal marsh and spruce swamp habitat and backwater habitat. The remaining island acreage may be part of a future acquisition and restoration effort.

1. Ecological Benefits

Freshwater emergent marsh, freshwater mudflats, intertidal freshwater wetlands and lowland riparian woodland and shrubland are all priority ecological systems being protected and restored as part of this project. There is potential to restore a Sitka spruce/creek dogwood-Hooker willow tideland habitat community as well. As a result of a breach in the dike, the property is currently reverting back to functional intertidal habitat. The proposed restoration work will ensure that nearly 100 percent of the 253 acres will be composed of priority habitat types.

In addition to the priority plant communities (intertidal marsh), intertidal floodplain habitat within the Columbia River estuary provides significant benefits to all listed stocks of Columbia River salmonids. Juvenile salmonids are able to access the site for rearing, foraging and refugia. Priority fish species include Chinook salmon (fall run), Chum Salmon, Coastal Cutthroat Trout, Coho Salmon, Pacific Lamprey, and Steelhead Trout. The area also provides habitat to a number of other priority avian, mammal and amphibian priority species including White-Tailed Deer and Peregrine Falcon.

The North Coast Regional Review Team concluded that the ecological values of this site were extraordinary. The benefits to wildlife and all of the salmonid species using the lower Columbia River are readily apparent and “exceptionally high” according to the RRT. The reviewers also concluded that the proposal addresses all seven of OWEB’s conservation principles.

2. Capacity to Sustain the Ecological Benefits

A management plan for this site has not been developed yet. Once acquisition is complete, CLT staff will work with the local watershed council, conservation partners and regional experts to identify specific restoration and management goals for the site consistent with their science based stewardship program.

CLT will own the property and be responsible for management of the site. The 501(c)(3) conservancy organization has eight full-time staff members. To date, the CLT has successfully negotiated bringing 6,500 acres of property into conservation, mostly in

intertidal habitat areas. All projects have involved intense local community and landowner collaboration.

The CLT has established a stewardship fund and endowment to finance long term maintenance activities on all of their projects. An estimate of the stewardship fund has not been complete yet for this project, however, based on similar projects it is expected that the fund amount will be between \$50,000 and \$75,000. The CLT anticipated that the total fund amount will exceed \$1,000,000 by the end of 2005. Once baseline information is produced for the site and specific restoration actions have been identified, the CLT will work with project partners to develop a restoration budget and fundraising plan.

3. Educational Benefits

There are no current plans to incorporate education into the project. However, the site is well suited for education: there is good road access, a variety of habitat types, and a large study area. CLT is working with the Astoria High School aquatics lab for monitoring on the Waluski River project (Youngs Bay) and has worked with other schools on other projects. The CLT will allow, but restrict access to the site.

The RRT discussed the education potential of the site and concluded that there is good potential for education. However, careful consideration must be given to the restricting access in the conservation easement language and subsequent management plan in order to preserve the exceptional ecological values.

4. Partners, Project Support, and Community Effects

The property is currently zoned rural residential and is maintained in a farm land special assessment use. The Clatsop County property tax for the 253 acres for the 2004-2005 tax year was \$1,118. Given the 501(c)(3) status of the CLT, there is an option to remove the property from the tax rolls. In many cases CLT has opted to retain the tax status of acquired properties to address local concerns regarding loss of revenue. To date no decision has been made regarding the future tax status of this site.

The following organizations have provided letters of support for this project: Nicolai-Wickiup Watershed Council, Columbia River Estuary Study Taskforce, Lower Columbia River Estuary Partnership, and The Wetlands Conservancy.

Acquisition of the site will permanently remove the property from agricultural and residential uses. It is not anticipated that this will cause any significant impact to the local economy or residential market. The land has not been actively managed for agriculture for several years. One of the existing houses on the site is in significant disrepair and the other remains vacant.

5. Legal and Financial Terms

OWEB funds are requested for 14 percent of the \$875,380 anticipated purchase price of the property which is based on an estimated value of \$3,460 per acre. The applicants have secured additional funding (\$334,000) from the Lower Columbia River Estuary Partnership (LCREP), to be spent by October 2006, and are seeking additional funding (\$418,000) from the U.S. Fish and Wildlife Service North American Wetland conservation Act (NACWA).

6. Conclusion

The Svensen Island acquisition project is viewed favorably by staff, the Board Acquisition Subcommittee, and the RRT. On November 10, 2005, the Board Subcommittee recommended to proceed with due diligence. Due diligence activities will be completed in 2006. The Board Subcommittee and staff recommend that the Board defer consideration of this application pending completion of due diligence.

B. Westwind (z206-260)

The Westwind Stewardship Group (WSG) requests \$1,500,000 toward the purchase of 508 acres located at the mouth of the Salmon River Estuary. The property is located on the south side of the Salmon River across from Cascade Head and is within the Cascade Head Scenic Area. The site has been operated as a secluded YWCA summer camp (Camp Westwind) for the past 70 years. WSG proposes to preserve a portion of the property for its natural resource attributes and maintain the portion that is occupied by Camp Westwind to enhance its role in providing environmental education and research.

1. Ecological Benefits

Of the 508 acres, 425 acres are in pristine condition. Priority ecological systems present on the site include Sitka spruce forest, floodplain/outwash lowland riparian, linear, wetlands, and lowland riparian woodland and shrubland. Nearly 65 percent of the 508 acres are represented by these priority ecological systems. Other ecological systems are present adjacent to the property. Of particular interest is the large intertidal salt marsh (1260 acres) adjacent to the north of the parcel.

Many priority species have been documented on the site including the Peregrine falcon and bald eagle. Habitat for many other species exists and it is likely that marbled murrelet, red-legged frog, southern torrent salamander and black oystercatcher are also present on the property. A myriad of other priority plants, birds, mammals, and amphibians inhabit the surrounding Cascade Head Scenic Research area. Winter steelhead, Coho salmon and Chum salmon are known to be present in the Salmon River estuary which borders the property to the north.

The North Coast Regional Review Team confirmed the high ecological value of the site. Because of its size and location at the mouth of the estuary, the property is a key component in conserving and protecting a host of important ecological values in the watershed.

As confirmed by the RRT, the following Conservation Principles apply to the project: protecting large intact areas, securing a transition area, protecting a site with exceptional biodiversity value, complete or complement an existing network of sites in the basin or region and improving connectivity.

2. Capacity to Sustain the Ecological Benefits

WSG proposes to establish two management zones on the site: "Active Human Use Corridors" (83 acres) and "Conservation Areas with Occasional Human Visitation (425 acres). OWEB and the applicant are developing conservation easement language to manage both zones with an overlay for preservation of existing habitat and ecological

values. Both the Board Subcommittee and the RRT indicated a need to carefully evaluate the forthcoming management plan in relation to continued public use.

WSG will hold title to the property. WSG is a nonprofit organization led by a seven person board. Management of the site will be overseen by a site steward and two staff to maintain and operate the camp facility. A Natural Resource Advisory Group, comprised of government and nonprofit conservation professionals, will oversee development of a conservation plan, collaborate with other entities in the watershed and provide advice related to ongoing management and restoration activities.

Revenues generated from the camp facility are estimated at \$500,000 per year, which will be designated for use by WSG to carry out its mission of stewardship and education at Westwind. WSG will also establish a Stewardship Fund at the time of purchase. The fund will have a beginning endowment of \$300,000 to be supplemented over time by revenues associated with camp management and fundraising.

No specific restoration projects are contemplated as part of this acquisition project. However, the Natural Resource Advisory Group will continually advise WSG on restoration project needs and opportunities.

3. Educational Benefits

Westwind has provided an outdoor classroom for environmental education of youth and adults since 1973. WSG will continue this tradition and improve delivery of its programs by incorporating a sustainability component to the facility. In addition, WSG will concentrate on strengthening local partnerships to further integrate the facility into the natural resource community and build upon the work of others in the estuary.

Under WSG management, the YWCA will to use the camp during the summer so that it may continue its programming for children and families focused on discovering the natural environment of Westwind. The Northwest Outdoor Science School, which emphasizes ecological literacy and responsible citizenship, may also continue to use Westwind. Other diverse groups will have access to Westwind as a result of this acquisition.

The RRT remarked that the expected continued use of the property by the YWCA and other groups would ensure that the educational values of the property would be fully explored. The property is unique in its ability to provide the types of educational opportunities that will continue with this purchase. The RRT expressed a concern about balancing access and use of the property with protection of the habitats and how the management plan would address these competing interests. Also of particular concern to the RRT was the possibility of losing this valuable educational asset if this acquisition was not accomplished and access to the property was lost. The RRT confirmed that the education value of this acquisition is high.

4. Partners, Project Support, and Community Effects

The project is supported by Lincoln County Commissioners, the Portland Chapter of the YWCA, U.S. Forest Service, NOAA Fisheries, Oregon Sea Grant, The Nature

Conservancy, Wetlands Joint Venture, Wetlands Conservancy, Northwest Outdoor Science School, and the Mid-Coast Watersheds Council.

The seller of the property (YWCA) is a non-profit organization and as such has not paid property taxes on the property. WSG does not intend to pay taxes or in-lieu-of-payments. As a result, there will be no change to existing tax base revenues by this acquisition.

The applicants propose that acquisition will likely increase local revenue by bringing a more diverse, fee-based clientele to the site who is interested in its rare natural values for research, education and eco-based recreation.

5. Legal and Financial Terms

OWEB funds are requested for 42 percent of the \$3.55 million purchase price of the property. The applicants have applied for additional funding from the National Fish and Wildlife Federation (\$400,000), Meyer Memorial Trust (\$300,000) and Spirit Mountain Community Trust (\$300,000). In addition \$1,500,000 has been secured from the WSG itself.

The legal review of the title report and exceptions and the option agreement resulted in no identification of concerns or issues.

Staff and the applicants are working on the final language of a conservation easement to protect OWEB's proposed investment in the property. Language in the conservation easement requires the development of a management plan to address issues such as forestry management, equestrian use, trail management and any expansion of camp facilities.

An appraisal of the property was completed on January 16, 2006, by Dee Staple of McMinnville, Oregon. The appraisal concluded a fair-market value of \$3,625,000. OWEB's independent review appraiser has concluded that the report complies with the USPAP standard and the market value is supported.

A Phase I Environmental Site Assessment (ESA) of the property was completed on December 15, 2005 by Hahn and Associates. Review by the Oregon Department of Environmental Quality (DEQ) indicated that the report meets the ASTM Standard. DEQ agrees with the conclusion that the ESA has not revealed evidence of recognized environmental conditions as identified by the ASTM Practice. DEQ concurs with the recommendations suggested by Hahn and Associates to remove the small amount (de minimis) of petroleum contaminated soil and to perform a complete asbestos survey of property structures.

6. Conclusion

This acquisition project clearly meets the evaluation criteria for high ecological value according to the "OWEB Ecological Priorities for Land Acquisition by Basin." The applicant has proposed steps to ensure this new organization has the capacity to sustain the ecological benefits: development of the Natural Resource Advisory Group, the proposed site management staffing and proposal to establish the Stewardship Fund. The educational benefits of the property will be maintained and enhanced through acquisition

of this property. The project has received substantial support from the local community, other natural resource organizations and government agencies and will have a positive effect on the local and regional community. Due diligence materials have been reviewed and approved by staff and legal counsel.

The Board Subcommittee and the RRT have expressed unanimous support for the project. Staff and the Board Subcommittee recommend that the Board award \$1,500,000 in funds toward the Westwind acquisition project.

C. Deferred Acquisition -- Tenmile Creek Corridor Easement Project (z206-058)

The McKenzie River Trust submitted an application in April 2005 requesting \$900,000 from OWEB to assist in the purchase of conservation easements on 318 acres in four ownerships in the Tenmile Creek watershed. The conservation easements have been appraised at \$1.8 million and the total project cost is estimated at approximately \$2 million. Tenmile Creek drains directly to the Pacific Ocean in Lane County, roughly ten miles south of the community of Yachats.

The Tenmile Creek Corridor Easement Project is generally viewed favorably by staff, the Board Acquisition Subcommittee, and the North Coast RRT. During evaluation of the application, all parties became concerned about the implications of two of the ownerships involved in the project. Staff are working with the McKenzie River Trust to revise the application to remove the Pine Tree Conservation Society and National Audubon Society properties and bring in two additional private parcels. Staff are also continuing to review and process due diligence information on the properties involved. Staff will bring a recommendation to the Board when the due diligence review is complete and after consideration by the Board Acquisition Subcommittee.

D. Deferred Acquisition -- Crosel Creek Habitat Reserve (z206-059)

The grant application from the North Coast Land Conservancy (Conservancy) submitted in April 2005 requests \$420,000 from OWEB to assist in the purchase of 121 acres along Crosel Creek, which is a small sub-basin draining directly into the east side of Youngs Bay, roughly 1.5 miles south of the City of Astoria. The total project cost is estimated at \$560,000.

The Crosel Creek Habitat Reserve project has received a high ecological and educational rating from the North Coast RRT. The application was deferred in September 2005 to allow for staff to complete a due diligence review of the project. The title report and Phase I Environmental Site Assessment have been reviewed and approved. The fair market value appraisal has been reviewed and OWEB's independent review appraiser has identified additional work to be completed in order for the report to be approved. OWEB and the applicant are working to resolve those issues as quickly as possible. Staff will bring a recommendation to the Board when the appraisal has been approved and after consideration by the Board Acquisition Subcommittee.

V. Education Projects

The RRT recommended funding for all four of its Education applications, and was particularly pleased to have four high quality applications totaling less than \$60,000.

VI. Monitoring Projects

The RRT recommended funding for seven monitoring projects, six of which are ongoing projects. Staff recommend funding six of the seven projects.

VII. Staff Recommendations for Project Funding

Attachments A and C show the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. The tables also indicate, by means of shaded entries, the OWEB staff “do fund” recommendations to the Board. For some “do fund” projects, the amount shown in the table may be the staff funding recommendation rather than the RRT recommendation. In Attachment A, the table shows that in some cases, the “Total Amount” for a restoration project is comprised of both *capital* and *non-capital* funds.

Attachments B and D show those applications not recommended for funding at this time by either the RRT or by OWEB staff.

Attachments

- A. Capital Projects Recommended for Funding
- B. Capital Projects Not Recommended for Funding
- C. Non-Capital Projects Recommended for Funding
- D. Non-Capital Projects Not Recommended for Funding

**Region 1 – North Coast
Restoration Projects Recommended for Funding by the RRT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
z206-271	Elk Cr Culvert Reconnection□	100	46,225	46,325	1◇
z206-272	Alder Cr Farm Restoration Phase II	0	23,096	23,096	1◇
z206-263	Coal Cr Dam Removal & Instream Enhancement	0	54,274	54,274	3
z206-275	Rock Cr-Devils Lake LWD Placement	0	94,270	94,270	4
z206-270	Lobster Cr WS Basin Fish Passage Improvement**/□	150	85,247	85,397	5
z206-267	Elliott Cr Fish Habitat Improvement	0	49,500	49,500	6◇
z206-276	Upper Wildcat Cr Stream Enhancement	0	47,933	47,933	6◇
z206-264	Ag & Backyard Planting Program (ABYPP)- Yr 4**	0	31,000	31,000	8
z206-274	Skipanon Floodplain Restoration	0	60,021	60,021	9
z206-266	Young Cr Fish Passage Improvement**	0	20,509	20,509	10
z206-269	Elk Cr-Salmon Passage/Habitat/Riparian Improvement	0	112,764	112,764	11
Total Restoration Projects Recommended for Funding to Staff by the RRT		\$250	\$624,839	\$625,089	
Total Restoration Projects Recommended for Funding by Staff to the Board		\$250	\$624,839	\$625,089	

** Fund with Conditions ◇ Projects Tied □ Capital Funding from Salmon Plate Money

**Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT
and Recommended for Funding by OWEB Staff**

Project #	Project Name	Amount
z206-260	Westwind	\$1,500,000

**Acquisition Projects Receiving a Positive Rating for Ecological Merit by the RRT
and Recommended for Deferral by OWEB Staff**

Project #	Project Name	Amount
z206-058	Tenmile Cr Corridor Easement (4-25-05 Grant Cycle)	900,000
z206-059	Crosel Cr Habitat Reserve (4-25-05 Grant Cycle)	420,000
z206-259	Svenson Island Conservation (10-24-05 Grant Cycle)	120,000
Total Acquisition Projects Recommended for Deferral by Staff to the Board		\$1,440,000

Region 1 – North Coast
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
October 24, 2005 Grant Cycle

Project #	Project Name	Amount Requested
z206-261	God's Valley Meadows Restoration Phase 1	57,486
z206-262	Gods Valley LWD IV	17,818
z206-265	Siuslaw Knotweed Control	26,690
z206-268	Gienger Farms Bridge Replacement	69,500
z206-273	Conyers Cr Fish Barrier Removal	86,775

**Region 1 – North Coast
Education Projects Recommended for Funding by the RRT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
z206-197	Siuslaw Middle School Stream Team	5,682	1
z206-199	MidCoast Watersheds Council Education Program	25,000	2
z206-196	Siuslaw Summer Watershed Exploration Camps	14,117	3
z206-198	Watershed Awareness to Action Education 2006-07	15,180	4
Total Education Projects Recommended for Funding to Staff by the RRT		\$59,979	
Total Education Projects Recommended for Funding by Staff to the Board		\$59,979	

**Region 1 – North Coast
Monitoring Projects Recommended for Funding by the RRT/OPMT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority	OPMT Rating
z206-235	Yachats Water Quality Monitoring	5,579	1	M/H
z206-236	Tillamook Bay Rapid Bio-Assessment (RBA)-Year 2	55,500	2	H/H
z206-237	Salmon Drift Cr WS Water Quality Monitoring	24,420	3	H/H
z206-234	MidCoast WS Evaluation & Restoration	103,860	4	H/H
z206-233	Siuslaw Volunteer Water Quality Monitoring	10,690	5	M/M
z206-238	Knowles Cr Life Cycle Monitoring	38,926	6	H/L
z206-240	Siuslaw Basin Rapid Bioassessment	49,665	7	H/H
Total Monitoring Projects Recommended for Funding to Staff by the RRT		\$288,640		
Total Monitoring Projects Recommended for Funding by Staff to the Board		\$249,714		

Benefit to the Oregon Plan/Certainty of Success—H=High, M=Moderate, L=Low

Region 1 – North Coast
Monitoring Projects Not Recommended for Funding by the RRT/OPMT and OWEB Staff
October 24, 2005 Grant Cycle

Project #	Project Name	Total Amount
z206-239	Youngs Bay Juvenile Fish Monitoring	42,163

February 28, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item J: OWEB Grant Award Recommendations
Region 2, Southwest Oregon
March 15-16, 2006 OWEB Board Meeting**

I. Background

A total of 40 applications were received from Southwest Oregon, resulting in a total request of \$3,765,093. The breakout by type of grant is shown in an attachment to the Overview Report. The Southwest Oregon Regional Review Team (RRT) met at Myrtle Point on January 10, 2006, to review the applications received in this grant cycle. All applications were reviewed for technical merit and a fund/no fund recommendation was made by the RRT. The RRT then prioritized the applications recommended for funding.

II. Regional Review Team Recommendations

Attachment A shows the *capital* projects and Attachment C the *non-capital* projects recommended and ranked for funding by the RRT. They also indicate which projects were recommended for funding with special conditions or at reduced amounts. The shading indicates the projects recommended by staff for funding by the Board.

Remarks pertinent to particular grant types and project applications are noted below.

III. Restoration Projects

Projects of special note include Diamond Lake Restoration (z206-289) and Gold Hill Dam Removal and Restoration (z206-290). Mark Grenbemer, Southwest Oregon Regional Program Representative, will briefly highlight these projects at the Board meeting. An unusual feature of this set of recommendations is the \$4,000 for the Coos Watershed 2006 Projects (206-082). The Board funded this proposal at its September 2005 meeting, but staff inadvertently listed (and the Board approved) an amount that was \$4,000 less than intended. This staff report recommends that the Board now allocate the additional \$4,000 to make up for the staff error and fully fund this worthy project.

One road-related project, z206-286, the Umpqua Fish Passage 2006 project, has been selected to receive \$100,071 in Salmon License Plate funds to contribute toward the total OWEB capital award of \$194,789.

IV. Acquisition Projects

A. Deer Creek Ranch (z206-277)

The Southern Oregon University (SOU) Foundation, in partnership with the Siskiyou Field Institute (SFI) and Western Rivers Conservancy (WRC), is requesting \$500,000 toward purchase of the 873 acre Deer Creek Ranch (DCR) in the Illinois River Watershed. The project also involves wetland and grassland restoration of an irrigated hay field, transfer of existing water rights to improve in-stream flows of Deer Creek and Squaw Creek, and removal of a push up dam and concrete dam.

1. Ecological Benefits

DCR is surrounded by large tracts of public lands managed by the Rogue Siskiyou National Forest, Bureau of Land Management, and the State of Oregon. Deer Creek, which runs through the property, is one of the major tributaries to the Wild and Scenic Illinois River. The property also contains almost all the privately owned frontage of Squaw Creek, a tributary to Deer Creek.

Approximately 425 acres of the 873-acre property are represented as priority ecological systems, including lowland riparian woodland and shrubland, oak woodland, Ponderosa pine woodland and Serpentine barrens. Some of the priority fish and wildlife species that would benefit from the project include: Coho Salmon, Fall Chinook Salmon, Bullock's Oriole, Lewis's Woodpecker, Lomatium cookii, Common Kingsnake, White-breasted titmouse, Western Pond Turtle and Yellow-legged frog.

The project meets three of OWEB's conservation principles: Stabilize an area "on the brink" of ecological collapse, require active restoration to achieve its conservation purpose that would not occur without a change in ownership, and protect a site with exceptional biodiversity value. Restoration activities, including transfer of water rights, removal of diversions and dams, and restoration of previous wetland prairie are unlikely to occur under current ownership.

In its review of the application, the Southwest Oregon Regional Review Team confirmed the consistency of the project with the conservation principles and determined the project has strong ecological values.

2. Capacity to Sustain the Ecological Benefits

The SOU Foundation is working to establish a Limited Liability Corporation (LLC) in partnership with SFI to develop a Klamath-Siskiyou Education and Research Station at DCR. Other potential partners include Rogue Community College, Humboldt State College and the WRC. The WRC will hold title to the property through 2006 or until the LLC is functional and ready to accept ownership.

The applicants are proposing to manage the ranch for conservation of rare and endemic species and protection of the riparian and forested areas, while providing a biological field station and environmental education center. There is currently no management plan for the site. The facility partners will spend the first couple of years conducting assessments to determine the appropriate management goals and restoration projects for the site. Once determined, SFI staff and SOU faculty will write grant proposals to get

these projects funded. SFI anticipates that they will work with the Forest Service, watershed council, and school district to offer volunteer and service learning opportunities related to future restoration activities.

The Kendela Fund, a donor advised fund from an anonymous donor, has contributed \$800,000 toward an endowment to ensure the property will be well managed. The applicant's intention is to increase this endowment to \$2,000,000 over the next ten years.

SOU possesses the academic resources to contribute to the programs of the field station. SOU also has administrative experience to lend to management of the physical facilities and fiscal expertise to manage the fundraising and endowments. The SFI has broad experience in environmental education and are made up of faculty from many western universities. The SOU Foundation and SFI have developed a fundraising plan for each of the three stages of this project: acquisition, construction and program. Faculty involved with research and education will secure research grants to support field study.

3. Educational Benefits

There is a very significant education component associated with this acquisition project. The field station will provide a unique opportunity for education and research on the site and in the watershed. SFI will offer science based recreation opportunities to the general public and schools. The various restoration projects will provide an exceptional outdoor classroom. SOU will utilize the facility for courses and graduate student research.

The RRT felt that there is added value to the acquisition by the strong education and outreach potential of the property and the partners involved.

4. Partners, Project Support, and Community Effects

Letters of support for the acquisition project were received by the SFI, Rogue Community College, Illinois Valley Community Development Organization, and the Three Rivers School District.

Taxes assessed for the property for 2004/2005 totaled \$7,281. Since WRC is a nonprofit organization, tax exempt status will be applicable to the majority of the real property and buildings. It is estimated that the taxes assessed on the property will be reduced by about 30 percent.

The development of a University affiliated research station and a facility to host science based tours to the public promises to provide a much-needed economic stimulus to the area. The project will establish the first university-related facility in Josephine County history. This will provide economic opportunity and easier access to higher education for Illinois Valley residents.

5. Legal and Financial Terms

OWEB funds are requested for 20 percent of the \$2,550,000 purchase price of the property. The applicants have secured additional funding for purchase of the property from the Kendeda Foundation (\$2,000,000).

6. Conclusion

The project has strong ecological and educational components and adequately addresses the basin ecological priorities. The applicant and its partners are developing the capacity to sustain the ecological benefits and further partnerships to accomplish the management goals. On February 2, 2006, the Board Subcommittees recommended proceeding with due diligence. For this reason, the Board Subcommittee and staff recommend that the Board defer consideration of this application until the due diligence evaluation is complete.

V. Education Projects

The RRT recommended funding for two of four Education applications.

VI. Monitoring Projects

The RRT recommended funding six applications. Two projects are new proposals and four are to continue ongoing monitoring efforts. Staff recommend funding the ongoing projects.

VII. Staff Recommendations for Project Funding

Attachments A and C show the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. The tables also indicate, by means of shaded entries, the OWEB staff “do fund” recommendations to the Board. For some “do fund” projects, the amount shown in the table may be the staff funding recommendation rather than the RRT recommendation. In Attachment A, the table shows that in some cases, the “Total Amount” for a restoration project is comprised of both *capital* and *non-capital* funds.

Attachments B and D show those applications not recommended for funding at this time by either the RRT or by OWEB staff.

Attachments

- A. Capital Projects Recommended for Funding
- B. Capital Projects Not Recommended for Funding
- C. Non-Capital Projects Recommended for Funding
- D. Non-Capital Projects Not Recommended for Funding

**Region 2 – Southwest Oregon
Restoration Projects Recommended for Funding by the RRT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
z206-289	Diamond Lake Restoration	0	100,000	100,000	1
z206-293	Tenmile Lakes WS Fish Passage & Sediment Abatement Phase III	1,494	318,577	320,071	2
z206-290	Gold Hill Dam Removal & Restoration	0	541,500	541,500	3
z206-292	Elk Cr Wood Placement Phase II	640	71,749	72,389	4
z206-280	Dawson Road Ranch Riparian Restoration**	0	33,182	33,182	5
z206-295	Coquille WS Riparian Enhancement 2006	1,100	152,650	153,750	6
z206-296	Snyder Wetlands Final Phase	450	35,240	35,690	7
z206-291	Lowe Cr Channel & Wetlands Restoration*/**	0	150,000	150,000	8
z206-279	Galetti Wetland Restoration	0	42,723	42,723	9
z206-294	Coquille Instream Habitat Enhancement 2006**	400	56,345	56,745	10
z206-286	Fish Passage 2006-Umpqua Basin*/□	75	194,789	194,864	11
z206-283	Tenmile Lakes Fencing & Sediment Abatement**	1,529	256,263	257,792	12
z206-284	Dodge Canyon/Thompson Cr Supplement**	0	82,106	82,106	13
z206-282	North Myrtle Riparian Restoration**	0	60,194	60,194	14
z206-285	Murphy Cr Habitat Improvement**	0	16,406	16,406	15
z206-288	Ashland Cr Passage	0	19,255	19,255	16
Total Restoration Projects Recommended for Funding to Staff by the RRT		\$5,688	\$2,130,979	\$2,136,667	
Total Restoration Projects Recommended for Funding by Staff to the Board		\$5,688	\$2,130,979	\$2,136,667	

*Listed Amount Reflects Recommended Reduction ** Fund with Conditions □ \$100,071 of Capital Funding from Salmon Plate Money

Additional Project Funding

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount
206-082	Coos WS Association Projects 2006 (4-25-05 Grant Cycle)	0	4,000	\$4,000

**Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT
and Recommended for Deferral by OWEB Staff**

Project #	Project Name	Amount
z206-277	Klamath-Siskiyou Ed & Research Station –Deer Cr Ranch	500,000
Total Acquisition Projects Recommended for Deferral by Staff to the Board		\$500,000

Region 2 – Southwest Oregon
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
October 24, 2005 Grant Cycle

Project #	Project Name	Amount Requested
z206-278	Coles Valley Cr Restoration	39,486
z206-281	Fitzpatrick Cr Enhancement	25,109
z206-287	Jones Cr Fish Passage	100,875

**Region 2 – Southwest Oregon
Education Projects Recommended for Funding by the RRT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
z206-200	Bear Cr WS Education Partners-Improving an Urban Watershed	20,500	1
z206-201	South Coast Education**	30,000	2
Total Education Projects Recommended for Funding to Staff by the RRT		\$50,500	
Total Education Projects Recommended for Funding by Staff to the Board		\$50,500	

**Region 2 – Southwest Oregon
Monitoring Projects Recommended for Funding by the RRT/OPMT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority	OPMT Rating
z206-244	Coos WS Tidegate Replacement Effectiveness Monitoring-Phase 2*/**	80,233	1	H/H
z206-242	Curry WS Project Effectiveness Monitoring & Outreach	49,946	2	H/M
z206-241	Umpqua Basin Fish Production Monitoring**	57,191	3	H/L
z206-245	Coquille WS Monitoring 2006*	53,290	4	H/M
z206-248	Tenmile Lakes WS Quality Assurance Project Plan	97,148	5	M/M
z206-243	Coos WS Hydrological & Meteorological Monitoring 2006-08**	36,684	6	M/M
Total Monitoring Projects Recommended for Funding to Staff by the RRT		\$508,015		
Total Monitoring Projects Recommended for Funding by Staff to the Board		\$280,617		

*Listed Amount Reflects Recommended Reduction **Fund with Conditions
Benefit to the Oregon Plan/Certainty of Success—H=High, M=Moderate, L=Low

Region 2 – Southwest Oregon
Education Projects Not Recommended for Funding by the RRT and OWEB Staff
October 24, 2005 Grant Cycle

Project #	Project Name	Total Amount
z206-202	Lower South Fork Coos Outreach	20,790
z206-203	Youth Natural Science Program, OSU Extension Jackson County	74,829

Region 2 – Southwest Oregon
Monitoring Projects Not Recommended for Funding by the RRT/OPMT and OWEB Staff
October 24, 2005 Grant Cycle

Project #	Project Name	Total Amount
z206-246	Noxious Weed Treatment Monitoring	13,090
z206-247	Lower Umpqua Basin Water Quality Monitoring	26,834

February 28, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item J: OWEB Grant Award Recommendations
Region 3, Willamette Basin
March 15-16, 2006 OWEB Board Meeting**

I. Background

A total of 48 applications were received from the Willamette Basin, resulting in a total request of \$3,667,122. The breakout by type of grant is shown in an attachment to the Overview Report. The Willamette Basin Regional Review Team (RRT) met in Salem on January 12, 2006, to review the applications received in this grant cycle. All applications were reviewed for technical merit and a fund/no fund recommendation was made by the RRT. The RRT then prioritized the applications recommended for funding.

II. Regional Review Team Recommendations

Attachment A shows the *capital* projects and Attachment C the *non-capital* projects recommended and ranked for funding by the RRT. They also indicate which projects were recommended for funding with special conditions or at reduced amounts. The shading indicates the projects recommended by staff for funding by the Board.

Remarks pertinent to particular grant types and project applications are noted below.

III. Restoration Projects

Projects of special note include Clear Creek Fish Habitat Improvement (z206-310), Brush Creek Basin Fish Passage and Stream Restoration (z206-318), and Woods Creek Basin Fish Passage Restoration (z206-309). The last project includes an integral but unusually large *non-capital* outreach component. Douglass Fitting, Willamette Basin Regional Program Representative, will briefly highlight these projects at the Board meeting.

One road-related project, z206-313, the Raymond Creek Tributary Culvert Replacement project, has been selected to receive \$62,125 in Salmon License Plate funding.

IV. Acquisition Projects

A. Johnson Creek (z206-297)

Portland Parks and Recreation (PP&R) requests \$210,000 toward the purchase of 1.02 acres within the Johnson Creek 100-year floodplain. The property is located between two other publicly owned properties: Johnson Creek Park and the Springwater Corridor. Acquisition of the property would allow for restoration and access from the Springwater Corridor trail to Johnson Creek Park.

1. Ecological Benefits

The land acquisition project seeks to place the land into public domain and restore this severely degraded site to benefit fish and wildlife. The property is so disturbed through human activities that the priority ecological systems are remnant. Potential ecological systems found in the surrounding area include Freshwater aquatic beds, oak woodland, riparian forests and shrublands, western Oregon upland prairie and oak savanna. It is anticipated that these systems would be restored to the site once the property is purchased by the City of Portland.

Although not currently on the site, potential plant communities include bigleaf maple-red alder/swordfern-fringecup, black cottonwood-red alder/salmonberry, black cottonwood-creek dogwood /touch-me-not, California oatgrass-creeping lovegrass, Oregon ash/Dewey sedge-stinging nettle, Oregon ash/spreading rush, Pacific willow/stinging nettle and white oak/snowberry/sword fern. The applicant describes the site as a “clean canvas” for restoration.

Priority species found in Johnson Creek include Chinook, Pacific Lamprey, Coastal Cutthroat Trout, and Steelhead. Birds include Western Meadowlark and the White-breasted nuthatch. Amphibians and reptiles suspected to be in the area include Painted Turtle or Western Pond Turtle.

The application did not clearly explain which of the conservation principles would be addressed by the project. It is conceivable that purchase of the property for conservation would improve connectivity of habitat and complete or compliment an existing network of sites in the basin, but the application only describes these benefits in terms of recreation value rather than ecological value.

The Willamette Basin Regional Review Team reviewed the project and concluded that Johnson Creek contains a number of listed fish and this reach of the creek is important for habitat and fish use. However, this property contains only a very short segment of the stream. The RRT concluded that there is low ecological value to the property.

2. Capacity to Sustain the Ecological Benefits

PP&R will hold title to the property and the site will be managed by the Natural Resource Program of PP&R, now called City Nature. The property will be incorporated into the PP&R management plan for the Johnson Creek Park and Springwater Corridor areas and care of the land will be included in the annual maintenance budget. All of the City Nature properties are managed for the best environmental outcome with an adaptive management process called Ecosystem Management policy. This process entails an

analysis of current and desired condition and includes an action plan, monitoring and impact assessment.

The park staff includes program managers, a volunteer coordinator, an ecologist, utility staff, and seasonal labor. The PP&R team that is managing the natural resource portfolio in the south district has generated 40,000 hours of volunteer labor per year and managing about 2,000 acres. The PP&R, along with other City bureau partners, has a solid track record of site restoration. Funds to restore the site are being sought through an OWEB restoration grant (z206-307), which was not recommended for funding by the RRT.

3. Educational Benefits

The proposed project is a priority for acquisition in the Johnson Creek Land Acquisition Partnership and Implementation Strategy (2001). It will provide an opportunity for the public to assist in restoration and to build trails connecting it to the Springwater Corridor and Johnson Creek Park. Better access will provide for increased educational opportunities.

Middle School students from Sellwood Middle Schools currently use Johnson Creek Park as an outdoor classroom, where they do restoration planning and non-native weed control as well as sampling for water quality. In its review of the application the RRT concluded that there is some potential for educational benefits.

4. Partners, Project Support, and Community Effects

The project is supported by the Johnson Creek Watershed Council, Metro-regional government, Friends of Trees, and East Multnomah SWCD. The project has been identified as a priority project for the Johnson Creek Watershed Council's action plan. Local residents, when contacted, have responded very favorably to the project.

The property is located between the Springwater Corridor, a regional asset (Metro), and Johnson Creek Park, a locally owned and managed neighborhood park (PP&R). The property's strategic location offers many recreational benefits. Once acquired, the property will no longer be part of the tax base with a loss in local revenue of \$3,407.42 (2004-2005 taxes).

5. Legal and Financial Terms

OWEB funds are requested for 74 percent of the seller's asking price (\$255,000) for the property, although an updated appraisal has not been completed for the property. Match funding in the amount of \$72,500 is available through the Parks System Development Charge for Southeast Portland habitat acquisition and other City of Portland funds. PP&R would place a conservation easement or other protection instrument on the property to insure habitat values of the site are preserved.

6. Conclusion

The Board Subcommittee had concerns about the ecological value of the proposed acquisition and asked the RRT to evaluate the ecological and educational value of the project before deciding whether or not to proceed with due diligence. Both the Board Subcommittee and the RRT concluded that the ecological value was low. Although there is potential to provide habitat value from restoring the site, the staff and Board

Subcommittee felt the ecological lift was small relative to the cost of the project and that this is more clearly a recreational and open space project. The Board Subcommittee did not recommend a due diligence review and the Board Subcommittee and staff recommend that the Board not fund the Johnson Creek project.

V. Education Projects

As is often the case, this Region produced the largest number of Education grant proposals. The RRT recommended funding for nine of the 14 Education applications. Many are recommended at significantly reduced funding levels to limit projects to one year, focus on the “Knowledge” elements, and spread the scarce *non-capital* funding as far as it might go. Staff are recommending only six of the nine RRT recommended projects. This is the only region where not all of the RRT recommended projects are recommended for funding by staff.

VI. Monitoring Projects

The RRT reviewed and recommended one project for funding. The project is a new proposal, therefore staff do not recommend funding for the project at this time.

VII. Staff Recommendations for Project Funding

Attachments A and C show the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. The tables also indicate, by means of shaded entries, the OWEB staff “do fund” recommendations to the Board. For some “do fund” projects, the amount shown in the table may be the staff funding recommendation rather than the RRT recommendation. In Attachment A, the table shows that in some cases, the “Total Amount” for a restoration project is comprised of both *capital* and *non-capital* funds.

Attachments B and D show those applications not recommended for funding at this time by either the RRT or by OWEB staff.

Attachments

- A. Capital Projects Recommended for Funding
- B. Capital Projects Not Recommended for Funding
- C. Non-Capital Projects Recommended for Funding
- D. Non-Capital Projects Not Recommended for Funding

**Region 3 – Willamette Basin
Restoration Projects Recommended for Funding by the RRT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
z206-310	Clear Cr Fish Habitat Improvement	0	94,724	94,724	1
z206-313	Raymond Cr Tributary Culvert Replacement □	600	62,125	62,725	2
z206-298	Elijah Bristow Riparian Restoration & Reforestation Phase 2	0	152,238	152,238	3
z206-308	Lower Columbia Slough Off-channel & Floodplain Habitat Restoration**	0	150,758	150,758	4
z206-302	Clear Cr Large Wood & Riparian Enhancement**	0	92,128	92,128	5
z206-318	Brush Cr Basin Fish Passage & Stream Restoration Priority	0	159,595	159,595	6
z206-320	South Santiam Japanese Knotweed Control	0	37,052	37,052	7
z206-315	Peregrine Ranch Restoration**	0	111,113	111,113	8
z206-309	Woods Cr Basin Fish Passage Restoration	10,075	99,315	109,390	9
z206-312	Dragonfly Bend Habitat Enhancement –Final Phase Implementation	0	29,500	29,500	10
z206-300	Yodis/Potter Cr Fish Passage Improvement**	0	95,760	95,760	11
z206-317	South Fork Ash Cr Restoration	750	19,875	20,625	12
z206-316	Molalla R Side Channel Enhancement	250	60,825	61,075	13
z206-301	Saling/Potter Cr Fish Passage Improvement**	0	64,763	64,763	14
z206-314	Bradshaw Fish Habitat Improvement	137	65,034	65,171	15
z206-321	Owens Farm Restoration	2,050	42,544	44,594	16
z206-305	Oaks Bottom Wildlife Refuge Wetland Creation & Enhancement*	500	34,575	35,075	17
Total Restoration Projects Recommended for Funding to Staff by the RRT		\$14,362	\$1,371,924	\$1,386,286	
Total Restoration Projects Recommended for Funding by Staff to the Board		\$14,362	\$1,371,924	\$1,386,286	

*Listed Amount Reflects Recommended Reduction ** Fund with Conditions □ Capital Funding from Salmon Plate Money

**Region 3 – Willamette Basin
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
October 24, 2005 Grant Cycle**

Project #	Project Name	Amount Requested
z206-299	Lower Willamette R Riparian & Wetland Enhancement	155,049
z206-303	Crystal Springs Urban Riparian Enhancement-Eastmoreland Golf Course	98,648
z206-304	Sandland Floodplain Riparian Restoration	104,120
z206-306	Johnson & Errol Cr Confluence Fish Habitat Restoration	252,807
z206-307	Johnson Cr Park Restoration & Enhancement	68,826
z206-311	Goose Cr Side Channel Fish Habitat #	0
z206-319	Lookout Point Ranch Oak Habitats Restoration & Water Quality	177,988

Withdrawn by Applicant

**Acquisition Project Receiving a Mixed Rating for Ecological Merit by the RRT
and Not Recommended for Funding by OWEB Staff**

Project #	Project Name	Amount
z206-297	Johnson Cr/Crystal Springs Land Acquisition	\$210,000

**Region 3 – Willamette Basin
Education Projects Recommended for Funding by the RRT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
z206-208	Slough School-Columbia Slough WSC K-12 Ed Program*	75,000	1
z206-205	Middle Fork Ed: I Stream Simulators, II '06 & '07 Fish 'N' Fun*	25,000	2
z206-213	Calapooia & Santiam Joint Education	19,800	3
z206-217	Making Ripples: Community Building for Water Quality*	38,786	4
z206-204	Verde Native Plant Nursery	35,000	5
z206-207	Marys River Watershed Education & Outreach*	60,000	6
z206-214	Student WS Research Project (SWRP)*	32,047	7
z206-216	Polk Watershed Education	8,250	8
z206-212	Writing Your Watershed	4,884	9
Total Education Projects Recommended for Funding to Staff by the RRT		\$298,767	
Total Education Projects Recommended for Funding by Staff to the Board		\$253,586	

**Region 3 – Willamette Basin
Monitoring Projects Recommended for Funding by the RRT/OPMT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority	OPMT Rating
z206-249	“Best Practices Guidelines” for Wetland Restoration Projects**	15,400	1	M/M
Total Monitoring Projects Recommended for Funding to Staff by the RRT		\$15,400		
Total Monitoring Projects Recommended for Funding by Staff to the Board		\$0		

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions
Benefit to the Oregon Plan/Certainty of Success—H=High, M=Moderate, L=Low

Region 3 – Willamette Basin
Education Projects Not Recommended for Funding by the RRT and OWEB Staff
October 24, 2005 Grant Cycle

Project #	Project Name	Total Amount
z206-206	Spawning Watershed Education III	18,454
z206-209	Magness Memorial Tree Farm Forestry/WS Ed Programs	38,100
z206-210	Clean Rivers Teacher Workshops~	19,932
z206-211	Building Cultural Diversity for Future WS Workforce	34,400
z206-215	Tri-Council Japanese Knotweed Outreach & Education	45,680

February 28, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item J: OWEB Grant Award Recommendations
Region 4, Central Oregon
March 15-16, 2006 OWEB Board Meeting**

I. Background

A total of 30 applications were received from Central Oregon, resulting in a total request of \$4,111,807. The breakout by type of grant is shown in an attachment to the Overview Report. The Central Oregon Regional Review Team (RRT) met in Bend on January 6, 2006, to review the applications received in this grant cycle. All applications were reviewed for technical merit and a fund/no fund recommendation was made by the RRT. The RRT then prioritized the applications recommended for funding.

II. Regional Review Team Recommendations

Attachment A shows the *capital* projects and Attachment C the *non-capital* projects recommended and ranked for funding by the RRT. They also indicate which projects were recommended for funding with special conditions or at reduced amounts. The shading indicates the projects recommended by staff for funding by the Board.

Remarks pertinent to particular grant types and project applications are noted below.

III. Restoration Projects

Projects of special note include Beaver Creek Weed Management (z206-323); North Sherman Direct Seed/No Till (z206-336); and Williamson River Wetland Restoration (z206-328). The \$2,000,000 recommended grant amount to the Williamson River project is very large for OWEB, but the project should result in profound changes in the Williamson River watershed. Rick Craiger, Central Oregon Regional Program Representative, will briefly highlight these projects at the Board meeting.

One road-related project, z206-322, the Turner Bridge project, has been selected to receive \$19,615 in Salmon License Plate funding.

IV. Acquisition Projects

No land acquisition applications were received from Region 4.

V. Education Projects

The RRT recommended funding for two of seven Education applications. Five projects were not recommended by the RRT because they either did not meet the “Knowledge” criteria or were not ready for implementation.

VI. Monitoring Projects

The RRT reviewed and recommended two monitoring projects for funding. Both projects are new monitoring proposals, therefore staff does not recommend funding these projects at this time.

VII. Staff Recommendations for Project Funding

Attachments A and C show the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. The tables also indicate, by means of shaded entries, the OWEB staff “do fund” recommendations to the Board. For some “do fund” projects, the amount shown in the table may be the staff funding recommendation rather than the RRT recommendation. In Attachment A, the table shows that in some cases, the “Total Amount” for a restoration project is comprised of both *capital* and *non-capital* funds.

Attachments B and D show those applications not recommended for funding at this time by either the RRT or by OWEB staff.

Attachments

- A. Capital Projects Recommended for Funding
- B. Capital Projects Not Recommended for Funding
- C. Non-Capital Projects Recommended for Funding
- D. Non-Capital Projects Not Recommended for Funding

**Region 4 – Central Oregon
Restoration Projects Recommended for Funding by the RRT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
z206-328	Wetland Restoration Williamson River	0	2,000,000	2,000,000	1
z206-327	Lower Crooked R Wetland & Floodplain Enhancement**	0	190,500	190,500	2
z206-337	Lake Cr Restoration**	2,400	64,360	66,760	3
z206-336	North Sherman/Grass Valley WS Councils Direct Seed Incentive**	0	102,074	102,074	4
z206-326	Middle McKay Cr Riparian Restoration**	0	69,950	69,950	5
z206-338	Sprague R Channel Reconstruction & Wetland Enhancement	0	150,000	150,000	6
z206-323	Beaver Cr South Fork Crooked R Weed Management**	450	32,910	33,360	7
z206-332	Lindley Ranch Sediment Reduction & Gully Recovery	0	8,825	8,825	8
z206-322	Turner Bridge**/□	0	19,615	19,615	9
z206-324	Goold Water Conservation**	0	28,782	28,782	10
z206-333	Little Dead Dog WS Management*/**	0	39,074	39,074	11
Total Restoration Projects Recommended for Funding to Staff by the RRT		\$2,850	\$2,706,090	\$2,708,940	
Total Restoration Projects Recommended for Funding by Staff to the Board		\$2,850	\$2,706,090	\$2,708,940	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions □ Capital Funding from Salmon Plate Money

Region 4 – Central Oregon
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
October 24, 2005 Grant Cycle

Project #	Project Name	Amount Requested
z206-325	Bullard Canyon Ed & Restoration	25,500
z206-329	Klamath Tribes WHIP/OWEB Restoration	33,397
z206-330	Upper Klamath R Weed Management Area	11,000
z206-331	North Fork Mill Cr Culvert Removal	143,317
z206-334	Badger Ditch Piping	428,708
z206-335	Solar/Wind Hybrid Off-Stream Stock Water Development	34,051

**Region 4 – Central Oregon
Education Projects Recommended for Funding by the RRT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
z206-218	Fish Fest: Crooked River WS Youth Ed**	8,100	1
z206-223	2006 Watershed Science Camps	55,316	2
Total Education Projects Recommended for Funding to Staff by the RRT		\$63,416	
Total Education Projects Recommended for Funding by Staff to the Board		\$63,416	

**Region 4 – Central Oregon
Monitoring Projects Recommended for Funding by the RRT/OPMT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority	OPMT RATING
z206-250	South Fork Mill Cr Steelhead Video Count**	68,151	1	L/L
z206-251	Groundwater Budget & Model for Mosier Valley	149,728	2	L/H
Total Monitoring Projects Recommended for Funding to Staff by the RRT		\$217,879		
Total Monitoring Projects Recommended for Funding by Staff to the Board		\$0		

**Fund with Conditions

Benefit to the Oregon Plan/Certainty of Success—H=High, M=Moderate, L=Low

Region 4 – Central Oregon
Education Projects Not Recommended for Funding by the RRT and OWEB Staff
October 24, 2005 Grant Cycle

Project #	Project Name	Total Amount
z206-219	Klamath WS Education	46,906
z206-220	Waste Water to Wetland Interpretive Signage	6,000
z206-221	Water & Economics Optimization Demonstration	86,439
z206-222	Consensus Inst.-Creating a Sustainable Future for Fish, Water & People	79,549
z206-224	Evaluation & Demonstration of Drip Irrigation in Orchard Crops	74,550

February 28, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item J: OWEB Grant Award Recommendations
Region 5, Eastern Oregon
March 15-16, 2006 OWEB Board Meeting**

I. Background

A total of 59 applications were received from Eastern Oregon, resulting in a total request of \$4,253,882. The breakout by type of grant is shown in an attachment to the Overview Report. The Eastern Oregon Regional Review Team (RRT) met in La Grande on January 17 and 18, 2006, to review the applications received in this grant cycle. All applications were reviewed for technical merit and a fund/no fund recommendation was made by the RRT. The RRT then prioritized the applications recommended for funding.

II. Regional Review Team Recommendations

Attachment A shows the *capital* projects and Attachment C the *non-capital* projects recommended and ranked for funding by the RRT. They also indicate which projects were recommended for funding with special conditions or at reduced amounts. The shading indicates the projects recommended by staff for funding by the Board.

Remarks pertinent to particular grant types and project applications are noted below.

III. Restoration Projects

Projects of special note include Fletcher Dike Removal (z206-347); Ladd Creek Marsh Restoration (z206-350); and Clear Creek Floodplain Restoration (z206-376). Karen Leiendecker, Eastern Oregon Regional Program Representative, will briefly highlight these projects at the Board meeting.

One road-related project, z206-348, the Mahogany Culvert Replacement project, has been selected to receive \$41,204 in Salmon License Plate funding.

The recommended amount for project z206-357, Middle Fork Malheur Bank Stabilization, has been increased as a result of the RRT's evaluation of the project and subsequent design modifications.

IV. Acquisition Projects

A. Pilcher Creek (z206-339)

Rocky Mountain Elk Foundation (RMEF) requests \$250,000 toward purchase of a conservation easement on a 138-acre parcel on Pilcher Creek in the North Powder River Watershed. The property is owned by Chris and Donna Heffernan, who also own the adjoining 2,000 acre parcel (North Slope Ranch). The property is adjacent to the Elkhorn Wildlife Management Area and the Wallowa-Whitman National Forest. The easement proposes to balance protection of priority habitats and species with continued use as a working ranch. The objectives of the conservation easement project are to remove the dwelling permit, maintain and enhance plant and wildlife species, fence off 30 acres of ponds and riparian areas to prevent grazing, promote big game and other species habitat, protect shrubs for bird habitat, apply additional stored water for wildlife and livestock use, and maintain a healthy forest and wetland ecosystem.

1. Ecological Benefits

Four priority habitats are involved in the project: Foothill and lower montane riparian woodland, big sagebrush steppe, lowland riparian forest and shrubland, and freshwater emergent marsh. The entire parcel contains some the priority habitats and species. Of particular interest is approximately 30 acres of beaver complex, where numerous beavers have created and maintained multiple wetlands. This is relatively rare in eastern Oregon.

Rare or at risk plant communities on the parcel include black cottonwood-white alder, black cottonwood/black hawthorn, black cottonwood/pacific willow riparian, mock orange, ponderosa pine/black hawthorn, tufted hairgrass-Douglas' sedge alkaline prairie, western birch-creek dogwood, western birch-mock orange and white alder/mock orange. The property is host to priority species such as Columbia spotted frog and Lewis' woodpecker. The proposed conservation easement will benefit other species such as the bald eagle, yellow billed cuckoo, tailed frog, harlequin duck, mountain quail, northern goshawk, white headed woodpecker, pileated woodpecker and common nighthawk.

The application asserts that creating a conservation easement for the site supports four of OWEB's conservation principles including securing a transition area and protecting it from development, protecting a site with exceptional biodiversity value, improving connectivity of habitat and completing or complementing an existing network of sites in the basin or region.

The Eastern Oregon Regional Review Team confirmed the presence of priority habitats and species and found that the project was consistent with the four conservation principles. According to the reviewers, the property has high ecological values for eastern Oregon. Although the bottomlands have the greatest biodiversity, the uplands are necessarily part of the project and will provide for protection of the bottomlands.

2. Capacity to Sustain the Ecological Benefits

RMEF will hold the conservation easement. RMEF has been in the business of protecting natural resources since 1985. They hold many conservation easements nationwide. RMEF has 150 full time employees including field representatives who and

routinely monitor sites for compliance with conservation easements and consult with landowners on restoration and enhancement activities.

RMEF will work closely with the Heffernan Family Trust to manage the property. It is anticipated that regular management costs will be incorporated into the Heffernan's current ranch budget. Funding for conservation projects, such as fencing, is being sought through other conservation groups. The application references a \$10,000 stewardship endowment.

The Heffernan's have been operating the adjacent ranch according to a Stewardship Plan updated in 2004, which would serve as a basis to develop a management plan for the conservation easement property. A separate plan for upland grazing and forestry management on this property has not been developed yet. The Board Subcommittee identified a need for an augmented forestry and grazing management plan to ensure an appropriate balance between conservation and production is achieved.

Plans for restoration activities are not part of the project. The property is unique in that it would require minimal to no rehabilitation efforts.

3. Educational Benefits

The Heffernan's have hosted many educational tours on their properties and will continue to support opportunities for public access. According to the application and the RRT review, the property owners are active in education and outreach programs with OSU extension, Oregon Department of Fish and Wildlife (ODFW) and Oregon Department of Forestry (ODF). The Heffernan's have hosted many tours and workshops on their properties, including the "Youth Hunt" workshops conducted by ODFW and Stewardship workshops conducted by ODF. It is anticipated that this tradition of making the property available for these types of education and outreach activities continue.

4. Partners, Project Support, and Community Effects

Letters of support for the conservation easement project were received by the Oregon Department of Fish and Wildlife, Oregon Department of Forestry, OSU Extension, U.S. Fish and Wildlife Service, Powder Basin Watershed Council, and The Nature Conservancy.

The property will remain on the tax rolls and there will be no loss of tax base revenue. This project is an excellent example of conservation under private ownership and may serve as a model to encourage other landowners to participate in conservation efforts. This is significant, especially in an area where there is so much land in public ownership.

5. Legal and Financial Terms

OWEB funds are requested for 75 percent of the anticipated market value for the purchase of a conservation easement. An appraisal to determine the value of the conservation easement is forthcoming.

On February 2, 2006, the Board Subcommittee recommended proceeding with due diligence review of this application after the RRT's evaluation of the ecological and

education merits of the project. Staff have requested due diligence materials from the applicant.

6. Conclusion

The Pilcher Creek conservation easement project received high marks for ecological and educational values and was found to be consistent with four of OWEB's conservation principles. Because the due diligence review has just started, the Board Subcommittee and staff recommend the Board defer consideration of the application until that evaluation is complete.

V. Education Projects

The RRT recommended funding for three of four Education applications.

VI. Monitoring Projects

The RRT recommended funding for six projects, four ongoing and two new projects. Although the sixth ranked project is an ongoing monitoring project, the Oregon Plan Monitoring Team concluded that the project has a low benefit to the Oregon Plan and low certainty of success. Therefore staff are not recommending project z206-258 for funding and is only recommending funding for three of the four ongoing projects.

VII. Staff Recommendations for Project Funding

Attachments A and C show the proposals, funding amounts, conditions (if any), and priority rankings recommended as "do fund" to OWEB staff by the RRT. The tables also indicate, by means of shaded entries, the OWEB staff "do fund" recommendations to the Board. For some "do fund" projects, the amount shown in the table may be the staff funding recommendation rather than the RRT recommendation. In Attachment A, the table shows that in some cases, the "Total Amount" for a restoration project is comprised of both *capital* and *non-capital* funds.

Attachments B and D show those applications not recommended for funding at this time by either the RRT or by OWEB staff.

Attachments

- A. Capital Projects Recommended for Funding
- B. Capital Projects Not Recommended for Funding
- C. Non-Capital Projects Recommended for Funding
- D. Non-Capital Projects Not Recommended for Funding

**Region 5 – Eastern Oregon
Restoration Projects Recommended for Funding by the RRT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
z206-347	Fletcher Dike Removal	0	17,875	17,875	1
z206-352	Eastside Pushup Dam Replacement	0	34,890	34,890	2
z206-376	Clear Cr Floodplain Restoration (Years 1 & 2 of 3)	0	174,986	174,986	3
z206-359	Upper Bridge Cr Fish Passage/Irrigation Improvement	0	118,558	118,558	4
z206-350	Ladd Cr/Ladd Marsh Wildlife Area Channel Reconstruction*	0	81,793	81,793	5
z206-348	Mahogany Culvert Replacement*/**/□	0	41,204	41,204	6
z206-360	Mountain Cr Diversion Improvement	0	34,370	34,370	7
z206-344	Wallowa Canyonlands Weed Partnership	450	68,435	68,885	8
z206-341	Starkey Ponds	0	105,333	105,333	9
z206-357	Middle Fork Malheur R Bank Stabilization***	0	52,000	52,000	10
z206-346	Cochran Cr Ranch Grazing System Improvements	0	66,034	66,034	11
z206-349	Cottonwood Cr Restoration	0	41,527	41,527	12
z206-343	Woody Grazing Management*/**	500	64,912	65,412	13
z206-355	Little Hill Farm Irrigation Efficiency	0	11,340	11,340	14
z206-380	Baker Valley Early Intervention Juniper Control	0	67,701	67,701	15
z206-365	Willow Cr Fish Passage**	0	55,300	55,300	16
z206-373	Lower Umatilla R @ Echo Steambank Stabilization & Riparian Buffer	0	48,560	48,560	17
z206-358	Upton Mountain Range & Riparian Improvement	0	41,128	41,128	18
z206-371	Monument SWCD Juniper Treatment	50	43,289	43,339	19
z206-351	NE Oregon Forests Fish Passage & Sediment Improvement	0	99,000	99,000	20
z206-363	Hudson Bay Aquifer-Spring Restoration Phase II & III*	0	196,925	196,925	21
z206-361	Butte Cr Diversion/Irrigation Improvement*	0	37,387	37,387	22
z206-377	Malheur R Water Quality Improvement	0	32,471	32,471	23
z206-378	Creatively Controlling Cropland Weeds	3,000	100,280	103,280	24
z206-362	Snake R Irrigation Erosion Control	300	317,558	317,858	25
z206-342	Emerson Habitat Improvement	0	45,712	45,712	26
z206-369	MB E-coli Reduction/Irrigation Pump-back System	0	50,160	50,160	27
z206-366	Willow Cr Double Your Fun Pump Back Systems**	0	39,705	39,705	28
Total Restoration Projects Recommended for Funding to Staff by the RRT		\$4,300	\$2,088,433	\$2,092,733	
Total Restoration Projects Recommended for Funding by Staff to the Board		\$4,300	\$2,088,433	\$2,092,733	

*Listed Amount Reflects a Recommended Reduction ** Fund with Conditions ***Listed Amount Reflects a Recommended Increase □ Capital Funds from Salmon Plate Money

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

Project #	Project Name	Total Amount
z206-339	Pilcher Cr	250,000
Total Acquisition Projects Recommended for Deferral by Staff to the Board		\$250,000

Region 5 – Eastern Oregon
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
October 24, 2005 Grant Cycle

Project #	Project Name	Amount Requested
z206-340	Sullivan Resource Management	18,124
z206-345	Oxbow Culvert Replacement	126,500
z206-353	Combating Leafy Spurge in the Walla Walla Basin	38,500
z206-354	Westland Alluvial Recharge/Flow Enhancement	256,100
z206-356	Doe & Summit Cr Culvert Removal	144,000
z206-364	Service Creek Bridge	47,050
z206-367	Choir Boys Constructed Wetland	227,763
z206-368	Youngfield Subdivision/Jordan Cr Protection	60,847
z206-370	Beyond Words Juniper Removal-Phase I	59,200
z206-372	Grassland Restoration at the Boardman Conservation Area	41,192
z206-374	Antelope Peak Habitat Enhancement Phase I	51,600
z206-375	Dry Gulch Off-Stream Watering & Water Quality Improvement	156,536
z206-379	Williams Dairy Heifer Raising Relocation	81,943

**Region 5 – Eastern Oregon
Education Projects Recommended for Funding by the RRT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
z206-226	STELLAR	12,190	1
z206-227	Community-Based Water Solutions	35,090	2
z206-228	2007 Annual WS Field Days	24,382	3
Total Education Projects Recommended for Funding to Staff by the RRT		\$71,662	
Total Education Projects Recommended for Funding by Staff to the Board		\$71,662	

**Region 5 – Eastern Oregon
Monitoring Projects Recommended for Funding by the RRT/OPMT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority	OPMT Rating
z206-257	Wallowa County Stream Flow Gaging Stations	40,800	1	H/H
z206-253	Surface-Groundwater Monitoring-Water Quality & Species Recovery	51,480	2	H/H
z206-256	Grande Ronde Basin Gauging Station Monitoring (Water Yr 2006-07)	12,210	3	L/M
z206-254	North & Middle Forks Research, Monitoring & Evaluation	46,980	4	H/M
z206-255	Umatilla TMDL & Wildhorse Nitrate/BMP Monitoring*	57,471	5	H/M
z206-258	Malheur Basin Water Quality Monitoring	17,200	6	L/L
Total Monitoring Projects Recommended for Funding to Staff by the RRT		\$226,141		
Total Monitoring Projects Recommended for Funding by Staff to the Board		\$149,751		

*Listed Amount Reflects Recommended Reduction **Fund with Conditions
Benefit to the Oregon Plan/Certainty of Success—H=High, M=Moderate, L=Low

**Region 5 – Eastern Oregon
 Education Projects Not Recommended for Funding by the RRT and OWEB Staff
 October 24, 2005 Grant Cycle**

Project #	Project Name	Total Amount
z206-225	Upper Grande Ronde Pond Development Demonstration~	10,300

**Region 5 – Eastern Oregon
 Monitoring Projects Not Recommended for Funding by the RRT/OPMT and OWEB Staff
 October 24, 2005 Grant Cycle**

Project #	Project Name	Total Amount
z206-252	OWT Monitoring Program	29,115

February 28, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item J: OWEB Non-Capital Grant Award Recommendations
Statewide Education
March 15-16, 2006 OWEB Board Meeting**

I. Background

Four “statewide” Education applications, requesting a total of \$734,848, were reviewed by a subcommittee of the Oregon Plan Outreach Team (OPOT) at a meeting in Salem on January 5, 2006. All applications were reviewed for eligibility and technical merit and a fund/no fund recommendation was made by the OPOT. The OPOT then prioritized the applications recommended for funding. OWEB staff considered present and future funding availabilities, and special needs and circumstances in balancing and integrating the statewide “do funds” with those from the Regional Review Teams.

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

With available *non-capital* funds very limited, the Board authorized a special solicitation for Education project applications targeted at just one of OWEB’s three strategies for Education and Outreach – namely, “Knowledge Development.” OWEB’s guidance on this grant type describes it as “formal, intensive education efforts linked to teaching standards...defined educational objectives... and specific audiences” – essentially, a more targeted and academic approach to increasing the level of knowledge of watershed functions and values.

II. Outreach Team Recommendations

As noted in the Overview Report for *Non-Capital* Projects in Agenda Item L, a certain number of the applications received did not aim at the “Knowledge” focus of this solicitation. Only z206-232, the Healthy Waters Institute Pilot Project, hit reasonably close to the “bulls-eye,” and it also included significant elements that fit better into OWEB’s “Skills” and “Awareness” strategies. This proposal was highly regarded by the OPOT, but because of the shortage of *non-capital* funding, is recommended for only \$120,000 in this grant cycle. This amount will fund only the first of three anticipated years and minimize support for the non-“knowledge” elements of the project.

Project z206-230, the Increased Knowledge Equals Increased Action proposal from the Watershed Council Network, was also highly regarded by reviewers. It also is not limited to “Knowledge” elements and is proposed in such a way that pulling the project apart to fund only those “Knowledge” elements would be very difficult.

III. Recommended Board Action

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

Attachment B shows those statewide education applications not recommended for funding at this time by either the OPOT or by OWEB staff.

Attachments

- A. Statewide Education Non-Capital Projects Recommended for Funding
- B. Statewide Education Non-Capital Projects Not Recommended for Funding

**Statewide
Education Projects Recommended for Funding by the OPOT
October 24, 2005 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
z206-232	Healthy Waters Institute Pilot Project*	120,000	1
z206-230	Increased Knowledge = Increased Action	96,547	2
Total Education Projects Recommended for Funding to Staff by the OPOT		\$216,547	
Total Education Projects Recommended for Funding by Staff to the Board		\$120,000	

*Listed Amount Reflects Recommended Reduction

**Statewide
Education Projects Not Recommended for Funding by the OPOT and OWEB Staff
October 24, 2005 Grant Cycle**

Project #	Project Name	Total Amount
z206-229	Building Knowledge in WS Restoration	145,800
z206-231	Oregon Explorer-Oregon's Natural Resources Digital Library	150,000

March 2, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

SUBJECT: **Agenda Item L: OWEB *Non-Capital* Grant Award Recommendations Overview**
March 15-16, 2006 OWEB Board Meeting

I. Introduction

This staff report only addresses *non-capital* grant award recommendations. The staff report for Agenda Item J addresses *capital* grant awards.

II. Background

Ninety four grant applications requesting a total of \$4,338,188 of *non-capital* funds were received by the October 24, 2005, deadline (31 Technical Assistance grant applications totaling \$851,605, 37 Education applications totaling \$2,061,835, and 26 Monitoring applications totaling \$1,424,748). Attachment A shows the breakdown by region, project type, and dollar amount.

Technical Assistance applications have already been awarded according to a process approved by the Board in September 2005 with the purpose of expediting approval of applications and distribution of grant funds for projects that will lead to restoration project grant applications in the coming year.

This report briefly addresses the handling of the Technical Assistance, Education, and Monitoring grant applications. Regional staff reports in Agenda Item J contain the OWEB staff funding recommendations for Regions 1-5 and statewide.

A. Review Process

After being screened for eligibility and completeness, the three types of *non-capital* grant applications were sent to the five Regional Review Teams (RRTs) that reviewed them for merit and made prioritized funding recommendations to OWEB staff. After classifying projects as “fund” or “no fund,” the RRTs were then asked to prioritize the projects recommended for funding. The RRT recommendations on the Education and Monitoring applications are included in each applicable regional staff report which are attached to Agenda Item J. Any applications recommended for funding at a reduced amount and/or with special conditions are so identified in the tables attached to each regional staff report.

Prior to the RRT meetings, the Oregon Plan Monitoring Team (OPMT) reviewed the Monitoring applications on the basis of their benefit to the Oregon Plan and their certainty of success, and these ratings were shared with the RRTs. The four “statewide” Education applications were reviewed by a subcommittee of the Oregon Plan Outreach Team (OPOT). OWEB staff considered present and future funding availabilities, and special needs and circumstances in balancing and integrating the separate Team recommendations into this staff funding recommendation to the Board.

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

III. Update on Grant Offerings

A. Technical Assistance

At its September 2005 meeting the Board allocated \$500,000 to support a Technical Assistance (TA) solicitation for proposals designed to produce final or nearly final technical design drawings and specifications for restoration projects that are nearly ready for implementation. The Board authorized staff to run an “early action” process designed to expedite approval of applications and distribution of grant funds in order that applicants might use the final products of the completed TA grants to finish restoration project applications for submission to OWEB as early as the April 24, 2006, deadline. Staff reported at the January Board meeting on applications received and staff funding decisions. Staff also requested, and the Board approved, an allocation of an additional \$26,000 to support the early action TA grants. Many of the grant agreements for these projects have now been signed and the work is moving forward rapidly. The Board is not requested to take any further action on these TA grants. The funding tables included in this report show the TA applications received and their funding decision. (Attachment B)

B. Education

With limited available *non-capital* funds, the Board also authorized a special solicitation for applications targeted at one of OWEB’s three strategies for Education and Outreach – namely, “Knowledge Development.” OWEB’s guidance on this grant type describes it as “formal, intensive education efforts linked to teaching standards...defined educational objectives... and specific audiences” relating to watershed functions and values. Information on the targeted solicitation was posted on OWEB’s web site within a day of the Board’s directive to proceed, and information was disseminated to traditional OWEB applicants and grantees. Unfortunately, the short turn-around between the September 2005 Board meeting and the late October 2005 application deadline left too little time for workshops and other means of grant writing outreach, so a certain number of the applications – about 40 percent – shot for the wrong target and were not competitive (or even eligible) for the “Knowledge” focus of this solicitation. Still, a number of excellent proposals did hit the mark and are recommended for funding by staff. Given the limited *non-capital* funding, multi-year projects were reduced to a single year, and any non-“knowledge” elements were eliminated or reduced to the extent that could be done without undermining the delivery of the project’s “knowledge” content.

C. Monitoring

The Monitoring grant applications received for the October 2005 solicitation totaled \$1,424,748. The grant applications recommended for funding by the RRTs exceeded \$1,100,000. These figures are in stark contrast to the \$250,000 reserved for Monitoring grants at the September 2005 Board meeting. It became apparent following the Oregon Plan Monitoring Team (OPMT) and RRT meetings in January that the budget allocation of \$250,000 was not sufficient to fund more than two highly ranked monitoring projects. Thus, staff recommended and the Board reserved an additional \$250,000 for monitoring grants at the January Board meeting.

Subsequent to the January Board meeting, regional and Salem staff conducted data analyses regarding the extent and term of OWEB investments in monitoring projects over the last few years. Through that review, staff learned there is a collection of monitoring projects that have been funded for a number of years with a cost that exceeds \$1,000,000 on a rolling two-year period. Staff also know that meaningful monitoring activities require consistent and repeated data collection over time. As a result, monitoring projects have a multi-year dynamic that is more critical than for other grant types. Data collection, analysis, and the distribution of results can be severely compromised if continuity is not maintained for several years in a row.

Given that there are limited *non-capital* funds available for projects and a high demand for funding, staff utilized additional criteria to develop Monitoring grant funding recommendations for the Board. First, staff considered maintaining high quality, relevant, ongoing activities as a top priority for monitoring grant awards. Second, staff reduced ongoing projects to more closely approximate one year of funding. This affects some projects that, as submitted, include a two-year budget for staff, equipment, and services. By using these two criteria, the staff funding recommendations emphasize support for as many ongoing, proven monitoring projects as possible so they may continue in the near term.

This approach also provides time for staff and grantees to consider options for supporting monitoring projects in the future. Action on the staff recommendations may result in many of the current project applicants and March 2005 grantees submitting Monitoring grant applications in October 2006. In anticipation of this demand and the continued limitations on available funds, staff will work with the OPMT and grantees to establish clear guidance with focused monitoring priorities in advance of the next monitoring grant cycle.

IV. Budget Considerations

At the January 2006 Board meeting, staff recommended reserving these amounts for the October-March grant cycle:

Education:	\$500,000
Monitoring:	\$500,000

The Board has expressed concern at the low amount available for Education and Monitoring grants. Since the January Board meeting, staff have identified additional funding for these grants. Agenda Item G recommends the Board reserve \$299,225 in additional funds to help fund

Education and Monitoring grant needs identified in this report. See Agenda Item G for a more detailed discussion of the additional *non-capital* funding.

V. Summary of Funding Options

The funding totals recommended by staff for the Education and Monitoring applications are shown below. Funding recommendations are contained within each of the regional staff reports contained in Agenda Item J, Attachments C and D, and the statewide education staff report contained in Agenda Item J, Attachments A and B. “Do Fund” projects are indicated on the tables by shading.

- **Education Projects: \$619,143**
- **Monitoring Projects: \$680,082**

VI. Recommended Board Action

Staff recommend that the Board award *non-capital* funding for the projects indicated in each of the five regional staff reports contained in Agenda Item J, Attachment C, and the statewide education staff report contained in Agenda Item J, Attachment A.

Attachments

- A. Types of Applications Received and Amounts Requested by Application Type
- B. Technical Assistance Applications Received

Oregon Watershed Enhancement Board

Types of Applications Received October 24, 2005

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Region 1	5	4	8	2	16	35
Region 2	8	4	8	1	19	40
Region 3	8	14	1	1	24	48
Region 4	4	7	2	0	17	30
Region 5	6	4	7	1	41	59
Statewide	0	4	0	0	0	4
Totals	31	37	26	5	117	216

Dollar Amounts Requested by Application Type

	Technical Assistance	Education	Monitoring	Acquisition	Restoration	Totals
Region 1	128,110	59,979	330,803	1,620,000	924,507	\$3,063,399
Region 2	179,286	146,119	547,939	500,000	2,391,749	\$3,765,093
Region 3	230,631	682,067	15,400	210,000	2,529,024	\$3,667,122
Region 4	145,725	356,860	217,879	0	3,391,343	\$4,111,807
Region 5	167,853	81,962	312,727	250,000	3,441,340	\$4,253,882
Statewide	0	734,848	0	0	0	\$734,848
Totals	\$851,605	\$2,061,835	\$1,424,748	\$2,580,000	\$12,677,963	\$19,596,151

TA Projects # z206-165 Through z206-195
 Ed Projects #z206-196 Through z206-232
 Mon. Projects #z206-233 Through z206-258
 Acq/Res Projects #z206-259 Through z206-380

R-3 z206-311, \$283,800 Withdrawn by Applicant a/o 12-13-05 (not subtracted from totals)

OWEB
“Early Action” Technical Assistance Projects Funded
January 2006
October 24, 2005 Grant Cycle

Region 1 – North Coast

Project #	Project Name	Amount
206-165	Lost Cr Large Wood Enhancement	3,385
206-166	Vaughn Cr Reach 2 Fish Passage Engineering Design	37,000
206-169	Lint Slough Hydrologic Analysis**	39,375
Total Region 1 “Early Action” Technical Assistance Projects Funded		\$79,760

Region 2 – Southwest Oregon

Project #	Project Name	Amount
206-170	Bear Cr Riparian Program Development-Site Prescriptions	15,500
206-173	West Fork Williams Cr Salmonid Habitat Restoration Plan*/**	8,016
206-174	Bennett Cr Culvert Replacement Design*□/**	12,021
206-175	Sediment Abatement Project Plan Development	27,461
206-176	Brummit Cr Instream Log Placement Design	8,190
206-177	S Fork Coos R Mixed-ownership High-Risk Road Sediment Reduction	39,151
Total Region 2 “Early Action” Technical Assistance Projects Funded		\$110,339

Region 3 – Willamette Basin

Project #	Project Name	Amount
206-179	East Lane Riparian Restoration Planning*/**	41,024
206-180	Hatch Airport Fish Passage/Habitat Restoration Design Feasibility Study	39,565
206-181	Deer Cr Wetland & Stream Restoration Design	8,653
206-182	Pond Turtle Enhancement Project	12,473
206-185	West Fork Dairy Cr Culvert Removal & Stream Enhancement Design	28,196
Total Region 3 “Early Action” Technical Assistance Projects Funded		\$129,911

Region 4 – Central Oregon

Project #	Project Name	Amount
206-186	Squaw Cr Restoration Design	50,000
206-188	Wastewater to Constructed Wetland Design	47,700
206-189	Middle Crooked R WS Restoration Planning & Design**	23,805
Total Region 4 “Early Action” Technical Assistance Projects Funded		\$121,505

Region 5 – Eastern Oregon

Project #	Project Name	Amount
206-190	Ordell Ditch/Grande Ronde Ditch Diversion Rehabilitation	36,278
206-192	Zell Ditch Diversion Design	8,400
206-193	Cow Hollow Engineering Project	3,570
206-194	Five Point Diversion Fish Screen & Passage*	35,405
Total Region 5 “Early Action” Technical Assistance Projects Funded		\$83,653

*Listed Amount Reflects Recommended Reduction
□ Amount Reflects Reduction of Administration to the Required 5%
**Fund with Conditions

Total “Early Action” TA Projects Funded by the Board January 2006		\$525,168
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OWEB
“Early Action” Technical Assistance Projects Not Funded
January 2006
October 24, 2005 Grant Cycle

Region 1 – North Coast

Project #	Project Name	Amount
z206-167	Conyers Cr Planning Phase	24,150
z206-168	Engineering Design for Re-establishment of Reneke Cr Channel	24,200

Region 2 – Southwest Oregon

Project #	Project Name	Amount
z206-171	Jumpoff Joe Cr Bio-Engineering Technical Design	8,925
z206-172	Roberts Cr & South Fork Deer Cr Conservation Planning	50,000

Region 3 – Willamette Basin

Project #	Project Name	Amount
z206-178	Willow Cr Confluence Restoration Scoping & Budgeting	36,435
z206-183	Sauvie Island Hydraulic & Hydrologic Modeling	21,950
z206-184	Luckiamute WS Winter Steelhead Fish Passage Survey	33,589

Region 4 – Central Oregon

Project #	Project Name	Amount
z206-187	Upper McKay Cr Flow Study & Restoration Design	24,220

Region 5 – Eastern Oregon

Project #	Project Name	Amount
z206-191	USFS Road 4600-930 Chesnimnus Cr Crossing Design	30,000
z206-195	Wallowa Lake Dam Replacement- Final Engineering	50,000

Agenda Item L: Board Consideration of Pending *Non-Capital* Grant Applications

See Agenda Item J, Regions 1-5, Sections V and VI, and Attachments C and D, and the Statewide Staff Report for information on Education and Monitoring applications.

Agenda Item L: Board Consideration of Pending *Non-Capital* Grant Applications

See Agenda Item J, Regions 1-5, Sections V and VI, and Attachments C and D, and the Statewide Staff Report for information on Education and Monitoring applications.

Oregon Watershed Enhancement Board
March 15, 2006
OWEB Board Meeting
Roseburg, Oregon

Minutes

OWEB Members Present

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

OWEB Staff Present

Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Douglass Fitting
Mark Grenbemer
Karen Leiendecker
Melissa Leoni
Tom Shafer
Greg Sieglitz
Monte Turner
Lori Warner-Dickason
Roger Wood

Others Present

John Budkely
Streve Stampfli
Dave Heller
Lee Russell
Walt Barton
Jeff Ulbel
Larry Ojua
Paula Crowder
Liz Vollmer-Buhl
Janine Salwasser
Gail Oberst
Margaret Nover
John Moriarty
Sandy Lyon
Charlie Corrarino
Wayne Hoffman
Jake Gibbs
Joe Linn
Rob Fiegener
Liz Dent
Jo Morgan
Chuck Sams
Rachel Felice
Dani Watson
Jill Estenson
Paul Siebert
Michael Cairns
Jenny Shine
Ken Phippen

Members Not Present

Dianne Guidry
Scott Reed

A. Board Member Comments

Representatives on the OWEB Board commented on recent activities and issues facing their respective agencies. Board Co-Chair Dan Heagerty introduced new Board member Ken Williamson, representing the Environmental Quality Commission. Co-Chair Heagerty announced that Dianne Guidry representing the Natural Resources Conservation Service (NRCS) has accepted a position in Washington D.C. and will be leaving the OWEB Board. Her replacement has not yet been named.

B. Minutes

Minutes of the following Board meeting were unanimously approved:
January 24-25, 2006 Board meeting in Otter Rock

C. Executive Director Update

Executive Director, Tom Byler, provided the following comments to the Board.

- OWEB has a number of new employees:
Lori Warner-Dickason, Policy Specialist
Monte Turner, Oregon Plan Communications Coordinator
Teresa Trump, Grant Administrative Assistant
Gail McEwen, Biennial Conference Coordinator
- OWEB is beginning the budget process for the 2007-2009 biennium. Final Agency Request Budgets are due on September 1, 2006. OWEB staff have not identified needed legislative concepts and therefore are not planning to file any.
- Director Byler noted a memo in the Board's packet that provided background information on the history and current status of OWEB's Restoration and Protection Research Fund. Subsequent to the meeting, Board members received several communications from interested stakeholders regarding the use of these funds. OWEB staff will return to the May meeting with a proposed approach to solicit and review projects seeking research funds.
- NMFS has notified OWEB that the FFY 2006 PCSRF funds are available. OWEB has submitted a request to the legislative emergency board to apply for a \$5,295,000 federal funds grant from NOAA Fisheries and for a \$5,140,800 increase in federal funds expenditure limitation.
- The FFY 2007 PCSRF allotment in the President's Recommended Budget is \$67 million, which was the amount approved in FFY 2006. If the same distribution occurs as last year, Oregon would receive around \$6 million. Strategies are being developed to increase Oregon's share of the funding such as noting the value of Oregon's investments provide over 130% return on projects.

D. Restoration Priorities Update

Ken Bierly, Deputy Director, updated Board members on development of regional priorities for restoration projects to be used as guidance by OWEB in the review of grant applications and to provide a more transparent ability to document the extent OWEB projects are meeting ecological priorities. As directed by statute, and as approved by the Board in September 2002, OWEB has worked to develop regional restoration priorities. The staff report identified two basins – the Willamette and Rogue basins – that have presented draft reports for Board review. The Board was asked to adopt the approach and content presented in the Willamette and Rogue basin reports to be used in developing basin priorities statewide.

Board members unanimously approved to adopt the approach to establishing regional restoration priorities by identifying limiting factors for each watershed in the Willamette and Rogue basins and the content of the Willamette and Rogue regional restoration priorities. Board members were asked to get back to staff within 30 days if they have any comments on the approach.

E. Monitoring Report

Greg Sieglitz, Monitoring and Reporting Program Manager, used a PowerPoint presentation to provide an overview of recent monitoring program activities. Progress has been made on the

effects of western juniper removal projects, PCSRF reporting, and development of an effectiveness monitoring workshop jointly sponsored by OWEB and the IMST to be held April 18 and 19 at Oregon State University.

Board member Bobby Brunoe requested that the Tribes be invited to participate in the workshop.

F. Public Comment

- Janine Salwasser, Oregon State University Libraries, urged the Board to add and fund another non-capital funding category to address information management and access. Salwasser suggested accomplishing this through a continuing partnership with Oregon State University rather than through OWEB's grant program. She also noted how the Oregon Explorer could support OWEB's Information System Strategy that was established by the Board in May 2003. She urged the Board to make a stable investment in a statewide information system an explicit Board priority. Salwasser also supported funding for the Oregon Explorer, which was not recommended for funding.
- Liz Dent, Oregon Department of Forestry, briefed Board members on the Trask River Paired Watershed Study which will be brought to Board members for consideration at the May meeting seeking \$350,000 in capital research funds for the project.
- Russ Hoeflich, The Nature Conservancy, updated Board members on the status of the FFY 2007 PCSRF funding, and encouraged all present to work together to lobby Congress for the full \$90 million to be allotted to the Pacific Northwest States and the Tribes.
- John Buckley and Steve Stampfli, East Fork Irrigation District, thanked Board members for their past service and provided an update on the Upper Neal Creek project.
- Margaret Nover, City of Portland, had questions regarding the restoration priorities presented in Agenda Item D regarding the frequency of updates and how we will apply the priorities to non-grants and grants.

G. 2005-2007 Non-Capital Funds Spending Plan Update

Tom Byler, Director, and Ken Bierly, Deputy Director, continued discussions on the non-capital funds spending plan and recapture funds that are available for the Board to allocate at this and future Board meetings.

- A. Local Capacity – See Agenda Item G-1. Board members will be presented with a \$212,000 funding request to further support the needs of local conservation groups that regularly partner with OWEB.
- B. Oregon Plan Products – \$375,000 was reserved by the Board at the January meeting to support ODFW monitoring of fish and wildlife habitat on the Lower Columbia River. OWEB staff anticipate requesting action on this item at the May 2006 Board meeting.
- C. Education Grants – See Agenda Item L.
Thirty-seven Education grant proposals seeking over \$2 million were received by the October 25, 2005, deadline. Due to limited non-capital funds, OWEB held a targeted solicitation for “knowledge development” education grants. In January 2006, the Board reserved \$500,000 in non-capital funds to support education grant applications. Since

that meeting, staff have identified and recommended \$299,225 in additional funding for both education and monitoring grants.

D. Monitoring Grants – See Agenda Item L.

Twenty-six Monitoring grant applications seeking over \$1.4 million were received in the October 2005 solicitation. In addition to the \$250,000 reserved for monitoring grants at the September 2005 meeting, the Board allocated an additional \$250,000 for monitoring grants at the January 2006 meeting. Given that there are still limited non-capital funds available for projects and a high demand for funding, staff utilized additional criteria to develop monitoring grant funding recommendations for the Board. Because of the importance of monitoring priorities, staff also identified and recommended \$299,225 in additional funding for both education and monitoring grants.

E. Additional Funds – Staff have identified \$758,965 in recaptured non-capital funds, which includes \$125,000 remaining from a Board reserve for watershed council audits and bonding. The majority of these are unspent funds that have been returned to OWEB from previously awarded non-capital grants, and are available for funding opportunities in this biennium.

G-1. Non-Capital Funds Spending Plan Decision Request

A proposal to allocate non-capital funds to support a cooperative effort between OWEB, the Oregon Department of Agriculture, the Oregon Association of Conservation Districts (OACD) and the Network of Oregon Watershed Councils was presented to Board members for approval. The ability of watershed councils and soil and water conservation districts to provide effective community-based assistance is critical to the success of the Oregon Plan. The funding for this cooperative effort is to find ways to raise awareness of local groups and to deliver a unified message.

Since January, OWEB has had four meetings with ODA, OACD, and Network representatives to develop grant agreements for cooperation and have developed a work plan. The work plan can be fully executed if funds are made available for the parties to continue. OWEB is seeking Board approval of \$100,000 each for both OACD and the Network to cover costs associated with the cooperative effort (i.e., personnel, operating costs, and administration). In addition, the proposed budget includes up to \$12,000 for a facilitator to allow OWEB staff to participate in the discussions.

Board members are anxious for this effort to succeed, and unanimously approved staff to develop grant agreements to fund \$100,000 to the Network of Oregon Watershed Councils and \$100,000 to the Oregon Association of Conservation Districts for the purposes and actions described in the Work Plan (Attachment A of the staff report), and to allocate up to \$12,000 to support facilitation services to be distributed by staff at the discretion of the Director.

H. Capital Partnership Projects and Use of Capital Reserve

Ken Bierly, Deputy Director, briefed the Board on two proposed partnerships for Board consideration for funding using funds from the \$7.5 million reserved by the Board in September 2005 for special projects that are large-scale or regional in scope, or involve partnerships that do not fit within the regular OWEB grant process.

- Partner with the U.S. Forest Service (USFS) and others to fund whole watershed restoration efforts. The potential partnership would focus on 1) addressing geographic priorities, and 2) accelerating and completing priority work in selected watersheds. This proposed partnership would involve the pooling of OWEB, USFS and foundation funding sources and would serve as seed funding for high priority projects that will be further leveraged at the local level to complete the most-needed work in the following priority watersheds: Middle and North Fork John Day, North Fork Umpqua, South and Mid Coast drainages, and Lower Columbia. The proposed partnership would be initiated with \$500,000 of capital funds from OWEB. The USFS is interested in an additional \$1.0 million from OWEB next biennium.
- Partner with NRCS and the Institute for Applied Ecology to fund the Wetland Reserve Enhancement Program (WREP) for the Willamette Valley. \$250,000 in OWEB funding would be used to match \$412,000 of federal funds and \$130,000 of local match to enhance plant species diversity and habitat values on 12 Willamette Valley WRP projects totaling 595 acres in Yamhill, Polk, Benton, and Lane counties. The outcome will provide the opportunity to re-establish ESA-listed plant species in protected sites.

Board members were concerned that they did not have enough details on the proposals to make a decision. Due to timing issues, additional information will be forwarded to Board members and a special meeting via telephone conference call will be held in early April to further consider the USFS proposal. Staff will return to the May Board meeting with additional information on the NRCS proposal.

At the conclusion of the day's meeting, OWEB Board members and staff toured projects in the Myrtle Creek Watershed. The tour was jointly sponsored by the local watershed council -- the Partnership for the Umpqua Rivers -- and by the Douglas Soil and Water Conservation District.

After the tour, the Partnership for the Umpqua Rivers sponsored an informal reception for OWEB Board members, staff, watershed partners, and local officials. OWEB was pleased to have Representative Susan Morgan and many local partners attend the reception.

Oregon Watershed Enhancement Board

March 16, 2006

OWEB Board Meeting

Roseburg, Oregon

Minutes

OWEB Members Present

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

OWEB Staff Present

Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Douglass Fitting
Mark Grenbemer
Karen Leiendecker
Melissa Leoni
Tom Shafer
Greg Sieglitz
Monte Turner
Lori Warner-Dickason
Roger Wood

Others Present

Representative Susan Morgan
Lance Phillips
Jo Morgan
Margaret Nover
Don Ollivant
Chris Wood
Steve Denny
Penny Lind
Charley Dewberry
Steve Chesterton
Jake Gibbs
John Ward
Jon Souder
Dani Watson
Rachel Felice
Chuck Sams
Alan Hipolito
Charles Redon
Jennifer Clark
Bob Kinyon
Terry Luecker
Brett Brownscombe
Paul Siebert
John Moriarty
Lindsay Lyons
Jake Winn
Mark Stern
Marty Suter

Member Not Present

Dianne Guidry

I. Public Comment on Pending Capital Grant Applications

Lance Phillips, Malheur County SWCD, supported funding for Application No. 206-367, which was not recommended for funding.

Brett Brownscomb, Oregon Trout, supported full funding for Application No. 206-291, which was recommended at a reduced amount.

Jennifer Hampel, Coquille Watershed Association, supported full funding for Application No. 206-291, which was recommended at a reduced amount.

Duncan Berry, Westwind Stewardship Group, provided Board members with an overview and photos of the Westwind acquisition (Application No. 206-260), which was recommended for funding.

Representative Susan Morgan, Steve Denny, ODFW, and Paul Heberling, DEQ, provided Board members with an overview of the Diamond Lake Restoration project (Application No. 206-289) which was recommended for funding.

Margaret Nover, City of Portland, supported the following applications.

Application No. 206-299, which was not recommended for funding.

Application No. 206-306, which was not recommended for funding, and will be resubmitted in the next cycle.

Application No. 206-303, which was not recommended for funding.

Application Nos. 206-297 and 206-307 which were not recommended for funding.

Application No. 206-305 which was recommended for funding at a reduced amount.

Terry Luecker, Partnership for the Umpqua Rivers, supported Application No. 206-281, which was not recommended for funding.

Mark Stern, The Nature Conservancy, provided Board members with an overview of the Williamson River Wetland Restoration project (Application No. 206-328), which was recommended for funding.

J. Board Consideration of Pending Capital Grant Applications

One hundred seventeen restoration grant applications seeking a total of \$12,677,963 and five acquisition applications seeking a total of \$2,580,000 were received by the October 25, 2005, deadline.

After being screened for eligibility and completeness, the capital applications were sent to the appropriate review teams, who developed recommendations for individual projects on their merit for funding, and numerically ranked the projects for funding. OWEB staff used the priorities developed to prepare the funding recommendation for Board consideration taking the budget into account.

The five acquisition applications received this cycle were first reviewed by a board acquisition subcommittee that recommends whether staff should proceed with a due diligence review or whether the application be denied and no due diligence review would occur. The applications are also reviewed by the regional review teams for ecological and educational values. Staff then consider all evaluation criteria, the subcommittee's recommendation, and available funding resources to develop a funding recommendation to the full board.

Staff recommended funding for one acquisition project (206-260); deferral in order to complete the due diligence review for three of the acquisition projects, and a no fund recommendation for one project (206-297).

The following table represents the Capital Project Funding for the March 2006 meeting:

Region	Fund Source			Total Amount Recommended By Staff
	Measure 66	Salmon Plates	Reserve Fund	
1	\$493,367 \$1,500,000	\$131,472	\$0	\$624,839 \$1,500,000
2	\$1,463,130	\$100,071	\$571,778	\$2,134,979
3	\$1,309,799	\$62,125	\$0	\$1,371,924
4	\$686,475	\$19,615	\$2,000,000	\$2,706,090
5	\$2,047,229	\$41,204	\$0	\$2,088,433
Totals	\$7,500,000	\$354,487	\$2,571,778	\$10,426,265

REGION 1, NORTH COAST

Roger Wood, Grant Program Manager
 Tom Shafer, Regional Program Representative
 Melissa Leoni and Lori Warner-Dickason, Acquisitions

Board members unanimously approved staff’s funding recommendations as shown in the “shaded area” of Attachment A of the staff report with the following change:

Application No. 206-266 – funding increased to \$26,109.

Acquisition Projects

Westwind (Application No. 206-260) was unanimously approved for funding of up to \$1,500,000

Svensen Island (Application No. 206-259) is deferred pending completion of due diligence.

Tenmile Creek Corridor Easement Project (Application No. 206-058) is deferred pending completion of due diligence.

Crosel Creek Habitat Reserve (Application No. 206-059) is deferred pending completion of due diligence.

REGION 2, SOUTHWEST OREGON

Roger Wood, Grant Program Manager
 Mark Grenbemer, Regional Program Representative
 Melissa Leoni and Lori Warner-Dickason, Acquisitions

Board members unanimously approved staff’s funding recommendations as shown in the “shaded area” of Attachment A of the staff report which includes \$4,000 for Application No. 206-082 from the last cycle, minus Application No. 206-289, which was voted on separately.

Board members unanimously approved staff’s funding recommendation for Application No. 206-289 as shown in the “shaded area” of Attachment A of the staff report. Due to a conflict of interest, Board member Skip Klarquist recused himself from voting on this application.

Acquisition Project

Deer Creek Ranch (206-277) is deferred pending completion of due diligence.

REGION 3, WILLAMETTE BASIN

Roger Wood, Grant Program Manager
Douglass Fitting, Regional Program Representative
Melissa Leoni and Lori Warner-Dickason, Acquisitions

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report.

Acquisition Projects

Johnson Creek (Application No. 206-297) was not approved for funding.

REGION 4, CENTRAL OREGON

Roger Wood, Grant Program Manager
Rick Craiger, Regional Program Representative
Melissa Leoni and Lori Warner-Dickason, Acquisitions

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report minus Application No. 206-328 which was voted on separately.

Board members unanimously approved staff's funding recommendation for Application No. 206-328 as shown in the "shaded area" of Attachment A of the staff report. Due to a conflict of interest, Board member Daniel Heagerty recused himself from voting on this application.

Acquisition Project

There are no outstanding acquisition projects in Region 4.

REGION 5, EASTERN OREGON

Roger Wood, Grant Program Manager
Karen Leiendecker, Regional Program Representative
Melissa Leoni and Lori Warner-Dickason, Acquisitions

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report minus Application Nos. 206-344, 206-377, 206-362, 206-369, and 206-366 which was voted on separately, and with the following changes:

Application No. 206-357, Middle Fork Malheur River Bank Stabilization, increased total funding amount to \$55,000.

Application No. 206-363, Hudson Bay Aquifer-Spring Restoration Phase II & III, added \$15,000 of non-capital funds making the total funding amount \$211,925.

Board members unanimously approved staff's funding recommendation for Application Nos. 206-344, 206-377, 206-362, 206-369, and 206-366 as shown in the "shaded area" of Attachment A of the staff report. Due to a conflict of interest, Board member Diane Snyder

recused herself from voting on 206-344, and Board member Jim Nakano recused himself from voting on Application Nos. 206-377, 206-362, 206-369, and 206-366.

Acquisition Projects

Pilcher Creek (Application No. z206-339) is deferred pending completion of due diligence.

K. Public Comment on Pending Non-Capital Grant Applications

Wayne Hoffman, MidCoast Watersheds Council, and Christopher Wood, Lincoln SWCD, commented on Monitoring Application No. 206-235, which was recommended for funding.

Paul Burns and Ralph Lampman, USDA Forest Service, and Charlie Newberry, Ecotrust, supported funding for Monitoring Application No. 206-238, which was not recommended for funding.

Representative Susan Morgan and Gail Achterman, OSU Institute for Natural Resources, supported funding for Education Application No. 206-231, which was not recommended for funding.

Gail Oberst, Luckiamute Watershed Council, supported funding for Education Application No. 206-212, which was not recommended for funding.

Charles Redon, Rickreall and Glenn-Gibson Watershed Councils, supported funding for Education Application No. 206-216, which was not recommended for funding.

Alan Hipolito, Verde, provided an overview of Education Application No. 206-204, which was recommended for funding.

Jim Muck, ODFW and Bob Kinyon, Partnership for the Umpqua Rivers, support Monitoring Application No. 206-241, which was not recommended for funding.

Jennifer Clark, Mosier Watershed Council, Wasco County SWCD, supported Monitoring Application No. 206-251, which was not recommended for funding.

Jon Souder, Coos Watershed Association, supported the following applications:

Education Application No. 206-202, which was not recommended for funding.

Monitoring Application No. 206-243, which was not recommended for funding.

Monitoring Application No. 206-244, which was recommended for funding at a reduced amount.

Lindsey Lyons, OSU Extension, Klamath County, supported Education Application No. 206-219, which was not recommended for funding.

L. Board Consideration of Pending Non-Capital Grant Applications

Ninety four grant applications requesting a total of \$4,338,188 of non-capital funds were received by the October 24, 2005, deadline. After being screened for eligibility and completeness, the non-capital applications were sent to the appropriate review teams, who developed recommendations for individual projects on their merit for funding, and numerically

ranked the projects for funding. OWEB staff used the priorities developed to prepare the funding recommendation for Board consideration taking the budget into account.

REGION 1, NORTH COAST

Roger Wood, Grant Program Manager
Tom Shafer, Regional Program Representative
Greg Sieglitz, Monitoring and Reporting Program Manager

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment C of the staff report with the following addition:

Application No. 206-238, Knowles Creek Life Cycle Monitoring for \$16,666

REGION 2, SOUTHWEST OREGON

Roger Wood, Grant Program Manager
Mark Grenbemer, Regional Program Representative
Greg Sieglitz, Monitoring and Reporting Program Manager

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment C of the staff report with the following additions:

Application No. 206-241, Umpqua Basin Fish Production Monitoring for \$57,191

Application No. 206-243, Coos WS Hydrological & Meteorological Monitoring for \$18,000

REGION 3, WILLAMETTE BASIN

Roger Wood, Grant Program Manager
Douglass Fitting, Regional Program Representative
Greg Sieglitz, Monitoring and Reporting Program Manager

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment C of the staff report.

REGION 4, CENTRAL OREGON

Roger Wood, Grant Program Manager
Rick Craiger, Regional Program Representative
Greg Sieglitz, Monitoring and Reporting Program Manager

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment C of the staff report.

REGION 5, EASTERN OREGON

Roger Wood, Grant Program Manager
Karen Leiendecker, Regional Program Representative
Greg Sieglitz, Monitoring and Reporting Program Manager

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment C of the staff report.

STATEWIDE

Roger Wood, Grant Program Manager

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report with the following addition:

Application No. 206-231, Umpqua Explorer, for \$37,500.

M. Other Business

There was none.

Having no further business, the meeting was adjourned.



Oregon Watershed Enhancement Meeting Agenda

Board

**Oregon Watershed Enhancement Board
May 16-17, 2006**

**Museum of the Oregon Territory
Tumwater Room
211 Tumwater Drive
Oregon City**

**Map and directions may be found at <http://www.orcity.com/museum/directions.html>*

Tuesday, May 16, 2006

Business Meeting - 8:00 a.m.

A. Board Member Comments

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

B. Review and Approval of Minutes

The minutes of the March 15-16, 2006, meeting will be presented for Board approval. *Action item.*

C. Executive Director Update

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

D. Deferred Acquisitions

Lori Warner-Dickason, Policy Specialist, will update Board members on land acquisition projects deferred from previous meetings. *Information and possible action item.*

E. 2005-2007 Budget Adjustment

Tom Byler, Executive Director, will present a funding request to address compensation plan adjustments for state agencies receiving Pacific Coastal Salmon Recovery Funds for personnel in the 2005-2007 biennium. *Action item.*

F. Research Fund Process

Ken Bierly, Deputy Director, will present a proposed process for the review, evaluation, and funding of watershed research proposals using funds from the "Restoration and Protection Research Fund." *Action item.*

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

This time is reserved for public comment on any matter before the Board. Anyone wishing to speak to the Board is asked to fill out a comment request sheet as early as possible in the morning's proceedings (available at the information table). This helps the Board know how many individuals would like to speak, and to schedule accordingly. ***The Board encourages persons to limit comments to no more than five minutes.***

H. Oregon Plan State Agency Activities Update

Oregon Department of Forestry

Clark Seely, Associate State Forester, will brief the Board on Oregon Department of Forestry activities under the Oregon Plan for Salmon and Watersheds. *Information item.*

Oregon State Police, Fish and Wildlife Division

Captain Walt Markee will brief the Board on Oregon State Police, Fish and Wildlife Division activities under the Oregon Plan for Salmon and Watersheds. *Information item.*

Tour - 1:15 p.m.

OWEB is working with the Clackamas Soil and Water Conservation District and the Clackamas River Basin Council to prepare a tour of projects in the Clackamas River Basin. A detailed tour itinerary will be available at the meeting and on our web site (www.oregon.gov/OWEB) prior to the meeting.

Tour participants should meet in the lobby of the Museum of the Oregon Territory no later than 1:10 p.m. The public is invited to attend the tour; however space on OWEB-sponsored transportation may be limited to Board members, agency staff, and individuals making presentations. If you wish to join the tour, please be prepared to provide your own transportation in the event that space is unavailable on State vehicles. We plan to return to the Museum by 5:15 p.m.

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

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

5:30 - 6:30 p.m.

Tumwater Room

*Museum of the Oregon Territory
211 Tumwater Drive, Oregon City*

Wednesday, May 17, 2006**Business Meeting - 8:00 a.m.**

I. Research Fund Project Requests

Ken Bierly, Deputy Director, will discuss two ongoing and previously reviewed research projects being implemented by Oregon State University and the Oregon Department of Fish and Wildlife. The Board will be asked to consider supporting a request to the June 2006 Emergency Board for expenditure limitation from the "Restoration and Protection Research Fund" to continue funding the projects. *Action item.*

J. Capital Fund Partnerships

Ken Bierly, Deputy Director, will lead a discussion regarding the potential uses of previously reserved Measure 66 Lottery Capital Funds for special partnership opportunities. The Board will be asked to consider funding a project under the Wetland Reserve Enhancement Program and to provide additional funding for projects under the Conservation Reserve Enhancement Program. *Action item.*

K. Oregon Plan Products Request

Ken Bierly, Deputy Director, will lead a discussion regarding the potential allocation of previously reserved 2005-2007 non-capital funds to continue funding Oregon Plan monitoring by the Oregon Department of Fish and Wildlife in the Lower Columbia River through the end of the 2005-2007 biennium. *Action item.*

L. Public Comment [10:15 a.m.]

This time is reserved for public comment on any matter before the Board. Anyone wishing to speak to the Board is asked to fill out a comment request sheet as early as possible in the morning's proceedings (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.***

M. Oregon Plan State Agency Activities UpdateOregon Water Resources Department

Tom Paul, Acting Deputy Director, will brief the Board on Oregon Water Resources Department activities under the Oregon Plan for Salmon and Watersheds. *Information item.*

Oregon Department of Environmental Quality

Stephanie Hallock, Director, and Lauri Aunan will provide a presentation on Oregon Department of Environmental Quality activities under the Oregon Plan for Salmon and Watersheds. *Information item.*

N. Council-District Collaboration

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

O. 2007-2009 Budget Presentation/Discussion

Tom Byler, Executive Director, will discuss potential budget policy option packages for the 2007-2009 biennium and seek input from Board members. *Information item.*

P. Restoration Priorities Adoption

Ken Bierly, Deputy Director, will update Board members on the program for completion and adoption of basin restoration priorities and request adoption of the South Coast restoration priorities. *Action item.*

Q. October 2006 Grant Cycle

Roger Wood, Grant Program Manager, will update Board members of the various grant types to be considered for the October 2006 grant cycle and discuss a proposed grant application deadline change. *Action item.*

R. Other Business

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

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

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

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

General public comment periods will be held on Tuesday, May 16 at 10:10 a.m. and Thursday, May 17 at 10:15 a.m. for any comment before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). The Board will not accept any additional written materials pertaining to pending grant proposals at that time. The Board encourages persons to limit comments to no more than five minutes.

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

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

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

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

Oregon Watershed Enhancement Board Membership

Voting Members

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

Non-voting Members

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

Contact Information

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775 Summer Street NE, Suite 360
Salem, Oregon 97301-1290
503-986-0178
Fax: 503-986-0199
www.oregon.gov/OWEB

OWEB Executive Director - Tom Byler

tom.byler@state.or.us

OWEB Assistant to Executive Director and Board - Bonnie Ashford

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

2006-2007 Board Meeting Schedule

2006
January 24-25, 2006 – Otter Rock
March 15-16, 2006 – Roseburg
May 16-17, 2006 – Oregon City
September 19-20, 2006 – Bend

2007
January 24-25, 2007 – Seaside
March 14-15, 2006 – Hillsboro
May 15-16, 2007 – Salem
September 18-19, 2007 – La Grande

For online access to staff reports and other OWEB publications check our web site:

www.oregon.gov/OWEB

Clackamas Watershed Tour

- **1:15** Depart Museum of the Oregon Trail
(1st stop driving time 15 minutes)

- **1:30- 2:30** Delano Farm - 50 min.
(driving time to Gerber 10 min)

Welcome and introduction – CRBC and SWCD
Presentation and site tour – Clackamas SWCD and Howard Delano

Solar off-channel and rainwater livestock watering system. Riparian fencing. Significant reduction in nutrient and sediment delivery to stream, improved riparian vegetation condition, innovative, energy conservation, improved water quality. Small grant program.

- **2:40-2:50** Gerber Rd. Fish Passage - 10 min
(Driving time to Parsons 10 min)
Presentation – CRBC and Clackamas County and Mark Mouser

Project replaced an existing 84” diameter, 105’ foot-long pipe arch culvert impeding upstream fish passage due to high culvert barrel water velocities and concrete apron at the outlet. Original plan was to replace with 20.5 span multiplate pipe-arch, however engineering design analysis demonstrated significant cost savings and resource benefit installing a 100’ clear span, pass-through concrete bridge structure for \$113,000.00 less than the multiplate pipe-arch. The project opened 4 stream miles of spawning and rearing habitat for Coho, Steelhead and Cutthroat trout. Regular grant program.

- **3:00-3:45** Parsons Side Channel Site - 30 min
(driving time to Estacada 15 minutes)
Presentation and tour – CRBC, ODFW and others

Clackamas River side channel and ground water channel construction and enhancement, addresses identified limiting factors of high water off-channel rearing and temperature refuge for salmonid production in the lower Clackamas. Provides high quality off channel habitat for Coho, Steelhead and Cutthroat Trout.

- **4:00-4:15** Estacada Bioswales - 15 min
Presentation – Steve Shibley, CRBC and SWCD

Urban stormwater mitigation project through the construction and enhancement of vegetated bioswale for the retention and filtration of impervious surface stormwater runoff from the school roof and parking area. The bioswale captures and filters approximately 2.4 million gallons of runoff annually, addressing both water quality and quantity issues associated with urbanization. Small grant program.

Return to Oregon City Museum by 5:10 p.m.
Mileage= 47 miles round trip

May 16-17, 2006 OWEB Board Meeting Executive Director Update #1: 2006 Biennial Conference

Background

The OWEB Biennial Conference is Oregon's largest gathering of practitioners of watershed restoration and enhancement. The 2006 conference will be the 9th Biennial Conference sponsored by OWEB or the Governor's Watershed Enhancement Board (before 1999).

Conference participants include volunteers, watershed council and soil and water conservation district staff and members, non-profit organizations, and representatives from state, federal, local, and tribal agencies. The conference allows participants to exchange ideas, share experiences, learn about the latest technology and science relating to watershed restoration and enhancement and discuss how to maintain and increase public involvement in watershed restoration and enhancement. The conference helps maintain and enhance local capacity to carry out the Oregon Plan for Salmon and Watersheds (Oregon Plan).

2006 Conference

The 9th Biennial Conference will be held October 25-27 at the Convention Center in Seaside, Oregon. We expect 350 to 450 participants to attend. The 2006 conference will celebrate the ten-year anniversary of the Oregon Plan and look prospectively at how to keep Oregonians engaged and involved in the Oregon Plan. The conference theme is:

Communities Working for Healthy Watersheds *Celebrating Oregon Plan Accomplishments and Looking Ahead*

Each Board member will receive an invitation to the conference later this year. Your expenses will be covered by OWEB similarly to a Board meeting.

The Oregon Association of Conservation Districts (OACD) has decided to hold their annual meeting separately from the OWEB Conference this year. The OACD conference will be held November 12-15, 2006, in Newport, Oregon.

Conference Planning

Planning for the conference is being conducted by a Conference Planning Team. In addition to the Conference Coordinator, the Conference Planning Team includes Ann Halloran of MarroneHalloran Event Management, eight OWEB staff, and the following individuals:

Sam Chan, Oregon Sea Grant Extension, OSU
Jason Dedrick, Crooked River Watershed Council Coordinator
John Ilg, Clatsop Soil and Water Conservation District Board Member
Jamie Sheahan, Yamhill Basin Watershed Council Coordinator
Janelle St. Pierre, Scappoose Bay Watershed Council Coordinator

The Conference Planning Team met on March 27 and April 10, 2006. The next meeting is scheduled for May 1, 2006.

Fundraising

Contributions from sponsors help reduce conference registration fees and keep conference costs reasonable for our local partners such as watershed councils and soil and water conservation districts that work with limited resources. In the past, Board members have assisted with securing financial support for the conference. We hope that each Board member will be able to assist again this year in identifying and helping to solicit sponsors.

The attached Sponsorship Program was developed to describe the recognition sponsors will receive at various sponsorship levels. We have submitted a sponsorship proposal to the Oregon State Lottery (OSL) asking OSL to sponsor the 2006 conference at the “Basin” (\$10,000 and above) sponsorship level. OSL’s decision on our sponsorship proposal will be made during the week of May 1, 2006.

We are now ready to seek other sponsors. Board members recently received an e-mail listing prospective conference sponsors and a sample letter that Board members could use to solicit funds from prospective sponsors.

Staff Request

Staff would like to invite Board members to be involved in planning efforts, including suggesting conference speakers or other prospective sponsors, sending a personal letter to solicit funds, or providing assistance with funding or contacting sponsors. Please contact Gail McEwen, 2006 Biennial Conference Coordinator, at gail.mcewen@state.or.us or 503-986-0026. Potential sponsor names and contact information are requested by May 31, 2006.

2006 OWEB Biennial Conference Sponsorship Program

Levels:

Basin Sponsorship	\$10,000 and above
Subbasin Sponsorship	\$5,000 -9,999
Watershed Sponsorship	\$1500-5000
Stream Sponsorship	\$500-1500
Reach Sponsorship	less than \$500

Sponsorship Benefits:

Basin Sponsorship

- Logo on all conference materials, signage, and website
- Verbal recognition at conference
- Opportunity to provide attendees with logo item
- 1/2 page advertisement in conference registration brochure (if sponsorship confirmed by July 1, 2006)
- One full-page insert in event registration packet
- Opportunity to place banner at event
- Listed in onsite conference materials
- Listed on conference sponsor signage
- Listed on conference website
- One room at the conference for videotaping selected attendees for future promotional activities
- Time to present certificates of appreciation to selected attendees at a conference luncheon or other session
- Two complimentary exhibitor spaces

Subbasin Sponsorship

- Logo on all conference materials, signage, and website
- Verbal recognition at conference
- ¼ page advertisement in conference registration brochure (if sponsorship confirmed by July 1, 2006)
- Listed in onsite conference materials, on conference sponsor signage, and on conference website
- One complimentary exhibitor space

Watershed Sponsorship

- Logo on conference materials
- Logo on conference website
- Listed in conference registration brochure (if sponsorship confirmed by July 1, 2006)
- Listed in onsite conference materials
- Listed on conference sponsor signage
- Listed on conference website
- One complimentary exhibitor space

Stream Sponsorship

- Listed in conference registration brochure (if sponsorship confirmed by July 1, 2006)
- Listed in onsite conference materials
- Listed on conference sponsor signage
- Listed on conference website
- One complimentary exhibitor space

Reach Sponsorship

- Listed in onsite conference materials
- Listed on conference sponsor signage

May 16-17, 2006 OWEB Board Meeting Executive Director Update #2: 2005-2007 Biennial Report

Background

ORS 541.405, enacted during the 2001 legislative session, states, in part:

(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. (emphasis added)*

OWEB has produced two reports to meet this statutory requirement for the 2001-2003 and 2003-2005 biennia (available at www.oregon.gov/OWEB). Previous Oregon Plan reports (1999, 2000, and 2001) focused on people and their efforts to improve fish habitat and watershed health.

2005-2007 Biennial Report

Staff have developed a proposed work plan and content outline and have begun assembling data for the 2005-2007 Biennial Report. The most significant component of past biennial reports has been a two-page layout for each of the 15 Oregon Plan basins that reports basin statistics, completed and reported restoration projects, restoration issues, and investments in restoration.

Staff would like to use the content of the 2005-2007 report to lay the foundation for an expansion of the two-page basin layout to four pages in the 2007-2009 report. This would allow OWEB to highlight trends and accomplishments by basin rather than statewide. For this biennium's report, in addition to highlighting basin facts and investments over the reporting period, staff propose adding new graphics in the two-page spread addressing key watershed trends, specifically the water quality index and change in land use and land cover. Staff also plan to add one new page per basin in a separate section highlighting the specific accomplishments of Oregon Plan partners (state and federal agencies, watershed councils, and soil and water conservation districts) that are tied to basin issues or trends. The proposed content outline is shown in Figure 1.

Production of the 2005-2007 Biennial Report is anticipated to be completed according to the schedule shown in Figure 2. The development of Board observations and recommendations should begin during Phase 3 with a report to the Board at the September 2006 and January 2007 meetings.

Figure 1: 2005-2007 Biennial Report Proposed Outline

SECTION	# PAGES
Introduction	inside front cover
Table of Contents	1
Oregon Plan Overview	1
Oregon Plan Ten Years Summary	1
Basin Highlights (15 basins)	30
Basin Accomplishments (15 basins with overview)	16
Agency Actions Summary	1
Voluntary Restoration Activities Summary	1
Monitoring & Evaluation Overview	1
Science Oversight	1
OWEB Board Observations	1
OWEB Board Recommendations	1
Data Sources, Acronyms & Credits	1
OWEB Board Members	inside back cover
TOTAL PAGES	56 + cover

Figure 2: 2005-2007 Biennial Report Production Schedule

PROJECT PHASE	STARTING	ENDING
Phase 1 - Planning	12/1/05	04/14/06
Phase 2 - Data & Information Collection	2/1/06	6/15/06
Phase 3 - Document Construction & Content Review	6/15/06	10/15/06
Phase 4 - Report Production	10/15/06	12/01/06
Biennial Report Published	12/01/06	1/01/07
Report Submitted to Legislature		01/15/07

Staff Request

The Board has previously identified a subcommittee to work with staff to develop the Board’s recommendations. This arrangement has worked well and staff request the Board form a subcommittee to lead development of the Board observations and recommendations that will be included in the 2005-2007 Biennial Report. Board members should contact Melissa Leoni, Senior Policy Coordinator, at melissa.leoni@state.or.us or 503-986-0179 for more information about the report or if interested in serving on the subcommittee.

May 16-17, 2006 OWEB Board Meeting Executive Director Update #3: OWEB Communications

Background

The Board adopted its Education and Outreach Strategy in May 2005. The purpose of the Strategy is to help the Board and OWEB staff to identify priorities and the best way to invest in those priorities. The Strategy focuses on three key elements: awareness, improve knowledge, and skill development. The awareness element of the Strategy aims to motivate interest and inform Oregonians about the significance of watersheds in their everyday lives, the Oregon Plan for Salmon and Watersheds, OWEB investments in local communities, and the important role watershed groups play in their communities.

With limited non-capital funds available at the outset of the 2005-2007 biennium, staff recommended the Board implement the awareness element of the Strategy through an allocation of non-capital funds to OWEB to support an in-house staff person. The Governor's Requested Budget for 2005-2007 sought a position for this purpose, but the position was ultimately not funded in OWEB's final budget. In September 2005, the Board approved funding for OWEB to support an in-house staff person to implement the awareness element of the Strategy. In February 2006, OWEB hired a part-time, temporary communications coordinator to focus on key outreach and communications needs.

Communications Activities

The primary outreach and communications activities have included:

News Release Development and Distribution

A system has been established for OWEB staff and watershed councils to send news releases to news media in specific geographic regions or statewide electronically. The system was used to distribute news releases following the March Board meeting. (One of the news releases triggered a lead editorial in the Klamath Falls newspaper.) A few watershed councils have used the system successfully as well.

Email List Creation

Staff members are creating an email list to enable OWEB to communicate directly with key constituents and people requesting periodic updates. Agency staff are building the list of key constituents. People attending OWEB meetings or visiting the website will be able to sign themselves up for the list. People on this list will receive:

1. Alerts with links to significant news releases posted on the website.
2. A short message from OWEB's executive director every six months providing an update on issues and links to pertinent documents for more information.

Salmon License Plate Sales Promotion

Staff are distributing 50,000 copies of a card promoting salmon license plate sales that can be displayed in brochure racks or inserted into mailings (copies will be available at the Board meeting). We have asked state agencies, watershed councils, soil and water conservation districts, and other partner organizations to place the cards in display racks, to distribute to employees, and to insert the cards into mailings. Staff will next explore partnerships with retail outlets such as sporting goods stores and automobile dealers. If Board members would

like a supply for distribution to contacts and organizations, notify Maribeth Mattson at 503-986-0202. The Oregon Parks and Recreation Department also purchased 50,000 copies and is distributing them primarily in campsite reservation confirmations for Oregon residents.

Oregon Plan Outreach Team Activities

1. The annual Oregon Plan Oregonians Working for Healthy Watersheds awards recognition this year will consist of a congratulatory letter signed by the Governor, Speaker of the House of Representatives, and Senate President. Award recipients will be featured on the Oregon Plan website and in a booklet that will be distributed to award recipients and others.
2. Team members participated in the Clean Water Festival held in Portland April 13, 2006. More than 1,000 elementary students from throughout the Willamette Valley, the Portland Metropolitan area, and northwest Oregon attended. The team displayed the 14-foot high, 29-foot long Claudia Chinook salmon replica, which promotes health watersheds, and distributed an activity sheet featuring a salmon license plate (attached).

Director's Community Visits

During the remainder of 2006, OWEB's Director will visit numerous communities around Oregon to touch base with key constituents, tour OWEB-funded projects, contact news media, and meet with watershed council staff and volunteers. The Director will invite Board members living in the vicinity of these visits to accompany him.

Staff Contact

For more information about OWEB outreach and communications activities, please contact Monte Turner, Oregon Plan Communications Coordinator, at monte.turner@state.or.us or 503-986-0195.

Oregon Plan for Salmon and Watersheds



license
Put a salmon on your[^] plate!

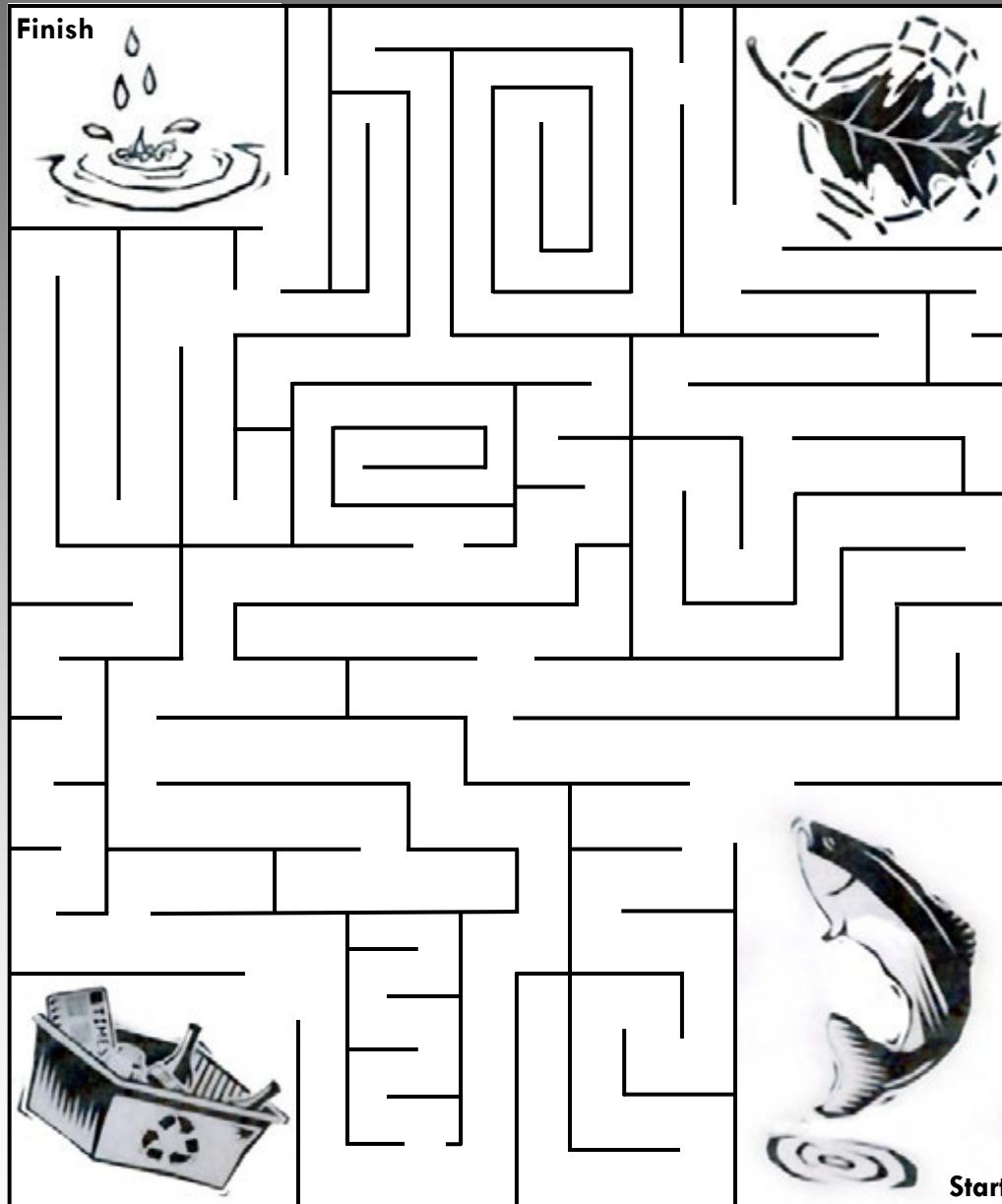
How *you* can help:

Save Water

- Take shorter showers.
- Turn off the water when brushing teeth.
- Turn off the water when scrubbing dishes.
- Flush only when needed.
- Water lawns no more than twice a week.

Save Water by Saving Energy

- Turn off the light when you leave the room.
- Turn off the TV, computer, and electronic games when not in use.
- Recycle cans, paper, plastic, cardboard, glass, and more.



Keep Water Clean

- Wash your car on the grass.
- Dump no waste in storm drains.
- Recycle used motor oil.
- Use pesticides and fertilizers with care.
- Keep your streambanks stable.

Give Fish a Home

- Volunteer with your local watershed council.
- Shade your stream.
- Leave fallen logs in the stream.

Learn more at the Oregon Plan for Salmon and Watersheds website: www.oregon-plan.org or call (503) 986-0178.

“Fish don’t live in streams, they live in *watersheds*... in fact, we all do.”

May 16-17, 2006 OWEB Board Meeting Executive Director Update #4: Local Innovation Fund

Background

In 2004, the OWEB Board began discussing the concept of funding innovative watershed restoration projects that also include clear goals to benefit the local economic and community. OWEB's investments in watershed restoration have always provided significant ancillary benefits to the local economy and community¹. However, the purpose of supporting projects with clear, connected watershed, economic, and community goals is to create economic and community benefits that have independent value, and that provide a driver to generate watershed benefits on a larger scale and longer time frame than could be accomplished by an investment of the same amount of funding in a restoration project alone.

To implement this concept, in September 2005, the OWEB Board authorized creation of the Local Innovation Fund as a year-long pilot project to fund projects that benefit and strengthen the connections between watershed health, the local economy, and the local community.

Anticipated projects included:

- the creation of market incentives for ongoing watershed protection through certification and branding of products grown in a watershed-friendly manner;
- community watershed-focused business enterprises;
- watershed projects that address entrenched economic barriers to restoration; and
- large-scale restoration projects that include significant economic and community goals.

In October 2005, staff issued a Call for Innovation requesting proposals and offering funding for the development of projects that benefit and strengthen the connections between the local watershed, economy, and community. OWEB received 24 grant applications by the December 1, 2005, deadline. In January 2006, the OWEB Board awarded eight planning grants totaling \$100,000 for projects in three categories: 1) Creation of Market Incentives for Ongoing Watershed Restoration and Protection; 2) Creation of a Sustainable Family Wage Restoration Workforce; and 3) Providing a Model for More Sustainable Sand and Gravel Mining. The funded projects are listed in Table 1.

A panel to share the knowledge and experience of these grantees and the lessons they've learned is planned at the OWEB Biennial Conference this fall. Staff will also provide updates to the Board about these projects as they progress.

The Next Local Innovation Fund Grant Cycle

The next LIF grant cycle will occur in June-September 2006, and will provide project implementation funding for on-the-ground projects that benefit and strengthen the connections between the local watershed, economy, and community. Grant applicants who did not apply during the last grant cycle are welcome to apply. A Request for Proposals will be issued in early May, and grant applications will be due June 15, 2006. The OWEB Board will be asked to consider the grant applications at its meeting in Bend on September 19-20, 2006.

¹ "Understanding the Community, Economic, and Social Impacts of Oregon's Watershed Councils," Hibbard and Lurie (2005) – copy available at www.oregon.gov/OWEB/docs/other/Hibbard_Lurie_WSCImpacts_final.pdf.

Due to the current availability of funds, LIF grant awards will draw primarily from Measure 66 capital funds. However, some projects may need small amounts of non-capital funds in addition to capital funds to move from the planning to implementation phase. Some of these costs, such as education, outreach, and training, are squarely within OWEB's mission and goals, but may not be eligible to use capital funds.

After the conclusion of the next LIF grant cycle in September, staff will ask the Board to evaluate whether the pilot grant program has met the Board's goals for the project, and whether it should continue. Stakeholder and grantee input, as well as the merits of the projects funded, should be part of this evaluation.

Table 1: Local Innovation Fund Projects Funded in January 2006

Project #	Project Name	Amount
206-381	Ecosystem Workforce Program & Siuslaw Basin Partnership: Developing a High Quality Restoration Industry in the Siuslaw Basin	\$14,966
206-383	Coquille Watershed Association: Creating a Model for Sustainable, Family Wage Restoration Jobs in the Coquille Basin	\$8,216
206-386	Lower Rogue Watershed Council: Incorporating Salmon Habitat Restoration in Sand and Gravel Mining	\$9,966
206-387	South Coast Watershed Council and The Wetlands Conservancy: Sustainable Cranberry Production and Marketing on the South Coast	\$14,466
206-389	Mary's River Watershed Council and The Food Systems Coalition: Healthy Watersheds, Healthy Food in the Willamette Valley	\$14,486
206-391	McKenzie Watershed Council: Sand and Gravel Industry Salmon Habitat Restoration Incentives	\$7,966
206-392	Clackamas County Soil and Water Conservation District: Mt. Hood Forest Habitat Restoration, Fire Fuel Reduction, and Small Diameter Wood Utilization	\$14,966
206-400	The Central Oregon Intergovernmental Council and The Juniper Group: Western Juniper Commercialization Study for Central Oregon	\$14,966
Total Local Innovation Grants Funded		\$99,998

Staff Update and Request

Allison Hensey, Local Innovation Fund Manager, is leaving OWEB to take a position with the Oregon Environmental Council. Beginning in May 2006, Melissa Leoni, Senior Policy Coordinator, will assume OWEB's Sustainability Coordinator role and responsibility for implementation of the LIF pilot program.

To assist staff with the LIF pilot program, the Board established a Local Innovation Fund Subcommittee with Dan Heagerty and Dianne Guidry as its members. Dianne is no longer on the Board; therefore staff request at least one more Board member to join the subcommittee.

Contact Melissa at melissa.leoni@state.or.us or 503-986-0179 with questions about the Local Innovation Fund or if you are interested in serving on the subcommittee.

May 16-17, 2006 OWEB Board Meeting

Executive Director Update #5: Council Support Grant Process

Background

Fifty-seven applications seeking a total of \$6,637,552 were received for 2005-2007 Watershed Council Support (council support) grants. In May 2005, the Board awarded \$4,480,580 for council support for the 2005-2007 biennium, contingent upon available funds. Subsequently, the Legislature approved a \$3,936,837 budget line item for watershed councils, leaving \$543,743 needed to meet the May Board award. In September 2005, the Board allocated an additional \$561,002 of non-capital funding (including an additional \$17,259 to correct a calculation error) to meet the Board's May 2005 commitment.

The 2005-2007 council support awards resulted in average grants of \$78,000 to watershed councils throughout the state. Even with the September 2005 allocation, approximately one-third of watershed councils are receiving less than \$70,000 for the biennium. In anticipation of continuing funding challenges, in May 2005, Roger Wood, Grant Program Manager, also presented the Board with four issues staff will consider for next biennium's council support grant cycle. The list of "next steps" included:

1. improving the council support grant process;
2. considering the establishment of performance thresholds;
3. revising the council support administrative rules, if necessary; and
4. investigating additional funding opportunities for grantees.

Improvements in the Watershed Council Support Grant Process

Staff have concentrated their efforts in improving the council support grant process (issue #1) within the framework of the *existing* administrative rules (issue #3). In the last two months, staff solicited input from watershed councils and other staff on areas in need of improvement. Based on the input received, staff intend to develop improvements to the council support grant process that focus mainly on the application form, evaluation criteria, and application review process. The specific areas of improvement include: reducing the volume and redundancy of information required in the application; strengthening the link between the application and evaluation criteria; and reducing the variation in the review team evaluations.

It is anticipated that these modifications will be completed by June 30, 2006, to ensure watershed councils have enough time to prepare the application materials for the December 15, 2006, deadline. Staff will continue to work closely with watershed councils as these modifications are developed and implemented.

Issues to Consider: Establishing Performance Thresholds and Investigating Additional Funding Opportunities

During the input phase of this project, it became apparent that the issues of developing performance thresholds (issue #2) and investigating additional funding opportunities (issue #4) are associated with broader policy questions about the council support grant program. As seen from the comments (attached), these issues are integrally related to the overall objectives of the council support grant program, which has not been clearly articulated. Clarification of these issues may assist the Board in making deliberate funding decisions in a limited funding

environment and also provide direction to watershed councils so that they may focus their energies and plan for the future.

Resolution of these broader policy issues will require extensive consideration as the outcome may have a significant impact on the future viability of watershed councils. Input from a Board subcommittee was very valuable for the 2005-2007 grant process and cycle. For these reasons, staff believe that the appropriate venue for continued discussion and resolution of these issues is through a Board subcommittee.

Staff Request

Staff request the Board create a subcommittee to address the policy issues related to the council support grant program. Contact Lori Warner-Dickason, Policy Specialist, at lori.warner-dickason@state.or.us or 503-986-0046 for more information about council support or if you are interested in serving on the subcommittee.

Synopsis of General Comments about the Council Support Grant Process

These comments were received from watershed councils coordinators from all 5 regions as part of the input solicited in February and March, 2006. Comments were summarized and grouped by subject to create this synopsis.

Limited funds: The funds are limited and not enough to fully support the councils on a continual basis.

What are the objectives of the Council Support grant program? The objectives of the council support grant program may have changed due to limitations in funding and are not clearly articulated in the following areas:

- **What level of support should OWEB provide to Councils?** It is unclear whether the objective is to provide at least a base level of support to *all* councils or to provide a substantial portion of council support to only those that meet a certain performance threshold?
- **Should OWEB continue to support watershed groups that do not demonstrate performance?** The merit ranking scheme resulted in grant awards to some councils that were so low that it was unlikely to have an impact on the ground. Should OWEB continue this strategy and, if so, should OWEB assist those councils by providing incentives for improvement?
- **How long should Councils depend on OWEB support?** OWEB should encourage watershed groups to become self sufficient in preparation of potential discontinuation of funds in 2014.
- **Is it in OWEB's interest to provide augmented support to fledging watershed groups?** Fledging groups do not have the level of capacity to score well on the merit ranking. Should OWEB provide monetary incentives to young watershed groups where appropriate?
- **The problem of chronic under-funding is threatening the viability of some councils.** Should OWEB target funds to assist watershed groups that are struggling with capacity building because of historical under-funding?
- **The merit ranking scheme has resulted in a bias toward the older Councils that have developed capacity and other funding sources.** Given minimum funds, is it a priority to provide an equitable level of funding for all to maintain a basic level of capacity? Given the funding situation, is it appropriate for OWEB to provide more than a base level of funding for those watershed groups that clearly have the capacity to obtain funds from other sources?

Chronic under-funding is having serious consequences on the Watershed Councils.

- **The merit ranking scheme has resulted in shifting Council priorities.** Due to limited funds for non-capitol grants, many Watershed Coordinators use administration, project management and technical assistance budget lines in capitol grant applications to subsidize salaries. The result is that some watershed coordinators are spending more time on project management and less time on building organization capacity. Many think this is inconsistent with vision of watershed groups who play a unique role in the community.
- **There is significant increase in staff turnover across the state.** This is causing disruption in council effectiveness, loss of expertise, delays in project implementation and a decrease in credibility in the community. Many communities have become dependent on watershed groups to provide watershed stewardship services. Communities expect a certain basic level of organizational capacity.

May 16-17, 2006 OWEB Board Meeting
Executive Director Update #6: April 2006 Emergency Board

Background

OWEB received notification from National Oceanic and Atmospheric Administration (NOAA) to apply for the 2006 Pacific Coastal Salmon Recovery Fund (PCSRF) funds on March 8, 2006. State agencies are required to seek legislative permission to apply for federal grants and agencies must also seek an increase in expenditure authority in order to use the funds.

The award to Oregon is \$5,295,000 and includes an earmark of \$1,019,200 for the purchase of one fish marking trailer that will be owned and operated by the Oregon Department of Fish and Wildlife. OWEB is allowed 3 percent administration or \$154,200. OWEB deferred requesting these funds to provide greater flexibility to support staffing needs next biennium, leaving \$4,121,600 for Board allocations.

April 2006 Emergency Board

The Emergency Board approved OWEB’s request to apply for the \$5,295,000 grant and also approved an increase in expenditure limitation based on the spending plan approved by the Board at the January 2006 meeting. OWEB has submitted the grant application to NOAA, and based on previous year’s submissions, expect the grant to be awarded sometime this summer.

2006 PCSRF Spending Plan

Program Element	FFY 2006 PCSRF
Technical Assistance	\$1,000,000
Recovery Planning	\$600,000
Monitoring Grants	\$771,600
Oregon Plan Monitoring	\$110,000
Watershed Assessment	\$450,000
Education Grants	\$500,000
Oregon Plan Products	\$690,000
Total	\$4,121,600

Staff Contact

For more information, contact Tom Byler, Executive Director, at tom.byler@state.or.us or 503-986-0180.

April 26, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lori Warner-Dickason, Policy Specialist

**SUBJECT: Agenda Item D: Deferred Acquisitions
May 16-17, 2006 OWEB Board Meeting**

I. Introduction

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

II. Background

Land acquisition grant applications often require more time to fully evaluate and prepare a funding recommendation than is available in the regular 21-week grant cycle. At the time of writing this staff report, only one of the five land acquisition projects deferred at previous Board meetings will be ready for consideration at the May 2006 Board meeting. The description and current status of each project is briefly described below.

III. Status of Previously Deferred Acquisition Projects

A. Svensen Island (z206-259)

The grant application was submitted on October 24, 2005, by the Columbia Land Trust and requests \$120,000 toward acquisition of 253 acres of diked island habitat within the Columbia River Estuary. At the March 2006 Board meeting, the Board deferred consideration of this application pending review of due diligence materials. Due diligence materials have not been submitted.

B. Tenmile Creek Corridor Easement Project (z206-058)

The McKenzie River Trust submitted an application in April 2005 requesting \$900,000 from OWEB to assist in the purchase of conservation easements on 318 acres in four ownerships in the Tenmile Creek Watershed. The application was deferred for consideration by the Board in September 2005, January 2006, and March 2006 pending receipt and review of due diligence materials. At the time of writing this staff report, some of the due diligence materials have been reviewed and approved. Although it is possible that the remaining due diligence materials will be completed by the May 2006 Board meeting, staff and the Board Acquisition Subcommittee recommend that the Board continue to defer consideration of this application to allow for staff and Subcommittee review of the remaining due diligence materials.

C. Deer Creek Ranch (z206-277)

The Southern Oregon University Foundation, in partnership with the Siskiyou Field Institute and Western Rivers Conservancy, is requesting \$500,000 toward purchase of the 873-acre Deer Creek Ranch (DCR) in the Illinois River Watershed. At the March 2006 Board meeting, the Board deferred consideration of this application pending review of due diligence materials. Due diligence materials have not been submitted.

D. Pilcher Creek (z206-339)

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

E. Crosel Creek Habitat Reserve (z206-059)

The grant application from the North Coast Land Conservancy (Conservancy) requests \$420,000 from OWEB to assist in the purchase of 121 acres along Crosel Creek, which is a small sub-basin draining directly into the east side of Youngs Bay, roughly 1.5 miles south of the City of Astoria.

1. Ecological Benefits

OWEB priority habitats involved are: Coastal Western Hemlock forest; Sitka spruce forest; lowland riparian woodland and shrubland; and intertidal freshwater wetlands. Priority fish and wildlife species involved are: Great Blue Heron; Band-tailed pigeon; Spotted Owl; Pileated woodpecker; Coastal cutthroat trout; Coho salmon; and Red-legged Frog. The North Coast Regional Review Team (RRT) agreed that the priority habitats, plant communities and fish and wildlife species on the property were of high value and worthy of protection.

The application lists all seven Conservation Principles as applying to the site. The RRT thought that only four of them were important: (1) Protecting large, intact areas; (3) Securing transition areas; (5) Protecting sites with exceptional biodiversity values; and (7) Complementing existing networks. The applicability of and significance in meeting these four principles was sufficient for the RRT's strong endorsement of the application.

The Board Acquisition Subcommittee raised two questions regarding the ecological functions and values of the property, given its size and location adjacent to Oregon Department of Forestry (ODF) lands. Staff solicited input from ODF to address future management of the adjacent lands and consistency of the project with State Forestry management plans. A significant portion of the ODF land surrounding the Crosel Creek property is being managed to reach specific complex stand conditions, including Older Forest Structure and Layered stand types. ODF input also indicated that the "overall the Crosel Creek Habitat Reserve proposal seems complementary to State Forest management plans and presents an excellent opportunity for collaboration and learning about forests and forest management."

2. Capacity to Sustain the Ecological Benefits

The North Coast Land Conservancy will hold title and manage to the property. The Conservancy has been a land trust in Clatsop and Tillamook counties for twenty years and currently holds 26 resource properties managed for ecological and cultural values. The Conservancy was awarded the 2004 Community Conservation Partnership award by The Nature Conservancy.

The management goals of the project include protecting existing conditions and ensuring ecological progression, retaining and protecting the downed wood component of the site, insuring absorption and slow release of water on site, removing invasive species, and developing a comprehensive management plan within two years of acquisition.

The Conservancy has a policy to establish an endowment for its new acquisitions. The applicants have secured \$30,000 to cover the estimated annual management costs. The Conservancy will need to seek additional resources for any future restoration activities.

3. Educational Benefits

Public access to the property will be targeted to planned programs for public watershed education. The Conservancy uses the PLACE (People Learning About Communities and Ecosystems) model to meet its public education goals, which includes using place-based education to teach ecological principles such as watershed function. The Crosel Creek property will also provide a field site for research for the Applied Science Center at Astoria High School, as the property is located less than five minutes away from the school. The RRT rated this project as having excellent educational values due to its proximity to the school and knowledge that students have already been involved in assessing the property for its fish and wildlife values.

4. Partners, Project Support and Community Effects

The property taxes in 2004 were \$594.25. The Conservancy is currently in discussion with the landowner about whether taxes or payment in-lieu will continue to be paid after acquisition. On other properties, the applicants are making in-lieu payments.

Letters of support for the project were written by Scott Stonum, Lewis and Clark National Historic Park; Dr. Douglas Deur, PNW Cooperative Ecosystem Studies Unit at the University of Washington; Youngs Bay Watershed Council; and the Clatsop Soil and Water Conservation District. Other local, regional, state, and national organizations and entities are partners of the Conservancy.

Protection of the Crosel Creek property is described in the application as having no effect on the overall economic and social conditions of the area, but the RRT felt that the project, in addition to the educational benefits described above, also offers opportunities for ecological and economic discussions with neighboring landowners.

5. Legal and Financial Terms

OWEB funds are requested for 75 percent of the \$560,000 purchase price of the property. Staff understand that this purchase price may represent a bargain sale on the part of the landowner, thereby increasing the amount of eligible match for the project. The applicants are also seeking additional funding through local fundraising.

The legal review of the title report and exceptions and the option agreement identified no concerns or issues. The draft conservation easement has been reviewed and approved for legal sufficiency by the Department of Justice to protect OWEB's proposed investment in the property. Language in the conservation easement requires the development of a management plan to address preservation, active restoration and passive restoration activities.

A Phase I Environmental Site Assessment (ESA) of the property was completed on September 28, 2005, by Amy Horston of the U.S. Fish and Wildlife Service. Review by the Oregon Department of Environmental Quality (DEQ) indicated that the report conforms to the American Society for Testing and Materials (ASTM) standard. DEQ agrees with the conclusion that the ESA has not revealed evidence of recognized environmental conditions as identified by the ASTM standard.

An appraisal was completed in January 2006, but failed to meet the standards according to our review appraiser. A revised appraisal is being conducted by Dee Staple and is near completion. At the time of writing this staff report, the revised appraisal is anticipated to be completed and reviewed before the May Board meeting. Staff will update the Board on the status of the appraisal review at the Board meeting.

6. Conclusion

The Crosel Creek Habitat Reserve project received a high ecological and educational rating from the North Coast Regional Review Team. The project has received substantial support from the local community and other natural resource agencies. The Board Subcommittee and the RRT have expressed unanimous support for the project. All of the due diligence materials have been reviewed and approved, with the exception of the final appraisal. Staff and the Board subcommittee recommend that the Board award funding for the Crosel Creek Habitat Reserve project provided the appraisal review is complete by the May Board meeting.

IV. Recommendation

Staff recommend the Board:

1. Defer consideration of the Svensen Island, Tenmile Creek, Deer Creek Ranch, and Pilcher Creek applications until the due diligence items are submitted and reviewed; and
2. Award up to \$420,000 in capital funds toward the Crosel Creek Habitat Reserve provided approval of the final appraisal is complete by the Board meeting. Staff will update its recommendation at the Board meeting once the appraisal review is complete.

April 26, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Tom Byler, Executive Director

**SUBJECT: Agenda Item E: 2005-2007 Budget Adjustment
May 16-17, 2006 OWEB Board Meeting**

I. Introduction

This report seeks Board approval to increase funding associated with interagency agreements with Oregon Department of Fish and Wildlife (ODFW) and Oregon Department of Environmental Quality (DEQ) up to \$450,000 to address 2005-2007 biennium compensation plan changes that were not included in the 2005-2007 legislatively adopted budgets.

II. Background

At the September 2005 meeting, the Board authorized Pacific Coastal Salmon Recovery Fund (PCSRF) funding to state agencies as directed by the 2005 Legislature. These allocations included support for agency personnel. The State budget system normally does not include a budget for compensation plan changes involving negotiated cost of living and health insurance increases throughout the biennium. Instead, the Legislature typically sets aside a “salary pot” of General Funds and Lottery Funds for the Emergency Board to allocate as needed during the interim. ODFW and DEQ agency personnel funded from PCSRF did not have any “salary pot” set aside by the Legislature with the expectation that future PCSRF grants would fund the salary increases.

III. Discussion

At its April 7, 2006, meeting, the Emergency Board authorized expenditure limitation for OWEB to receive and expend \$4.1 million in FFY06 PCSRF funds. The authorization was made with the express understanding that OWEB would utilize other PCSRF funds to address the unmet compensation plan needs.

The current calculations for the ODFW and DEQ compensation plan increases are at approximately \$400,000. This figure, which will increase over time, does not include a potential adjustment for pension obligation bonds and new Public Employee Retirement System (PERS) rates. Two billion dollars in Pension Obligation Bonds were issued in October 2003 and agencies are assessed their cost share based on PERS subject payroll. PERS rates are typically adopted by the PERS Board in the spring.

OWEB has identified recapture of \$450,000 from 2003-2005 legislatively directed agency PCSRF allocations. Staff recommend funding up to \$450,000 for the 2005-2007 compensation plan increase from this recapture. Details on the recapture funds and the estimated compensation plan changes are contained in Attachment A.

OWEB also recommends amending the ODFW and DEQ agreements for the compensation plan increases after the Emergency Board gives the agencies the expenditure limitation (budget) for the compensation plan increases. It is unknown when the Emergency Board will address the compensation plans, but it could be addressed as early as June 2006.

IV. Recommendation

Staff recommend the Board authorize amending the ODFW and DEQ 2005-2007 PCSRF interagency agreements for a total of up to \$450,000 for compensation plan increases contingent upon Emergency Board action to increase the agencies expenditure limitation for the compensation plan increases.

Attachment

- A. 2003-2005 PCSRF Revenue and 2005-2007 Estimated Compensation Plan Impact

2003-2005 PCSRF revenue carryover

ODFW	260,782
ODF	94,484
IMST	97,095
	<u>452,361</u>

Estimated Compensation Plan Impact, PCSRF funded positions (3-20-06 estimates)

ODFW	357,350
DEQ	37,191
Total comp plan impact est	<u>394,541</u>

Balance **57,820**

Note: this is not final, since CBIS has not been run and potential adjustments for pension obligation bonds and for OPSRP (new PERS) rate changes are not included.

April 26, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item F: Research Proposal Review process
May 16-17, 2006 OWEB Board Meeting**

I. Introduction

This report seeks Board approval of a proposed process for the review, evaluation, and funding of grants for watershed research projects. The proposal builds on the Board's research grants for priorities adopted in March of 2002.

II. Background

When the 1999 legislation created the Oregon Watershed Enhancement Board, the Legislature also established a "Restoration and Protection Research Fund." ORS 541.378 states that all interest earned from Ballot Measure 66 Lottery Funds is credited to the Research Fund. The Attorney General has advised OWEB that research funds must be split 35 percent non-capital and 65 percent capital in the same manner as all the Measure 66 dedicated lottery funds and that expenditures of these funds are constrained in the same manner as Measure 66 capital and non-capital funds.

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

In March 2001, the Independent Multidisciplinary Science Team (IMST) issued a report that identified 12 high priority Oregon Plan research needs ranked in relative order of importance. This report responded to independent requests from the 1999 Joint Legislative Committee for Stream Restoration and Species Recovery and OWEB for identification of the highest priority research needed to help ensure salmonid recovery.

After receiving the IMST report, OWEB contracted with For the Sake of the Salmon to use the IMST report as a starting point for expanding the discussion of information needs to a broader constituency of the Oregon Plan. For the Sake of the Salmon worked with OWEB to plan an outreach effort to Oregon's scientific and research community, watershed groups, agencies, tribes, and other stakeholders to comment on and evaluate the IMST's recommendations.

OWEB staff also extended an additional opportunity for comment on the research priorities to representatives of state natural resources agencies.

In general, respondents were in agreement with the priorities identified by the IMST report with some suggested clarifications and improvements. Staff then made changes to the original IMST priority research needs and presented them to the Board in March 2002. (Attachment A) The Board unanimously adopted the priorities and authorized OWEB staff to take the next step to formulate specific proposals.

Over the years, the Legislature has directly appropriated research funds for several projects. More details on past uses of research funds are included in the attached background document from the Legislative Fiscal Office. (Attachment B)

At the current time, there is approximately \$1,646,000 of capital and \$464,000 of non-capital funds available in the Research Fund. The Legislature has not provided the agency with expenditure limitation to use these funds in the 2005-2007 biennium. OWEB would be required to obtain expenditure limitation from the Emergency Board or the Legislature to use the funds.

III. Proposed Review Process

OWEB staff propose the Board approve a formal process for considering research proposals. Staff's proposal establishes clear criteria, utilizes the appropriate scientific expertise for evaluating request, and minimizes impacts on current staff workload. The proposal recommends using the Independent Multidisciplinary Science Team (IMST) to assist in the development of the Request for Proposals (RFP) and identify how peer reviewed proposals match OWEB adopted research priorities. (Attachment C) The RFP will be made available through regular avenues by June 1, 2006. A deadline for submittals will be July 31, 2006.

The IMST has recommended that OWEB use an existing peer review process to review proposals. The review will be conducted by science peers and the proposals will be evaluated based on the study design, methodology, and applicability of the results to OWEB watershed management interests and furtherance of the goals of the Oregon Plan for Salmon and Watersheds. OWEB will attempt to schedule the results of the review with IMST by the January 2007 Board meeting. The research project review process will be used in developing a request for the expenditure of funds from the Restoration and Protection Research Fund in OWEB's 2007-2009 Budget.

OWEB staff will take the peer reviewed proposals and discuss the projects with the appropriate local interests (watershed councils, agencies, soil and water conservation districts, etc.) to determine if the research questions address issues in the (appropriate) local community. The staff will recommend to the Board projects(s) to be funded in priority order at the January 2007 Board meeting, contingent upon legislative appropriation of research funds.

V. Recommendation

Staff recommend the Board take the following actions:

1. Approve the proposed process for the review of research proposals as outlined in this report;

2. Direct staff to update OWEB's Interagency Agreement with the IMST to reflect the commitment to the research review process; and
3. Allocate up to \$5,000 in non-capital funds to address potential peer review costs associated with the research fund review process.

Attachments

- A. OWEB Adopted Research Priorities
- B. LFO Brief on OWEB Restoration and Protection Research Fund
- C. Draft Notice of Research Solicitation

Oregon Watershed Enhancement Board Research Priorities – March 2002

I. Highest Priority Information Needs for the Oregon Plan

1. **Assess the status of watershed health as indicated by anadromous salmonid stocks (coho, chinook, and chum salmon, sea-run cutthroat trout, and steelhead), and the risk for their extinction by integrating dynamic ocean conditions, habitat availability and quality, and human activities.**

The IMST has identified the importance of adopting a landscape context for the Oregon Plan, and the need for long-term perspectives that incorporate changing conditions in terrestrial, freshwater, and ocean ecosystems. The IMST identified several components needed to support overall research goal. These include:

- Research that helps to understand interactions among basin populations, metapopulations, ocean survival rates, life history stage (survival) trends, and population viability.
- Analysis and integration of information from habitat assessments and salmon spawner or juvenile surveys with models that assess salmon population trends and population dynamics and to conduct sensitivity analysis of models and model parameters.
- Research that compares distribution of spawner abundance relative to spawning habitat of differing quality.
- Evaluation of the ability of current monitoring and research programs to provide data required for life-cycling modeling and to measure the following: 1) recolonization of habitats as stocks recover, 2) straying rates, 3) distribution of spawners across their range, 4) degree of unoccupied habitats, and 5) variable effects of ocean survival rates within and among Gene Conservation Groups.
- Strengthen life-cycle modeling concept, apply to broader range of land use and management questions.
- Research that identifies the relationships between landscape dynamics and aquatic resources and their habitats.

II. High Priority Information Needs for the Oregon Plan

A. Related to Watershed Conditions

1. **Determine how changes in land use and land cover, including riparian and upland vegetation, can affect salmonid habitat quality.**

Remote sensing and ground surveys are needed to establish baseline data and to compare to historical records in order to conduct trend assessments of watershed and habitat conditions. Currently, remote sensing has not been used to its fullest potential under the Oregon Plan.

Determine what the accuracy of remotely sensed data and the proper scale at which it should be used.

2. Determine relationships between population trends of fish and wildlife and land use/land cover changes.

Research is needed to estimate: 1) the past abundance and distribution of salmon throughout the landscape, 2) the changes in abundance and distribution through time, and 3) the changes in habitat type and availability that have occurred as estuaries, rivers, and streams that have been modified to accommodate a variety of human activities.

B. Specifically Related to Fishery Management

1. Determine the effects of wild-hatchery fish interactions and the impacts of hatchery management programs on wild stocks. Test the assumptions about survival differences between hatchery and wild fish.

Few studies have tracked the effects of interactions between hatchery and wild fish on the long-term persistence of wild populations. Future research should include both genetic analysis and ecological analysis of the effects of competition.

2. Determine the origin and the temporal and spatial distribution of wild ocean-caught fish.

Research is needed to determine which freshwater populations are impacted by ocean harvest, and when, where, and how many fish are encountered. Harvest management decisions and policies will not be effective for protecting critically low populations without this information.

3. Determine the spawning escapement rate of steelhead.

There are comparatively few steelhead survival data due to difficulties in monitoring both juvenile migrants and adult returns. Little is known about both freshwater and marine survival of steelhead. There is a need for increased emphasis on the monitoring the spawning escapement of steelhead to obtain better estimates of survival and abundance.

4. Determine the genetic basis of various life history strategies in salmonids.

Environmental and genetic controls of life-history paths need to be determined so genetic life history stages can be preserved on both the population and metapopulation levels. The diversity in migration times, spawn times, and unique life history paths (e.g. residual fish and precocial males) should be preserved to maintain a population's resiliency.

III. Moderate Priority Information Needs for the Oregon Plan

1. Determine the impacts of declining wild salmonid populations on ecosystem processes.

Examples of research needs include, but are not limited to:

- Determining the response of juvenile salmonids and their food webs to carcass abundance and how many spawners are needed to support the next generation of developing salmonids. Experiments are needed to establish this relationship and to determine the processes involved. This is crucial when available carcass numbers are low.
- Determining the effects of hatchery releases on the same and other species. Ecosystem attributes to consider include stream and ocean carrying capacity, biodiversity, life history diversity, the effects of inter and intra-specific competition, diseases, and ocean trends and climate conditions.

2. Determine the effects of predation on salmonid recovery and how predation interacts with other environmental factors.

A holistic approach is required to evaluate predation in comparison with other causes of population declines and to effectively undertake management actions. The information required for this purpose is not currently available.

IV. Priority Information Needs for the Oregon Plan

1. Determine the impacts of non-indigenous (exotic) aquatic and terrestrial species on salmonid recovery.

The extent of deleterious effects from introduced species on salmonids and their recovery and the overall effect of introduced species on the health of natural ecosystems in the state are not known.

2. Determine the cause and effects of disease, tumors, and other abnormalities of fish on the population dynamics of the fish and the implications for ecosystem and human health.

The extent and consequences of an increase in the incidences of diseases, tumors, and physical abnormalities and their epidemiology is not fully known but may have the potential to prevent some salmonid stocks from fully recovering.

Legislative Fiscal Office

Ken Rocco
Legislative Fiscal Officer



900 Court Street NE
H-178 State Capitol
Salem, Oregon 97301
503-986-1828

Budget Information Brief / 2005-4

OWEB's Restoration and Protection Research Fund

The Restoration and Protection Research Fund was created by the 1999 Legislature in HB 3225. The fund is to be used for the purpose of funding research and other activities related to the restoration and protection of native salmonid populations, watersheds, fish and wildlife habitats, and water quality, including but not limited to research, monitoring, evaluation, and assessment related to the Oregon Plan. All interest earnings on the Restoration and Protection Subaccount, the Watershed Improvement Operating Fund (WIOF), and the Watershed Improvement Grant Fund (WIGF) are to be credited to the Restoration and Protection Research Fund. The Attorney General has advised the Oregon Watershed Enhancement Board (OWEB) that expenditures of interest earned on the WIOF and WIGF are constrained in the same manner as expenditures from each of these funds are constrained. This means only interest on the Operation Fund can be used for expenditures not tied to a specific capital project.

Past Uses of the Research Fund

With no viable proposals for the use of the Restoration and Protection Research Fund, the 1999 and 2001 Legislatures included expenditure limitation of \$1 Lottery Funds in OWEB's legislatively adopted budgets. In order to spend from the fund, the agency was required to request additional Lottery Funds expenditure limitation from the Emergency Board. During the 2001-03 interim, the Emergency Board provided OWEB a total of \$0.8 million expenditure limitation for a study of fish deformities in the Newberg pool of the Willamette River and for a Department of Forestry study on the effectiveness of state required forest practices. The 2003-05 legislatively adopted budget included about \$0.4 million to complete the study of Willamette River Toxins and continue the Hinkle Creek Paired Watershed study on the effectiveness of Oregon's forest practices regulations. The adopted budget also included \$650,000 for continuation of the Conservation Hatchery Improvement Program and allocated \$1.2 million on a one-time basis directly to the Department of Fish and Wildlife to convert the Fall Creek Hatchery into a Hatchery Research Center. The Hatchery Research Center is designed to provide valuable insight into the interaction of hatchery reared salmonids with wild fish and to investigate methods of raising fish that will mitigate any negative impacts on wild fish populations.

2005-07 Legislatively Adopted Budget

The 2005-07 adopted budget for OWEB includes \$500,000 carry forward expenditure limitation for continuation of the Conservation Hatchery Improvement Program, using unexpended project funds initially provided for expenditure in 2003-05. Expenditure limitation for additional projects could be approved by the Emergency Board during the interim. Approximately \$1.6 million is estimated to be available in the fund by the end of the 2005-07 biennium, for which the Legislature provided no expenditure limitation. The majority of this interest is from the WIGF and therefore limited to on-the-ground capital type expenditures.

Projects can be funded with money from the Restoration and Protection Research Fund through grant applications to OWEB. OWEB staff then review the application and make funding recommendations to the OWEB Board at an upcoming meeting. The Board could, under extraordinary circumstances, consider a grant request at a special meeting. If the Board approves a grant using monies from the Research Fund, OWEB would need to seek expenditure limitation from the Emergency Board for the grant to be paid. If the Emergency Board does not authorize additional expenditure limitation, the grant could not be paid since there is a separate expenditure limitation line in the OWEB budget bill (HB 5172) for expenditures from the Restoration and Protection Research Fund.

During a regular or special legislative session, the Legislature can directly allocate money from the Restoration and Protection Research Fund to specific state agencies for individual projects, as long as the allocation complies with the previously mentioned constraints.

For additional information, contact: Paul Siebert, 503-986-1843

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Request for Research Proposals

Research proposals are accepted and reviewed once a biennium and applicants should anticipate at least a six month review process. Research proposals for the 2007-2009 biennium (July 1, 2007 to June 30, 2009) are now being accepted. The deadline for research proposals is July 31, 2006, with an award date anticipated for January 2007. To discuss potential projects, please contact Ken Bierly at ken.bierly@state.or.us.

BACKGROUND

The Oregon Watershed Enhancement Board is a state agency that administers a legislatively established fund to support scholarly field research on watershed function that will enhance the implementation of the Oregon Plan for Salmon and Watersheds. The OWEB Board has adopted research priorities to guide proposal development and review. The OWEB Board has authorized the Independent Multidisciplinary Science Team (IMST) to coordinate peer review for the research proposals.

OWEB research funds are derived from interest earned on the funds in the Watershed Improvement Grant Fund and the Watershed Improvement Operating Fund. To date there is approximately \$1,646,000 of “capital” funds and \$464,000 of “operating” funds available. The “capital” funds are limited to expenditures such as permanent research installations, equipment and materials for a specific research project, etc. “Operating” funds are available for salary and other expenditures. Further clarification on the uses of these fund types can be obtained from OWEB.

ELIGIBILITY

OWEB will support masters, doctoral and post-doctoral researchers, or researchers with equivalent scholarship or commensurate life experience. OWEB welcomes proposals from advanced scholars and professionals of any nationality. Research proposals should demonstrate that they have a strong basis in community concerns about the elements of watershed function in Oregon. The demonstration can be in the form of support letter(s) from watershed council(s) or other local community organization(s).

GRANTS

OWEB awards funding for research proposals on a competitive basis. Proposals will be peer reviewed for scientific merit and also evaluated by the significance of the research question to OWEB’s research priorities and community support for the research proposed.

Proposals are reviewed by the IMST to evaluate their scientific merit and are recommended based on the significance of the scientific issue being addressed. Recommended proposals will be evaluated by OWEB staff and regional representatives knowledgeable of the local community issues and interests. Reviewers will examine a project's potential contribution to scientific

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knowledge, the appropriateness of its research methodology, logistical feasibility and relevance to local questions and the Oregon Plan for Salmon and Watersheds. OWEB support can be used for multiple year research projects.

FINAL REPORT

A detailed written research report will be required at the end of the project. The results will be presented at the next regular OWEB Board meeting that can be scheduled. A presentation of the research findings and management implications will be expected to be made to the OWEB Board at the completion of each project. Peer reviewed research results can be published without OWEB review if acknowledgement of OWEB funding is made.

Oregon State Police Fish & Wildlife Division



Ballot Measure 66 - 1998

- Amended the Oregon Constitution to allow money from state lottery to be used for restoring and protecting parks, beaches, watersheds, critical fish and wildlife habitat.
- Requires 15% of net proceeds to be deposited into natural resources fund.
- OSP receives about 1.5%
- Measure 66 funds 29 F&W Trooper positions.
- Provides Capitol money for purchase of Fish and Wildlife Vehicles.

Current Funding Allocation

- The Oregon Legislature has assigned through budget processes the following:
- 13 Troopers are assigned to Oregon Plan Activities.
- 10 Troopers are assigned to General Fish & Wildlife Duties.
- 6 Troopers are assigned to Commercial Fish Enforcement.

Patrol Activities-Oregon Plan

- Emphasis on protection of all salmonid species.
- Work in conjunction with resource agencies to insure compliance with laws:
 - Investigate habitat and environmental pollution/damage complaints.
 - Water use and quality, forest practices, fill/removal and land use laws.
- Attend meetings of sportsmen's clubs, resource agencies and watershed councils.



Pudding
River
Tributary
Wetland
destruction
May 6, 2004

Pudding
River
Tributary
Wetland
destruction
May 28, 2004



DSL ~ Push-Up Dams



Bridgepoint Push-Up Dam (2001)
Push-Up Dam on the Applegate River
Used for Agricultural Purposes

Evans Creek Push-Up Dam (2001)
Push-Up Dam on Evans Creek
Used for Recreational or Aesthetic Purposes
No Fish Passage



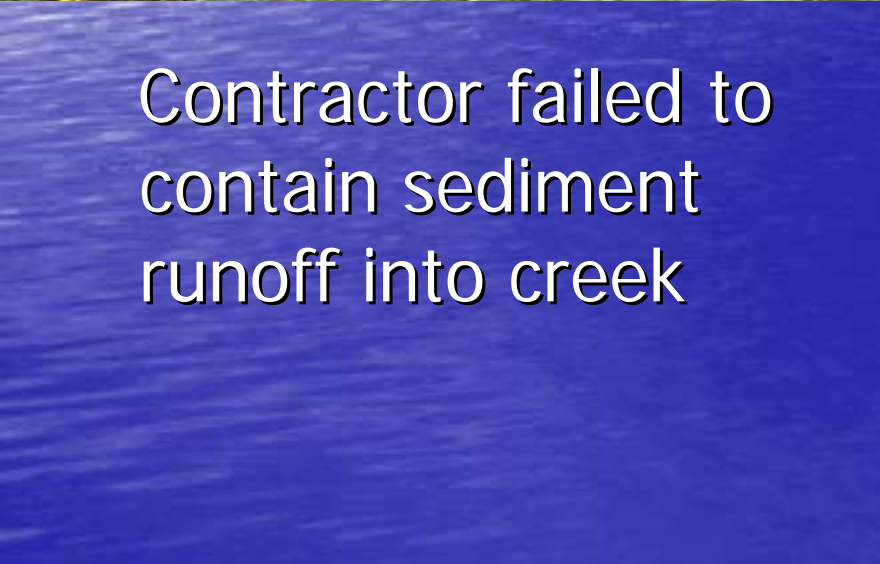
ORS Chapter 196
(Misdemeanors)

196.810

Permits Required to Remove Material from
Bed or Banks of Waters



Fall Creek
Research Facility



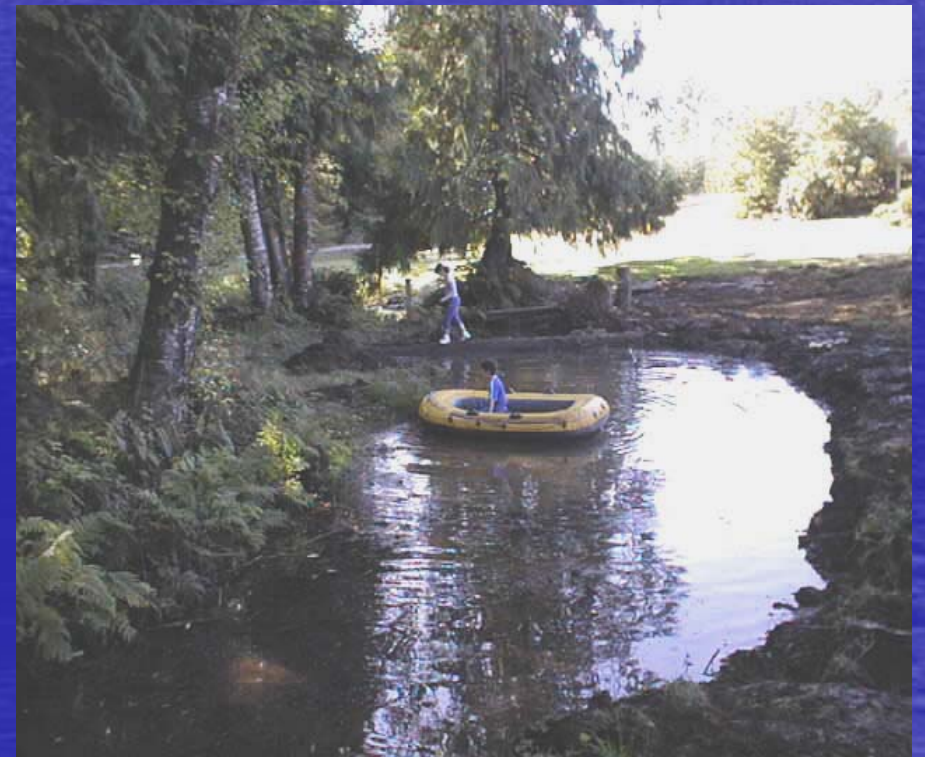
Contractor failed to
contain sediment
runoff into creek



Mill Creek in Tillamook County



Property Owner placed
barrier in stream to
create pond and
waterfall



Patrol Activities

General Fish & Wildlife



- Licenses, tags, and permits
- Equitable utilization of wildlife (seasons/bag limits)
- Harvest methods
- Protected species
- Threatened and endangered species
- Illegal commercialization of wildlife
- Deterrent patrols



Unlawful Sale of Wildlife





Drift Boat Patrol

ENFORCEMENT OF COMMERCIAL FISHERY LAWS



- Licenses and permits
- Fishing vessel and gear restrictions
- Processing facilities
- Harvest quotas, trip limits, seasons and areas
- Shellfish sanitation
- Marine mammal protection
- Harvest monitoring
- Deterrent patrols

Commercial Fishery Surveillance Flight with USCG



Hazing Sea Lions Bonneville Dam



FISH AND WILDLIFE DIVISION

Patrol Vehicles & Equipment



- 4X4 Pickups
- Jet boats
- Propeller driven boats (hard hull and RHI)
- Drift Boats
- White water rafts
- Aircraft
- Horses
- All terrain vehicles
- Snowmobiles
- Mountain bikes

April 27, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item I: Research Fund Project Requests
May 16-17, 2006 OWEB Board Meeting**

I. Introduction

This report requests permission to request expenditure limitation from the Emergency Board to fund two research projects from the Restoration and Protection Research Fund that have been peer reviewed and previously reviewed by the OWEB Board.

II. Background

The OWEB Board has facilitated the review of two research projects over the past three years. These projects have been through a peer review process involving at least the Independent Multidisciplinary Science Team (IMST). The Umpqua Coho Pedigree Study, which is a 12 year project, was reviewed in 2001 by NOAA Fisheries and was first funded by OWEB in 2002. The IMST convened a workshop on the Oregon Hatchery Research Center to provide a scientifically credible basis for the operations of the center. Given this background, these two requests meet the spirit and intent of substantive process developed for future research proposal review. (See Agenda Item F.)

A. Umpqua Coho Pedigree Study

In January 2002 the Board was presented with a detailed discussion of the "Conservation Hatchery Improvement Program" (CHIP) developed under the Oregon Plan for Salmon and Watersheds. This effort was developed to evaluate and identify the role of hatcheries in salmon recovery and management. The concept recognized that there would likely be a continuing role for hatcheries in salmon recovery; however it recognized that additional information was needed to use them in a manner that would not degrade wild stocks.

OWEB was directed by a budget note in its 2001-2003 budget to evaluate and consider funding for CHIP projects. OWEB worked with Oregon Department of Fish and Wildlife (ODFW) staff to solicit proposed CHIP projects and have them peer reviewed. Three proposals were submitted and reviewed. The Umpqua Coho Pedigree Study was identified as having the greatest likelihood of success and direct applicability to the use of hatchery fish for conservation purposes.

The objective of the Umpqua Coho Pedigree Study is to conduct an experimental supplementation project for coho salmon in the Calapooya River, a tributary of the Umpqua River. The research would evaluate the contribution of multiple-generation hatchery versus first-generation (wild type) hatchery coho released as unfed fry and smolts. Genetic analysis of smolts leaving and adults returning to the system will evaluate the effects of hatchery fish on naturally spawning populations and compare the reproductive success and survival of hatchery fish released into the wild. The project proposed capturing and developing a genetic pedigree for three generations of coho.

The total project was identified as costing \$2,946,000 and lasting through 2013. Funding has been awarded incrementally each biennium. The project has been annually funded with Pacific Coastal Salmon Recovery Funds and Measure 66 Restoration and Protection Research Funds.

This proposal is to request expenditure limitation of \$103,387 of non-capital research funds for ODFW and \$143,948 (\$100,000 of capital research funds and \$43,948 of non-capital research funds) for Oregon State University (OSU) from the Restoration and Protection Research Fund through the Legislative Emergency Board. This proposal supports project costs through the end of the biennium.

To date, the research program has documented the genetic pedigree of one full cycle of coho. The research has perfected DNA extraction, identified screening loci, tested markers for hatchery and wild stocks, documented survival rates by genetic parentage, and identification of inbreeding effects. The ongoing work will be able to evaluate outbreeding depression (effects of hatchery fish breeding in the wild), effective population size, and comparative survival of hatchery management practices (release of unfed fry v. smolts). Attachment A contains additional information about the Umpqua Coho Pedigree Study proposal.

B. Oregon Hatchery Research Center

During the 2003 legislative session, the Legislature appropriated \$1,125,000 from the Restoration and Protection Research Fund and \$4,000,000 of Measure 66 capital funds for the construction of a hatchery research facility in the Alsea Basin.

There are three primary goals for the operation of the Hatchery Research Facility. First, research at this facility will seek to better understand the mechanisms that may create differences between hatchery and wild salmon and steelhead. Second, research will develop approaches to manage those differences to meet fishery and conservation objectives. Third, the research facility will help Oregonians to better understand the role and performance of production hatcheries in supporting and protecting Oregon's native fish. The facility will be operated as a research facility and not as a production hatchery.

To ensure this new facility was designed and programmed to meet the conservation needs for salmon recovery, ODFW requested the IMST to "provide a scientifically credible basis for the operation of the...facility." The IMST held a two-day workshop on October 21 and 22, 2003. The result of the workshop was a report to ODFW that was used to guide the program development of the Hatchery Research Center.

(http://www.dfw.state.or.us/OHRC/materials/IMST_report.pdf)

The request before the Board is to support the use of capital research funds to finish the outfitting of the research facility for a total of \$154,000. ODFW has an additional \$94,000 to match these funds to complete the needed equipment purchases. More detailed information regarding this proposal is contained in Attachment B.

III. Discussion

These two funding requests have been peer reviewed and address important needs for the Oregon Plan for Salmon and Watersheds as they relate to the utilization of hatchery fish in recovery of salmon stocks. The primary reason to advance these requests is the fact that they both have been through a previous scientific peer review process, and in the case of the Umpqua study, the request is part of long-term research project.

IV. Recommendation

Staff recommend the Board direct staff to:

1. Request expenditure limitation from the Emergency Board for \$254,000 of capital and \$147,335 of non-capital from the Restoration and Protection Research Fund to support the Umpqua Coho Pedigree Study and the Hatchery Research Center research projects; and
2. Develop the appropriate agreements with ODFW and OSU to implement the proposed research projects, contingent upon receiving expenditure limitation from the Emergency Board.

Attachments

- A. Umpqua Coho Pedigree Study – ODFW and OSU Proposals
- B. Oregon Hatchery Research Center Equipment Proposal

**Umpqua Coho Pedigree Study:
ODFW Component**

Proposal to: Oregon Watershed Enhancement Board
775 Summer Street NE, Ste 360
Salem OR 97301-1290

Submitted by: Jim Muck
District Fish Biologist
Umpqua Fish District
Oregon Department of Fish and Wildlife
4192 North Umpqua Highway
Roseburg, Oregon 97470

Total amount requested: \$103,387
Proposed duration: August 1, 2006 to June 30, 2007 (16 months)
Desired starting date: August 1, 2006

Principal Investigators: Jim Muck
Tel: (541) 440-3353
Fax: (541) 673-0372
Email: Jim.B.Muck@State.OR.US

Laura Jackson,
Tel: (541) 440-3353
Fax: (541) 673-0372
Email: Laura.S.Jackson@State.OR.US

Administrative Contact:

Gail Samura
Oregon Department of Fish and Wildlife
3406 Cherry Ave. NE
Salem, OR 97303
Phone: (503) 947-6137
Email: Gail.Samura@State.OR.US

- I. Project Title:** Conservation Hatchery Implementation Program: ODFW Component for Nonpareil Dam Adult Trap and Coho Salmon Genetic Pedigree Project
- II. Contact:** Jim Muck, Oregon Department of Fish and Wildlife
Laura Jackson, Oregon Department of Fish and Wildlife

III. Project Description

This ongoing project is investigating several areas of uncertainty about the use of hatchery fish to increase the abundance of wild populations. There is interest in using hatcheries to speed the recovery of wild populations but the value of such programs is untested and may pose risk to wild populations. New molecular genetics methods now allow us to explore the critical questions and risks associated with hatchery programs. DNA fingerprints can now be utilized to pedigree entire populations under some circumstances and develop lineages that continue for multiple generations under natural and hatchery supplemented spawning conditions. We are now able to produce direct evidence of the success or failure of hatchery supplementation programs and provide direct measurements of some of the risks predicted by genetic theory. We propose to continue our ongoing research and experimental supplementation program on the coho salmon in the Calapooya River, a tributary of the Umpqua River on the Oregon Coast. OSU is conducting the genetic analysis to evaluate the associated risk from these hatchery introductions (see OSU component of the grant application.)

This Conservation Hatchery Implementation Program study is the ongoing project to evaluate the supplementation project for coho salmon in the Calapooya Creek (Umpqua Basin) using the following hatchery scenarios: 1) hatchery stock for released smolts, 2) hatchery stock released as unfed fry, 3) first generation wild type hatchery stock released as smolts, and 4) first generation wild type hatchery stock released as unfed fry (see Table 1.) This project started in 2001 and will continue to 2009 to follow three complete generations of coho salmon replicated within three consecutive years. The Calapooya Coho Salmon Genetic Pedigree Project is a cooperative research project with Oregon State University and the Oregon Department of Fish and Wildlife.

IV. Initial Achievements

The supplementation releases were completed in 2005 as follows:

<u>Year</u>	<u>Fry Releases</u>	<u>Smolt Releases</u>
2002	370,000	
2003	492,000	24,000
2004	456,000	22,000
2005		20,000

The supplementation design is shown in Table 1.

The Department of Fish and Wildlife has operated the adult trap on the Calapooya River since fall/winter 2002-03. We trapped 1,091 adult coho salmon in 2002-03, 825 adult coho salmon in 2003-04, 1,311 adult coho salmon in 2004-05, and a 1,415 adult coho salmon through December 12, 2005.

DNA samples were collected from all brood fish utilized for the supplementation program. Beginning in 2003-04, we took DNA samples from all jack coho salmon. These fish were the first to return from the supplementation program. In fall/winter 2004-05 and fall/winter 2005-06, all returning coho salmon (jacks and adults) were or will be sampled for DNA.

Table 1
Supplementation Program design for the CHIP program on the Calapooya Basin.

Year	Broodstock captured at Winchester		Broodstock captured at Nonpariel (All wild)	Unfed fry releases (unmarked)	Smolt releases (2 mark groups)	Spawners sampled and passed at Nonpariel Dam*		
	Hatchery (Rock Cr stock)	Wild				Unmarked		Hatchery fish
						wild	hatchery	
2001	200	200						
2002	200		200	400,000		400		
2003	200		200	400,000	20,000	400	5	30
2004				400,000	20,000	400	75	350
2005					20,000	400	75	350
2006						400	70	320
2007						600		
2008						600		
2009						600		
2010								

Parent Generation

Supplemented Generation

Offspring Generation

V. Future Objectives

The Department is continuing the collection of DNA samples on all returning coho salmon at the Nonpareil site until the final F2 generation returns in fall/winter 2009-10. The initial samples for early coho salmon returns have been tested by OSU and they have successfully demonstrated the ability to pedigree the entire population using molecular markers (See OSU component of the grant application.) The pedigree analysis of the F1 generation will be completed with the final returns in 2006-07. This will give us three complete years of return data to develop correlations and evaluate hypotheses from the first F1 generation. The F2 generation fish will be returning in run years 2007-08, 2008-09 and 2009-10. The F2 generation will determine the survival of hatchery and wild mating combinations from the spawning grounds. This too will be evaluated from adult to adult survival conversions.

Substantial numbers of hatchery fish spawning naturally in a wild population, may in theory pose five major genetic risks to wild populations. These risks are as follows:

- Risk 1) Population Bottleneck: This risk occurs when a small number of parents (those taken into a hatchery) produce a substantial proportion of the fish in the supplementation population (those left in the wild). Since they share so few parents, the hatchery fish in

the supplementation population are more likely to be related to each other, thus increasing the incident of inbreeding.

- Risk 2) Increased Inbreeding: This risk occurs when only a small number of parents (those taken into the hatchery) produce a substantial proportion of the fish in the supplemented population. Since they share so few parents, the hatchery fish in the supplemented population are more likely to be related to each other, thus increasing the incidence of inbreeding.
- Risk 3) Increased Genetic Load: This risk results from the increased reproductive success and survival that occurs while fish are in the captive environment. Increase reproductive success and survival in captivity occurs because natural selection pressures are intensely relaxed which leads to an increase in the level of genetic load.
- Risk 4) Genetic Variation is Lost: When offspring population is smaller than its parent population genetic variation is lost. This is due to reproductive failure by some parents and the loss of the genetic material they carry. Additional random loss of genetic variation may occur when populations are very small.
- Risk 5) Accumulative Genetic Variation: If the hatchery program continues over multiple generations the impacts of the risks will accumulate in the wild populations due to the nature of the genetic mechanisms involved.

OSU will continue to evaluate genetic data from returning F1 and F2 generation coho salmon captured from the Nonpareil Adult Trap. ODFW and OSU will evaluate each of the five genetic risks.

VI. Conclusions

The Department has supplemented the Calapooya River with four groups of hatchery fish for three consecutive years to evaluate the use of hatchery fish as a conservation tool for fish recovery. These hatchery fish were developed from wild X wild brood and hatchery X hatchery brood with both groups released as smolt and fry. We are now trapping the returning F1 generation fish from these releases. The initial samples from these F1 coho salmon returns have been tested by OSU and they have successfully demonstrated the ability to pedigree the entire population using molecular markers. Completing the field samples of the final F1 generation, and the following three run years to obtain the F2 generation will help develop conclusions about how hatchery and wild interactions occur. The return data will also be useful to evaluate the success or failure of different hatchery release strategies (such as fry releases), most often utilized by Salmon Trout Enhancement Program (STEP) volunteers.

VII. Requested Budget Proposal for 2005-2007

The hatchery releases from 2001 to 2003 were conducted by the Oregon Department of Fish and Wildlife and paid for by the Oregon Wildlife Heritage Foundation. ODFW costs for the field collection proportion of the CHIP project were as follows: \$51,150 (OWEB 204-910) for

fiscal year 2003-2004; and a \$78,850 addendum (OWEB 204-910) for the current 2004-2005 fiscal year.

The Department has utilized the remaining addendum grant (OWEB 204-910) from 2004-2005 to operate the adult trap in fall 2005. The Department is requesting \$103,387 to complete the field sampling for the rest of the biennium (March 2006 – June 2007). The initial field operations were limited to brood collections. The program has now expanded to the collection of DNA samples from all returning fish. This increase in workload requires the Department to request funding for additional staff to assist with the field studies portion of the work.

Budget Justification

1) Personnel

Field personnel are needed to collect DNA samples at the Nonpareil Dam adult trap operated from October through January each year for returning coho salmon. Field staff needed for DNA collections includes four Experimental Biological Aides (EBA's) for the months of October 2006 through January 2007. The cost of an EBA is \$2,994 a month for a Project Cost of \$47,896 for 16 EBA months. The Natural Resource Specialist 2 (NRS 2) is required for reports, project leadership, data collection, and coordination with OSU staff. The NRS 2 salary is \$4,561 a month (6 months total) for a project cost of \$27,365. The personnel cost for the total project is \$75,261 (see Project Budget Form).

3) Materials and Supplies

The field collection cost required for the project includes the following:

- Two vehicles for travel from the office and trapping locations. One vehicle is required from October 2006 to January 2007 (4 months), and the other vehicle is required from October 2006 to March 2007 (6 months) totaling 10 months. The cost per month for vehicles is estimated at \$600 a month for a project cost of \$6,000.
- Field supplies required for the project include waders, boots, floy tags and dispensing guns, vials, preservatives, dam boards, raingear, gloves, storage containers, shipping cost, nets, and other miscellaneous equipment. These supplies are estimated at \$10,000 for the project.

VIII. Time Line and Returnable

The time line and returnable portion of this grant has not changed from ODFW's original CHIP proposal. Please refer to the ODFW Component for Nonpareil Dam Adult Trap and Genetic Pedigree grant for years 2004-2007.

**Umpqua Coho Pedigree Study:
OSU Component**

Proposal to: Oregon Watershed Enhancement Board
775 Summer Street NE, Ste 366
Salem OR 97301-1290

Submitted by: Dr. Gregory R. Moyer
Research Associate
Coastal Oregon Marine Experiment Station
Hatfield Marine Science Center
2030 Marine Science Drive
Newport, OREGON 97365

Total amount requested: \$143,948
Proposed duration: One year
Desired starting date: July 1, 2006

Principal Investigators: Dr. Gregory R Moyer
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I. Project Title: Conservation Hatchery Implementation Program: OSU Component for Nonpareil Dam Adult Trap and Genetic Pedigree

II. Contact: Dr. Gregory R. Moyer, Oregon State University
Dr. Michael Banks, Oregon State University

III. Project Description

We have investigated several areas of uncertainty about the use of hatcheries for increasing abundance of wild populations. There is considerable interest in using hatcheries to speed the recovery of wild populations; however, substantial literature indicates hatchery programs may pose risks to wild populations. If risks are apparent, supplemented hatchery fish may impede further recovery of endangered Oregon coast coho salmon populations. We employ genetic methods to explore critical questions and risks associated with hatchery programs. New molecular methods allow us to use DNA “fingerprints” to temporally track the fate (survival) of hatchery supplemented and naturally reproducing coho salmon. In doing so, we can produce direct evidence for successes or failures of hatchery supplementation programs, and provide direct measurements of some of the risks predicted by population genetic theory.

IV. Initial Achievements

DNA EXTRACTION. Tissue samples ($n = 1,200$) were obtained from ODFW (Roseburg Office) in October 2004. These samples represent 100 hatchery \times hatchery (H \times H) and 100 wild \times wild (W \times W) paired matings for three years (2001-2003). Tissue samples from the first return year of progeny spawned in 2001 ($n = 1,177$ adults, 156 jacks, and 11 strays) were acquired from ODFW in March 2005. DNA was extracted from all 2,544 tissue samples obtained to date.

CHOICE OF LOCI. We screened 96 candidate loci known to amplify in salmon species. Of these loci, we successfully amplified 41 candidates for further evaluation. Due to inconsistent scoring, presence of null alleles and deviation from Hardy Weinberg expectations, 27 loci were eliminated. The remaining 14 were used to genotype the 2001 hatchery and wild broodstock ($n = 384$). Genotype data were then subjected to simulations to address how many of loci are needed to obtain 95 and 99% accuracy for parentage analysis. Results indicate that at $\alpha = 0.05$, eight loci can accurately assign progeny to parental arrays, and at $\alpha = 0.01$, 12 loci are necessary for accurate parentage analysis.

PARENTAGE ANALYSIS. We received $n = 1,344$ returning Calapooya River coho (1,177 adults, 156 jacks, and 11 strays), and successfully genotyped these fish for 10 microsatellite loci. Returning H \times H ($n = 235$,) and W \times W ($n = 163$) coho were distinguished by adipose and maxillary fin clips and subsequently confirmed via genetic parentage analysis. The remaining fish were assigned as naturally reproducing coho or unfed fry, via parentage analysis (i.e., matching 2001 brood genotypes to 2004 returns). Parentage analysis confirmed that $n = 775$ were naturally reproducing coho, $n = 27$ were H \times H unfed fry, and $n = 24$ were W \times W unfed fry. Our verification of substantial returns from naturally reproducing coho demonstrates the importance of monitoring of hatchery \times wild introgression in subsequent years (see below).

ANALYSIS OF REPRODUCTIVE SUCCESS. The first phase of this project was to determine the relative reproductive success of H \times H and W \times W matings. Our null hypothesis states that there is no difference in reproductive success between H \times H and W \times W adults. Our findings indicate that reproductive success of H \times H and W \times W coho (reared until smolt release) was ca. 1.9 and 1.3%, respectively. This difference in reproductive success was significant ($P = 0.0001$). In contrast, reproductive success of H \times H (0.007%) and W \times W (0.006%) coho released as unfed fry was not significant ($P = 0.33$). The difference in reproductive success between H \times H and W \times W jacks ($n = 39$ and 26, respectively) was also nonsignificant ($P = 0.26$). These findings

indicate that reproductive success of hatchery and wild smolts is different, but whether these findings are consistent through time remains uncertain. Only after the 2005 and 2006 returns are analyzed will we have an adequate understanding of the temporal variance in reproductive success between hatchery and wild supplemented coho.

POPULATION BOTTLENECK AND INBREEDING. Hatchery supplementation programs should strive to minimize loss of genetic diversity between hatchery and naturally reproducing stocks. In accordance, ODFW exercised considerable effort to minimize any loss in genetic variation (due to bottlenecks or inbreeding) by randomly sampling hatchery fish for brood and by performing 1:1 paired matings. To evaluate the effectiveness of this strategy we assessed whether genotypic distributions of hatchery and wild progeny differed from the parental hatchery and wild broodstock. We found no differences ($P = 0.97$) in genotypic distributions of hatchery progeny vs. hatchery brood as well as no differences ($P = 0.58$) in wild progeny vs. wild brood comparison.

A quantitative assessment of the amount of inbreeding can not be obtained until we can determine the number of successful 2004 spawners (i.e., not until the 2007 returns).

POPULATION GENETIC ANALYSIS. We also addressed whether differences in allele frequencies exist between naturally reproducing and hatchery returns. Our null hypothesis was that the allelic distribution is identical between $H \times H$ (supplemented) and naturally reproducing Calapooya coho. We tested for genotypic differentiation using eight microsatellite loci that conformed to Hardy-Weinberg expectations. We found that $H \times H$ and naturally reproducing populations are significantly different ($\chi^2 = 42.14, P = 0.001$).

These findings indicate that ODFW's mating strategy is preserving genetic variation between progeny and broodstock; thus eliminating the potential risk of loss of genetic variation or inbreeding from a bottleneck in genetic diversity. Although the mating strategy has preserved the genetic variation for a generation, the difference in allele frequencies among hatchery and naturally reproducing Calapooya coho still create a genetic risk to the population via outbreeding depression (see below). To assess the influence of outbreeding depression requires implementing the next phase of CHIP – monitoring 2007-2009 returns.

V. Future Objectives

We have successfully demonstrated the ability to pedigree an entire population using molecular markers. This success will greatly increase our knowledge of hatchery supplementation programs by 1) evaluating differences in temporal estimates of reproductive success between hatchery and naturally reproducing coho, and 2) assessing major genetic risks to wild populations. Although ODFW has exercised considerable effort to minimize any loss in genetic variation, outbreeding depression and a decrease in effective population size are, nonetheless, two genetic risks that a hatchery supplementation program may incur. These risks are difficult to assess empirically; however, the CHIP project has a unique position to monitor these long term risks by estimating the reproductive success of 2007-2009 returns.

OUTBREEDING DEPRESSION. Although hatchery fish stocked into the Calapooya are from Rock Creek Hatchery (next drainage), we have demonstrated that significant allelic differences exist between fish of these basins. Population genetic theory predicts that mixing coadaptive gene complexes (i.e., wild × hatchery hybrids) could result in decreased survival of hybrids and ultimately hinder wild stock recruitment. Continuation of the CHIP project will help identify potential impacts of outbreeding depression when hatchery stocks are allowed to spawn with naturally reproducing coho. Assessing the consequence of outbreeding depression will be achievable when coho return to the Calapooya in 2007-2008.

EFFECTIVE POPULATION SIZE AND THE RYMAN-LAIKRE EFFECT. Supportive breeding typically results in a trade off -- there is a gain in the total production of offspring but there could be a reduction in effective population size (N_e) of the supplemented population due to the excess loss of genetic variability. The reduction of N_e due to supplementation (i.e., Ryman-Laikre effect) is caused by a greater relative contribution of hatchery than naturally reproducing fish. In order to measure the relative contribution, hatchery fish must be taken from the same population as the naturally reproducing population. Although the CHIP project supplemented North Umpqua hatchery fish in Calapooya Creek in 2001 (i.e., we could not measure the effects of the Ryman-Laikre effect), in 2002 and 2003 the CHIP project sampled both wild and hatchery coho from the Calapooya and repatriated these fish in the Calapooya. Therefore, the 2005 and 2006 returns allow us to assess the trade-off between a gain in production and a reduction in N_e due to the Ryman Laikre effect.

FRY VS SMOLT REPRODUCTIVE SUCCESS. A primary objective of the CHIP project is to determine the reproductive success of unfed fry and smolts. Although, the difference in unfed fry vs. smolt reproductive success appears substantial (ca. 2% vs. 0.0007%), conclusions based on these data are presumably due to a fully seeded system in 2002 when these fry were released. We will have a better idea of the reproductive success of smolts vs. fry in the upcoming years 2005 and 2006 because these will be years when fry were supplemented in a partially seeded system. The result should be a much similar estimate of reproductive success between smolt and fry coho.

VI. Conclusions

Management of fish stocks for optimum sustainable yields, where sustainability is the long-term survival of fish stocks, is a constant struggle for fisheries managers. The Nonpareil CHIP Project is a truly unique study system that allows us to evaluate reproductive success between hatchery and wild coho salmon through subsequent generations. We have evaluated ODFW's conservation hatchery implementation program and report that although the program is conserving the genetic diversity of the naturally reproducing stock, outbreeding depression and reduction in effective population size remain genetic risks that require further evaluation. Only by studying the long-term genetic and demographic consequences of hatchery supplementation and genome introgression will fisheries managers adequately understand the potential risks associated with hatchery supplementation.

VII. Requested Budget Proposal for 2005-2007

Projected costs for the genetic proportion of the CHIP project are as follows: \$254,912 for fiscal year 2004-2005; \$130,711 for fiscal year 2005-2006; and \$134,377 for fiscal year 2006-2007. Allocation of funds for biennium 2003-2005 was \$385,623 and \$134,377 for the current 2005-2007 biennium. OWEB has already committed to \$134,377 for fiscal year 2006-2007; however, due to the enormous initial cost of screening microsatellite loci ($n = 96$), greater than projected number of returning adults ($n = 870$ vs 1,377), and unforeseen costs of two new automated machines (liquid handling robot and DNA genotype machine), we are requesting an additional \$143,948 to be amended to our existing budget for fiscal year 2006-2007. The justification of this budget is given below.

Annual and Total Budget

Hatchery/wild Reproductive Success 2006-7						
SALARIES & WAGES						
Name, Position, Title	SS#	Monthly Salary	OPE %	FTE	MM	Totals
Research Associate		\$584	55%	1	12	\$ 7,008
						\$ -
A. TOTAL SALARIES & WAGES						\$ 7,008
B. FRINGE BENEFITS						\$ 3,854
C. EXPENDABLE SUPPLIES & EQUIPMENT - under \$5,000 per unit						\$ 20,000
D. TRAVEL				Instate:		
				Out of state:		\$ -
E. PUBLICATION COSTS						
OTHER COSTS (subcontracts, consultants, computer time, etc.)						
1. Communications						\$ -
2. Publications						\$ -
F. TOTAL OTHER COSTS						\$ -
G. GRADUATE STUDENT TUITION (1 students for 3 terms)						\$ -
H. PERMANENT EQUIPMENT						
ABI 3730xl						\$ 100,000
I. TOTAL PERMANENT EQUIPMENT - \$5000 or more per unit						\$ 100,000
J. GRAND TOTAL REQUESTED (sum Items G to J)						\$ 130,862
K. INDIRECT COSTS						
	Indirect Cost Rate					
ON-campus Cost at	0.1	% (multiply G x rate)				\$ 13,086
L. GRAND TOTAL REQUESTED						\$ 143,948

VIII. Budget Justification

1) Personnel

Dr. Moyer has been assigned leadership responsibilities at the Assistant Professor (research) level, thus requested salary is based on first year cost of such a position at OSU, and will be amended to his current contract [\$45,000 (Assistant Prof.) – \$38,000 (Research Associate) = \$7,000].

3) Materials and Supplies

This research requires substantial genetic characterization of genetic loci in order to provide sufficient pedigree resolution. To process these samples in a timely manor requires numerous state-of-the-art, high-throughput machines that facilitate PCR and genotyping portions of this project. Recently, the Marine Fisheries Genetics Laboratory has experienced irreparable damage to both genotyping machines. Our damaged genotyping equipment has been replaced by a new ABI 3730xl machine that has been leased from ABI. We have the option to purchase this machine at cost; therefore, we request that 1/3 of the cost (\$100,000) be contributed by this proposal (there are two other major projects in the Laboratory that will fund the other 2/3 of the cost).

The initial microsatellite screening process and a greater than projected number of returning adults (*expected* = 870 vs. *observed* = 1,344) has depleted much of our Expendable Supplies and Equipment budget for fiscal year 2005-2006. We estimate $\leq 1,000$ coho should return to Calapooya Creek in 2005-2006. Annual projected laboratory running costs for each year are \$3 per sample per microsatellite locus (12 loci \times 1,000 fish \times \$3/fish = \$36,000). We are only asking for \$20,000 of this \$36,000 because our current budget has \$16,000 for supplies and equipment. This estimate is based on current commodities used for DNA extraction, PCR, and genotyping at the Marine Fisheries Genetics Laboratory at HMSC.

OWEB has already committed to \$134,377 for fiscal year 2006-2007; in addition to these funds, we are requesting an additional \$143,948 to be amended to our existing budget for fiscal year 2006-2007.

IX. Time Line and Returnables

The time line and returnables portion of this grant has not changed from OSU's original CHIP proposal. Please refer to the OSU Component for Nonpareil Dam Adult Trap and Genetic Pedigree grant for years 2004-2007.

Attachment B

Capital equipment to support research projects at the Oregon Hatchery Research Center (OHRC)

Proposal to: Oregon Watershed Enhancement Board
755 Summer Street NE, Ste 366
Salem, Oregon 97301-1290

Submitted by: Charlie Corrarino
Oregon Dept. Fish and Wildlife
3406 Cherry Street Ave. NE
Salem, Oregon 97303
Charles.a.corrarino@state.or.us

Dr. David Noakes
Department of Fisheries and Wildlife
120 Nash Hall
Oregon State University
David.noakes@oregonstate.edu

Total amount requested: \$154,000
Proposed duration: Ongoing (capital equipment)
Desired starting date: June 1, 2006

Principal Investigator: Dr. David Noakes
Administrative contact: Oregon State University
Dept of Fisheries and Wildlife
Corvallis, OR 97333
David.noakes@oregonstate.edu

I. Project Title: Capital equipment to support research projects at the Oregon Hatchery Research Center (OHRC)

II. Contact: Charlie Corrarino, Oregon Department of Fish and Wildlife
David Noakes, Oregon State University

III. Project Description:

The mission of the OHRC is to understand the mechanisms that may create differences between hatchery and wild salmon and steelhead, develop approaches to best manage any differences in order to meet fishery and conservation objectives, and help Oregonians understand the role and performance of hatcheries in supporting and protecting Oregon's native fish. The OHRC will foster and support a wide range of research and education projects and provide unique state-of-the-art facilities, including simulated streams.

Information gained at the Research Center will help answer questions vital to the success of the Oregon Plan for Salmon and Watersheds and the Native Fish Conservation Policy.

The Independent Multidisciplinary Science Team conducted a workshop in October 2003 to help understand and identify the goals and objectives of the OHRC and what features would be required at the facility to accomplish the goals and objectives. Design and construction of the OHRC was provided by OWEB (\$4,000,000 Measure 66 Capital and \$1.125 lottery research), ODFW (\$1,875,000 other funds) and R&E (\$865,000).

The capital equipment that we are requesting the OWEB board to purchase is vitally needed to support the day-to-day operations of the facility and to provide the infrastructure necessary for both short and long term research projects. The funding support that OWEB provided for the design and construction of the OHRC did not include funds to purchase the research equipment necessary to furnish the simulated streams and laboratories.

IV. Initial Achievements

The Grand Opening for the facility was held on October 15, 2005. Dr. David Noakes (OSU faculty) was hired as the Senior Scientist to oversee research at the facility. A 15 member public advisory committee was formed and has met three times. All systems are currently being tested with fish from hatchery and wild stocks of all ages from fertilized eggs to mature adults.

In January 2006, ODFW and the OHRC design firm, TetraTec/KCM received the 2006 Engineering Excellence Award, presented by the American Council of Engineering Companies of Oregon for the design of the Oregon Hatchery Research Center.

ODFW owns and operates the facility. Base funding for the OHRC is provided by ODFW at \$1,000,000 per biennium. The funds are used to operate the facility and pay for the ODFW facility manager and two technicians. The funds are also used to pay one-half of Dr. Noakes salary and provide graduate student support.

V. Future Objectives:

Research at the OHRC will determine the mechanisms that may create differences between hatchery and wild fish and develop approaches to best manage those differences. Research conducted at the OHRC will include studies of all stages of study species, from fertilized eggs to mature adults. We will assess the relative contributions of genetic and environmental influences on behavior, physiology, growth and survival of the fish and we will test those parameters under both controlled and field conditions. Our research will be conducted in close collaboration with research and management personnel from ODFW, Oregon State University and from sister institutions elsewhere in Oregon, through the USA and from other countries.

In adult fish we will study mate selection by wild and hatchery fish, spawning site selection, fertility and survival of that spawning in the stream channels. This will provide the critical information for decisions on the selection of broodstock for hatchery production, restoration or conservation purposes. It will relate directly to definitions and assessment of critical spawning habitat for each species, and how that may be affected by genetic background or rearing experience of adults. We will determine the contributions of genotype and rearing experience to growth, survival and smolting of young by conducting controlled matings and rearing of progeny from crosses within and between wild and hatchery broodstock. This will provide important information to benefit anglers, tribal fisheries, commercial fisheries and conservation procedures.

We will progressively conduct controlled experiments to sequentially address standard production hatchery techniques to determine their impact on critical measures that differentiate hatchery and wild fish. We will test alternatives to these standard procedures to determine the optimal conditions for hatchery rearing to minimize differences from wild fish. Education and outreach, to people of every age, background and interest group, is an important objective for the Center. We will develop interactive educational programs with primary and secondary schools. We will serve as the site for teaching and research for students at postsecondary and postgraduate levels and we will strongly encourage interactions, outreach and upgrading of technical personnel from ODFW and other agencies. We will initiate and continue to develop a variety of techniques (e.g., web pages, video feeds, printed matter) for public dissemination of our activities. Most importantly, in terms of basic science, we will require that all research conducted at the Center be subjected to peer review, critical assessment and publication in the primary scientific literature.

VI. Conclusions:

The requested capital items are fundamental to the successful operation of the OHRC and could not be purchased with funds provided by the OWEB board for design and construction of the facility. All items in this request were included in earlier planning and preliminary estimates for the Center. Matching funds for the requested items are listed in the table below.

VII. Budget Proposal for 2006-2007:

1. Video equipment (cameras and recorders) to document fish behavior in the simulated stream channels, the fish ladder (and trap) and in the wet lab (early rearing).

These cameras are necessary for researchers to document the behavior patterns of both adult and juvenile (hatchery and wild) fish as they interact with each other and their habitats in the simulated stream channels. Cameras will be state-of-the-art equipment and allow for viewing under extremely low light conditions and located to view all four simulated channels in their entirety. This will require 4-5 cameras per channel. It is necessary to monitor fish behavior (= passage) in the fish ladder as the responses to barriers and fish ladders is likely to be a significant difference between wild and hatchery fish. We will monitor the activity and movements, as well as social interactions, of young fish being held under controlled conditions in the wet lab. The images obtained from these cameras will be analyzed to discern critical aspects of fish behavior. Some of the images will be made available for public viewing at the OHRC, OSU, Hatfield Marine Science Center and on the World Wide Web. In particular, this vital equipment will allow the simulated streams to achieve their full research potential and is critical to achieving the mission of the OHRC.

2. PIT Tagging and Detection Equipment.

Techniques for marking and identifying both adult and juvenile fish have made rapid advances in the last few years. Fish tags have become smaller and capable of obtaining larger amounts of information with the advent of PIT tags (passive integrated transponders, that relay information about the fish to ground based antennas and computers) and radio and sonic tags that are capable of operating in freshwater, estuarine and marine environments. It is critical to the mission of the OHRC that we have the ability to mark and track the fish that are used in experiments. This includes the simulated stream channels, the fish ladder, Fall Creek and the Alsea River and bay. This equipment will allow researchers at the facility to have access to the latest technology available for tracking and monitoring experimentally and naturally reared fish throughout their entire life history and is fundamental to the success of the OHRC.

3. Analytical lab equipment and software.

These are necessary items to determine accurate weights for fish and chemicals, separate solutions, prepare tissue samples for storage and to mark fish with identifying cold brands. They are all standard items in most fishery labs. This equipment is vital to the operation of the OHRC because we need to determine the age and health of all the experimental organisms kept at the facility. It is critical to have this type of equipment to view and digitize the growth and age patterns present on fish scales and otoliths. It is also necessary for identifying microorganisms and parasites that may cause disease or be related to health problems in experimental fishes. This equipment allows the operator to examine images under variable and extreme magnifications and to analyze resultant images with state-of-the-art computer software.

4. Age and growth

Determination of age and growth of fishes is a critical part of the experimental work to be conducted at the Center. The digitizing software (3, above) will allow us to capture and assess digital images, but we must first extract and prepare the calcified structures (otoliths, scales, bones, fin rays) that are the basis for these techniques. The saw, grinding unit and polishing unit are all necessary items of equipment that must be used in preparing these tissues for microscopic examination. Collaboration with colleagues at other institutions will allow us to conduct studies of microchemistry (e.g., elemental analyses, isotopic analyses) that can determine the migratory history of individual fish, their habitat use, and food habits. Those analyses are beyond the range of the Center (equipment costs alone would be hundreds of thousands of dollars, operating and maintenance costs are comparable) – there are very few locations where those analyses are done and we have a history of research collaborations with those colleagues.

5. Field collecting equipment

In order to sample both naturally reared and hatchery produced fish as they migrate upstream and downstream of the OHRC we need to have a drift boat to allow us to safely navigate and sample the main-stem of the Alsea River and a larger boat with an outboard motor for sampling and monitoring in the estuary and near-shore environments. Without this equipment we have an extremely limited area of the river (accessible from shore) where we can monitor the movement, growth and behavior of the fish used in our experiments. One of the most useful and efficient means of collecting and sampling fish in freshwater is to use an electrofishing device. This is a technique that utilizes an electronic apparatus to produce an electric field that temporarily stuns fish and allows for their subsequent capture. These devices are designed to use either as an

operator transported (backpack) unit or boat mounted unit. The backpack device produces less power than the boat mounted device and is often used in remote locations or small bodies of water. These devices are a standard method used throughout the world to sample and collect fishes and are a basic tool in many modern fisheries investigations.

6. Tagging and tracking

Specialized equipment (ultrasonic and radio receivers) is needed to track individually tagged fish (wild and hatchery origin) in Fall Creek, the estuary and when they enter salt water. The transmitting tags are expendable research items and are not included in this budget request. These techniques are well established and widely used by investigators throughout North America (and elsewhere). We are fortunate that colleagues at Oregon State University (e.g., Dr. Carl Schreck) have established research programs with such equipment so we can rely on their experience to select the optimal equipment and operational procedures.

7. Rotating drum screen to remove sediment from OHRC water supply.

Initial operations of the water intake facility at the OHRC during the first freshet of the year revealed that large amounts of sediment are capable of entering the facility during these events. The consequence of the silt and fine debris in the water supply is that the ultra-violet (UV) equipment used to sterilize the effluent from the quarantine room will not operate effectively under these conditions. This would result in un-sterilized water being released into the pollution abatement pond and subsequently into Fall Creek, if the UV equipment and quarantine room were operating at the time of the freshet. A drum screen filter would alleviate this potential problem and also allow us to UV treat and sterilize the water entering the wet lab and quarantine room if that were to be necessary during a freshet event.

VIII. Budget Justification:

All items will be purchased by ODFW and will be entered as capital items in the ODFW inventory-tracking database. They will also be inventoried and tracked on an OHRC database designed for that purpose. We will follow all statutes, guidelines, policies and procedures for the purchase of capital equipment as defined by Oregon revised statutes and administrative rules. We have gone to considerable lengths to contact colleagues who have experience with all these techniques and procedures to confirm availability, desirability and operational features of all this equipment. In most cases Dr. Noakes has an established record, with research publication, based on the application of these techniques and utilizing this type of equipment. We have received specific quotations from

manufacturers and suppliers for items that are “off the shelf” specifications. In other cases (e.g., video equipment, sediment filter) we have relied on the expertise and advice of authorities familiar with designing, installing and operating that equipment.

Proposed OHRC Research Equipment Costs and Matching Funds Provided by ODFW and OSU

Number	Item	Notes	Cost	Matching Funds	Cummulative OWEB Request	Total Cummulative Request
1	Video recording & monitoring equipment	Stream channels, fish ladder, wet lab	\$50,000		\$50,000	\$50,000
2	PIT tag detection system	Stream channels, fish ladder, Fall Creek	\$45,000		\$95,000	\$95,000
3	Analytical lab equipment	Microscope, balances, centrifuges; software	\$41,000		136,000	136,000
4	Age and growth	Otolith & scale saw, grinder & polishing	\$12,000	\$12,000 (OSU)	\$136,000	\$148,000
5	Field collecting	Electrofishing unit, collecting boats, nets	\$33,000	\$15,000 (ODFW)	\$154,000	\$181,000
6	Tagging & tracking	Ultrasonic, radio, coded wire tag detectors	\$17,000	\$17,000 (OSU)	\$154,000	\$198,000
7	Drum screen filter	Process water intake – tank farm and wet lab	\$50,000	\$50,000 (ODFW)	\$154,000	\$248,000

- **Total cumulative match from ODFW and OSU is \$94,000**
- **Costs are based on current quotes from suppliers and estimates from technical staff (e.g. OSU video staff for custom installations)**
- **Costs for all items have been rounded to the nearest \$1,000 for clarity**

April 28, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item J: 2005-2007 Capital Fund Partnerships
May 16-17, 2006 OWEB Board Meeting**

I. Introduction

This report continues the Board discussion at the September 2005 and January 2006 meetings regarding the uses of Measure 66 Lottery Capital Funds for non competitive capital projects. This report requests a specific allocation for two partnership projects.

II. Background

OWEB's 2005-2007 Legislatively Adopted Budget includes \$41.3 million of Measure 66 Lottery Funds to be allocated by the Board for capital grant purposes. At its May 2005 meeting, the OWEB Board allocated \$1 million of this toward the Conservation Reserve Enhancement Program (CREP) and another \$2.8 million to OWEB's Small Grant Program (\$100,000 per small grant team). At the September 2005 meeting, the Board reserved the majority of capital funds (\$30 million) to be allocated through the four regular competitive grant cycles for restoration and acquisition projects. In addition, an additional \$7.5 million of capital funds was reserved either to be used for large-scale or regional projects coming out of the regular grant process or special allocations. The funds were also discussed as a way to invest in partnerships that do not conveniently fit within the regular OWEB grant process.

Two potential partnership opportunities were presented to the Board in January and March 2006. One opportunity is to partner with the U.S. Forest Service (USFS) to conduct "whole watershed restoration" efforts. At the time of this report, staff continue to refine this proposal in response to Board discussion at the March meeting. OWEB staff also proposed funding a partnership with the U.S. Department of Agriculture (USDA) Natural Resources Conservation Service (NRCS) and the Institute of Applied Ecology to improve wetland restoration sites in the Willamette Valley. Both opportunities involve an investment of OWEB capital funds that would be matched with other funds to complete restoration efforts at a more comprehensive watershed scale.

At this time, an additional \$2 million of capital funds has been recaptured from previously awarded and completed projects that did not use the entire grant. These funds are available for the Board to reallocate to new projects.

III. Proposed Non Competitive Grants

A. Willamette Wetland Reserve Enhancement Program (WREP)

The Governor's Office has identified a Willamette WREP as a specific element in the Governor's Willamette River Legacy Program. The Willamette WREP proposed for funding by OWEB will help fulfill that expectation. This project is a significant effort by NRCS and partners to address the integration of native plant species into wetland restoration efforts. The project would grow native (many federally listed) plant species and establish them into sites where there is a permanent or very long term (30 years) conservation easement. The OWEB funds would provide staff support for the labor involved in growing seeds, site preparation, monitoring, and maintenance of the plantings. The project is designed to lead to improved Wetland Reserve Program (WRP) projects in the future and provide native plant material for use in future WRP projects.

NRCS has selected the Institute for Applied Ecology to develop a WREP for the Willamette Valley. (Attachment A) Under this proposal, OWEB funding would match NRCS funding to enhance plant species diversity and habitat values for wetland-dependent species on 12 Willamette Valley WRP projects by adding native species in appropriate areas. The project would enhance 595 acres enrolled in WRP in Yamhill, Polk, Benton, and Lane counties and contribute to listed plant species recovery. OWEB funds would be used specifically to implement native plant establishment on these 12 WRP sites.

NRCS has committed funds for the Willamette WREP. The project proposes using \$250,000 of OWEB capital funds to match federal funds of \$412,000 and another match of \$130,000. OWEB funds used for the WREP will be required to meet Measure 66 capital funds requirements. The NRCS has identified the work as "critical to restoration work on projects within our Wetlands Reserve Program." (Attachment B)

At the March Board meeting, Board members asked about the costs of the projects and the transferability of the outcomes. The proposal involves 12 sites totaling approximately 1,750 acres with 595 acres of wetlands. The project, as proposed, would cost \$420/acre on top of the WRP costs of approximately \$575/acre. Previously funded projects by the Board range from \$750/acre to more than \$20,000/acre. Thus the costs of the project, including previous costs for restoration, are within the range of previously awarded restoration projects. A central purpose of the grant proposal and the desire of the NRCS is to make techniques and plant materials available for future WRP enrollments.

Staff have also requested additional review of the proposal. The U.S. Fish and Wildlife Service responded in writing identifying its importance and resource benefits, and urges OWEB to consider funding the project.

B. Conservation Reserve Enhancement Program (CREP)

Staff are requesting \$1.5 million in additional capital funds to support the Oregon CREP program. These funds should be sufficient for the CREP program through the remainder of the 2005-2007 biennium. To date, OWEB has leveraged more than \$4 million of federal funds to restore riparian vegetation along streams in agricultural lands in the state. This program has been more successful than expected and the rate of growth in the CREP program is significantly greater than expected last year. Staff are currently holding payments

since the last allocation of \$1 million provided in May 2005 has already been paid to grantees. Grantee payment requests are accumulating for projects implemented earlier this spring.

Oregon signed an agreement with the U.S. Department of Agriculture in 1998 to cooperate in a cost share program to establish riparian buffers along streams in agricultural lands. The program has been growing each year since 1998. Since the 1999-2001 biennium, OWEB has allocated \$2,900,000 in capital funds to this cost share program. Oregon’s payments (Figure 1) and enrollments (Figure 2) continue to increase. Staff have processed nearly \$1 million in payments since August of 2005 (approved at the May 2005 Board Meeting). Increasing enrollment will require increased capital payments.

Figure 1: OWEB Payments to CREP Enrollments

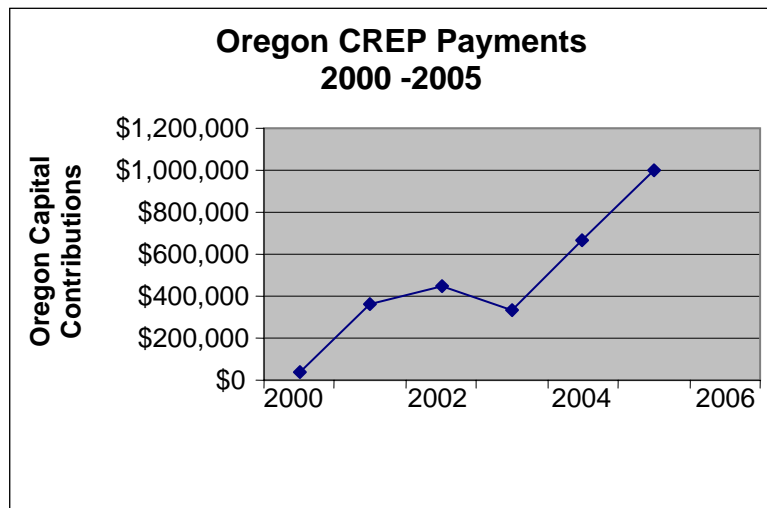
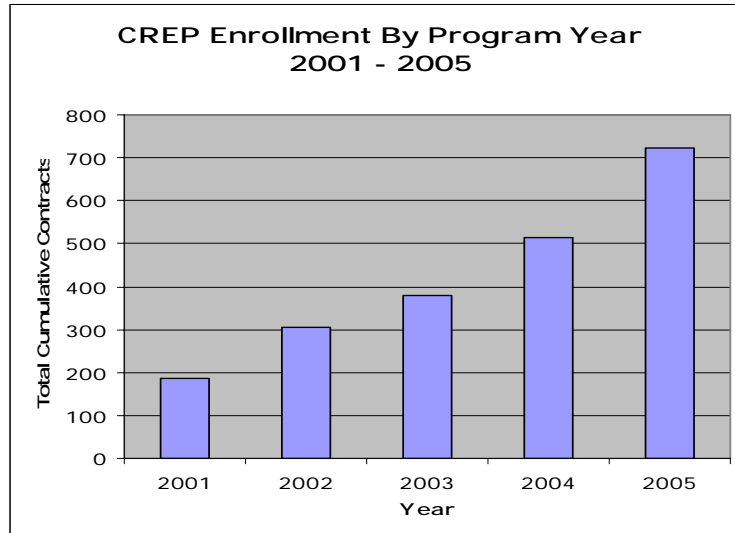


Figure 2: CREP Enrollment in Oregon



The CREP program is a particularly important program to address water quality and future fish habitat in agricultural lands. Oregon’s track record, with the creation of a program tailored to the state’s agricultural producer’s needs yet focusing the incentives in a way that

makes biological sense, has been recognized by the USDA and is the subject of academic economic evaluation. The value of continuing this program to provide a broad portfolio of restoration offerings to landowners is important statewide.

IV. Recommendation

Staff recommend the Board approve the following allocations:

1. \$250,000 of capital funds as a grant to the Institute for Applied Ecology to match federal funds for the Willamette Wetlands Reserve Enhancement Program; and
2. \$1.5 million of capital funds for the CREP program to pay for State committed cost share on riparian restoration enrollments.

Attachments

- A. NRCS WREP proposal
- B. NRCS and USFWS Letters of Support

Wetlands Reserve Enhancement Program Proposal

Project title: Enhancing diversity and habitat for at-risk species on WRP prairies of the Willamette Valley, Oregon.

Proposed start date: March 1, 2006

Proposed end date: March 1, 2009

Number of projects and acres addressed: 12 previously enrolled WRP easements with enhancement of 595 project acres

Project objective and summary:

We propose to enhance plant species diversity and habitat value for wetland-dependent species in the Willamette Valley, Oregon. The goal of the proposed project is to create high quality, diverse native plant communities with the potential to provide habitat for 7 Federally Threatened and Endangered species, 2 Candidate species, and 7 Species of Concern. To achieve this we will:

1. Design enhancement prescriptions
2. Collect and increase native seed
3. Implement prescriptions through on-the-ground activities such as mowing, spraying, burning, and seeding.

Summary of costs:	Total Project	Technical Assistance
WREP funds	\$412,000	\$100,000
<u>Matching funds</u>	<u>\$380,000</u>	<u>\$255,000</u>
Total	\$792,000	\$355,000

Submitted by:

Rob Fiegener, Program Director

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Project collaborators:

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Steve Smith, Private Lands Biologist, US Fish & Wildlife Service
Jonathon Soll, Willamette Valley Preserve Manager, The Nature Conservancy
Eric Wold, Wetlands Program Supervisor, City of Eugene

The Institute for Applied Ecology in partnership with the Oregon Watershed Enhancement Board, U.S. Fish & Wildlife Service (USFWS), The Nature Conservancy, and the City of Eugene proposes to enhance plant species diversity and habitat value for wetland-dependent species in the Willamette Valley, Oregon. This proposal targets 12 sites, comprising 595 acres, of previously enrolled WRP land. The goal of the proposed project is to create high quality, diverse native plant communities that have the potential to provide habitat for 7 Federally Threatened and Endangered species, 2 Candidate species, and 7 Species of Concern.

PROJECT AREA

The Willamette Valley is located in the Pacific Flyway, providing essential habitat for migrating and wintering waterfowl, shorebirds, neotropical migrants, and significant breeding duck populations. More than 30 species of ducks, geese, and swans, and a diverse assemblage of shorebirds and wading birds depend on these wetlands. The Willamette Valley Ecoregion is the primary wintering grounds for the majority of the entire population of dusky Canada geese (approximately 15,000 – 20,000) and cackling Canada geese (approximately 150,000). The area is also considered the most important wintering area within western Oregon for northern pintails and mallards, with concentrations as high as 40,000 and 60,000, respectively, for each species. Small numbers of lesser scaup and greater scaup also use the area during migration and wintering periods.

Willamette Valley wetlands and wet prairies are among the most endangered habitat types in the state of Oregon, and among the rarest of North American ecosystems (Noss et al. 1995). Merely one percent of the Willamette Valley is managed for conservation purposes and only a fraction of that is for wetland habitats (Floberg et al. 2004). Twenty taxa in the Willamette Valley are listed under the federal Endangered Species Act and 155 more are imperiled. Of these 175 at-risk taxa, thirty-one occur in or use wetland prairie habitat for some portion of their lifecycle (Floberg et al. 2004). Oregon Governor Ted Kulongoski has declared that his number one environmental priority for the state of Oregon is to improve the Willamette River system, emphasizing improved wildlife habitat for at-risk species and restored historic wetlands and prairies, among other objectives (Kulongoski 2005).

Ninety-six percent of the Willamette Valley ecoregion is privately owned (Gregory et al. 2002). Consequently, over 97% of the estimated historic 768,000 acres of wet prairies have been converted to other uses, primarily agriculture. Restoration of farmed wetlands to wetland prairie, in particular, holds the greatest potential for restoration of winter waterbird habitat (Taft & Haig 2003). Wetland prairies in good condition, compared with other Willamette Valley habitat types, “provide the best reproductive habitat for 38 wildlife species, and are used regularly by at least an additional 54 breeding wildlife species” (Primozych & Bastasch 2004). As WRP and WREP have the objective of restoring and protecting the functions and values of wetlands in the agricultural landscape, these programs are particularly critical in meeting conservation objectives for the region.

OBJECTIVE: Restore native plant communities for the benefit of wildlife

The sites identified for enhancement through this proposal (Table 1) have been selected because their potential for high quality wildlife habitat is not being realized. Status reviews and monitoring visits made to these sites by NRCS District Conservationists, landowners, USFWS and the Oregon Department of Fish & Wildlife (ODFW) have generally concluded that:

1. The ecological objectives outlined in the existing management plans are difficult to evaluate or absent, and
2. These sites have the potential to offer significantly improved habitat value for several species of concern including Federally Listed plants, invertebrates, and birds, all of which are wetland and upland prairie dependent.

The general condition of the selected sites is that they have had wetland hydrological function successfully restored, but do not have the desired plant communities. Sites are either dominated by a single species or they are dominated by weeds and have very low cover of native species. Descriptions of each site are found in Appendix A.

Given the WRP objective that “*where there are important species or species groups associated with the easement or those that could be associated with the easement, such species or species groups should be a principal target in restoration and protection efforts,*” (NRCS Conservation Practices Manual 514H.2) we propose to enhance these WRP easements by creating diverse plant communities that are potential habitat for Listed species.

Maintaining native wetland prairies and habitat for rare wetland-dependent species requires active management and reintroduction of fire (Pendergrass et al. 1998, Wilson 1999). Prescribed burning has been demonstrated to increase the seeding success of some Willamette Valley species, particularly forbs (Clark & Wilson 2001), and is an effective tool for maintaining population viability of Federally Endangered Bradshaw’s lomatium (Kaye et al. 2001, Pendergrass et al. 1999). Burning alone is insufficient to increase species diversity (Wilson, 1999), so seed will need to be added to the sites to achieve the diversity objective. Seeding a diversity of species has been successful in Willamette Valley wet prairie restorations in the West Eugene Wetlands (Wilson 2004).

Once a habitat network of protected sites containing a desired matrix of native plants has been established, recovery of several Listed species could be achieved by re-introduction and/or augmentation (Table 2). The USFWS and NRCS could cooperate to accomplish the recovery or de-listing of several species through Farm Bill and USFWS programs. Nelson’s checkermallow, a Federally Threatened plant, has already been successfully introduced to three Willamette Valley easements restored through CREP and WRP (Gisler 2001). Nelson’s checkermallow is a valuable source of nectar for the Federally Endangered Fender’s blue butterfly and Federal Candidate species Taylor’s checkerspot.

PROJECT DESCRIPTION

There are three core elements to the proposal, to occur over three years:

1. Development of a Wildlife Habitat Conservation & Management Plan for each site. This plan will detail a prescription for enhancement of the site. In addition, we propose to include a recommendation and schedule for long-term

maintenance of the target habitat and plant community structure and composition. The proposed format for these plans is that currently being used by the USFWS and NRCS for projects being implemented through a Cooperative Agreement.

2. Native seed collection and increase. Successful enhancement of these sites requires the addition of a diverse mix of native plants. Priority species are identified in Table 3.
3. Implementation of the enhancement prescription. Prescriptions will be site-specific and may include activities such as mowing, burning, herbicide application, and seeding.

Products at the end of the three year period include:

- Enhanced prairie and wetland WRP sites with increased species richness & habitat value.
- A plan for the ongoing maintenance of quality habitat at each site.
- Development of native seed stocks and a larger, more experienced base of native seed producers.
- Significant progress towards the establishment of a network of prairie habitats capable of supporting Federally Listed and Candidate plants, invertebrates and bird species.

The target habitats for this proposal are wet prairies and adjacent upland prairies previously restored by WRP. Target species will be determined on a site by site basis and will include those species identified in Table 2. The basic goal is to reduce the abundance of the dominant species and create openings for the introduction of additional species. Weedy sites would undergo aggressive weed control and reseeding with natives. Available seed supplies are inadequate to meet the needs of this project so will be augmented by new collections and growout.

Designing a Wildlife Habitat Conservation & Management Plan for each site will make it easier to identify the ecological goals and objectives of the restoration and evaluate progress towards achieving those objectives. Presently such goals are not clearly identified or lack measurable indicators of success. Plans developed as part of the enhancement prescription will specifically outline habitat goals and objectives, including protocols for evaluating maintenance schedules, practices, and habitat quality.

Development of the enhancement prescription will essentially follow the implementation design process used to establish the restoration plan of operations. Engineering and structural work will not be included, as this work has already been done and is not part of the enhancement proposal.

An important benefit of this project is the increased availability of source-identified locally-native seed stocks. The native seed currently available is quite limited in terms of species diversity and genetic provenance. The seed production knowledge resulting from this proposal would be helpful in setting a standard for future restoration efforts throughout the Willamette Valley, encouraging larger markets, larger-scale production, and lower costs per pound. Future WRP and WREP enrollments, as well as other Willamette Valley wetland restoration activities, will benefit from lower cost locally-adapted seed for a diversity of native species. The species targeted for collection and

production have been selected as priority species with the greatest potential for widespread application and highest value for wetland-dependent wildlife (Table 3).

Several efforts to increase the supply of native seed in the Willamette Valley have been initiated or proposed. We will work closely with these key partners to coordinate a regional seed strategy to increase the efficiency and cost-effectiveness of plant materials procurement. Seed collections will be made on private and public lands from ecologically appropriate donor sites throughout the ecoregion.

Schedule of Activities

Spring – Summer 2006

- Site visits
- Develop prescriptions
- Coordinate seed availability and seed procurement strategy
- Collect seed
- Contract seed growout

Fall 2006 – Winter 2007

- Write prescriptions and management plans
- Begin site treatments
- Monitoring treatments
- Plant seed for initial growout
- Documentation and reporting

Spring – Summer 2007

- Weed control, site prep
- Collect seed
- Harvest seed from growout
- Monitoring

Fall 2007 – Winter 2008

- Weed control and site prep
- Plant additional seed collections
- Monitoring
- Documentation and reporting

Spring – Summer 2008

- Conduct prescribed burning
- Harvest seed from growout
- Weed control
- Monitoring

Fall 2008 – Winter 2009

- Conduct prescribed burning
- Pre-planting site prep
- Plant seed
- Monitoring
- Documentation and Final reporting

PROJECT MANAGEMENT AND PARTNERS

The Institute for Applied Ecology (IAE) is a 501(c)(3) not-for-profit organization dedicated to natural resource conservation, research, and education. IAE has been actively involved in restoration projects, invasive species control and research, conservation biology, and habitat management in the Willamette Valley since 1998. IAE specializes in work related to rare plants, focusing on monitoring and researching habitat management techniques. The highly trained, professional staff of IAE provides technical services to public and private agencies by developing and communicating information on ecosystems, species, and effective management strategies.

The work outlined in this proposal would be managed and coordinated by a qualified Project Manager to be hired for the three-year term. The project manager would be responsible for coordinating with partners and subcontractors, designing enhancement prescriptions, overseeing the enhancement activities, reporting, and generally ensuring the success of the project. Assisting the project manager will be a seed program coordinator, charged with coordinating and organizing native seed collection and increase. This position would be for five months of project years 1 and 2. Seed collectors (2-3) would be hired for seasonal seed collection (three months) of project years 1 and 2. We will subcontract with qualified equipment operators, drawn from a local pool of skilled technical services providers, to implement on-the-ground activities. The enhancement activities will be routine vegetation management actions such as herbicide application, mowing, burning, disking, and seeding.

Monitoring and evaluation of the project will be conducted by project staff on a continual basis. We will monitor all actions taken at each site, employing an adaptive management strategy that will accommodate the variable nature of field-based projects. Annual reviews may be coordinated with NRCS and USFWS staff.

The USFWS has shown an outstanding commitment to restoring and conserving critical habitat for imperiled species in the Willamette Valley. Staff of the USFWS William L. Finley National Wildlife Refuge Complex have restored and enhanced over 3,000 acres of Willamette Valley wetlands and wetland-type habitats during the past 7 years for the benefit of migratory waterfowl and other wetland-dependent species. USFWS will contribute expertise in wetland habitat management, especially for listed species, including assistance with ESA and NEPA compliance, where required.

The Oregon Watershed Enhancement Board is a state agency that promotes and funds voluntary actions to enhance Oregon's watersheds. OWEB provides grants to carry out on-the-ground restoration projects that aim to restore aquatic habitat, improve water quality, and restore biodiversity. OWEB staff support this proposal and are recommending the allocation of \$250,000 in matching funds towards the project, pending Board approval in September 2005.

The Nature Conservancy (TNC) is contributing technical assistance in developing and reviewing enhancement prescriptions. TNC staff has expertise in the natural history of the Willamette Valley and knowledge of the composition of historic habitats. TNC will also provide access to its properties for seed collecting.

The City of Eugene has a well established seed collection program for wetland and upland prairie species. They are contributing technical assistance with regards to seed collecting as well as access to seed collecting sites. We will also be collecting

seed from sites that are owned or managed by the Greenbelt Land Trust, City of Corvallis, Benton County, and other public and private landowners.

Table 1. WRP Easements selected for habitat enhancement.

WRP Site	Year Enrolled	County	Site Acres	Project Acres
Gahr	1999	Yamhill	117	20
Mud Slough	1995	Polk	320	100
Bessett	2000	Polk	68	25
Winter Creek	1994	Polk	58	40
Dooghe	2002	Polk	62	30
Tyee	2001	Benton	180	50
Dunn	1998	Benton	200	30
Raindance Ranch	1998	Benton	68	25
Mary's River	1998	Benton	62	15
Long Tom Ranch	1998	Lane	300	100
Bergey	2002	Lane	210	100
Helt	1999	Lane	103	60
			Total: 1748	Total: 595

Table 2. Species with Federal ESA Status that will potentially benefit from enhancement activities of this proposal (Oregon Natural Heritage Information Center 2004).

Scientific name	Common name	Federal ESA Status
Animals		
<i>Icaricia icarioides fenderi</i>	Fender's blue butterfly	Endangered
<i>Eremophila alpestris strigata</i>	Streaked horned lark	Candidate
<i>Euphydryas editha taylori</i>	Taylor's checkerspot butterfly	Candidate
<i>Emys marmorata marmorata</i>	Northwestern pond turtle	Species of Concern
<i>Poocetes gramineus affinis</i>	Oregon vesper sparrow	Species of Concern
<i>Acetropis americana</i>	American grass bug	Species of Concern
Plants		
<i>Erigeron decumbens</i> var. <i>decumbens</i>	Willamette Valley daisy	Endangered
<i>Lomatium bradshawii</i>	Bradshaw's lomatium	Endangered
<i>Plagiobothrys hirtus</i>	Rough popcornflower	Endangered
<i>Castilleja levisecta</i>	Golden paintbrush	Threatened
<i>Lupinus sulphureus</i> ssp. <i>kincaidii</i>	Kincaid's lupine	Threatened
<i>Sidalcea nelsoniana</i>	Nelson's checkermallow	Threatened
<i>Aster curtus</i>	White-topped aster	Species of Concern
<i>Delphinium oreganum</i>	Oregon larkspur	Species of Concern
<i>Delphinium pavonaceum</i>	Peacock larkspur	Species of Concern
<i>Horkelia congesta</i> ssp. <i>congesta</i>	Shaggy horkelia	Species of Concern

Table 3. Native plants targeted for planting at project sites.

1st Priority Forbs	2nd Priority Forbs	Priority Graminoids
<i>Eriophyllum lanatum</i>	<i>Asclepias speciosa</i>	<i>Danthonia californica</i>
<i>Lotus purshianus</i>	<i>Grindelia integrifolia</i>	<i>Carex unilateralis</i>
<i>Lomatium nudicaule</i>	<i>Lupinus polyphyllus</i>	<i>Juncus tenuis</i>
<i>Potentilla gracilis</i>	<i>Microseris laciniata</i>	<i>Elymus trachycaulus</i>
<i>Prunella vulgaris</i>	<i>Ranunculus orthorhynchus</i>	
<i>Ranunculus occidentalis</i>	<i>Sidalcea virgata</i>	
<i>Saxifraga integrifolia</i>	<i>Sisyrinchium idahoense</i>	
<i>Sidalcea campestris</i>		
<i>Symphotrichum hallii</i>		
<i>Wyethia angustifolia</i>		

Project Budget

	Match					Requested funds WREP	Project TOTAL
	IAE	OWEB	City of Eugene	TNC	Total Match		
Salaries and benefits	100,000	140,000	10,000	5,000	255,000	100,000	355,000
Travel					0	4,000	4,000
Supplies					0	4,000	4,000
Contract services		85,000			85,000	245,000	330,000
Indirect costs	15,000	25,000			40,000	59,000	99,000
Total	115,000	250,000	10,000	5,000	380,000	412,000	792,000

Budget notes

- OWEB funds have been requested and are subject to board approval in September 2005.
- NRCS Technical Assistance contribution of \$100,000 is being matched by non-federal partner contributions totaling \$255,000 (match ratio 2.55:1).
- NRCS funds allocated for implementation (\$253,000) will be matched by \$85,000 from OWEB, a 25% cost-share.
- USFWS is providing Federal non-matching assistance that is not reflected in the figures above. Contributions by USFWS include ESA and NEPA consultation, review of implementation plans, and use of seeding equipment.

Schedule of WREP funding needs

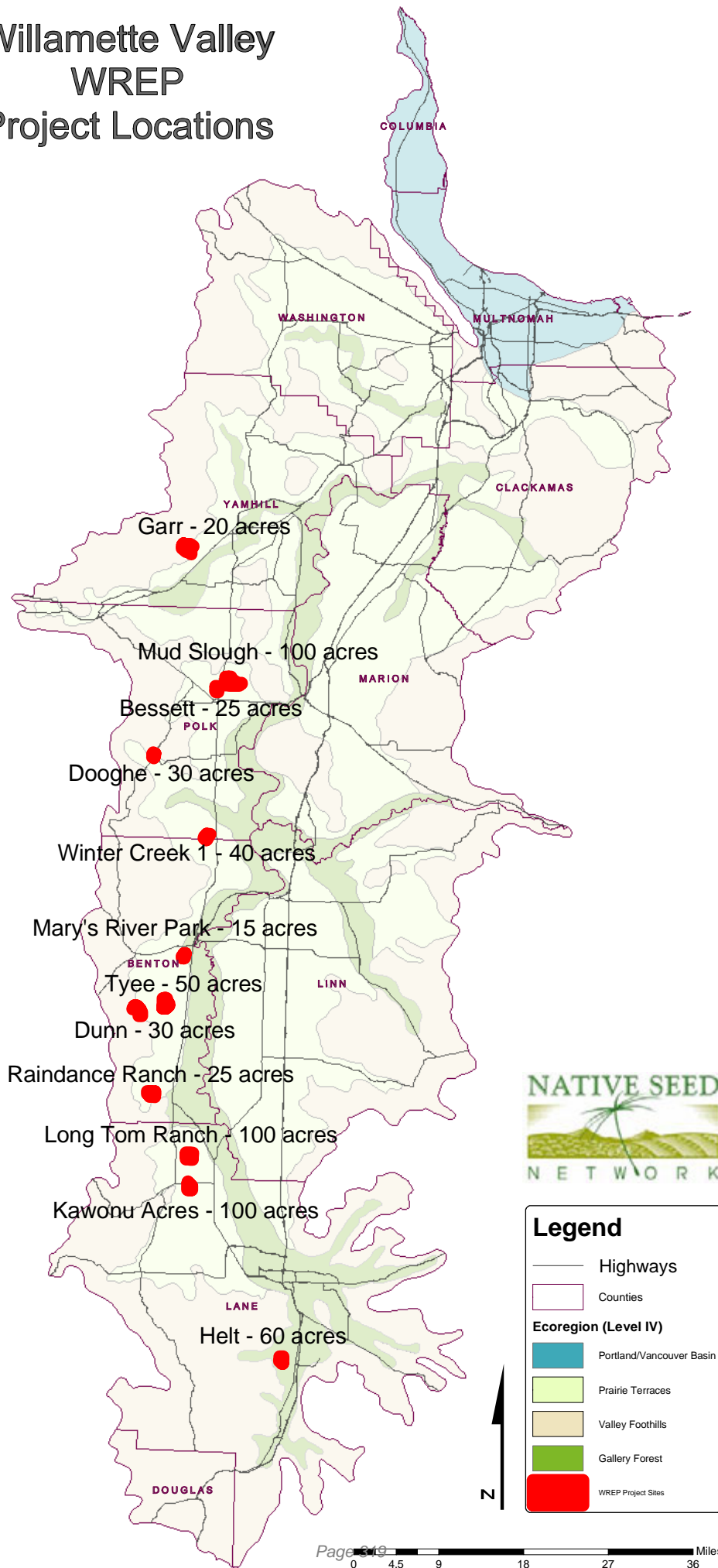
Year 1 (30%)	\$120,000
Year 2 (30%)	\$120,000
Year 3 (40%)	\$172,000
Total requested	\$412,000

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Willamette Valley WREP Project Locations



April 27, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager

**SUBJECT: Agenda Item K: Oregon Plan Products Request
May 16-17, 2006 OWEB Board Meeting**

I. Introduction

This report seeks Board approval to continue funding for an Oregon Department of Fish and Wildlife (ODFW) monitoring project in the Lower Columbia River ESU.

II. Background

At the September 2005 Board meeting, the Board approved a \$250,000 reserve in non-capital funds for projects and products needed to implement the Oregon Plan for Salmon and Watersheds that arise during the course of the biennium. At the January 2006 meeting, the Board revised the Oregon Plan Products reservation to \$375,000 to specifically support ODFW monitoring of fish and wildlife habitat on the Lower Columbia River. The Board received a memo from ODFW briefly describing the Lower Columbia River monitoring at the September 2005 meeting and the project was included in ODFW's presentation at the January 2006 meeting.

III. Oregon Plan Monitoring for the Lower Columbia Coho ESU

The objective of the proposed monitoring is to provide the information and analysis needed to evaluate the status of Lower Columbia coho populations and their habitat and to support Oregon's salmon recovery planning efforts for this region. Figure 1 illustrates the geographic region involved.

Wild coho salmon (*Oncorhynchus kisutch*) abundance in the Columbia River Basin once averaged 618,000 adults but declined to critical levels in the 1980s. Peak spawner counts conducted since 1949 at ten index sites throughout the Lower Columbia River show a pattern of decline to low levels in the late 1970s and 1980s and approaching zero in the 1990s. In 1999, naturally produced coho in the Lower Columbia River Basin were listed as an endangered species by the State of Oregon and in 2005 were listed as threatened under the federal Endangered Species Act.

In January 2003, ODFW received a grant from OWEB and partnered with NOAA Fisheries and Portland General Electric to initiate a monitoring program for coho in the Lower Columbia River Basin. Since that time, ODFW has received additional funds from OWEB, the Lower Columbia Bond Fund, and the U.S. Fish and Wildlife Service Sport Fish Restoration Program to continue monitoring through June 2006.

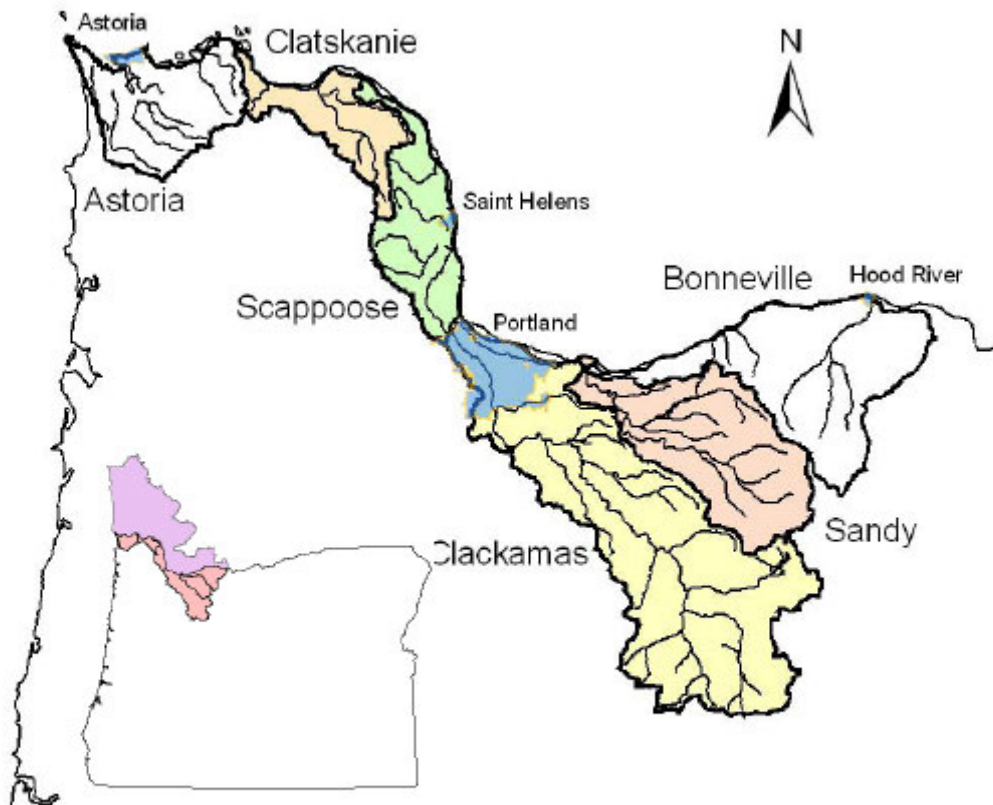


Figure 1. The Oregon portion of the lower Columbia River ESU with the boundaries of the Astoria, Clatskanie, Scappoose, Clackamas, Sandy, and Bonneville population complexes and area cities.

Findings to date include: the proportion of spawning fish and the timing of spawning varies between portions (complexes) of the ESU; the variation in the last three years can be linked to streamflow variation within complexes; straying of hatchery fish was localized although the Bonneville complex experienced strays from upriver; abundance increased without the influence of hatchery strays; and abundance goals in the Sandy and Clackamas basins were reached the last two years. Density of spawning adults and the proportion of wild spawners remains lower than in basins on the Oregon Coast.

This request would continue implementation of the ODFW Oregon Plan Monitoring in the Lower Columbia River through the end of the 2005-2007 biennium (July 2006 through June 2007). ODFW will conduct habitat surveys, spawner and juvenile surveys, and landscape assessment to provide information that will support assessment and analysis similar to that recently utilized for the Oregon Plan Coastal Coho Assessment. All work funded within this project is consistent with the sampling methodology and field protocols developed for the Oregon Plan for Salmon and Watersheds and supports implementation of the Oregon Plan Monitoring Strategy. Tasks include:

1. Monitor trends in the abundance and condition of salmonid habitat in each of eight populations in the Lower Columbia Coho Species Management Unit;

2. Monitor trends in the abundance and distribution of adult and juvenile salmonids in each of eight populations in the Lower Columbia Coho Species Management Unit; and
3. Monitor freshwater and marine survival rates of salmonids in one Life Cycle Monitoring Site.

**Proposed ODFW Budget for
Lower Columbia River ESU Monitoring**

Seasonal Field Biologists (6 FTE)	\$164,154
Permanent Biologist (1.5 FTE)	\$86,959
Equipment, Vehicles, Supplies	\$89,795
Subtotal	\$340,908
ODFW Indirect (10%)	\$34,092
Total	\$375,000

IV. Recommendation

Staff recommend the Board allocate \$375,000 of non-capital funds to the Lower Columbia monitoring project.

April 28, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

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

**SUBJECT: Agenda Item O: Potential Budget Policy Packages
May 16-17, 2006 OWEB Board Meeting**

I. Background

Staff are preparing agency budget proposals, which will be submitted to the Governor and the Department of Administrative Services (DAS) for possible inclusion in the Governor's Recommended Budget for the 2007-2009 biennium. There are six weeks remaining to develop and refine OWEB's submissions. During this time there are few opportunities for the full Board to engage in the process as part of a regularly scheduled business meeting. Staff would like to take this opportunity to discuss potential budget policy packages with the Board. The budget packages OWEB may forward to the Governor for consideration are outlined below.

II. Budget Package Development

A. Process

Oregon agencies are budgeted on a biennial basis. Submissions are structured so that each agency's existing (or "base") budget is recalibrated and submitted without need for specific policy description or justification. Additions to the base budget are 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. Each agency submits its Policy Packages to the Governor and the Department of Administrative Services each summer before the legislative session. The Governor then develops the Executive Branch budget for submission to the Legislature in December, just before the session begins. Called the "Governor's Recommended Budget," this budget document includes a selection of agency Policy Packages that reflect the Governor's priority programs and initiatives. It is the Governor's Recommended Budget, not the Agency Request Budget, which is the beginning point for 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.

B. OWEB Schedule for Policy Package Development

Staff have already initiated discussions regarding Policy Packages for the 2007 Legislative Session. The May 2006 Board meeting provides an important opportunity for staff and the Board to discuss potential packages. A schedule for the development of Policy Packages follows:

- May 2006 OWEB Board discussion of draft Policy Packages
- May/June 2006 Staff draft Policy Packages
- June 2006 Finalize agency Policy Packages
- September 2006 Submit full agency request budget document

C. Proposed OWEB Budget Policy Packages

Since its origin in 1999, OWEB's budget has grown as its programs have evolved to meet the needs of the public it serves. Most of that budget now represents the essential budget level of the agency, which has continued during the 2005-2007 biennium, and is anticipated to be continued in the 2007-2009 budget biennium. As in the past, finding funding to meet all needs within the state budget will be difficult. This may result in limited opportunities to secure budget resources to supplement existing agency base budgets. OWEB staff approach the development of policy packages as a means to identify and potentially address constraints and deficiencies in current program levels, and to meet new and emerging needs.

Staff have identified the following Policy Packages as proposed additions to OWEB's existing base budget funding and positions. Some seek funds, some seek authority to accept funds or restructure agency budget components, and a few do both. For those packages involving funds, the source of funding is key. There are a variety of options ranging from Lottery Funds to administrative overhead allowed by the federal grants that OWEB administers. There are varying levels of difficulty to obtain authorization, especially with certain sources of funds. OWEB is seeking no General Funds due to the ongoing fiscal challenges in Oregon.

1. Historically, watershed council support has received a mix of state Lottery Funds-Operating and federal Pacific Coastal Salmon Recovery Funds (PCSRF). This biennium, OWEB's budget contained a total of \$3.9 million for council support. Past appropriations for councils have been as much as \$4.1 million. OWEB staff are working with representatives of the Oregon Department of Agriculture to explore options to increase funding for both watershed councils and soil and water conservation districts beyond historic levels.
2. Establish a permanent Grant Program Manager PEM E funded from Lottery Funds-Operating. Since January 2002, the Grant Program Manager has been a limited duration position.
3. In a 2005 legislative budget note, OWEB was directed to conduct an internal review of its organization with the goal of reducing and streamlining its structure. Temporary changes were made to reorganize the agency structure to comply with this directive. This involved reducing the number of staff in the Director's Office and streamlining the organization of the programs by adding a section to handle policy

and Oregon Plan coordination issues. The following adjustments would make this temporary reorganization permanent.

- a. Reclassify the Science and Policy Advisor position (NRS 5) to a Senior Policy Coordinator position (NRS 4). This position will act as rules coordinator, legislative coordinator, and will coordinate policy issues.
 - b. Reclassify a Grant Program Specialist position (NRS 3) to an NRS 2 classification. This position will focus primarily on managing the Small Grant Program.
 - c. Reclassify a Grant Program Specialist position (NRS 3) to a Grant Program Coordinator (NRS 4). This position will assist the Grant Program Manager in most facets of the Grant Program.
 - d. Reclassify the Fiscal Manager position from a PEM D to PEM E. This position has increasing responsibility in overall agency operations, statewide management and tracking of Measure 66 issues, and oversight of agency database development. This change will bring this position more in line with other agency managers.
 - e. Reclassify the Monitoring and Reporting Program Manager position from an NRS 4 to PEM E. This position has increased responsibility with two additional staff and increasing needs of the program to monitor and report progress of OWEB programs as well as efforts under the Oregon Plan. This change will bring this position more in line with other agency managers.
4. Establish a placeholder to receive Federal Funds limitation for the PCSRF Federal Fiscal Year 2007 grant.
 5. Shift funding for the Restoration Project Validation Monitoring Specialist (NRS 3) funded to Lottery Funds-Operating. In the 2005-2007 biennium the position is funded with a combination of Lottery Funds-Operating and Federal Funds.
 6. Continue as a limited duration position the Office Specialist 2 position in the Grant Program funded with Lottery Funds-Operating. This position was funded with PCSRF in 2005-2007.
 7. Continue a limited duration Accountant 1 full time position in the Fiscal Section funded from Lottery Funds-Operating. This position processes small grant and CREP payments as well as non-capital grants funded from PCSRF.
 8. Continue the limited duration Business Application Specialist as an Information Systems Specialist 7 funded from PCSRF administrative funds. This position will continue the development and maintenance of an integrated database for fiscal and performance reporting functions of the agency.
 9. Continue the limited duration PCSRF Reporting Specialist (NRS 2) funded from PCSRF administrative funds. This position works in the Monitoring and Reporting Program, and will continue to provide key support for Oregon's quarterly and annual reporting to NOAA Fisheries on use of PCSRF funds.

10. Establish a limited duration Oregon Plan Communications Coordinator position (Public Affairs Specialist 2) from Lottery Funds-Operating. This position would carry out the statutory mandate for OWEB to promote the Oregon Plan.
11. Establish a permanent Regional Program Representative (NRS 4) in a sixth region in the Columbia Plateau area funded from Lottery Funds-Operating. The position will help manage an RPR workload that has increased tremendously since 1999. The position will help improve RPR services to stakeholders by reducing travel time currently needed to cover the large areas in regions 4 and 5.
12. Establish a limited duration Data Analyst position (NRS 3) in the Monitoring and Reporting Program. This position would address the need for seasonal data entry work and perform data analysis. The position would be funded with Lottery Funds-Operating and PCSRF.
13. Establish a limited duration Technical Assistance Coordinator position (NRS 4) from Lottery Funds-Operating. This position would provide statewide technical assistance to grantees to help design and implement restoration projects. The position would also help coordinate technical assistance grant offerings.
14. Request funding for the Independent Multidisciplinary Science Team (IMST) from Lottery Funds-Operating. Prior to 2003, OWEB's budget historically had a base level funding for the IMST of \$400,000 Lottery Funds-Operating with an additional \$500,000 from Federal Funds. In the last two biennia, the IMST budget operated at about two-thirds the historical level. OWEB is coordinating with the IMST on a request for next biennium.
15. Fund the Umpqua Pedigree Study with Lottery Funds-Research. OWEB has an ongoing commitment to this research project, which is scheduled for completion in 2013. This proposal would fund this project exclusively with Measure 66 research funds and eliminate the need in the future to seek expenditure limitation from the Emergency Board during the interim.
16. Request funding for rent on OWEB's east side location of the State Lands Building. OWEB does not have base rent for the space on the east side that it currently occupies and has been denied funding requests in both the 2003-2005 and 2005-2007 biennias. Request Lottery Funds-Operating (approximately \$71,000).
17. Staff will develop a placeholder for Lottery research funds to be based on the research proposals to be submitted this summer. The placeholder will specify the research proposal review process and estimate the funding available for the biennium.

III. Suggested Board Action

Staff seek Board discussion and input on these proposed Policy Packages and other potential issues of interest to Board members.

April 25, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item P: Restoration Priorities Adoption
May 16-17, 2006 OWEB Board Meeting**

I. Introduction

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

II. Background

The Board has identified the development of funding priorities as a significant need for project review and evaluation in OWEB's grant program. In September 2002, the Board authorized staff to contract for the facilitation of efforts to develop restoration priorities in two pilot basins.

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

The approach and content of the two pilot restoration priorities for the Willamette and Rogue basins were presented to the Board in March 2006. The Board then adopted both the approach to establishing regional restoration priorities by identifying limiting factors and the content of the Willamette and Rogue basin restoration priorities.

III. Status and Approach

The South Coast restoration priorities project was contracted to the South Coast Watershed Council, who has conducted watershed assessments for each of the drainages in the basin and developed a "Curry County Action Plan" that includes nearly all of the drainages in the South Coast Basin.

Following adoption of the priority approach for the Rogue and Willamette basins, the final product for the South Coast Basin has been completed using a similar format. The product includes a summary report and a matrix for each watershed. Limiting factors matrices for 5th field HUCs are presented to identify priority actions. The information in the matrix identifies factors that limit watershed function for each 5th field HUC. The final product for this basin is compatible with those of the Rogue and Willamette basins.

Attachment A shows the limiting factors matrix for the South Coast Basin. Attachment B describes the limiting factors identified in the South Coast matrix.

A full copy of the South Coast Basin Restoration Priority report will be available at the Board meeting. The document is also available online to review on the OWEB web site at www.oregon.gov/OWEB/restoration_priorities.shtml.

IV. Recommendation

Staff request the Board approve the approach and content of the South Coast basin regional restoration priorities.

Attachments

- A. South Coast Limiting Factors Matrix
- B. South Coast Watershed Limiting Factors Matrix Key

South Coast Watersheds - Limiting Factors Matrix -- 2006

Known limiting factor, high priority restoration
 Suspected limiting factor, but need more information
 Need more information

	Estuary	Wetland	Migration Barriers	Water Quality	Water Quantity	Channel Modification	Hydrologic Function	Riparian Shade	Large Wood (Potl & Stored)	Sediment (Potl & Stored)	Noxious Weeds
New River	Beach grass and breaching complicate water exchange	Need assessment of high value wetlands	No known barriers in Morton, Butte, Bethel	High Temp; suspect nutrients from Croft Lake	Irrigation withdrawls unkown on ranch and farm lands	Straightened, loss of beaver, effects of breach	Periodically bar-bound	Potential shade inc on Morton, Langlois, Butte	Tribs lacking wood to help store sediment	Suspected upland sources; investigate Morton & Bethel	Aquatic weeds, Reed Canary Grass
Floras Creek	PFC analysis completed	Field check function. Restore potl veg & water connection	Investigate barriers in upper watershed	High Temp, Sediment & nutrients. Constructed wetlands to treat runoff.	Instream rights not met. Opportunities w/ 80% of rights junior to instream.	Channel straightened & armored, loss of beaver, assessment incomplete	ID critical rds, ditches, floodplains, wetlands. Restore wetland/ floodplain Willow Ck	Willow Ck critical to cool mainstem. Hi potl incr on Willow, N Fk & mainstem. Planting & riparian silv	Willow Ck, wood for sed storage & fish habitat	Earthflows, rd drainage in Willow, N, E & W Forks, U. Mainstem; potl in M mainstem	Aquatic weeds in Floras Lake
Sixes River	Reduce nutrient inputs from ranches	High value wetlands in lower watershed (Brophy Report)	Unknown in upper watershed	High Temp, Sediment & nutrients. Mercury reports	Instream rights not met: Crystal Edson, mainstem opportunities	Lack of off-channel habitat, esp below 101	Unknown potl for improved connection of lwr mainstem to floodplain	Some potential for lower mainstem; also Crystal Creek	Most tribs and mainstem lack adequate large wood	Potl in Big/Otter, Dry Ck, Elephant Rock & N Fk. Stored: ch widening	Gorse; blackberries; Japanese knotweed
Elk River	Unknown if fishing pressure at mouth impacts fish	Improve lwr mainstem wetlands (inc. Van Loo), Bagley Ck	Bagley Creek; Blackberry Creek (FS)	Excellent WQ, but high temp. Effects of agriculture & hatchery unknown	Instream water right usually met	Assessment not complete	Reconnect floodplain in lower mainstem; multiple ranches	Lower mainstem planting & riparian silv, off-channel water	L. mainstem tribs: Indian, Bagley & Chapman. Side-channel jams	Potl on steep slopes, hi amts stored from granitic rocks	Gorse & Himalayan blackberry, need prioritized control plan
Port Orford Watersheds	Hubbard Crk - periodic high readings of bacteria	Assess wetlands & riparian areas abv Garrison Lake & along Hubbard Ck	N. Fork Hubbard reservoir; Brush Ck bypass; Mill Crk	Lake & urban WQ (stormwater, septic...). Reservoir cool water intake.	Drinking water issues for city	Brush Ck along Hwy 101, Hubbard dam, assessment incomplete	Increased peak flow to Garrison from urban area	Unknown if there are opportunities for inc shade	Hubbard Creek lacks wood. Mill Crk potential?	Potl from Beartrap Ck on steep granitics. Potl sed in drinking water	Gorse in municipal watershed; Aquatic weeds (?) in Garrison Lk

	Estuary	Wetland	Migration Barriers	Water Quality	Water Quantity	Channel Modification	Hydrologic Function	Riparian Shade	Large Wood (Potl & Stored)	Sediment (Potl & Stored)	Noxious Weeds
Euchre Creek	Small estuary. Effects of Highway 101	Isolated from channel by levee and Hwy 101. Field check function	Several barriers clustered in Cedar Creek	No DEQ WQ sampling Effects of agriculture & rural res unknown	Instream rights are rarely met. Opportunities in Cedar Ck	Cedar Ck straightened assessment not complete	Lower portion (below Boulder Crk) modified -- explore off-channel rearing?	Lower mainstem & Cedar Ck: plant, riparian silv, off-channel water	Few stands in mature or high reprod for future supply. Add to mainstem & Cedar	Potl: L Euchre & Cedar. Stored deposits on mainstem	Weed control needs?
Hunter Creek	Expand small size, Increase complexity Limit addl fill	Consider acquiring ODOT wetlands adjacent to estuary	No known barriers	No DEQ WQ sampling High Temp. Rural residential effects on nutrients?	Subsurface flow due to high sed load. Influence of wells & springs?	Gravel extraction, road fords. Other assessment incomplete.	Rural residential protected with rip-rap	Mainstem & Big South Fk reaches w/ potl increase: plant, riparian silv, off-channel water	Riparian silv to promote wood. ID reaches needing sed storage	Potl in Big South Fork, L & M mainstem. Assess roads on earthflows	Minor -- some blackberries
Pistol River	Extended estuary migrates north and south	Field check function. Restore potl veg & water connection, esp Crook Ck, oxbows	No known barriers	High Temp, low diss oxygen. Biochem oxygen demand highest.	Instream water right usually not met. Opportunities from large ranches.	Hwy 101 xing straightened assessment not complete	Rip-rap on ag lands	ID reaches w/ potl increase: plant, riparian silv, off-channel water	Riparian silv to promote wood. ID reaches needing sed storage	Potl & stored in Glade & Deep Area, L. mainstem, South Fork	Minor issue - not limiting
Chetco River	Restore connectivity, flood control levees	Field check function	Tuttle Crk; Mtn Home Crk; others ?	Boat basin aerators for DO. Estuary sampling to ID limiting factors	Instream right usually met. Municipal growth & conservation	Gravel extraction, assessment not complete	Urban/rural runoff causing flooding, potl effects on WQ	Potl increase in L. N Fk & tribs to coastal mainstem	Opportunity on North Fork Chetco	Potl on most pvt lands. Historic channel widening	Isolated patches of gorse a concern
Winchuck River	Filled by Hwy 101, expand, restore complexity	Field check function	Numerous barriers to be addressed	WQ effects of agriculture on bacteria, nutrients, & algae unknown	Instream right usually met. Rural-residential growth & conservation	Assessment not complete	Explore constructed wetlands in critical runoff areas: rural - residential & ag lands	Assessment to be completed 2006; encourage off-channel water	ID sites for sediment stabilization and habitat	Potl on Deer Ck, South Fk, & Bear Ck. Stored: Wheeler Ck slide	Minor

**South Coast Watersheds Limiting Factors Matrix
Key - April 7, 2006**

In the year 2000, the South Coast Watershed Council completed a Watershed Assessment for the ten watersheds shown on the attached matrix. To complete a synthesis of the available information, an interdisciplinary team met for two days in Gold Beach to examine interactions, list limiting factors, and prioritize action items. The team consisted of local specialists in geology, soils, hydrologic processes, water quality, riparian processes, and fisheries.

This matrix is now updated for 2006, with new information from our monitoring and assessment work over the past six years.

This matrix illustrates limiting factors in the watersheds, arranged from north to south, using the synthesis process developed by specialists, and then “ratified” by local watershed councils. The matrix is color-coded to express **known limiting factors** in blue (high priority restoration), along with two other colors to express areas of uncertainty, or where we know we need more information.

The limiting factors are described briefly below. For more information, please see the complete assessments for each watershed, available on CD or online at www.currywatersheds.org

Estuary - Estuarine habitat is important for summer rearing and overwintering of most salmonid species. Estuaries are especially critical for chinook. Adequate circulation, water volume, water quality, cover, and complexity are required. (Water quality is addressed as a separate limiting factor.) Most of the river systems in Curry County have small, but intact, functional estuaries. Because our estuaries are so small, their importance as a part of the salmon life cycle is magnified.

Wetland - Wetland habitat is a crucial part of the coho salmon life cycle. Wetlands also perform other functions in moderating floods, storing and filtering water, capturing sediment and other nutrients, and providing cover and food for fish. In some areas they also provide off-channel fish habitat.

Migration Barriers - Barriers include structures such as dams and culverts that do not meet state guidelines for passage of adult and juvenile salmonids. Salmonids need to pass during spawning migration, while rearing, and while overwintering, to escape from high velocity flows. Barriers are limiting when habitat is inaccessible in a watershed, or when several small tributaries are inaccessible from the mainstem. Full, unimpeded access to off-channel areas is also important.

Water Quality - Good quality water is critical for all life stages of aquatic organisms and humans. Sampling by DEQ shows that water quality in these river systems ranges from excellent to poor, and indicates possible pollutant sources and which watersheds need improvement. The sampling frequency, number of sites, and range of parameters need to be increased so that we can better understand and address sources of pollution.

Water Quantity - Adequate summer stream flows are needed for fish and other aquatic organisms. In the past, in-stream water rights were established at values not to exceed the median stream flow. In-stream rights tend to be junior to most of the out-of-stream water rights. Opportunities for restoring flow include water conservation, lease, acquisition, forfeiture of existing water rights, and regulation of junior water rights when streamflows drop below the instream water right.

Channel Modification - Typical channel modifications include gravel extraction, channel straightening and bank armoring, and channel relocation. This module was not formally completed for the 2000 watershed assessment, but known modifications are listed. Channel modification (and the attendant loss of complexity) has become recognized in the last six years as a major limiting factor for coho.

Hydrologic Function - Impermeable and compacted surfaces cause excessive runoff and can augment the size of peak flows. Disconnection of floodplains, side channels, and wetlands prevent floodwaters from being stored, and then released more slowly over time. Ditches and improperly-drained road surfaces also speed runoff to channels. Increased runoff causes erosion, transports pollutants, and may alter channel and habitat characteristics in extreme cases.

Riparian Shade - Streamside shade is needed to minimize exposure to solar radiation, a dominant influence on high stream temperatures. Reaches with high potential increases in shade were identified with a *SHADOW* model. Improvements can include planting, thinning, and converting alder-dominated stands to conifer, where appropriate. Off-channel watering systems can be an important part of projects to address this limiting factor. See also potential large wood.

Large Wood (*Potential and Stored*) - Large wood helps stabilize channels; promotes sediment storage and revegetation; develops pools and habitat complexity; increases roughness to reduce water velocity; provides cover and traps woody material; and enhances macroinvertebrate diversity and processing of nutrients & organic matter. Riparian reaches that lack mature trees, or high reproduction potential, have low potential for large wood recruitment. Habitat surveys indicate where large wood is not present (stored) in stream channels. The IMST report indicates lack of large wood is a major limiting factor in our area of both the Oregon Coast area (north of Blanco) and the Klamath Mountains Province (south of Cape Blanco to the California border.).

Sediment (*Potential and Stored*) - Excessive volumes of both fine-and coarse-grained sediments can be limiting. Fine-grained sediment impairs filter-feeding organisms, circulation of dissolved oxygen in redds, and sight-feeding visibility. Gill abrasion may occur in extreme cases. Coarse-grained sediment increases gravel bars while decreasing pools for rearing. Shallower, wider (aggraded) channels also heat more readily.

Potential Sediment - Sub-watersheds are ranked by density of stream crossings and roads on steep slopes. Road inventory determines priorities for treatment based on probability and consequences of slope failure and erosion.

Stored Sediment - Channel deposits tend to be colonized by short-lived species such as alder. When alder stands decline, sediment transport reactivates unless stabilized by promoting other riparian species with silvicultural treatments or by adding large wood.

Noxious Weeds - Invasive species limit the restoration of native riparian and wetland vegetation. In addition, in large areas of gorse burn, valuable lowland riparian stands can be lost to an intense fire. Exotic aquatic weeds displace native species, modify lake ecosystems, and may cause impaired water quality.

April 27, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item Q: October 2006 Grant Cycle
May 16-17, 2006 OWEB Board Meeting**

I. Introduction

This report seeks Board approval for moving the October 23, 2006, grant deadline back one week to October 16, 2006, to avoid conflict with the OWEB biennial conference, which is scheduled for October 25-27, 2006. The report also seeks to inform the Board of the various grant types to be considered for the October 2006 grant cycle.

II. Background

OWEB offers four grant cycles a biennium, and the dates and grant types for each are typically set toward the end of the previous biennium. Staff presented a proposed grant cycle schedule for the 2005-2007 biennium at the May 2005 Board meeting that identified October 23, 2006, as the deadline for the fall 2006 grant cycle. Board members approved the grant cycle schedule as proposed.

Occasionally, circumstances arise that compel us to consider changing either a date or the grant types we will accept. The OWEB biennial conference rotates among the five regions and this year we are scheduled to return to the North Coast region where we last convened ten years ago in 1996. For this fall's conference, staff were unable to find a suitable venue for our preferred week, which traditionally has been in mid-November after Election Day. With a limited choice of venues and available weeks, staff settled on the Seaside Convention Center from October 25-27, 2006, for the conference, which is just two days after the current application deadline.

III. October 2006 Application Deadline

The timing of the conference will interfere with OWEB grant staff's timely processing of the October grant applications. It would be beneficial to staff and OWEB's regional review teams to move the deadline back one week to October 16, 2006. A change in the grant deadline at this time should not cause an undue burden on applicants. Following Board approval of the staff recommendation contained in this report, staff will flag the change on the OWEB web site and send a special announcement to its principal constituents — councils, districts, and tribes.

IV. October Grant Cycle Spending Plan

At the September 2005 Board meeting, staff committed to report to the Board on implementation of the spending plan for each grant program type at subsequent Board meetings and to suggest alterations if needed.

For the October 2006 grant cycle, OWEB staff have proposed to accept applications for Restoration and Acquisition, Monitoring, Assessment, Education and Outreach, and Technical Assistance projects. The total available funding for these grant program types is \$9,721,600, of which \$7,500,000 is capital (Restoration and Acquisition) and the remaining \$2,221,600 is non-capital, primarily from reserved 2006 Pacific Coastal Salmon Recovery Funds (PCSRF).

No alteration to the types of proposed grants to be accepted or funding reservations is required by the Board at this time. Below is a table showing the staff recommended and Board discussed spending plan reservations for each grant program type for the October 2006 grant cycle.

October 2006 Grant Cycle Spending Plan

Grant Program Type	Fund Source	Amount
Restoration and Acquisition	Lottery capital	\$7,500,000
Monitoring	non-capital	\$771,600
Assessment	non-capital	\$450,000
Education and Outreach	non-capital	\$500,000
Technical Assistance	non-capital	\$500,000
TOTAL funds available		\$9,721,600

V. Recommendation

Staff recommend the Board approve moving the October deadline for grant applications from October 23, 2006, to October 16, 2006.

May 12, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

SUBJECT: **Agenda Item R: Other Business**
U.S. Forest Service Whole Watershed Restoration Partnership
May 16-17, 2006 OWEB Board Meeting

I. Introduction

This staff report updates the Board on a proposal to partner with the U.S. Forest Service (USFS) to conduct “Whole Watershed Restoration” efforts. The Board considered action to fund this project at its March meeting and raised a number of issues regarding the project. Since that meeting, OWEB staff worked with USFS staff to respond to Board member questions, and now request Board action to allocate funds to support the USFS project.

II. Issues Raised and Proposed Resolution

One concern raised at the March meeting was whether the USFS was requesting OWEB funds to make up for funding shortfalls within their agency. This is not the case. The federal funds available for the partnership project are entirely above and beyond core agency responsibilities. In fact, the Pacific Northwest Region of the USFS has successfully competed for approximately \$100,000 in additional discretionary restoration funds for this federal fiscal year from within the agency. In this instance, OWEB funds would not replace federal funding shortfalls. Instead, OWEB funds would further leverage existing funds that the USFS has obtained to achieve additional aquatic restoration beyond what they would otherwise accomplish. Moreover, OWEB funds would all be used for restoration purposes, not to support USFS staff or to fulfill other federal mandates of the agency.

A second issue raised was about previous partnership accomplishments. In response, the USFS has provided information about the previous year’s accomplishments with the program (Attachment A) that shows restoration projects completed in the Umpqua, Sandy, John Day, and Goose Lake basins. The total investment for these projects was \$457,000, which included \$113,000 of USFS funds and \$344,000 of other funds.

A third issue raised by Board members concerned the use of OWEB funds by a federal agency on federal lands. For this project, all OWEB funds are to be used directly for watershed restoration purposes. This use is fully consistent with OWEB funding objectives. OWEB has also discussed with USFS staff the desire to use OWEB funds to the greatest extent possible on non-federal lands or on elements of projects that provide resource benefits to non-federal lands. This approach would be carried out in implementing the project with the understanding that the

effort seeks to effectively address watershed restoration issues and to avoid, to the extent possible, unnecessary limitations created by land ownership boundaries. This partnership method to restoration offers the opportunity to achieve significant benefits for improving watershed function at a large geographic scale.

Finally, Board members raised concerns about establishing a separate funding process without the same level of review as the OWEB Grant Program. The process developed under the USFS partnership has a substantive review that includes OWEB staff participation. While different in form, the nature of the review is in significant alignment with that provided by the OWEB regional review teams. In addition, OWEB staff commit to consult with regional review team members on an informal basis to get their input on proposed projects under the USFS process. This will be especially important for technically complex and large-scale projects.

To address these Board member concerns, OWEB staff worked with the USFS to develop a list of conditions that would be part of the USFS partnership agreement. The conditions are contained in Attachment B.

IV. Recommendation

Staff recommend the Board allocate \$500,000 of capital funds as an interagency agreement between USFS and OWEB. These funds will be distributed through individual grant agreements to implementing parties.

Attachments

- A. 2004-2005 USFS Partnership Program
- B. Proposed Interagency Agreement Conditions

Whole Watershed Restoration Partnership, FY 2005 Pilot Projects, Funding and Accomplishment

Priority Basin	Watershed	Project***	Funding (\$K)			Land Ownership	Target Species *****	Outputs/Accomplishment	
			FS*	OR	Trout			OWEB	Other**
Umpqua	N.ForkUmpqua Steamboat Cr	Little Rock Cr. road obliteration****	37		33	FS	St	3 miles road oblit, 2 stream crossings restored	
Sandy	Salmon River	ArrahWanna side-channel restoration	6	5		Private	ChS, Co, St, lamprey	1 mile side channel opened/restored.	
		UpperSalmon side-channel restoration	12	10		FS	ChS, Co, St, lamprey	1 mile side channel opened/restored.	
	Upper Sandy	Carcass nutrient load project/study	10	10	59	FS	ChS, Co, St, lamprey	8 stream miles treated/enriched (two tributaries)	
John Day	Middle Fk.	Camp Cr riparian restoration	3	5		FS	ChS, St, bull trout	1 mile hardwood planting/fencing	
		Camp Cr Restoration Action Plan	10	10	10	FS	ChS, St, bull trout	Action plan for basin's highest-priority area	
	Mainstem	Canyon Cr brook trout removal	5	6		FS	Bull and West-slope	2 miles brook trout removal	
Other	Goose Lake	Cottonwood Cr channel/riparian restore	30		7	Private	Redband trout, GooseLake sucker	1 mile channel reconstruct. and riparian fencing/restore	
OR Priority Basin Totals			113	79	76			14 miles stream/riparian habitat improved	
								3 mi. road oblit/closed; 2 culvert crossings improv.	

* Includes Regional USFS discretionary funding applied in priority basins to match partner investments in WWRP, including Joint Venture, Challenge Cost Share, and other funds. Does not include other on-going watershed improvement project work in these basins, such as Forest-funded projects or Regionally-funded capital investment (roads/culverts).

** Other leveraging/fund sources for the projects, including local partners and on-Forest funds.

*** All projects shown (except Cottonwood Cr) are part of on-going, multi-year programs for completing high priority work in these priority watersheds.

**** Final project to complete work in the subwatershed.

***** Species: St= steelhead, ChS= Spring Chinook, ChF= Fall Chinook, Co= coho, Ctt= cutthroat

**Proposed Conditions,
USFS Whole Watershed Restoration Partnership
April 12, 2006**

Background

For over 10 years, the USFS Pacific NW Region has implemented a comprehensive program of watershed and aquatic habitat restoration. This program is part of the Aquatic Conservation Strategy for FS and BLM lands. Work is coordinated with and supports the Oregon Plan. Last year (FY2005), more than 8.4 million dollars of USFS appropriated and trust funds were spent in Oregon to improve water quality and fish habitat conditions on and off the National Forests. Accomplishments from this investment include: improved access to 86 miles of fish habitat (at 53 culvert crossings), 383 miles of streams and 167 acres of lakes restored/improved, and improved watershed conditions on 1,300 acres. Since 1998, through use of the Wyden Amendment, USFS funds have increasingly been used to improve watershed/aquatic conditions on private lands. Over this period, they have averaged about \$400,000 annually. National Forests compose the headwaters of many Oregon river basins, and these improvements have not only improved refugia for at-risk fish populations residing in or migrating to the National Forests, but have helped improve water quality conditions for people and fish in downstream areas as well.

Additional support for the Oregon Plan includes a full time liaison position. The position was created in FY2000 to improve communication and coordinate FS/OWEB restoration programs. Significant progress to better link the two programs has occurred. Forest Service specialists provide critical on-going technical support for many of the watershed councils across the State, as well as serving on most OWEB Regional technical review teams. Additionally, OWEB and the FS have jointly sponsored workshops to develop coordinated fish passage priorities in the Hood, Siuslaw and John Day basins.

The Pacific Northwest Region proposes to build on this support for the Oregon Plan through the Whole Watershed Restoration Partnership. This initiative is a new investment for the Region, supported by the Regional Executive Team, expressly intended to expand partnerships in aquatic restoration. The FY05 pilot began with 3 partners and produced 14 miles of high-priority stream habitat improvement in the Umpqua, Sandy and John Day River basins. Since that time, new partners and resources have been recruited (including \$100,000 from National Fish and Wildlife Foundation for FY06-07). Improved cooperation and collaboration will increase accomplishments and accelerate recovery of some of Oregon's most important watersheds. The program will provide additional leveraging of OWEB resources, expanding the number and diversity of partners involved in restoring Oregon's watersheds. Responding to issues raised at the March Board meeting about the USFS "Whole Watersheds Partnership", the following conditions have been suggested for the partnership. The conditions are crafted to ensure accountability of dedicated state funds and document the "value added" of participating in this effort.

Understanding

1. OWEB will enter into an interagency agreement with USFS, Pacific NW Region. The agreement will specify: the amount of funds available; the limitation to “capital” funds (limited to contracted services and/or materials); OWEB staff participation in selecting initial focus watersheds and individual project work; a requirement to match OWEB funds by at least 50% (combined FS and other partner funds); the billing process (limited to 2 invoices, an advance and a final payment that shows all receipts); and the schedule for reporting on the uses of the funds to OWEB.
2. The USFS annual report to OWEB will include a list of the projects funded, the amount of match provided to each project, the accomplishments of each project, lessons learned from each project and the information gained from monitoring.
3. OWEB will have a separate grant agreement for each project using OWEB funds that names a responsible party (grantee) and the limitations on the uses of the funds.
4. The intent of this agreement is to work collaboratively to complete critical work in entire watersheds of mutual interest and priority. USFS/OWEB/other partner funds will be applied to maximize efficient and effective completion of priority work on a watershed basis, regardless of land ownership. This work will be identified in cooperatively developed restoration action plans. To the degree possible, use of OWEB funds will be directed first to priority work/locations on private lands. The USFS will use its authorities to fund work on both Federal reserves and private lands (through ‘Wyden Amendment’). Over the term of the agreement, the proportion of OWEB to combined FS/Partner funding and treated lands (programmatically) is expected to roughly correspond to the mixture of federal to state and private land ownership in Oregon-50/50.

Approved by the Board September 19, 2006
Oregon Watershed Enhancement Board
May 16, 2006
OWEB Board Meeting
Oregon City, Oregon

Minutes

OWEB Members Present

Dan Carver
Alan Christensen
Dan Heagerty
Skip Klarquist
Jim Nakano
Jane O’Keeffe
Dave Powers
Michael Tehan
Dan Thorndike
Helen Westbrook
Ken Williamson

Members Not Present

Gary Briggs
Miles Brown
Bobby Brunoe
Scott Reed
Patricia Smith
Diane Snyder

OWEB Staff Present

Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Dave Egleston
Douglass Fitting
Mark Grenbemer
Cindy Kraai
Karen Leiendecker
Melissa Leoni
Pat Oman
Tom Shafer
Greg Sieglitz
Teresa Trump
Lori Warner-Dickason
Roger Wood

Others Present

Bruce Taylor
Wayne Hoffman
Mark Mouser
Margaret Nover
Paul Siebert
Joe Moll
Nan Evans
Russ Hoeflich
Craig Bell
Walt Markee
Jim Paul
Rachel Felice
David Morman
Charlie Corrarino
Jeffrey Kee
Rick Gruen
Roy Elicker

A. Board Member Comments

Representatives on the OWEB Board commented on recent activities and issues facing their respective agencies. Co-Chair Jane O’Keeffe reported on her trip to Washington D.C. with OWEB’s Director Tom Byler to meet with Oregon’s Congressional Delegation to lobby for PCSRF funds.

B. Minutes

Minutes of the following Board meeting were unanimously approved:
March 15-16, 2006 Board meeting in Roseburg

C. Executive Director Update

Executive Director, Tom Byler, provided the following comments to the Board.

- Director Byler noted a new format for the Executive Director Update materials, which will now be included in Board member meeting notebooks. He described the following updates in the Board notebook:
 1. 2006 Biennial Conference
 2. 2005-2007 Biennial ReportCo-Chairs Heagerty and O’Keeffe will work with staff to compile Board member sections of the report.

3. OWEB Communications
 4. Local Innovation Fund
Dan Carver will serve on the LIF Board subcommittee.
 5. Council Support Grant Process
Dave Powers and Jane O’Keeffe will serve on the Council Support Board subcommittee.
 6. April 2006 Emergency Board
- Director Byler brought the Board’s attention to the following additional item provided at the Board meeting:
 7. Oregon Explorer Business Plan
No Board members brought this item up for discussion and action.

D. Deferred Acquisitions

Lori Warner-Dickason, Policy Specialist, updated Board members on acquisitions that had been deferred from other Board meetings, and recommended the Board continue to defer consideration until due diligence items are submitted and reviewed:

- Svensen Island (z206-259);
- Tenmile Creek Corridor Easement Project (z206-058);
- Deer Creek Ranch (z206-277); and
- Pilcher Creek (z206-339).

The previously deferred acquisition for Crosel Creek Habitat Reserve (z206-059) has had all due diligence materials received and approved, and is ready for Board consideration. The appraisal was received and reviewed that indicated a value greater than estimated in the application.

Board members unanimously voted to continue deferral of the above-listed projects, and award funding of up to \$420,000 in capital funds toward the Crosel Creek Habitat Reserve project, Application No. z206-059.

E. 2005-2007 Budget Adjustment

Tom Byler, Executive Director explained this staff report to Board members. Interagency agreements with ODFW and DEQ did not include 2005-2007 biennium compensation plan changes, and approximately \$400,000 is needed to address this deficit. OWEB has identified recapture of \$450,000 from 2003-2005 legislatively directed agency PCSRF allocations which can be used for this purpose.

At the September 2005 meeting, the Board authorized PCSRF funding to state agencies as directed by the 2005 Legislature. ODFW and DEQ agency personnel funded from PCSRF did not include a budget to cover expected salary increases by the Legislature. The Emergency Board will address these expenditure limitations for the compensation plan increases along with all other agencies at the June Emergency Board.

Board members expressed concern about funds being used for state agencies when watershed councils and soil and water conservation districts are in need of additional funds. Director Byler noted that natural resource agencies have been instructed by the Governor’s office to move away from using federal funds.

Board members unanimously approved staff to amend the ODFW and DEQ interagency agreements for up to \$450,000 for compensation plan increases contingent upon Emergency Board action to increase the agencies expenditure limitation for the compensation plan increases.

F. Research Fund Process

Public Comment:

Bruce Taylor, Defenders of Wildlife, suggested that OWEB take another look at the research priorities which he believes are fish centric and contends is not the intent of Measure 66.

Margaret Nover, City of Portland, asked who would do the scientific review for research projects, commented that the priorities are broad, and asked if there was an opportunity for OWEB to recommend funding for projects that were not supported by the IMST.

Russ Hoeflich, The Nature Conservancy, disagreed with the research priorities as a focus needs to be on land, water, and wildlife along with fish.

Wayne Hoffman, Mid Coast WSC, supported the research process and priorities.

Ken Bierly, Deputy Director, provided an overview of a proposed process for the review, evaluation, and funding of grants for watershed research projects. Interest earned from Ballot Measure 66 Lottery Funds is credited to the Restoration and Protection Research Fund. Research funds must be split 35% non-capital and 65% capital which is the same manner as other Measure 66 funds. The proposal builds on the Board's priorities to research grants adopted in March 2002.

In January 2001, the Board adopted a Research Investment Strategy to guide OWEB funding of research supporting implementation of the Oregon Plan. Four principles were identified in the strategy:

1. Identify critical information needs;
2. Fund research projects that address priority needs first;
3. Communicate research results to users; and
4. Evaluate what is learned and determine new priority needs.

In March 2001, the IMST reviewed the strategy and identified 12 priority Oregon Plan research needs and ranked them in relative order of importance. After review by stakeholders, the Oregon Plan research priorities were adjusted and adopted by the Board in March 2002.

Since then, the Legislature has directly appropriated research funds for several projects. Currently, there is approximately \$1,646,000 of capital and \$464,000 of non-capital funds available in the research fund. OWEB needs to go to the Legislative Emergency Board to obtain expenditure limitation to use the funds.

OWEB staff have identified a formal process for considering research proposals. It establishes clear criteria, utilizes the appropriate scientific expertise for evaluating requests, and minimizes impacts on current staff workload. The IMST will assist in development of an RFP and identify how peer reviewed proposals match OWEB's adopted research priorities. Staff will bring recommended proposals for Board consideration to the January 2007 meeting.

Board members unanimously approved the review process for research proposals outlined in the staff report; directed staff to update the IMST interagency agreement to reflect the commitment to the research review process; approved allocation of up to \$5,000 in non-capital funds to address potential peer review costs associated with the research fund review process; and directed staff to update the research priorities to reflect the full range of considerations in Ballot Measure 66.

G. Public Comment

Joe Moll, McKenzie River Trust, provided an update on the Green Island Acquisition which was previously funded by the Board, and the Local Innovation Fund grant to McKenzie WSC for the Sand and Gravel Industry Habitat Restoration Incentives at the Confluence of the McKenzie and Willamette rivers.

Rachel Felice, Education Director, Columbia Slough WSC, supported a grant offering for all three categories of the education and outreach strategy for the 2007-2009 biennium.

H. Oregon Plan State Agency Activities Update

OWEB Board members and staff have requested each state natural resources agency that receives Measure 66 or PCSRF funds from OWEB or are major participants in the Oregon Plan for Salmon and Watersheds to provide presentations on their agency's activities under the Oregon Plan. The following state agency representatives summarized their Oregon Plan activities and were available to answer questions.

Representing the Oregon Department of Forestry

Jim Paul and David Morman

Representing the Oregon State Police, Fish and Wildlife Division

Captain Walt Markee and Craig Bell

OWEB Board members and staff spent the afternoon viewing projects in the Clackamas River Basin. The tour was jointly sponsored by the Clackamas River Basin Council and the Clackamas Soil and Water Conservation District.

At the conclusion of the tour, an informal reception was held for OWEB Board members, OWEB staff, watershed partners, and local officials. OWEB was pleased to have two Clackamas County Commissioners, Martha Schrader and Chair Bill Kennemer, and many local partners attend the reception.

Approved by the Board September 19, 2006
Oregon Watershed Enhancement Board

May 17, 2006
OWEB Board Meeting
Oregon City, Oregon

Minutes

OWEB Members Present

Dan Carver
Alan Christensen
Dan Heagerty
Skip Klarquist
Jim Nakano
Jane O’Keeffe
Dave Powers
Michael Tehan
Dan Thorndike
Helen Westbrook
Ken Williamson

OWEB Staff Present

Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Mark Grenbemer
Cindy Kraai
Karen Leiendecker
Melissa Leoni
Pat Oman
Tom Shafer
Greg Sieglitz
Roger Wood

Others Present

Laura Jackson
Margaret Nover
Rob Fiegener
Brent Davies
Bill White
John Moriarty
Dennis Richey
Steve Smith
Kelly Moore
Jeff Ulbel
Charlie Corrarino
Bruce Taylor
Roy Elicker
Paul Siebert
Dan Edge
Greg Moyer
Jonathan Soll
Wayne Hoffman
Tom Paul
Stephanie Hallock
Greg Pettit
Greg Aldrich
John McDonald
John Moriarty
Harry Hoogesteter

Members Not Present

Gary Briggs
Miles Brown
Bobby Brunoe
Scott Reed
Patricia Smith
Diane Snyder

I. Research Fund Project Requests

Public Comment:

Dennis Richey, Oregon Anglers Research Society, supported funding for the Oregon Hatchery Research Center.

Ken Bierly, Deputy Director, briefed Board members on a proposed request to the Emergency Board for expenditure limitation to fund two projects with research funds. The projects have been peer reviewed and previously reviewed by the OWEB Board. They both address important needs for the Oregon Plan for Salmon and Watersheds as they relate to the utilization of hatchery fish in recovery of salmon stocks.

Umpqua Coho Pedigree Study

Laura Jackson, ODFW, provided background information on this project. Non-capital research funds (\$103,387) are requested for ODFW; and research funds (\$100,000 in capital

and \$43,948 in non-capital) are requested for OSU to support project costs through the end of the biennium. Greg Moyer of OSU was present to answer questions concerning the research project.

Oregon Hatchery Research Center

Dr. Dan Edge, OSU, provided background information on this project. Capital research funds (\$154,000) are requested to finish the outfitting of the research facility. ODFW has an additional \$94,000 to match these funds to complete the needed equipment purchases.

Board members unanimously voted to direct staff to request expenditure limitation from the Emergency Board for \$254,000 of capital and \$147,335 of non-capital from the Restoration and Protection Research Fund to support the Umpqua Coho Pedigree Study and the Hatchery Research Center research equipment. Board members also directed staff to develop the appropriate agreements with ODFW and OSU to implement the proposed research projects, contingent upon receiving Emergency Board approval.

J. Capital Fund Partnerships

Ken Bierly, Deputy Director, presented this item to Board members. Two partnership projects, Willamette Reserve Enhancement Program (WREP), and funding for the Conservation Reserve Enhancement Program (CREP), along with a U.S. Forest Service (USFS) partnership which is identified in Agenda Item R, were presented for funding consideration. Two of the proposals (WREP and the USFS Partnership) were previously discussed by Board members at the January and March 2006 meetings, although Board members requested additional information on the proposals in order to make a funding decision. Staff have worked to answer Board member concerns and recommend funding the three proposals. The proposals are described below.

WREP

Bill White, NRCS, Steve Smith, USFWS, and Rog Fiegner, Institute for Applied Ecology provided background information on this proposal.

Public Comment:

Bruce Taylor, Defenders of Wildlife supported funding for the WREP proposal.

OWEB staff have proposed to partner with NRCS and the Institute for Applied Ecology to fund the Wetland Reserve Enhancement Program (WREP) for the Willamette Valley. \$250,000 in OWEB funding would be used to match \$412,000 of federal funds and \$130,000 of local match to enhance plant species diversity and habitat values on 12 Willamette Valley WRP projects totaling 595 acres in Yamhill, Polk, Benton, and Lane counties. The outcome will provide the opportunity to re-establish ESA-listed plant species in protected sites.

Board members unanimously approved \$250,000 of capital funds as a grant to the Institute for Applied Ecology to match federal funds for the WREP.

CREP

Ken Bierly provided background information on this item.

Due to increased CREP enrollments, \$1.5 million in capital funds is sought to support the Oregon CREP program for the remainder of the 2005-2007 biennium.

Board members unanimously approved \$1.5 million in capital funds for the CREP program to pay for state committed cost share on riparian restoration enrollments. Staff will return to the September 2006 or January 2007 Board meeting with the Farm Service Agency to report on CREP enrollments.

USFS Partnership

Jeff Uebel, U.S. Forest Service, provided background information on this item.

Public Comment:

Wayne Hoffman, Mid Coast WSC, supported funding for the USFS Partnership.

OWEB staff have proposed to partner with the U.S. Forest Service (USFS) and others to fund whole watershed restoration efforts. The potential partnership would focus on 1) addressing geographic priorities, and 2) accelerating and completing priority work in selected watersheds. This proposed partnership would involve the pooling of OWEB, USFS and foundation funding sources and would serve as seed funding for high priority projects that will be further leveraged at the local level to complete the most-needed work in the following priority watersheds: Middle and North Fork John Day, North Fork Umpqua, South and Mid Coast drainages, and the Lower Columbia. The proposed partnership would be initiated with \$500,000 of capital funds from OWEB.

Board members unanimously approved a \$500,000 allocation of capital funds as an interagency agreement between USFS and OWEB. These funds will be distributed through individual grant agreements to implementing parties.

K. Oregon Plan Products Request

Greg Sieglitz, Monitoring and Reporting Program Manager, and Kelly Moore, ODFW, provided an overview of this staff report.

Continued funding is requested for an ODFW monitoring project in the Lower Columbia River ESU. In January 2003, ODFW received a grant from OWEB and partnered with NOAA Fisheries and PGE to initiate a monitoring program for coho in the Lower Columbia River Basin. Since that time, ODFW has received additional funds from OWEB, the Lower Columbia Bond Fund, and the USFWS Sport Fish Restoration Program to continue monitoring through June 2006. An additional \$375,000 of non-capital funds is being requested to continue funding through the end of the 2005-2007 biennium. All project funding is consistent with the sampling methodology and field protocols developed for the Oregon Plan and supports implementation of the Oregon Plan Monitoring Strategy.

Good baseline data are being collected and will be available to other entities. Oregon has been working with the state of Washington to coordinate data gathering on fish population and habitat information.

Board members unanimously approved allocation of \$375,000 of non-capital funds previously reserved to ODFW to be used for the Lower Columbia monitoring project.

L. Public Comment

Bruce Taylor, Defenders of Wildlife, commented on the application for the Zumwalt Prairie land acquisition, and encouraged the Board to follow land acquisition administrative rules when reviewing land acquisition applications.

M. Oregon Plan State Agency Activities Update

OWEB Board members and staff have requested each state natural resources agency that receives Measure 66 or PCSRF funds from OWEB or are major participants in the Oregon Plan for Salmon and Watersheds to provide presentations on their agency's activities under the Oregon Plan. The following state agency representatives summarized their Oregon Plan activities and were available to answer questions.

Representing the Oregon Water Resources Department

Tom Paul, Acting Deputy Director

Representing the Oregon Department of Environmental Quality

Stephanie Hallock, Director, Greg Pettit, and Greg Aldrich

N. Council-District Collaboration

John McDonald, OACD, and John Moriarty, Network of Oregon Watershed Councils, updated Board members on the collaborative effort between OWEB, ODA, SWCDs and watershed councils to promote local capacity. The process is being facilitated by Donna Silverberg to allow participants to take part in discussions. The meetings focus on the positive and have established ground rules and protocol, rules of confidentiality, and work on a consensus-based system. Both OACD and the Network are communicating with councils and districts statewide on progress being made in this collaborative effort.

A short, 30-second core message is being developed on the importance of clean water and that watershed councils and soil and water conservation districts are key components to meet the mission of the Oregon Plan. The outreach partnership team/coordinating group is developing a strategy to deliver the message on the importance of a good working relationship between districts and councils in local communities. Face-to-face contacts will be made with legislators, the Governor's Office, Congressional staff, county commissioners, districts, councils, tribes, other state agency partners, and lobbyists and interest groups. The message will emphasize what's important and identify the importance in investing in both councils and districts. Supplemental information and publications are being developed to provide additional information.

Updates on the effort will be provided at future Board meetings.

O. 2007-2009 Budget Presentation/Discussion

**This item was moved to the first day of the meeting.*

Executive Director Tom Byler briefly explained the budget process for the 2007-2009 biennium. OWEB staff are currently preparing policy packages for the 2007 legislative session. The policy packages are changes or additions to the agency's base budget, and are scheduled to be submitted to the Governor's Office and Department of Administrative Services in June. The full agency request budget is due in September.

OWEB has identified 17 policy packages as possible changes to OWEB's existing base budget funding and positions. Some seek funds, some seek authority to accept funds or restructure agency budget components, and a few do both. OWEB will continue to refine the policy packages in order to meet the June deadline for submission.

Several Board members asked for clarification on some of the policy packages, and reaffirmed their support for consistent funding for councils and districts, as well as an expressed concern about backfilling other state natural resources agency budgets. Director Byler stated that the Governor's Office has directed state natural resources agencies to move away from identifying federal funds as a funding source because of the uncertainty of those funds.

Board members supported OWEB's identified policy packages.

P. Restoration Priorities Adoption

Ken Bierly, Deputy Director, was joined by Harry Hoogesteger, South Coast Watershed Council, to present a format and approach to establishing regional priorities for restoration projects for the South Coast Basin. The priorities are intended to be used as guidance by OWEB in the review of grant applications and to help ensure a clear and strategic approach to prioritizing the funding of projects. At the March 2006 meeting, the Board adopted the priority approach for the Rogue and Willamette basins. The South Coast Basin product was completed using a similar format including a matrix for each watershed in the basin.

Board members unanimously approved the approach and content for the South Coast Basin regional restoration priorities.

Q. October 2006 Grant Cycle

**This item was moved to the first day of the meeting.*

Roger Wood, Grant Program Manager, briefed Board members on the staff recommendation to change the October grant cycle deadline for applications from October 23 to October 16. The current deadline conflicts with OWEB's Biennial Conference which is scheduled for October 25-27, 2006. Moving the deadline back one week would avoid conflict with the conference and be beneficial to staff and OWEB's regional review teams in the processing of grant applications.

Board members voted unanimously to approve adjusting the grant application deadline to October 16, 2006.

R. Other Business

Proposal for 2006 Coastal Salmon Fishing Emergency Respo0nse and Salmon Recovery Investment

Ken Bierly, Deputy Director, and Tom Shafer, North Coast Regional Program Representative, presented this item to the Board. Tom Shafer, has been assigned to work with the Governor's Office in coordinating this effort.

Due to a combination of factors causing a dramatic decline in the number of Klamath River Basin Chinook Salmon available for harvest along the coasts of Oregon and California, commercial and sport fishing along the Oregon coast has been severely restricted by NOAA Fisheries. The restrictions will have a significant negative economic and social impact to coastal

communities. On April 24, 2006, Governor Kulongoski issued Executive Order No. 06-06 declaring a state of emergency for Oregon's coastal counties impacted by the fishing restrictions. In response to the executive order, OWEB staff are developing five concepts that:

1. Create immediate opportunities to employ displaced fishers in salmon recovery-related activities;
2. Develop future employment opportunities for fishers for additional salmon recovery restoration work; and
3. Significantly expand state and local efforts to recover salmon populations on the Oregon coast.

Emergency Board action is required to obtain expenditure limitation for no more than \$3 million in Measure 66 Lottery Funds to provide funding to cover the concepts listed below.

Concept 1. Funding for Recovery Planning Outreach

Concept 2. Funding for Accelerated Development of Restoration Projects

Concept 3. Funding for Work Opportunities for Displaced Fishers to Gather Ocean Salmon Research Data

Concept 4. Funding for Work Opportunities for Displaced Fishers for Inventory and Assessment Activities

Concept 5. Funding to Implement Restoration Projects

Immediate funding (\$40,000) is requested to purchase data logger equipment and laptop computers needed to gather the data for fin collection, species, location, time, and other relevant data. This funding request supports Concept #3 which would employ displaced fishers to collect critical information and document the location, species, and DNA signature to identify the escapement and distribution of salmon stocks in the coastal ocean waters.

Board members unanimously approved the following:

1. An allocation of \$40,000 of non-capital funds to purchase equipment for salmon-related ocean research as described in the staff report.
2. Direct staff to request expenditure limitation from the Emergency Board for no more than \$3 million in Measure 66 Lottery Funds for the purposes described in the staff report.
3. Contingent upon and consistent with expenditure limitation approval from the Emergency Board, delegate to the Executive Director the authority to enter into appropriate grant and interagency agreements to distribute funds for the purposes outlined in the staff report.

Having no further business, the meeting was adjourned.

Oregon Watershed Enhancement Board

July 20, 2006

Special Board Meeting

State Lands Building

Salem, Oregon

Minutes

OWEB Members Present:

Daniel Heagerty
Skip Klarquist
Jim Nakano
Scott Reed
Patricia Smith
Diane Snyder
Mary Lou Soscia
Helen Westbrook

OWEB Staff Present:

Bonnie Ashford
Ken Bierly
Tom Byler
Melissa Leoni
Tom Shafer
Greg Sieglitz

Others Present:

Members Not Present:

Gary Briggs
Miles Brown
Bobby Brunoe
Dan Carver
Alan Christensen
Jane O'Keeffe
Michael Tehan
Dan Thorndike
Ken Williamson

A special meeting via telephone conference call was held on Thursday, July 20, 2006, at 1:00 p.m. The meeting was held to adopt temporary (emergency) administrative rules related to OWEB's effort to create work opportunities for displaced fishers.

In advance of the meeting, Director Tom Byler provided the following summary to Board members regarding the proposed rules.

Introduction

Temporary (emergency) administrative rules related to OWEB's effort to create work opportunities for displaced fishers are needed in order to provide a legal basis for exercising a preference for OWEB grants that hire displaced fishers to perform restoration and other related work. This effort is in response to the Governor's Executive Order No. 06-06 declaring a salmon season state of emergency. The emergency was declared in response to the serious economic and social impacts facing coastal communities due to significant commercial restrictions imposed on the commercial fishery this year.

The Need for Rules

In response to the emergency, OWEB approved a special expedited grant process to create work opportunities for displaced fishers while at the same time advancing and accelerating habitat restoration and recovery efforts. The emergency rules provide a legal basis for exercising a preference for OWEB grants that hire displaced fishers to perform restoration and other related work.

Background

In May 2006, Board members unanimously approved a delegation of authority to the Executive Director to enter into appropriate grant and interagency agreements to distribute funds for the purpose of funding work opportunities for displaced fishers to assist in at sea research, for project development, inventory and assessment activities, and restoration projects (contingent upon and consistent with expenditure limitation approval from the Emergency Board). The Legislative Emergency Board allocated \$2.2 million in Measure 66 Lottery Funds to allow OWEB to carry out this effort. We announced the new grant offering earlier this month and have already received applications for over \$400,000 that would potentially employ up to 19 fishers.

What the Rules Do

The proposed rules are designed to give OWEB the ability to apply specific award preferences related to the employment of displaced fishers, providing fish habitat benefits, and addressing identified watershed needs. Staff will not take formal action on the pending applications before the temporary rules are adopted. Temporary rules expire 180 days after filing. To continue to apply these award preferences, OWEB would need to adopt permanent rules in early 2007. Additional discussion about the need for additional rulemaking will begin at the September 2006 Board meeting.

Director Tom Byler and Board Co-Chair Dan Heagerty presided over the meeting.

After a brief summary of the rules, Director Byler ensured the Board that staff would check in on a regular basis on program implementation. There are funding limits for each type of grant, and no more grants will be accepted when that limit has been reached. Board members expressed concern on the eligibility requirements not being addressed in the proposed rules. Tom Shafer who has been assigned to work with the Governor's office on this emergency, stated that although the eligibility requirements are not addressed in the rules, they are stated in the grant application. The Oregon Salmon Commission is responsible for accepting and screening application forms which are open to vessel owners, operators, and crewmen, and their nuclear family members (spouse, son or daughter). This issue may be addressed if there is a need to adopt permanent administrative rules at a later date.

Board members unanimously voted to adopt the temporary rules at 695-005-0100 relating to the salmon season state of emergency.

Board Co-Chair Dan Heagerty, on behalf of Board members, appreciates the response by local watershed councils and districts, and thanked OWEB staff with a special thanks to Tom Shafer for their work.

The meeting was adjourned.



Oregon Watershed Enhancement Board

Meeting Agenda

Oregon Watershed Enhancement Board
September 19-20, 2006

The Riverhouse
South/Middle Sisters Conference Room
3075 North Business 97
Bend

**Map and directions may be found at www.riverhouse.com/web/directions/*

Tuesday, September 19, 2006

Business Meeting - 8:00 a.m.

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

A. Board Member Comments

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

B. Review and Approval of Minutes

The minutes of the May 16-17, 2006, meeting and July 20, 2006, teleconference will be presented for Board approval. *Action item.*

C. Executive Director Update

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

D. Public Comment – Restoration/Acquisition/Technical Assistance Grants

[approximately 9:00 a.m.]

This time is reserved for public comment on restoration/acquisition/technical assistance grant applications to be considered for funding by the Board. Only comments pertaining to the specific grant applications will be accepted during this time. The Board will not accept any additional written materials pertaining to pending grant proposals that were not received by agency staff by the September 11, 2006, deadline.

E. Board Consideration of Pending Restoration/Acquisition/Technical Assistance Grants

The Board will consider restoration/acquisition/technical assistance grant applications submitted by the April 24, 2006, application deadline. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

Local Partner Presentations and Tour Introduction - 1:00 p.m.

Representatives from local watershed and conservation organizations will briefly update the Board before the tour.

- The Deschutes Soil and Water Conservation District will address the Board about District programs and needs in the basin.
- The Crooked River Watershed Council, Upper Deschutes Watershed Council, and Deschutes Basin Land Trust will describe their fish restoration strategy.
- The Deschutes River Conservancy and the Deschutes Water Alliance will talk about flow restoration issues in the Upper and Middle Deschutes River and Whychus Creek.

Tour – 2:00 p.m.

OWEB will tour projects in Bend and Tumalo, including the:

- North Unit Diversion Dam to discuss water withdrawals, the new fish screen and flows in the Middle Deschutes;
- Riverbend Park to discuss the riparian/park project done collaboratively between the Upper Deschutes Watershed Council and Bend Metro Parks and Recreation District; and
- Tumalo Creek to visit the completed and construction phase of a channel stabilization project being done by the Upper Deschutes Watershed Council and the U.S. Forest Service.

Tour participants should meet in the lobby of the Riverhouse no later than 2:00 p.m. The public is invited to attend the tour; however space on OWEB-sponsored transportation may be limited to Board members, agency staff, and individuals making presentations. If you wish to join the tour, please be prepared to provide your own transportation in the event that space is unavailable on State vehicles. We plan to return to the Riverhouse by 5:00 p.m.

Informal Reception – 5:00 - 7:00 p.m.

The public is invited to join the OWEB Board and staff at a reception sponsored by William Smith Properties.

5:00 – 7:00 p.m.

"White House" (backstage building at the Les Schwab Amphitheater)
Shevlin-Hixon St, Old Mill District, Bend

Wednesday, September 20, 2006**Business Meeting - 8:00 a.m.**

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

F. Coastal Salmon Fishing Emergency Response

Ken Bierly, Deputy Director, Melissa Leoni, Senior Policy Coordinator, and Tom Shafer, North Coast Regional Program Representative, will discuss ongoing agency efforts to respond to the 2006 salmon season state of emergency. *Action item.*

G. Oregon Plan Monitoring

Greg Sieglitz, Monitoring and Reporting Program Manager, will present potential funding options for three projects related to Oregon Plan implementation. He will present requests for funding of the Oregon Department of Environmental Quality's Volunteer Water Quality Monitoring Program equipment needs and the Oregon State University Institute for Natural Resources web access to the Oregon Watershed Restoration Inventory database and Oregon Explorer enhancements. *Action item.*

H. Request to Apply for Watershed Council Support

Lori Warner-Dickason, Policy Specialist, will discuss requests from watershed councils who have previously applied for and received watershed council support funding with other councils, to apply independently for 2007-2009 Watershed Council Support. *Action item.*

I. Public Comment – Local Innovation Fund Grants [approximately 10:30 a.m.]

This time is reserved for public comment on Phase II Local Innovation Fund grant applications to be considered for funding by the Board. Only comments pertaining to the specific grant applications will be accepted during this time. The Board will not accept any additional written materials pertaining to pending grant proposals that were not received by agency staff by the September 11, 2006, deadline.

J. Board Consideration of Local Innovation Funds Grants

The Board will consider Phase II Local Innovation Fund grant applications submitted by the June 15, 2006, application deadline. Proposals, supporting materials, and funding recommendations will be discussed and acted on by the Board. *Action item.*

K. Public Comment – General [approximately 11:45 a.m.]

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

L. Recovery Planning

Ken Bierly, Deputy Director, will update Board members on statewide efforts to develop recovery plans for salmon and steelhead, and request the Board allocate reserved funds and delegate expenditure authority to the Director for future recovery planning actions. *Action item.*

M. Restoration Priorities Adoption

Ken Bierly, Deputy Director, will update Board members on the program for completion and adoption of basin restoration priorities and request adoption of the Fifteenmile and Hood Basin restoration priorities. *Action item.*

N. Council-District Collaboration Update

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

O. OWEB Conservation Easements and Stewardship

Melissa Leoni, Senior Policy Coordinator, and Lori Warner-Dickason, Policy Specialist, will discuss the use of conservation easements in OWEB's land acquisition grant program, and provide background information on the legal basis for conservation easements in Oregon. *Information item.*

P. Effectiveness Monitoring Report

Courtney Shaff, Effectiveness Monitoring Specialist, and Greg Sieglitz, Monitoring and Reporting Program Manager, will provide an update to the Board regarding OWEB's Effectiveness Monitoring Program accomplishments. Discussion will include a description of the western juniper removal evaluation, effectiveness monitoring workshop, and livestock exclusion monitoring projects and findings. *Information 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. However, public testimony must be limited on items marked with a double asterisk (**). The double asterisk means that the item has already been the subject of a formal public hearing. Further public testimony may not be taken except upon changes made to the item since the original public comment period, or upon the direct request of the Board members in order to obtain additional information or to address changes made to proposed rules following a public hearing.

A public comment period for restoration/acquisition/technical assistance grant applications will be held on Tuesday, September 19 at 9:00 a.m. A public comment period for Phase II Local Innovation Fund grant applications will be held on Wednesday, September 20 at 10:30 a.m. The Board will not accept any additional written materials pertaining to pending grant proposals at those times. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to no more than five minutes.***

A general public comment period will be held on Wednesday, September 20 at 11:45 a.m. for any comment before the Board. Comments relating to a specific agenda item may be heard by the Board as each agenda item is considered. People wishing to speak to the Board are asked to fill out a comment request sheet (available at the information table). ***The Board encourages persons to limit comments to no more than five minutes.***

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

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

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

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

Oregon Watershed Enhancement Board Membership

Voting Members

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

Non-voting Members

Representative of Director of Oregon State University Extension Service: **Scott Reed**
Representative of U.S. Forest Service: **Alan Christensen**
Representative of U.S. BLM: **Miles Brown**
Representative of U.S. NRCS: **Gary Briggs**
Representative of U.S. EPA: **Dave Powers/Mary Lou Soscia**
Representative of NMFS: **Michael Tehan**

Contact Information

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

OWEB Executive Director - Tom Byler

tom.byler@state.or.us

OWEB Assistant to Executive Director and Board - Bonnie Ashford

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

2006-2007 Board Meeting Schedule

2006	2007
January 24-25, 2006 – Otter Rock	January 24-25, 2007 – To be determined
March 15-16, 2006 – Roseburg	March 14-15, 2006 – Hillsboro
May 16-17, 2006 – Oregon City	May 15-16, 2007 – Salem
September 19-20, 2006 – Bend	September 18-19, 2007 – La Grande

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

September 19-20, 2006 OWEB Board Meeting **Executive Director Update #C1: 2006 Biennial Conference**

Background

The OWEB Biennial Conference is Oregon's largest gathering of practitioners of watershed restoration and enhancement. The 9th Biennial Conference will be held October 25-27, 2006, at the Seaside Convention Center in Seaside, Oregon. The conference theme is:

Communities Working for Healthy Watersheds
Celebrating Oregon Plan Accomplishments & Looking Ahead

Conference Planning Update

The following activities have occurred since the May 2006 Board meeting:

- A "Save the Date" postcard providing information on the conference date, time and location was mailed to over 3,000 individuals.
- The Conference Planning Team developed a conference agenda and conference session descriptions. Speakers for the conference sessions are currently being contacted.
- Michael Bogert, Counselor to Secretary Dirk Kempthorne, U.S. Department of the Interior, has agreed to be the keynote speaker for the conference opening general session.
- Michael Shellenberger, a co-author of the essay "The Death of Environmentalism," has agreed to be the conference banquet speaker.
- A registration brochure with a conference schedule and conference session descriptions was mailed to over 3,000 individuals in late August-early September.

Fundraising

OWEB contacted potential conference sponsors in late June to secure financial support for the conference. Contributions from sponsors help reduce conference registration fees and keep conference costs reasonable for our local partners. To date, over \$35,000 has been raised in support of the conference. We appreciate the assistance Board members provided in identifying and helping to solicit sponsors.

Staff Request

Each Board member will receive a conference registration brochure in late August or early September. Please coordinate with Bonnie Ashford (bonnie.ashford@state.or.us or 503-986-0181) if you are interested in attending the conference.

If you have questions or need additional information about the 2006 Biennial Conference, please contact Gail McEwen, 2006 Biennial Conference Coordinator, at gail.mcewen@state.or.us or 503-986-0026.

September 19-20, 2006 OWEB Board Meeting Executive Director Update #C2: 2005-2007 Biennial Report

Background

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

2005-2007 Biennial Report

OWEB staff are working with OWEB's Oregon Plan partners to collect project and condition data, voluntary restoration information, and agency program accomplishments. To date, the following tasks are complete:

- Staff completed the 2005 Oregon Watershed Restoration Inventory (OWRI) data entry and analysis, and collected data from the Grande Ronde Model Watershed Council, Bureau of Land Management, U.S. Forest Service, Oregon Water Resources Department, and Oregon land trusts on completed and reported restoration and protection projects from 2004 and 2005;
- Staff worked with state agencies to collect program and accomplishment information by basin and statewide;
- Staff worked with Oregon Plan partners to collect stories and photos about projects completed in 2004 and 2005. The report will include 45 stories (three per basin); 34 stories have been written by Jessica Campbell, OWEB's summer intern; and
- Staff reviewed and updated text for numerous sections of the report.

Between now and the Board meeting, staff will be working on the following tasks:

- Contacting additional partners and preparing the remaining project stories;
- Drafting and soliciting review of text for the new report sections;
- Organizing and editing state agency accomplishment information; and
- Working with InfoGraphics at the University of Oregon, and John Ame, graphic designer, to begin building the report maps, graphics, and page layouts.

Staff hope to have at least one set of the basin project and accomplishment pages available for Board review at the September 2006 meeting.

Board Recommendations

Board observations and recommendations will be developed between the September meeting and early October 2006. At the May 2006 meeting, Board co-chairs Dan Heagerty and Jane O'Keefe volunteered to work with staff to develop this section of the report.

Staff Contact

Board members may contact Melissa Leoni, Senior Policy Coordinator, at melissa.leoni@state.or.us or 503-986-0179 for more information about the report, or they are if interested in assisting the co-chairs in the development of the Board's observations and recommendations.

September 19-20, 2006 OWEB Board Meeting Executive Director Update #C3: Agency Request Budget Update

Background

Oregon agencies are budgeted on a biennial basis. Submissions are structured so that each agency's existing (or "base") budget is recalibrated and submitted without the need for specific policy description or justification. Additions to the base budget are identified separately with full policy narratives and justification of funds requested. The requested additions to an agency's base budget are called "Policy Packages." Last May, staff presented a list of Policy Packages to the Board for inclusion in OWEB's submission of its Agency Request Budget for 2007-2009. The Agency Request Budget contains an agency's base budget and desired additional budget needs to carry out its programs.

At the time of writing this report, OWEB's Agency Request Budget was being finalized for submission to the Governor and the Department of Administrative Services. As a next step, the Governor's Office develops the Governor's Recommended Budget for submission to the Legislature in December, just before the session begins. The Governor's Recommended Budget includes a selection of agency Policy Packages that reflect the Governor's priority programs and initiatives. It is the Governor's Recommended Budget, not the Agency Request Budget, which is the beginning point for 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.

OWEB Policy Packages

Staff have grouped the proposed packages presented to the Board in May 2006 into nine policy packages. They are listed below in priority ranking. It's important to note that OWEB's budget has been built on the assumption that no new federal Pacific Coastal Salmon Recovery Fund (PSCRF) funds will be awarded to OWEB. A spreadsheet detailing OWEB's Agency Request Budget numbers is contained in Attachment A.

1. **Program Continuity** – Package 110, \$980,197, 5.00 FTE. This package requests the continuation of five limited duration positions from the 2005-2007 biennium and full funding for OWEB's current office space in Salem. The positions are:
 - Grant Program Manager (PEM E permanent)
 - Office Specialist 2 (limited duration)
 - Accountant 1 (limited duration)
 - PCSRF reporting specialist (NRS 2 limited duration)
 - Business Application Specialist (ISS7 limited duration)
2. **Carryforward for Committed Grants** – Package 115, \$1,000,000. In the 2005-2007 biennium OWEB approved non-capital grants funded from M66 Operations that expire in June 2007. This \$1,000,000 is an estimate of the balance of grants committed, but not yet spent, from this fund as of June 30, 2007.
3. **Program Reorganization** – Package 120, (\$8,195). This package would make permanent agency organizational changes made by the director earlier in the biennium.

4. **Watershed Council Support** – Package 130, \$1,941,121. In combination with existing base budget levels, this package brings the total funding for Watershed Council Support to \$6,000,000.
5. **Capital Grants** – Package 200, \$49,895,703. This package supports the agency’s restoration and acquisition grants.
6. **Non Capital Grants** – Package 140, \$8,401,950. This package requests funds to support technical assistance, monitoring, watershed assessment, and education grants that support and compliment capital fund restoration grants. When combined with base budget funds, this package brings the total non-capital grant funds to \$10,000,000.
7. **Program Enhancements** – Package 150, \$633,240, 4.00 FTE. This package requests four new positions to advance our mission and additional responsibilities. The positions are:
 - Oregon Plan Communications Coordinator (Public Affairs Specialist 2 limited duration)
 - Regional Program Representative (NRS4 permanent)
 - Technical Assistance Coordinator (NRS4 limited duration)
 - Data Analyst (NRS3 limited duration)
8. **Research Grants** – Package 300, \$7,449,188. OWEB is requesting expenditure authority to fund a research grant program for both operating and capital research funds.
9. **Independent Multidisciplinary Science Team** – Package 160, \$268,603. This brings the total funding for the IMST to \$902,256.

Staff Contact

Contact Tom Byler at tom.byler@state.or.us or 503-986-0180, or Cindy Kraai at cindy.kraai@state.or.us or 503-986-0188, with questions about the Agency Request Budget.

OWEB AGENCY REQUEST BUDGET**Grant Program:**

Capital Grants	49,895,703	
Watershed Council Support		
Essential Budget Level	4,058,879	
Policy Package 130	1,941,121	
	<u>6,000,000</u>	
Non-Capital Grants:		
Essential Budget Level	1,598,050	
Policy Package 140	8,401,950	
	<u>10,000,000</u>	
Research & Development		
Policy Package 300-Op's	2,141,327	
Policy Package 300-Cap	5,307,861	
	<u>7,449,188</u>	
Other Funded Grants		
Essential Budget Level	1,567,410	
Policy Package 070	(88,550)	
	<u>1,478,860</u>	
IMST:		
Essential Budget Level	633,653	
Policy Package 160	268,603	
	<u>902,256</u>	
LCREP Essential Budget Level	314,249	
Carryforward for Grants	16,700,000	
GRANT PROGRAM ARB	92,740,256	
Agency Operations:		FTE
Essential Budget Level	4,628,740	21.00
Program Continuity Pkg 110	980,197	5.00
Program Reorganization Pkg 120	(8,195)	
Program Enhancement Pkg 150	633,240	4.00
AGENCY OPERATIONS ARB	6,233,982	30.00
OWEB AGENCY REQUEST BUDGET	98,974,238	30.00

September 19-20, 2006 OWEB Board Meeting Executive Director Update #C4: Customer Service Survey

Background

A requirement of the Oregon Progress Board and from the Oregon Legislature to all agencies this biennium is the inclusion of a systematic and common means to evaluate the level of customer service provided by each agency. Performance measures and the metrics associated with evaluating each measure will be included in each of the agencies Annual Performance Progress Report and in the 2007-2009 Agency Request Budget. OWEB recently completed the evaluation of results from a survey sent to 50 of the agency's grant recipients that received funds during the 2005-2007 biennium.

Results from Customer Service Survey

OWEB received responses from approximately half of the survey recipients that met the intent and guidance provided by the Oregon Progress Board. Following is an accounting of the questions asked of recipients and the results.

1. How do you rate the timeliness of the services provided by OWEB?
- **97%** Good and Excellent rating
2. How do you rate the ability of OWEB to provide services correctly the first time?
- **91%** Good and Excellent rating
3. How do you rate the helpfulness of OWEB employees?
- **91%** Good and Excellent rating
4. How do you rate the knowledge and expertise of OWEB employees?
- **100%** Good and Excellent rating
5. How do you rate the availability of information at OWEB?
- **100%** Good and Excellent rating
6. How do you rate the overall quality of service provided by OWEB?
- **97%** Good and Excellent rating

Overall customer service was uniformly ranked in the good and excellent range for all measures. In all cases the targets have been met. Board members and staff should be proud of the high marks received. Please see the attached for a graphical depiction of the results. (Attachment A)

Staff Contact

Contact Greg Sieglitz at greg.sieglitz@state.or.us or 503-986-0194 with questions about OWEB's customer service survey or agency performance measures.

KPMs # 12	CUSTOMER SERVICE : Percent of customers rating their satisfaction with the agency’s customer service as “good” or “excellent”: overall, timeliness, accuracy, helpfulness, expertise, availability of information	Measure since: 2006
Goal	Effective and accountable investment in watershed health	
Oregon Context	No. & SHORT TITLE of Oregon Benchmark(s) or other high-level outcome measure(s) to which this measure aligns.	
Data source	Survey of grant recipients	
Owner	Monitoring and Reporting, Greg Sieglitz, 503-986-0194	

1. **OUR STRATEGY**

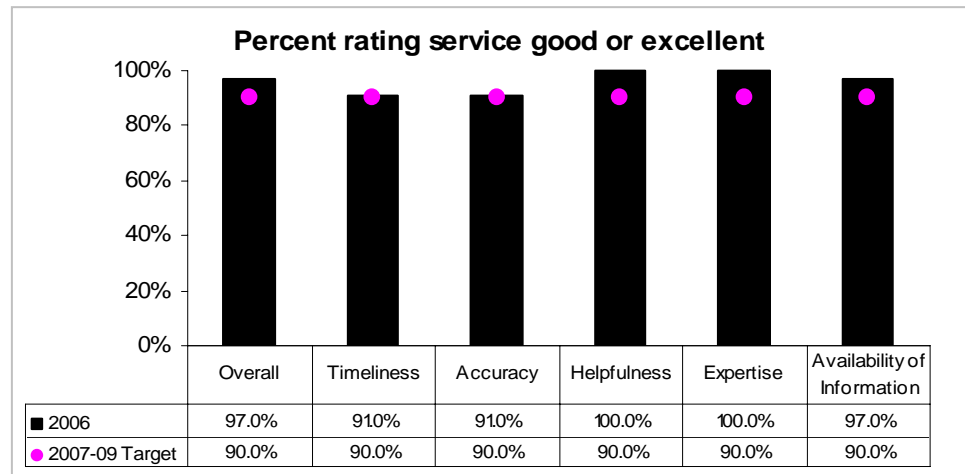
Summarize your agency’s strategy for this goal and performance measure. List any governmental or non-governmental partners.

2. **ABOUT THE TARGETS**

Explain the rationale for the targets and clarify which direction is desired.

3. **HOW WE ARE DOING**

Insert an objective, stand-alone summary of agency progress on this measure, referring wherever possible to recent data and the trend. Hypothetical example: “In 2006, availability of information was the lowest scoring customer service criteria, with 62% of respondents rating it good or excellent. Expertise was most highly rated, at 85%. 2007-09 targets were established using 2006 data as a baseline.” If possible, include a comparative analysis that will help readers understand how well your agency is doing on this measure in relationship to something outside of itself. Comparisons, for example, could be made to an industry standard or to competitors, neighbors or other similar jurisdictions.



4. **FACTORS AFFECTING RESULTS**

Explain any factors affecting results, such as barriers and facilitators. This is an opportunity to explain the “why” behind the statements in #3 and #4, above.

5. **WHAT NEEDS TO BE DONE**

What needs to be done in response to this data?

6. **ABOUT OUR CUSTOMER SERVICE SURVEY**

Please provide the following specific information: a) survey name: OWEB Customer Satisfaction Survey; b) surveyor: OWEB; b) date conducted: June 5 through July 21, 2006; c) population: OWEB competitive grant recipients; d) sampling frame: OWEB awardees granted within the 2005-2007 biennium; e) sampling procedure: Systematic; f) sampling characteristics: Population=146; Sample=66; Responses=34; Response Rate 51%; g) weighting: no weighting required.

September 19-20, 2006 OWEB Board Meeting Executive Director Update #C5: Database Update

Background

In February 2005, OWEB began the process to replace its Grants Administration database. The old database was in a version of Microsoft Access that is no longer supported and does not have any security. Staff decided to approach the conversion in several phases. Phase 1 involved the migration of the old fiscal database to a new improved database. Phase 2 will be the conversion and integration of the Watershed Restoration Inventory Database into the new database; Phase 3 will be the development of online applications for grantees; and Phase 4 will be the addition of a monitoring module. It is anticipated that the new database will continue to be modified as technology grows and staff can automate processes.

OWEB Grant Management System (OGMS)

In June 2005, data was migrated nightly to a temporary database that could be accessed by staff via the Internet. Work was still underway to continue refining the new database and make more data accessible to staff. In October 2005, OWEB hired a limited duration business application support specialist to get us up and running on the new database named the OWEB Grant Management System, or OGMS. Staff continued to run parallel systems until April 17, 2006, when we officially migrated to OGMS. Throughout this time, staff were able to access data via the Internet and no longer depended on a few key fiscal staff to provide grant administration information. Refinements are still occurring. On June 15, 2006, OWEB sent an email to all watershed councils and soil and water conservation districts notifying them that OGMS was now available for their use. To date we have had excellent feedback from those grantees using OGMS who appreciate the system because they can track payments, grant balances, outstanding grant reports, and project end dates. If you would like to access the service visit: <http://apps2.wrd.state.or.us/apps/oweb/fiscal/login.aspx>. The user identification is “grantee” and the password is “OWEB.” Reference materials about how to use the system are available once you’ve logged in.

Oregon Watershed Restoration Inventory (OWRI) Database Conversion, Phase 2

The second phase of the OWEB database project involves the conversion of the OWRI from Microsoft Access to a Structured Query Language (SQL) Server and to combine the inventory with the OGMS database. Work began in July 2006 to structure the fields and tables within the current database structure to a form that would be accepted and readable by the SQL Server software. Particular consideration will be given to retaining the capability to report and provide data to constituents in a non-SQL server format since many of our end users will not have the capacity to receive or interpret data in that format. Testing and query building will occur during the summer months simultaneous with the transfer of data from the old database to the new version. This fall has been chosen as the target for testing the new system when reporting to NOAA Fisheries on the annual expenditure of Pacific Coastal Salmon Recovery Fund investments. OWEB’s constituents will benefit by being able to access and query restoration data online. A future benefit will be the ability for restoration projects to be reported online.

Staff Contact

Contact Cindy Kraai at cindy.kraai@state.or.us or 503-986-0188, or Greg Sieglitz at greg.sieglitz@state.or.us or 503-986-0194 with questions about OWEB’s databases.

September 19-20, 2006 OWEB Board Meeting Executive Director Update #C6: CREP Update

Background

Since 1999, OWEB has been the funding partner with the Farm Services Agency for the Oregon Conservation Reserve Enhancement Program (CREP). The program is a U.S. Department of Agriculture (USDA) program that is intended to provide cost share for the establishment of riparian buffers in agricultural lands. An offspring of the Conservation Reserve Program (CRP), CREP is a voluntary program for agricultural landowners. This unique state and federal partnership allows landowners to receive incentive payments from the Farm Services Agency for installing specific conservation practices. Through the CREP, farmers can receive annual rental payments and cost-share assistance to establish long-term, riparian buffers covers on eligible land. The Oregon CREP was initially developed to address listed salmon streams. In an amendment in 2003, the program was modified to assist in addressing stream water quality issues (primarily temperature). The program uses state funding for partial payment (25 percent) of all conservation activities (fencing, off-stream watering, site preparation, plant materials, planting, etc.).

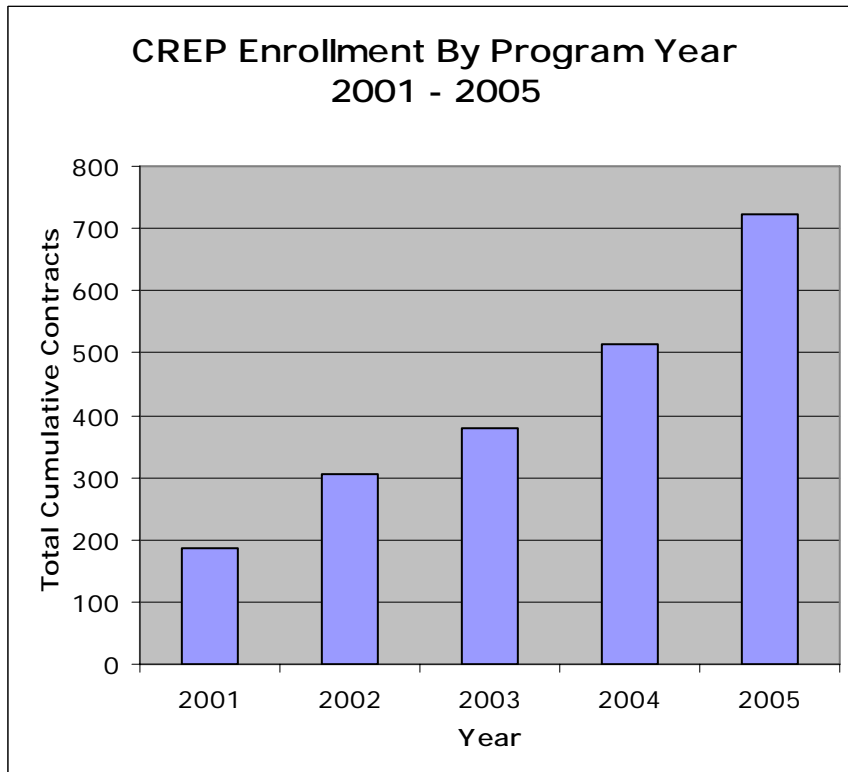
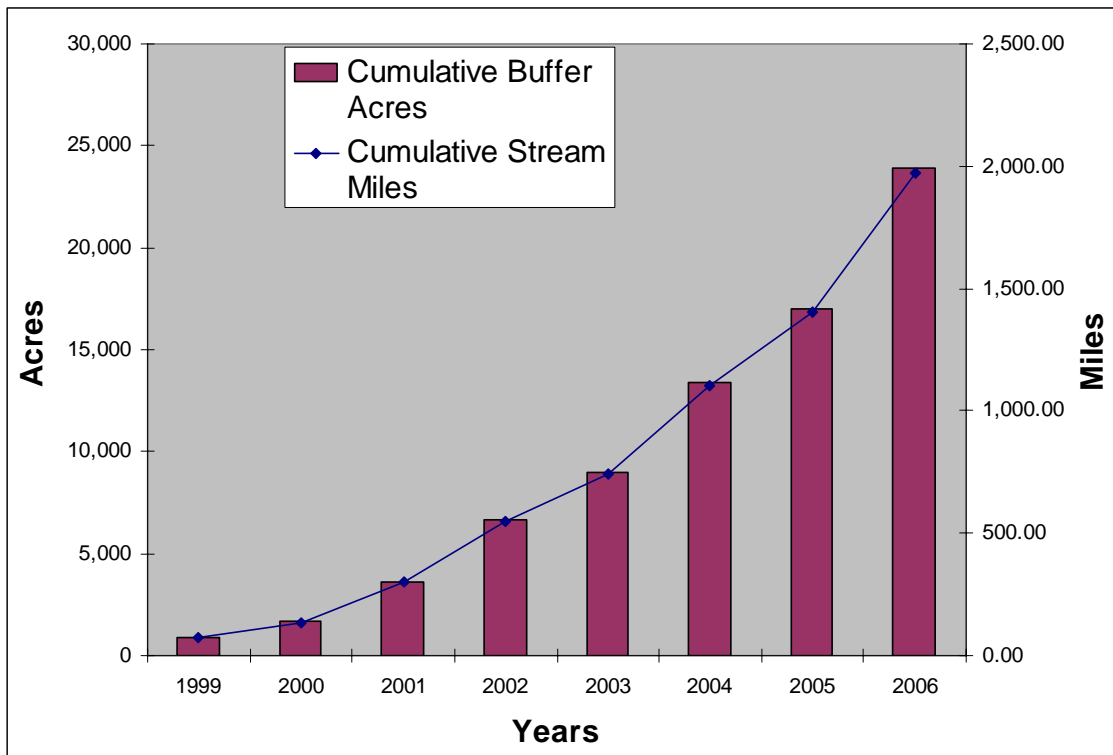
In 1998, Governor Kitzhaber signed a memorandum of agreement with the Secretary of Agriculture to implement the program. The agreement requires Oregon to pay for 20% of the overall program costs. In addition to direct landowner payments for conservation activities, OWEB has participated in providing funding for outreach and technical assistance and program coordination. The Oregon Department of Agriculture and Oregon Department of Forestry have also assisted in CREP implementation and coordination.

The program received a biological opinion from the National Marine Fisheries Service and U.S. Fish and Wildlife Service in 1999. The biological opinion requires OWEB to monitor the program and report on the effects of the program.

Oregon CREP Implementation

The Oregon CREP was relatively slow to be fully considered in the state. The primary reason for the relatively slow diffusion of the CREP program in Oregon is that Oregon agriculture is quite diverse and few producers are dependent on Farm Services Agency programs. In 2001, OWEB contracted with Oregon Department of Agriculture and Oregon Association of Conservation Districts to review the program and evaluate the barriers to broader implementation. The report identified the need for technical assistance as a significant barrier to implementation. Additionally, the review identified opportunities to expand the program by changing the focus from salmon protection to water quality protection. These recommendations were used to negotiate an amendment to the agreement with the USDA. The following graphics show the increasing enrollments in the program. The first graphic shows the cumulative stream miles enrolled in the CREP program. Through this year there have been nearly 2,000 miles of stream enrolled.

The second graphic showing annual enrollment indicates the nature of information dispersal through rural communities. Program growth increases in time as more people become familiar with the program and have the opportunity to talk to their neighbors. The figures also indicate continued rapid growth in riparian restoration in agricultural lands.



Staff Contact

Contact Ken Bierly at ken.bierly@state.or.us or 503-986-0182 with questions about the Oregon CREP.

September 1, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations
Overview
September 19-20, 2006 OWEB Board Meeting**

I. Introduction

This staff report describes the process for evaluation of the capital and non-capital grant applications submitted by the April 24, 2006, deadline. The report also includes budget considerations and the summary funding recommendations.

II. Background and Summary

One hundred thirty-eight grant applications seeking a total of \$19,119,992 were received by the April 24, 2006, deadline. The breakdown by region, project type, and dollar amount is shown on the attached table. (Attachment A)

Restoration or Acquisition applications – *capital* grants – were solicited in this funding cycle, as were Technical Assistance applications that use *non-capital* funds. Other *non-capital* application types – those for Assessment, Monitoring, Education and Outreach, for example – were not invited or accepted this time. After being screened for eligibility and completeness, the applications were sent to the five Regional Review Teams (RRTs) which reviewed them for merit and made prioritized funding recommendations to OWEB staff. OWEB staff considered present and future funding availabilities, and special needs and circumstances in balancing and integrating the separate RRT recommendations into this staff funding recommendation to the Board. A map showing the location of the projects recommended for funding by the RRTs and by OWEB staff is attached. (Attachment B)

Following this overview are staff reports containing the OWEB staff funding recommendations for Regions 1-5.

III. Review Process

The application reviews in this cycle followed OWEB's usual process. The RRTs were sent packets of eligible grant proposals to read and consider. OWEB staff in all regions then scheduled visits to as many sites as possible, emphasizing new applications, acquisitions, and the more complicated or less routine projects. All RRT members were invited on these visits and some members were able to participate at each site. In their RRT meetings, reviewers were

asked to determine the technical merits of each proposal and, with the exception of acquisition projects (since additional staff reviews are required), whether to recommend each project for funding. After classifying projects as “fund” or “no fund,” the RRTs were then asked to prioritize the projects recommended for funding. The RRT recommendations are included in each applicable regional staff report in this agenda item. Any applications recommended for funding at a reduced amount and/or with special conditions are so identified in the tables attached to each regional staff report.

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

III. Acquisition Projects

Three new land acquisition applications were reviewed during this grant cycle. Others, funded or deferred from previous cycles, may be discussed with the Board at this meeting.

Under the administrative rules adopted by the Board in September 2004, acquisition projects undergo a multifaceted review. First, applications are reviewed by a Board Acquisition Subcommittee consisting of at least one non-voting and two voting Board members. The Subcommittee recommends whether staff should proceed with a due diligence review or whether the application be denied and no due diligence review of the application occur. Simultaneously, applications are reviewed by the RRTs for ecological and educational values. The Subcommittee may ask for additional information from the applicant or may ask that specific questions be addressed by the RRT.

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

After a due diligence review of a proposed land acquisition project is complete, the Subcommittee synthesizes the proposed project’s ecological and educational benefits, applicant capacity, partnerships, local support, local and regional community effects, RRT evaluation, and due diligence results into a funding recommendation to OWEB staff.

Finally, staff consider all evaluation criteria, the Subcommittee’s recommendation, and available funding resources to develop a funding recommendation to the full Board. The staff funding recommendations, based on this process, are then summarized in a separate acquisition section in the appropriate regional staff report for Board review.

Of the applications submitted in April 2006, two have been withdrawn by the applicant and one is recommended for deferral. One acquisition project submitted in October 2005 and previously deferred by the Board is recommended for funding at this time.

IV. Budget Considerations

Capital Funds. As usual, and per the Board's expressed preference, staff have established a *capital* funding target for this grant cycle by dividing the amount of *capital* funds anticipated to be available in the 2005-2007 biennium by the number of grant cycles expected in this biennium. At the beginning of the biennium the Board tentatively earmarked \$7.5 million for *capital* projects in each of the four regular grant cycles, including this April 2006 to September 2006 cycle. The Board also elected to reserve an additional \$7.5 million for significant projects and unique partnerships. As a result of the Board awards for the April and October 2005 grant cycles, Board awards to other partnerships, and staff recapture of unspent funds from previous grant awards, OWEB finds itself with approximately \$19,448,000 in *capital* funds available as of July 26, 2006. More recapture is anticipated for the remaining nine months of the biennium, suggesting that more than half of the present *capital* funds may be allocated in this grant cycle.

Typically included in any grant cycle's fund availability estimate are Salmon License Plate revenues, which OWEB uses to address road-related fish passage, habitat, and water quality issues. Approximately \$71,000 had accrued in this fund as of July 26, 2006. However, this staff report recommends **no allocation** of Salmon License Plate money in this grant cycle because it is not needed to address the list of "do-fund" projects and the use of small amounts of this money in conjunction with the Lottery funds would complicate OWEB's and the grantees' bookkeeping. The Salmon Plate money will be utilized in future OWEB grant cycles when it has accrued a larger sum.

Therefore, staff propose a nominal *capital* expenditure target for Restoration and Acquisition grants in this cycle of \$10 million.

Non-Capital Funds. Per the advice of legal counsel, OWEB now uses *non-capital* money to fund the Education and Outreach elements of Restoration projects. These *non-capital* costs have their own columns and totals in the reports and tables for the individual regions.

The Board tentatively earmarked \$500,000 for Technical Assistance (TA) in this grant cycle from the 2006 Pacific Coastal Salmon Recovery Funds in March 2006. Due to the recapture of unspent funds, OWEB has \$550,000 in *non-capital* funds that can be used at this time. Because the Technical Assistance grants are so important in "priming the pump" for good restoration project applications, staff recommend investing as much as possible in TA this cycle.

Therefore, staff propose a nominal *non-capital* expenditure target for Technical Assistance grants and the education and outreach elements of Restoration grants in this cycle of \$550,000.

V. Point of Interest: The Role of Big-Ticket Projects

A higher and higher percentage of OWEB's grant funds are being awarded to a smaller and smaller number of relatively expensive projects. To understand this point, ignoring the fact that a couple of expensive projects may be funded over multiple cycles and the amounts in the tables have been reduced by staff, if staff recommend the full amount for projects highlighted in the accompanying tables it would total \$11,026,441 in awards for 53 *capital* (Restoration and Acquisition) projects. About 58 percent of that total, or \$6,414,081, is earmarked for six projects (the Deer Creek Acquisition, two dam removal projects in Region 3, two pipeline projects in

Region 4, and the Willow Creek project in Region 5). The other 47 projects share the remaining 42 percent of the recommended total. Another seven of *those* 47 projects are awards of between \$208,000 and \$386,000, with that seven-project total being \$1,974,344. Therefore the most expensive 13 projects (out of 53 total) are recommended to receive \$8,388,425, or about 76 percent of the total, while 40 projects split the remaining \$2,638,016, receiving on average about \$65,950 each.

These statistics are neither good nor bad in and of themselves, but do underscore the new era OWEB has entered, in which more large-scale or big-ticket proposals are vying for the available resources. The challenge will be balancing support for smaller, shorter-term opportunities with support for larger, longer-term projects, while also making award decisions that assure the larger projects that they will receive the out-year funding they need to succeed or, in some cases, to get started.

Staff has addressed the issue in this cycle by recommending that the Board approve the two biggest ticket projects (207-107 and 207-138) with the condition that only part of the funding is awarded at this meeting, with the remaining project funds being awarded at the September 2007 meeting. This recognizes the fact that most large, expensive projects cannot be fully implemented in a biennium anyway and thus can afford to wait until the next biennium’s funding becomes available for the remaining funds to be awarded. This approach assures that each OWEB grant cycle is sufficiently funded to allow for the opportunistic funding of a number of projects in all five regions. It also will require that OWEB staff carefully track the out-year commitments made by the Board to ensure accurate calculations of available grant resources.

VI. Summary of Funding Recommendation

Staff recommend that the Board award funding for the projects indicated in each of the following five regional reports. “Do Fund” projects are indicated on the tables by shading.

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

- **Restoration Projects, *Capital* Portion** **\$ 9,126,441**
- **Acquisition Projects** **\$ 500,000**

TOTAL *Capital* Staff Recommendation this cycle: **\$ 9,626,441**

- **Technical Assistance Projects** **\$ 529,279**
- **Restoration Projects, *Non-Capital* Portion** **\$ 17,910**

TOTAL *Non-Capital* Staff Recommendation this cycle: **\$ 547,189**

This *capital* recommendation is \$373,559 *below* the nominal *capital* expenditure target for this grant cycle. We also note that a separate staff report (Item J) recommends awarding an additional \$218,220 in *capital* funds to Local Innovation Fund (LIF) projects, and Item F recommends allocating an additional \$500,000 to the 2006 Salmon Season Grants program. This would bring the grand total of *capital* awards to \$344,661 above the nominal funding target.

However, as this staff report goes to press we anticipate that the actual “do fund” recommendation will be reduced by at least \$80,000 due to funding of certain projects by other sources. This funding recommendation ensures that the original reserve of \$7.5 million in *capital* funds will be available for the final regular grant cycle in this biennium (the October 2006 to March 2007 cycle).

This *non-capital* recommendation is \$2,811 below the nominal *non-capital* expenditure target for this grant cycle. We also note that a separate staff report (Item J) recommends awarding an additional \$8,200 in *non-capital* funds to Local Innovation Fund (LIF) projects resulting in a total of 5,389 above the nominal *non-capital* funding target. Staff believe this is a modest and affordable overrun that is warranted by the quality of the projects recommended.

Attachments

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

Oregon Watershed Enhancement Board

Types of Applications Received April 24, 2006

	Technical Assistance	Acquisition	Restoration	Totals
Region 1	8	0	6	14
Region 2	10	0	24	34
Region 3	12	2	19	33
Region 4	6	0	21	27
Region 5	5	1	24	30
Totals	41	3	94	138

Dollar Amounts Requested by Application Type

	Technical Assistance	Acquisition	Restoration	Totals
Region 1	\$171,511	-0-	\$271,258	\$442,769
Region 2	\$263,957	-0-	\$2,550,480	\$2,814,437
Region 3	\$532,670	\$856,500	\$4,006,310	\$5,395,480
Region 4	\$217,225	-0-	\$4,376,267	\$4,593,492
Region 5	\$103,255	\$1,200,000	\$4,570,559	\$5,873,814
Statewide				
Totals	\$1,288,618	\$2,056,500	\$15,774,874	\$19,119,992

TA Projects #207-001 Through 207-041

Acq/Res Projects #207-042 Through 207-138

Restoration/Acquisition Projects Recommended for Funding September 2006



August 31, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations
Region 1, North Coast
September 19-20, 2006 OWEB Board Meeting**

I. Introduction

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

II. Background

The table attached to the Overview report contains the numbers and types of applications received and of dollar amounts requested. The North Coast Regional Review Team (RRT) met at the new Rockaway Beach Civic Center on July 6, 2006, to review the applications received in this grant cycle. All applications were reviewed for technical merit and a fund/no fund recommendation was made by the RRT. The RRT then prioritized the applications recommended for funding.

III. Regional Review Team Recommendations

The Region 1 RRT recommended five restoration projects totaling \$231,672 for funding. Special conditions were suggested for one of the projects recommended for funding.

The RRT recommended seven technical assistance projects totaling \$121,308 for funding. Special conditions were suggested for two of the projects, one was reduced in amount, and one was increased in amount.

IV. Special Issues

At the time of preparing this report, staff learned that the Green River Large Wood Placement project (207-047) is about to be granted \$30,000 by the U.S. Forest Service Whole Watershed Restoration Partnership program, which was funded by the Board in May 2006. The Restoration table in Attachment A shows the original amount requested of OWEB, but staff will recommend \$30,000 less (\$18,190) if the other grant is awarded.

V. Deferred Acquisitions

Two land acquisition grant applications that have previously been deferred by the Board are updated in this staff report.

A. Tenmile Creek Corridor Easement Project (z206-058)

The McKenzie River Trust submitted an application in April 2005 requesting \$900,000 from OWEB to assist in the purchase of conservation easements on 318 acres in three parcels located in the Tenmile Creek Watershed. The application was deferred for consideration by the Board in September 2005, January 2006, March 2006 and May 2006, pending receipt and review of due diligence materials. At the time of writing this staff report, most of the due diligence materials have been reviewed and approved, but there are unresolved issues related to reserved rights in the conservation easements and the value of the easement on two of the parcels. Staff and the Board Acquisition Subcommittee are interested in recommending funding for this project at the January 2007 Board meeting provided these issues are resolved before December 1, 2006. At this time staff and the Board Subcommittee recommend the Board continue to defer consideration of this application for funding until the remaining due diligence issues are resolved.

B. Svenson Island (z206-259)

The grant application was submitted on October 24, 2005, by the Columbia Land Trust and requests \$120,000 toward acquisition of 253 acres of diked island habitat within the Columbia River Estuary. The Board deferred consideration of this application pending review of due diligence materials at the March 2006 and May 2006 Board meetings. Due diligence materials have not been received, therefore staff recommend the Board continue to defer consideration of this application.

VI. Staff Recommendations for Project Funding

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

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

Attachments

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

Region 1 – North Coast
Restoration Projects Recommended for Funding by the RRT
April 24, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
207-047	Green River Large Wood Placement & Effectiveness Monitoring		48,190	48,190	1
207-045	God's Valley LWD IV		24,737	24,737	2
207-046	Starr Creek Fish Passage**		52,974	52,974	3
207-042	Walker Creek Culverts Replacement		65,821	65,821	4
207-043	Netarts Oyster Restoration		39,950	39,950	5
Total Restoration Projects Recommended for Funding to Staff by the RRT		\$0	\$231,672	\$231,672	
Total Restoration Projects Recommended for Funding by Staff to the Board		\$0	\$231,672	\$231,672	

** Fund with Conditions

Region 1 – North Coast
Technical Assistance Projects Recommended for Funding by the RRT
April 24, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-003	Elk Creek Phase II – Fish Passage Design and Planning □	23,000	1
207-001	Implementation Planning for Priority Stream Restoration Areas	12,133	2
207-005	Munson Creek Fish Passage Engineering and Restoration Planning	5,567	3
207-006	Upper Nehalem Riparian Restoration/Landowner Recruitment **	7,200	4
207-004	Nature Conservancy Conservation Action Plan – Salmon River Watershed	26,353	5
207-002	Limiting Factor Analysis – Knowles, Five Mile & Smith Creek basins *	30,000	6
207-007	North Fork Siuslaw Landowner Outreach **	17,055	7
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		121,308	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		104,253	

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

**Region 1 – North Coast
Acquisition Projects Receiving a Positive Rating for Ecological Merit by the RRT
and Recommended for Deferral by OWEB Staff**

Project #	Project Name	Amount
z206-058	Tenmile Cr Corridor Easement (4-25-05 Grant Cycle)	900,000
z206-259	Svenson Island Conservation (10-24-05 Grant Cycle)	120,000
Total Acquisition Projects Recommended for Deferral by Staff to the Board		\$1,020,000

**Region 1 – North Coast
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
April 24, 2006 Grant Cycle**

Project #	Project Name	Amount Requested
207-044	Horn Restoration	39,586

**Region 1 – North Coast
Technical Assistance Projects Not Recommended for Funding by the RRT and OWEB Staff
April 24, 2006 Grant Cycle**

Project #	Project Name	Amount Requested
207-008	Landowner Recruitment to Implement Practices Improving Water Quality and Watershed Health	49,959

August 31, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

SUBJECT: **Agenda Item E: OWEB Grant Award Recommendations
Region 2, Southwest Oregon
September 19-20, 2006 OWEB Board Meeting**

I. Introduction

This staff report describes the Southwest Oregon Regional Review Team recommendations, land acquisition grant applications, and staff recommendations for funding.

II. Background

The table attached to the Overview report contains the numbers and types of applications received and of dollar amounts requested. The Southwest Oregon Regional Review Team (RRT) met at the ODFW Regional offices in Roseburg on July 18, 2006, to review the applications received in this grant cycle. All applications were reviewed for technical merit and a fund/no fund recommendation was made by the RRT. The RRT then prioritized the applications recommended for funding.

III. Regional Review Team Recommendations

The Region 2 RRT recommended fourteen restoration projects totaling \$956,373 for funding. Special conditions were suggested for ten of the projects, four were reduced in amount, and one was increased in amount.

The RRT recommended eight technical assistance projects totaling \$193,004 for funding. Special conditions were suggested for two of the projects.

IV. Deferred Acquisitions

One land acquisition grant application, submitted in October 2005 and deferred in March 2006, is now ready for Board consideration.

A. Deer Creek Ranch (z206-277)

The Southern Oregon University (SOU) Foundation, in partnership with the Siskiyou Field Institute (SFI) and Western Rivers Conservancy (WRC), is requesting \$500,000 toward the purchase of the 873-acre Deer Creek Ranch (DCR) in the Illinois River Watershed. The project will accomplish habitat and species conservation through education, restoration and research.

1. Ecological Benefits

DCR is surrounded by large tracts of public lands managed by the Siskiyou National Forest, Bureau of Land Management and the State of Oregon. Deer Creek, which runs through the property, is one of the major tributaries to the Wild and Scenic Illinois River. The property also contains almost all the privately owned frontage of Squaw Creek, a tributary to Deer Creek.

Approximately 425 acres of the 873 acre property are represented as priority ecological systems, including lowland riparian woodland and shrubland, oak woodland, Ponderosa pine woodland and Serpentine barrens. Some of the priority fish and wildlife species that would benefit from the project include: Coho salmon, fall Chinook salmon, Bullock's oriole, Lewis's woodpecker, Lomatium cookii, common Kingsnake, white-breasted titmouse, Western pond turtle and yellow-legged frog.

The project meets three of OWEB's conservation principles: Stabilize an area "on the brink" of ecological collapse, require active restoration to achieve its conservation purpose that would not occur without a change in ownership, and protect a site with exceptional biodiversity value. Restoration activities, including transfer of water rights, removal of diversions and dams, and restoration of previous wetland prairie are unlikely to occur under current ownership.

In its review of the application, the Southwest RRT confirmed the consistency of the project with the conservation principles and determined the project has strong ecological values.

2. Capacity to Sustain the Ecological Benefits

WRC has already purchased the property. A non-profit organization, the Deer Creek Center for Field Research and Education (DCC), has been created through a partnership between the SOU Foundation and the SFI. The WRC will hold title to the property through 2006 or until the DCC acquires the funds to accept ownership. DCC will manage the property.

The applicants are proposing to manage the ranch for conservation of rare and endemic species and protection of the riparian and forested areas, while providing a biological field station and environmental education center. There is currently no management plan for the site. The facility partners will spend the first couple of years conducting assessments to determine the appropriate management goals and restoration projects for the site. Once determined, SFI staff and SOU faculty will write grant proposals to get these projects funded. SFI anticipates that they will work with the U.S. Forest Service, Rogue Community College, Humboldt State College, watershed council and school district to offer volunteer and service learning opportunities related to future restoration activities.

The Kendeda Foundation, a donor advised fund from an anonymous donor, has contributed \$800,000 toward an endowment to ensure the property will be well managed. The applicant's intention is to increase this endowment to \$2,000,000 over the next ten years.

SOU possesses the academic resources to contribute to the programs of the field station. SOU also has administrative experience to lend to management of the physical facilities and fiscal expertise to manage the fundraising and endowments. The SFI has broad experience in environmental education and is made up of faculty from many western universities. The SOU Foundation and SFI have developed a fundraising plan for each of the three stages of this project: acquisition, construction and program. Faculty involved with research and education will secure research grants to support field study.

3. Educational Benefits

There is a very significant education component associated with this acquisition project. The field station will provide a unique opportunity for education and research on the site and in the watershed. SFI will offer science based recreational opportunities to the general public and schools. The various restoration projects will provide an exceptional outdoor classroom. SOU will utilize the facility for courses and graduate student research.

The RRT felt that there is added value to the acquisition by the strong education and outreach potential of the property and from the partners involved.

4. Partners, Project Support & Community Effects

Letters of support for the acquisition project were received from the SFI, Rogue Community College, Illinois Valley Community Development Organization, and the Three Rivers School District.

Taxes assessed for the property for 2004/2005 totaled \$7,281. Since WRC is a nonprofit organization, tax exempt status will be applicable to the majority of the real property and buildings. It is estimated that the taxes assessed on the property will be reduced by about 30%, but the applicants won't know what the tax consequences will be until closing.

The development of a university affiliated research station and a facility to host science based tours for the public promises to provide a much-needed economic stimulus to the area. The project will establish the first university-related facility in Josephine County. This will provide economic opportunity and easier access to higher education for Illinois Valley residents. The application asserts that the facility will generate significant revenue for Josephine County as the only higher education facility in the area.

5. Legal and Financial Terms

OWEB funds are requested for 20 percent of the \$2,550,000 purchase price of the property. The applicants have secured additional funding for purchase of the property from the Kendeda Foundation (\$2,000,000).

The legal review of the title report and exceptions identified several property encumbrance issues that will be removed from the title prior to any land transaction.

Staff and the applicant are working on language for the conservation easement to protect OWEB's investment in the property. Language in the conservation easement requires the development of a management plan to address future enhancement activities on the site.

The conservation easement will also designate a human use zone to further define allowable activities associated with the education and research center.

An appraisal of the property was conducted on June 27, 2006 by Dee Staple of McMinnville, Oregon. The appraisal concluded a fair-market value of \$2,210,000. OWEB's independent review appraiser has concluded that the report complies with the Uniform Standards of Professional Appraisal Practice standards and the market value is supported. The amount requested from OWEB may be revised to reflect the appraised value.

A Phase I Environmental Site Assessment (ESA) of the property was completed in March 2006 by CES. Review by the Oregon Department of Environmental Quality (DEQ) indicated that the report is consistent with the American Society for Testing and Materials Standards. DEQ agrees with the report's findings that there are eight environmental conditions needing further evaluation. The environmental consultant recommends collecting samples to investigate potential petroleum releases from five existing above ground storage tanks, two former above ground storage tanks, several miscellaneous containers of improperly stored hazardous materials, three landfill areas, two failing septic systems, discharge of greywater from the guesthouse directly to ground surface and possible residues from legacy agricultural chemicals in site soils from the previous orchard. The report also recommends that the wells on the site that are no longer used be properly decommissioned.

The ESA issues are concentrated in the development zone where the current structures are and not in environmentally sensitive areas, but it is difficult to assess at this point whether any of these issues may have affected the creek. Staff recommend that funding of this project be conditioned upon sampling and remediation of any potentially contaminated areas. The applicant has initiated contracting with an environmental consulting firm to begin the sampling and possible remediation.

6. Conclusion

The project has strong ecological and educational values and adequately addresses the basin ecological priorities. The applicant and its partners are developing the capacity to sustain the ecological benefits and further partnerships to accomplish the management goals. The educational benefits of the project will be enhanced through acquisition of the property. The project has received substantial support from the local community, other natural resource organizations and government agencies and will have a positive effect on the local and regional community. Due diligence materials have been reviewed and approved by legal counsel, provided steps are taken to remove exceptions from the title and the identified potential environmental issues are appropriately remedied prior to any land transaction.

The Board Subcommittee and RRT have expressed unanimous support for the project. Staff and the Board Subcommittee recommend that the Board award \$500,000 in funds toward the Deer Creek Ranch acquisition project.

V. Staff Recommendations for Project Funding

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

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

Attachments

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

**Region 2 – Southwest Oregon
Restoration Projects Recommended for Funding by the RRT
April 24, 2006 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
207-057	Lowe Creek Channel and Wetlands Restoration		98,500	98,500	1
207-066	Fourmile Creek Riparian Restoration **		91,797	91,797	2
207-056	Grayback and Sucker Creeks Fish Habitat Restoration	4,000	49,350	53,350	3
207-054	Livestock Crossings 2007- PUR **		55,392	55,392	4
207-050	Fish Passage 2007- PUR		59,469	59,469	5
207-065	Palouse Basin Stream Connectivity and Riparian Enhancement **		102,509	102,509	6
207-064	Coos Bay Head-of-Tide Tributary Passage/Sediment Risk Abatement **/ □		62,111	62,111	7
207-052	Beaver Creek Restoration		98,000	98,000	8
207-063	Coos Bay Head-of-Tide Riparian Restoration **		89,759	89,759	9
207-055	Dollarhide Irrigation Improvement */**		70,350	70,350	10
207-059	Jones Creek Fish Passage **	300	52,338	52,638	11
207-070	South Fork Deer Creek Restoration */**		26,868	26,868	12
207-051	South Umpqua Stream Enhancement */**		50,740	50,740	13
207-053	Jordan Creek Restoration */**	4,800	40,090	44,890	14
Total Restoration Projects Recommended for Funding to Staff by the RRT		\$9,100	\$947,273	\$956,373	
Total Restoration Projects Recommended for Funding by Staff to the Board		\$4,300	\$856,443	\$860,743	

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

Region 2 – Southwest Oregon
Technical Assistance Projects Recommended for Funding by the RRT
April 24, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-013	Coquille Watershed Engineering and Design	17,100	1
207-012	Coal Creek Fish Passage Pre-engineering Design	21,450	2
207-010	Eagle Point Irrigation District Diversion Fish Passage Improvement	3,342	3
207-016	Lower South Fork Coos River Tributaries Restoration Action Plan	35,471	4
207-014	Eagle Mill Farm Conservation Easement	11,174	5
207-011	Jumpoff Joe Creek Habitat Improvement Technical Design **	8,925	6
207-015	South Slough Reserve Action Plan for Watershed Management, Restoration and Research	49,430	7
207-017	Roberts and Deer Creek Restoration Planning and Design **	46,112	8
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		\$193,004	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		\$97,462	

** Fund with Conditions

Region 2 – Southwest Oregon
Acquisition Project Receiving a Positive Rating for Ecological Merit
by the RRT and Recommended for Funding by OWEB Staff

Project #	Project Name	Amount
z206-277	Klamath-Siskiyou Ed & Research Station – Deer Cr Ranch (10-24-05 Grant Cycle)	\$500,000

**Region 2 – Southwest Oregon
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
April 24, 2006 Grant Cycle**

Project #	Project Name	Total Amount
207-048	Twin Creeks Riparian Restoration and Urban Stormwater Treatment	256,000
207-049	Buchanan Riparian Corridor Urban Watershed Restoration	252,260
207-058	Buck Creek Habitat Restoration	26,173
207-060	Middle Rogue Watershed Council Noxious Weed Management Partnership	89,062
207-061	Middle Rogue Forest Health Initiative II	250,525
207-062	Battle Creek Crossing and Sediment Reduction	52,167
207-067	Garrison Lake Restoration	475,000
207-068	Coles Valley Creek Restoration	35,790
207-069	Lofrano Riparian Restoration	46,195
207-071	Elkhead Oak Woodland and Riparian Restoration	55,578

**Region 2 – Southwest Oregon
Technical Assistance Projects Not Recommended for Funding by the RRT and OWEB Staff
April 24, 2006 Grant Cycle**

Project #	Project Name	Total Amount
207-009	Buchanan Riparian Corridor Design	50,000
207-018	Applegate Terrestrial Restoration Action Plan	20,953

August 31, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations
Region 3, Willamette Basin
September 19-20, 2006 OWEB Board Meeting**

I. Introduction

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

II. Background

The table attached to the Overview report contains the numbers and types of applications received and of dollar amounts requested. The Willamette Basin Regional Review Team (RRT) met at the Roth's Hospitality Center in Salem on July 13, 2006, to review the applications received in this grant cycle. All applications were reviewed for technical merit and a fund/no fund recommendation was made by the RRT. The RRT then prioritized the applications recommended for funding.

III. Regional Review Team Recommendations

The Willamette Basin RRT recommended twelve restoration projects totaling \$2,675,506 for funding. Special conditions were recommended for four of the projects, and two were recommended at a reduced amount.

The RRT recommended seven technical assistance projects totaling \$222,482 for funding. There were no special conditions for the projects and one was reduced in amount.

The RRT found that the Sandy River acquisition and McKenzie Oxbow Conservation acquisition proposals both had positive ratings for ecological merit. Additional discussion of these applications is included in Section V.

IV. Special Issues

The "do-funds" in this grant cycle include projects to remove (all or in part) two dams on the Calapooia River – the Sodom and Brownsville Dams (projects 207-087 and 207-091). The combined total sought from OWEB for the two projects is \$1,713,513. Located at river miles 28 (Sodom) and 36 (Brownsville), these dams are the only impediments to fish passage on the mainstem Calapooia River. Eliminating the barriers will open up 45 miles of high quality spawning and rearing habitat in the upper river system for species including spring Chinook

salmon and summer steelhead. The applicants, public and agencies have spent considerable time in preparing these projects. The Brownsville Dam project has gained broad community support from citizens and public agencies. The Sodom Dam project has reached the best solution to address very complicated ecological, social and political issues. The positive effect from these projects on the community, the river, and the watershed will be of historic proportions.

V. Acquisitions

A. McKenzie Oxbow (207-073)

The McKenzie River Trust has withdrawn its land acquisition application.

B. Sandy River (207-072)

The Western Rivers Conservancy (WRC) is requesting \$727,500 (\$970,000 total project cost) to purchase fee simple title to 30 acres along the Sandy River near ZigZag. The WRC proposes to purchase the property and transfer ownership to the City of Portland Bureau of Water Works (Bureau of Water Works) to manage the property.

1. Ecological Benefits

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

The RRT concluded that the property has unique attributes for a rural residential environment and provides valuable and rare habitat for winter steelhead and spring Chinook. The low gradient nature of this reach of the Sandy River provides off channel habitat and floodplain connection that will benefit a variety of species. They confirmed that the habitats on the site could support the extensive list of species cited in the application. The regional RRT did not confirm the existence of the priority ecological systems or rare or at-risk plant communities. The RRT thought the project also met three of the four conservation principles listed in the application, including securing a transition area protecting it from development, improving connectivity of habitat, and complementing an existing network of sites in the basin.

The Board Acquisition Subcommittee asked the RRT to address how future recreational use of the property may affect the ecological values of the parcel. The RRT noted that there is currently little evidence of recreational use, except for foot trails on the parcel.

They recommend that the management plan include provisions to address future public access and a plan to monitor public use.

2. Capacity to Sustain the Ecological Benefits

Once the parcel is acquired, WRC will transfer title of the parcel to the City of Portland Bureau of Water Works. The Bureau of Water Works owns and manages thousands of acres of forest and riverfront land in the nearby Bull Run River watershed. Management responsibilities will be shared by the Bureau of Water Works, the Sandy River Basin Watershed Council (SRBWC) and the local neighborhood association. Management expenses will be secured through foundation grants and individual donors.

3. Educational Benefits

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

4. Partners, Project Support & Community Effects

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

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

The property is zoned RR (recreational resort). Taxes for 2005-2006 totaled \$1,541.36. The property will be exempt from taxes after the acquisition. WRC and the Bureau of Water Works plan to exercise their tax exempt status and not pay taxes on the property.

5. Legal and Financial Terms

OWEB funds are requested for 75% of the purchase price of the property. WRC is currently working with Bureau of Water Works and the Sandy River Basin Partners to secure match funding (decisions due late 2006).

At the time of this staff report, due diligence materials had not been received.

6. Conclusion

The Willamette Basin RRT concluded that the project has high ecological and educational benefit and meets three of OWEB's conservation principles. At a meeting on August 14, 2006, the Board Subcommittee recommended that the project proceed to due

diligence. Staff and the Board Subcommittee recommend that the Board defer consideration of this application pending completion of the due diligence review.

VI. Staff Recommendations for Project Funding

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

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

Attachments

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

**Region 3 – Willamette Basin
Restoration Projects Recommended for Funding by the RRT
April 24, 2006 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
207-087	Sodom Dam Project		1,036,803	1,036,803	1
207-091	Brownsville Dam Removal & Restoration of the Calapooia River	4,410	672,300	676,710	2
207-089	Upper Maxfield Creek Restoration	150	132,655	132,805	3
207-074	Haws Oregon Chub Enhancement **		36,787	36,787	4
207-086	Deer Creek Park Prairie Restoration **	100	35,774	35,874	5
207-084	Clear Creek Barrier Removal		133,605	133,605	6
207-077	Columbia Sedge Meadow Restoration */**	5,050	52,850	57,900	7
207-088	Buck Creek Fish Passage Culvert Replacement and Habitat Restoration		260,000	260,000	8
207-079	Sandland Floodplain Riparian Restoration *		40,000	40,000	9
207-083	Garden Lake Riparian Restoration **		95,352	95,352	10
207-082	Wiley Creek Fish Passage Improvement		47,530	47,530	11
207-092	Tryon Creek State Natural Area: Iron Mountain Stream and Wetland Restoration	2,000	120,140	122,140	12
Total Restoration Projects Recommended for Funding to Staff by the RRT		\$11,710	\$2,663,796	\$2,675,506	
Total Restoration Projects Recommended for Funding by Staff to the Board		\$11,710	\$2,663,796	\$2,675,506	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions

**Region 3 – Willamette Basin
 Technical Assistance Projects Recommended for Funding by the RRT
 April 24, 2006 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-023	Silverton Water Supply Dam Fish Passage Alternatives	49,997	1
207-024	Villwock's Ford Fish Passage Design	47,300	2
207-029	Luckiamute Watershed Steelhead Passage Barrier Survey and Action Plan	13,532	3
207-019	Stroda Fish Passage Analysis and Design	30,104	4
207-028	Willow Creek Confluence Restoration Scoping and Budgeting	36,099	5
207-022	Crystal Springs Stream Design and Permit Project – Eastmoreland Golf Course *	23,280	6
207-021	Sauvie Island Drainage & Irrigation Canal Water Quality, Functions, Plant and Wildlife Improvement	22,170	7
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		\$222,482	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		\$110,829	

* Listed Amount Reflects Recommended Reduction

**Region 3 – Willamette Basin
 Acquisition Project Receiving a Positive Rating for Ecological Merit by the RRT
 and Recommended for Deferral by OWEB Staff**

Project #	Project Name	Amount
207-072	Sandy River Conservation Acquisition	\$727,500
Total Acquisition Projects Recommended for Deferral by Staff to Board		\$727,500

Region 3 – Willamette Basin
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
April 24, 2006 Grant Cycle

Project #	Project Name	Total Amount
207-075	Round Lake Wetland Restoration	89,750
207-076	Lower McKenzie Islands Floodplain Restoration	488,840
207-078	Northern Tributaries of Calapooia River Fish Passage	98,760
207-080	Mohawk River Watershed Enhancement	131,760
207-081	Tualatin River NWR Riparian Restoration	168,682
207-085	Hogan Ranch Restoration	84,370
207-090	Holomb Creek and Arrah Wanna Side Channel Bridges	169,932

Region 3 – Willamette Basin
Technical Assistance Projects Not Recommended for Funding by the RRT and OWEB Staff
April 24, 2006 Grant Cycle

Project #	Project Name	Total Amount
207-020	Cardwell Hills Landowners – Project Planning and Management Plan Development	135,411
207-025	Beaver Creek Culvert Improvement Design	35,000
207-026	Lower Beaver Creek Pre-Design and Conceptual Planning	40,671
207-027	City of Scappoose Greenway Action Plan	49,500
207-030	Mid-Willamette Tributaries Floodplain Workshops and Landowner Planning	45,606

Region 3 – Willamette Basin
Acquisition Project Withdrawn By Applicant

Project #	Project Name	Amount
207-073	McKenzie Oxbow Acquisition	\$129,000

September 1, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations
Region 4, Central Oregon
September 19-20, 2006 OWEB Board Meeting**

I. Introduction

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

II. Background

The table attached to the Overview report contains the numbers and types of applications received and of dollar amounts requested. The Central Oregon Regional Review Team (RRT) met at the ODOT office in Bend on July 19, 2006, to review the applications received in this grant cycle. All applications were reviewed for technical merit and a fund/no fund recommendation was made by the RRT. The RRT then prioritized the applications recommended for funding.

III. Regional Review Team Recommendations

The Region 4 RRT recommended twelve restoration projects totaling \$3,510,174 for funding. Special conditions were suggested for four of the projects.

The RRT recommended four technical assistance projects totaling \$144,488 for funding. Special conditions were suggested for three of the projects and one was reduced in amount.

IV. Special Issues

The outstanding projects from a dollar standpoint are 207-107, the EFID Central Canal Pipeline Project (\$1.4 million), and 207-096, the Middle Deschutes Streamflow Restoration Project (\$850,000).

The EFID Project will increase late season flows in the East Fork of Hood River by 50 percent, will improve access to nearly five miles of salmonid habitat, and will restore water quality in 7.5 miles of Neal Creek. The Middle Deschutes Streamflow Project will pipe over five miles of open ditch to prevent 50 percent of the water from being lost to seepage and evaporation. The result will be about 20 cubic feet per second (cfs) of flow retained in the river rather than diverted into the old leaky ditch. For the reasons described in the Overview report, staff

recommend an award of \$900,000 for the ERID Project at this time, with the remaining \$500,000 reserved from the 2007-2009 *capital* funds for the Board to award at the September 2007 meeting. Staff will request the applicant report to the Board on the progress made to implement the project before Board action on the reserved funding.

Another notable project is 207-101, the Chiloquin Dam Removal (\$329,610), which will eliminate this major impediment to fish passage on the Sprague River in the Klamath Basin.

Once again in this cycle, the Region 4 RRT was presented with several proposals relating to reducing, controlling, or catching soil erosion from dryland wheat farming. One project (207-111) would underwrite the implementation of no-till techniques. Another project (207-099) would install new sediment catching terraces and Water and Sediment Control Basins (WASCOBs). A third (207-110) would pay for bulldozer time to clean off the accumulated sediment from miles of old terrace. Staff will organize a discussion with applicants and the RRT members on how best to contribute to sediment control on dryland wheat areas while also adhering to fundamental OWEB preferences for projects that address the causes (farming practices) rather than the symptoms (accumulating erosion). The goal is to develop a better understanding of OWEB's role in funding soil erosion projects. This will provide greater consistency of RRT review for these types of projects and a clearer target for future applicants.

As this report was being finalized, staff learned that two of the "do fund" projects might be partly or entirely withdrawn due to the availability of funding for those projects from other sources. These projects are 207-105, the McKenzie Canyon Black Butte/Association Canals Pipeline (\$320,000), and 207-106, the East Fork Hood River Culvert Removal and Replacement (\$49,500). Staff may address this matter at the Board meeting during this agenda item.

V. Staff Recommendations for Project Funding

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

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

Attachments

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

Region 4 – Central Oregon
Restoration Projects Recommended for Funding by the RRT
April 24, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
207-100	Bowman Dam Bypass Flow Enhancement		78,000	78,000	1
207-107	EFID Central Canal Pipeline Project – Lower Phase❖		900,000	900,000	2
207-097	Drews Creek Fish Passage/Screening		9,831	9,831	3
207-095	North Fork Mill Creek Culvert Removal		58,743	58,743	4
207-105	McKenzie Canyon Black Butte/Association Canals Pipeline – Phases III & IV		320,000	320,000	5
207-101	Chiloquin Dam Removal **		329,610	329,610	6
207-098	Deschutes River Riparian Restoration at Riverbend Park	1,800	39,390	41,190	7
207-096	Middle Deschutes Streamflow Restoration Project Phase I **		850,000	850,000	8
207-106	East Fork Hood River Culvert Removal and Replacement		49,500	49,500	9
207-111	Direct Seed/No-Till Incentive Program **		114,566	114,566	10
207-102	Bullard Canyon Education and Restoration		29,000	29,000	11
207-099	Sediment Control in Sherman County **		229,734	229,734	12
Total Capital Projects Recommended for Funding to Staff by the RRT		\$1,800	\$3,008,374	\$3,010,174	
Total Capital Projects Recommended for Funding by Staff to the Board		\$1,800	\$2,749,640	\$2,751,440	

* * Fund with Conditions

❖Total amount is \$1,400,000. Staged award with \$900,000 recommended now and \$500,000 to be awarded from 2007-09 funds in September 2007.

Region 4 – Central Oregon
Technical Assistance Projects Recommended for Funding by the RRT
April 24, 2006 Grant Cycle

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-032	Sycan River Weir 2 Design **	27,500	1
207-034	Rock Creek Pressurized Pipeline and Hydropower Design **	50,000	2
207-031	Thomas Creek Design	41,988	3
207-033	Stream Channel Restoration Design at Rimrock Ranch (Whychus Creek) */**	25,000	4
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		\$144,488	
Total Technical Assistance Projects Recommended for Funding by Staff to the Board		\$119,488	

* Listed Amount Reflects Recommended Reduction ** Fund with Conditions

Region 4 – Central Oregon
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
April 24, 2006 Grant Cycle

Project #	Project Name	Total Amount
207-093	North Fork Sprague Channel Stability	6,380
207-094	Upper Sprague Riparian Enhancement Initiative: Livestock Access Management Phase	23,908
207-103	Barnhart Tract	82,095
207-104	Irrigation Water Management to Restore Stream Flow	50,000
207-108	Farmers Irrigation District's Lowline Water Conservation	300,000
207-109	Coe Branch Diversion	250,000
207-110	Anderson Erosion Control Improvement	79,462
207-112	Watkins Sprague River Channel and Wetland Restoration	55,685
207-113	Hale Ridge Solar Watering System	18,563

Region 4 – Central Oregon
Technical Assistance Not Recommended for Funding by the RRT and OWEB Staff
April 24, 2006 Grant Cycle

Project #	Project Name	Total Amount
207-035	Hay Creek/Scott Canyon Action Plan	32,612
207-036	Sprague River Tailwater Wetlands Initiative Phase I: Site Prioritization	15,125

September 1, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Roger Wood, Grant Program Manager

**SUBJECT: Agenda Item E: OWEB Grant Award Recommendations
Region 5, Eastern Oregon
September 19-20, 2006 OWEB Board Meeting**

I. Introduction

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

II. Background

The table attached to the Overview report contains the numbers and types of applications received and of dollar amounts requested. The Eastern Oregon Regional Review Team (RRT) met at Big Sarvis Corral near Service Creek on July 11 and 12, 2006, to review the applications received in this grant cycle. All applications were reviewed for technical merit and a fund/no fund recommendation was made by the RRT. The RRT then prioritized the applications recommended for funding.

III. Regional Review Team Recommendations

The Region 5 RRT recommended twenty-two restoration projects totaling \$4,261,409 for funding. Special conditions were suggested for six of the projects, six were reduced in amount, and two were increased in amount.

The RRT recommended three technical assistance projects totaling \$76,347 for funding. Two projects were increased in amount.

IV. Special Issues

Staff recommend funding one Technical Assistance proposal that the RRT did not – #207-040, the Sumpter Valley Dredge Tailings Floodplain Restoration Action Plan. The proposal will use Light Detection and Ranging (LIDAR) technology to map the contours of the dredge tailings to within a few centimeters of accuracy, and then use the data to guide development of engineering plans for reshaping at least a portion of the dredge tailings area so as to re-establish more normal floodplain connectivity and functioning. The RRT noted that many other inventories and assessments of the area have been done and they weren't convinced that the LIDAR approach was necessary. Staff disagree, believing that the potential re-shaping of the tailings will require a mapping and engineering precision not provided by any other existing data set.

The Willow Creek Restoration (207-138) is an extraordinary package of improvements to an irrigation system that still relies on open main line ditches and flood irrigation – and thus results in excessive soil erosion and water quality problems (sediment, nutrients, and bacteria). This is another project that has been a long time coming, and that now claims strong support from landowners throughout the valley, many of whom have signed up for the program. More than just an irrigation project, Willow Creek also will address wetland and riparian restoration, rangeland restoration, and other land management issues. Being complex and expensive, this project may require the additional scrutiny of an oversight committee during implementation, and several members of the RRT already have volunteered. For the reasons described in the Overview report, staff recommend an award of \$1,050,568 for Willow Creek at this time, with the remaining \$900,000 reserved from the 2007-2009 *capital* funds for the Board to award in September 2007. Staff will request the applicant report to the Board on the progress made to implement the project before Board action on the reserved funding.

While a strong project in most ways, Willow Creek does not include a mechanism to formally protect the water conserved from the improved irrigation system efficiency. This raises a long-standing question about whether OWEB should require such formal protections of instream flow as a condition of funding such projects. Staff will pursue this topic in the months ahead.

V. Acquisitions

A. Zumwalt Prairie (207-114)

The Nature Conservancy has withdrawn its land acquisition application.

B. Pilcher Creek (z206-339)

The Rocky Mountain Elk Foundation is requesting \$250,000 toward purchase of a conservation easement on a 138-acre parcel on Pilcher Creek in the North Powder River Watershed. At the March 2006 and May 2006 Board meetings, the Board deferred consideration of this application pending review of due diligence materials. Due diligence materials have not been received. Staff and the Board subcommittee recommend that the Board continue to defer this application pending due diligence review.

VI. Staff Recommendations for Project Funding

Attachment A shows the proposals, funding amounts, conditions (if any), and priority rankings recommended as “do fund” to OWEB staff by the RRT. The tables also indicate, by means of shaded entries, the OWEB staff “do fund” recommendations to the Board. For some “do fund” projects, the amount shown in the table is the staff funding recommendation rather than the RRT’s recommendation. Attachment A also shows the Technical Assistance project (207-040) not recommended for funding by the RRT, but recommended for funding by staff as explained in Section IV above.

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

Attachments

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

**Region 5 – Eastern Oregon
Restoration Projects Recommended for Funding by the RRT
April 24, 2006 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Non-Capital Funds	Capital Funds	Total Amount	Priority
207-138	Willow Creek Restoration Phase I❖		1,050,568	1,050,568	1
207-129	McDaniel II, Wallowa River Channel Relocation *		104,156	104,156	2
207-130	Choir Boys Constructed Wetland **		219,599	219,599	3
207-125	Marching Down the Malheur – Range & Riparian Restoration *		98,400	98,400	4
207-126	Private Forests Precommercial Thinning		208,400	208,400	5
207-117	North Fork Malheur River Geographic Management Area Restoration □		308,230	308,230	6
207-121	Andersen Ranches Riparian Area	100	18,320	18,420	7
207-133	Service Creek Bridge *		48,000	48,000	8
207-135	Chicken Creek Juniper Removal □		72,396	72,396	9
207-136	Ring Around the Feedlot **		55,380	55,380	10
207-118	Cow Hollow Water Quality */**		328,505	328,505	11
207-131	Burnt River Early Intervention Juniper Control & Riprap Project II		64,675	64,675	12
207-115	Bear Creek Juniper Removal		48,261	48,261	13
207-120	Four County Medusahead Containment & Strategic Treatment **		252,948	252,948	14
207-127	Lower Burnt River Rangeland Improvement □		114,170	114,170	15
207-137	Greenfield Erosion Control and Water Conservation		50,666	50,666	16
207-123	Mountain Creek Ditch Conversion Phase II *		58,266	58,266	17
207-132	Carney Place Rangeland Restoration */**		19,000	19,000	18
207-119	Doe and Summit Creek Culvert Removal		144,000	144,000	19
207-134	Variable Rate Fertilizer Application in Umatilla County		50,309	50,309	20
207-116	Johnson Creek Reconnection **	300	24,735	25,035	21
207-122	Lower McKay Creek Erosion Control	500	21,525	22,025	22
Total Restoration Projects Recommended for Funding to Staff by the RRT		\$900	\$3,360,509	\$3,361,409	
Total Restoration Projects Recommended for Funding by Staff to the Board		\$100	\$2,624,890	\$2,624,990	

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

❖ Total amount is \$1,950,568. Staged award with \$1,050,568 recommended now and \$900,000 to be awarded from 2007-09 funds in September 2007.

**Region 5 – Eastern Oregon
 Technical Assistance Projects Recommended for Funding by the RRT
 April 24, 2006 Grant Cycle**

Staff Funding Recommendations to the Board are Highlighted in Gray

Project #	Project Name	Total Amount	Priority
207-037	Sell Constructed Wetland Design □	8,035	1
207-038	Jordan Creek Erosion Control and Fishery Engineering □	20,000	2
207-039	Bridge Creek Riparian Restoration & Archaeological Resource Engineering and Design	48,312	3
Total Technical Assistance Projects Recommended for Funding to Staff by the RRT		\$76,347	
Total Technical Assistance Projects Recommended for Funding by RRT & Staff to Board		\$76,347	

□ Listed Amount Reflects Recommended Increase

**Region 5 – Eastern Oregon
 Technical Assistance Not Recommended by the RRT, but Recommended for Funding by OWEB Staff
 April 24, 2006 Grant Cycle**

Project #	Project Name	Total Amount	Priority
207-040	Sumpter Valley Dredge Tailings – Floodplains Restoration Action Plan	20,900	Na

Total Technical Assistance Projects Recommended for Funding by Staff to the Board		\$97,247	
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**Region 5 – Eastern Oregon
 Acquisition Project Receiving a Positive Rating for Ecological Merit
 by the RRT and Recommended for Deferral by OWEB Staff**

Project #	Project Name	Amount
z206-339	Pilcher Creek (10-24-05 Grant Cycle)	\$250,000
Total Acquisition Projects Recommended for Deferral by Staff to Board		\$250,000

**Region 5 – Eastern Oregon
Restoration Projects Not Recommended for Funding by the RRT and OWEB Staff
April 24, 2006 Grant Cycle**

Project #	Project Name	Total Amount
207-124	Marching Down the Malheur – 3 Miles of Malheur River Restoration	224,690
207-128	Harper Ranch Irrigation Improvement [WITHDRAWN BY APPLICANT]	[29,431]

**Region 5 – Eastern Oregon
Technical Assistance Not Recommended for Funding by the RRT and OWEB Staff
April 24, 2006 Grant Cycle**

Project #	Project Name	Total Amount
207-041	Powder River Basin Water and Stream Health Analysis	11,238

**Region 5 – Eastern Oregon
Acquisition Project Withdrawn By Applicant**

Project #	Project Name	Amount
207-114	Zumwalt Prairie Acquisition of 6,065 acres	\$1,200,000

August 30, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator
Wendy Hudson, Grant Program Coordinator
Tom Shafer, North Coast Program Representative

**SUBJECT: Agenda Item F: Coastal Salmon Fishing Emergency Response
September 19-20, 2006 OWEB Board Meeting**

I. Introduction

This report provides an update on OWEB's response to the 2006 Salmon Season State of Emergency, seeks Board approval to add funds to the emergency response grants, and seeks Board authorization to enter into permanent administrative rulemaking.

II. Background

Due to a combination of factors causing a dramatic decline in the number of Klamath River Basin Chinook Salmon available for harvest along the coasts of Oregon and California, commercial fishing along the Oregon coast has been severely restricted by the National Oceanic and Atmospheric Administration's Fisheries Service. These restrictions will have a significant negative economic and social impact to coastal communities.

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

1. **Funding Work Opportunities for Displaced Fishers to Gather Ocean Salmon Research Data.** This concept would employ displaced fishers to collect critical information and document the location, species, and DNA signature to identify the escapement and distribution of salmon stocks in coastal ocean waters.
2. **Funding to Implement Restoration Projects.** Funding for this concept would provide employment opportunities for displaced fisher crews to implement an assortment of restoration projects as soon as possible.
3. **Funding Work Opportunities for Displaced Fishers for Inventory and Assessment Activities.** Under this concept, OWEB funds would employ crews to perform land-based inventory and data collection activities to support salmon recovery efforts.

4. **Funding Accelerated Development of Restoration Projects.** Under this concept, OWEB would fund work by local conservation groups to develop salmon habitat restoration projects in high priority areas on an accelerated basis.
5. **Funding Recovery Planning Outreach.** This concept involves the allocation of OWEB funds to employ displaced fishers to raise local awareness of Oregon's salmon recovery plan efforts.

The OWEB Board unanimously approved an allocation of \$40,000 of non-capital funds to purchase equipment for salmon-related ocean research to address the first concept, and directed staff to request expenditure limitation from the Legislative Emergency Board (E-Board) of no more than \$3 million in Measure 66 Lottery Funds for the purposes described above. The Board also delegated authority to the Executive Director, contingent upon and consistent with the expenditure limitation approval from the E-Board, to enter into appropriate grant and interagency agreements to distribute funds for these purposes.

The June 2006 E-Board allocated \$2.2 million in Measure 66 Lottery Funds to allow OWEB to carry out these efforts. The approved allocation was to be apportioned as follows: Ocean Research, \$586,391; Restoration Implementation, \$700,000; Inventory & Assessment, \$250,000; Development of Restoration Projects, \$500,000; and Recovery Plan Outreach, \$175,000. The current status of these funds are provided in Attachment B.

III. Update on Salmon Season State of Emergency Response

A. Ocean Salmon Research

Of the Board's May 2006 awards to the pilot chinook DNA research project, \$40,000 was awarded for immediate use for equipment purchase, and \$586,391 was awarded, contingent upon E-Board authorization, to implement the initial year of the project. Because of the timing of OWEB's involvement, OWEB worked quickly with the Cooperative Research on Oregon Ocean Salmon (CROOS) Group, a coalition of salmon fishermen, the Oregon Salmon Commission (Commission) and Oregon State University (OSU) staff, to capture as much of the remaining limited season as possible.

The \$40,000 for immediate equipment needs went quickly to purchase the equipment necessary to get the project off the dock by the June 4, 2006 opener. Five fishermen volunteered their time and vessels for the first three June openers to begin testing the equipment, project logistics, protocols, and methodologies. The OSU staff involved in the CROOS Group volunteered their time, offices, and labs to be ready on their end of the project.

OWEB staff worked closely with the CROOS Group to make it possible to begin project implementation as soon as the E-Board authorized OWEB's request for funds. The Interagency Agreement between OWEB and the Commission became effective immediately upon that action; and the project began in earnest on Sunday, June 25, 2006, the date of the start of the last June opener.

Beginning on June 25, 2006, the same five vessels that had volunteered their time earlier, with nine fishermen aboard, began implementing the project and further testing of the equipment and methodologies. The Commission also began recruiting fishermen interested

in participating in the project. During the break between the end of the June opener and the beginning of the first July opener (June 29 - July 9), the CROOS Group trained roughly 90 fishermen in the protocols and methodologies to be used in the project.

Since June 25, 2006:

- 81 vessels have signed up to participate.
- Five openers have occurred: one in June, three in July, and one in August.
- 46 different vessels have taken part, with 74 fishermen involved.
- 40 of the vessels have taken part in more than one opener.
- In the July and August openers, all vessels that wanted to participate did so, with a high of 34 vessels participating in one opener (August) with an average of 29 vessels/opener.
- 35 of the 81 vessels registered have yet to take part but have indicated that they want to do so during the fall openers.
- Vessels were paid at the rate of \$500/day if they carried a crew and \$400/day with no crew. At the end of the August opener, fishers have been paid a total of \$136,700 for their work in the project. Average vessel earnings from the project are \$2,972, with a high of \$6,000 and a low of \$800.

A combination of poor weather and poor fishing during the openers led to only 1,848 fish being landed by the participating boats, which is roughly 20 percent of what would have been possible if each boat had caught their limit of fish during each opener. The 46 vessels fished a combined total of 301 days out of a possible 368 during the five openers. Not a single one of the participating fishers landed their 75 fish/opener quota during any of the openers.

The original goals of the project were to hire 50 vessels and analyze tissue samples from 2,000 fish. It's expected that those goals will be reached and surpassed by the project end. One of the fundamental components of the project was that the information on the river of origin of each fish landed would be available within 48 hours after landing and that information would be available on a website. By mid-July, the lab was able to process the samples in exactly 24 hours and one minute and the analysis could be done in another 24 hours, so that goal was accomplished. The project has yet to be able to provide the information on their website within the desired timeframe because they encountered unexpected issues. Those should be resolved by early September and real-time identification of river of origin within 48 hours should be realized.

Preliminary results of the DNA analysis indicate that 51, or less than 4 percent, of the fish sampled (total of 1,330) came from the Klamath Basin; 491 fish came from Coleman National Fish Hatchery in the Sacramento Basin, and another 187 originated from Feather River, also in the Sacramento system.

Cooperation among all the project participants has been superb, with all parties – fishers, researchers, technicians, and administrators – enthusiastically engaged in ensuring that the project is as successful as possible. Future funding possibilities for the project are being actively explored; including a growing possibility of cooperation with California to expand the project to both states should federal funding become available. The fishing industry,

researchers and governors’ offices from both states are working with their congressional delegation to find funding to continue the project for three to four more years.

B. 2006 Salmon Season Grants

OWEB staff have developed and implemented a special grant program since the May 2006 Board meeting and the June 2006 E-Board approval of OWEB’s funding request.

1. Grant Solicitation and Review Process

OWEB Grant Program staff developed an expedited competitive grant process for three activities: 1) restoration, 2) project development, and 3) inventory and data collection. The 2006 Salmon Season Grant (SSG) information was posted on our website and a letter describing the effort was mailed to watershed councils, soil and water conservation districts, and tribes at the end of June. As an incentive, applicants are required to show only a 10 percent match of the OWEB request.

OWEB encourages applications that: 1) employ displaced fishers (defined as owners, operators, crew, and nuclear family members of same) in all project labor opportunities to the greatest extent possible over a period of up to 12 months; 2) offer displaced fishers a “living wage” (defined as anywhere in the range of \$12-\$20 an hour); and 3) put a greater percentage of personnel costs toward the hiring of displaced fishers.

In general, award preferences are given to projects that:

- Directly address limiting factors for the recovery of coastal coho in watersheds that drain directly to the ocean, including the Umpqua and Rogue basins; or the recovery of Klamath River salmon stocks in the Klamath River;
- Focus on “high-intrinsic potential salmon habitat”;
- Provide multiple benefits to the affected areas along the Oregon coast or the Oregon portion of the Klamath River Basin;
- Are identified in an existing watershed-scale assessment and action plan, or that address a restoration need identified in the Coastal Coho Recovery Plan; or
- Are part of an ongoing watershed-scale effort where previous work has been done.

Applications are accepted on a rolling basis and reviewed weekly by a small team of staff and experts, which includes:

Name	Agency	Location
Ken Bierly	Oregon Watershed Enhancement Board	Salem
Todd Confer	Oregon Department of Fish and Wildlife	Gold Beach
Rick Craiger	Oregon Watershed Enhancement Board	Redmond
Douglass Fitting	Oregon Watershed Enhancement Board	Salem
Michael Gray	Oregon Department of Fish and Wildlife	Charleston
Mark Grenbemer	Oregon Watershed Enhancement Board	Medford
Chris Knutsen	Oregon Department of Fish and Wildlife	Tillamook
Eric Nusbaum	Oregon Department of Agriculture	Eugene
Tom Shafer	Oregon Watershed Enhancement Board	Tidewater
John Spangler	Oregon Department of Fish and Wildlife	Newport

The Oregon Salmon Commission (Commission) in June 2006 decided that to be eligible for participation in one of the OWEB funded jobs, an individual would have to meet the following criteria:

1. Be an Oregon resident; and
2. Be the owner, operator, or crew of an Oregon licensed ocean salmon troll vessel during any of the 2004, 2005, and/or 2006 salmon seasons, or be a nuclear family member of same. “Nuclear family member” was defined as: the spouse, son(s) or daughter(s).

The Commission began to develop a list of eligible fishers that were interested in any potential land-based jobs. The Commission developed an “eligibility registration form” that fishers interested in jobs could fill out and the information is put into a database, which is updated weekly. OWEB grantees then contact the Commission administrator, Nancy Fitzpatrick, with information on how many fishers are needed and where the work will be done. The OWEB grantee notifies the Commission of the fishers hired as well as those interviewed and not hired and the Commission updates their database.

As of August 28, 2006, the list of interested fishers stands at 63, with 18 in Curry County, 22 in Coos County, four in Lane County, 11 in Lincoln County, one in Marion County, and seven in Tillamook County. Twenty-nine of the fishers are owners, seven are operators and 26 are crew. Thirty-three have expressed a willingness to work outside of their county of residence. Additional information on the fisher eligibility process is contained in Attachment C.

2. Current Status

As of the date of this staff report, OWEB has received 15 applications, one of which is a resubmission. Six applications have been funded—three restoration, one project development, and two inventory and data collection—with the promise of employing a total of 28 fishers. An additional application has been recommended for funding if the grantee can adjust its budget to increase the percentage of funding going to fishers. (See Attachment B for a tabular description of received and funded applications.) To date, OWEB has funded \$559,927 in restoration, project development, and inventory and data collection projects.

Staff sent letters with a detailed summary of reviewer concerns to the other applicants, and asked them to resubmit once they have addressed the concerns.

3. Additional Funding Needed

Staff would like to continue assisting displaced fishers and recommend that the Board allocate additional funding for continuing the 2006 Salmon Season Grant process. The June 2006 E-Board funds for Restoration have largely been spent. Based on an analysis of need, staff estimate that \$500,000 of capital funding would allow the special grant program to continue. If qualified applications are not submitted, these funds will not be used and they will be available for allocation by the Board in March 2007.

C. Recovery Planning Outreach

On August 8, 2006, OWEB staff met with Jay Rasmussen and Kaety Hildenbrand of OSU Sea Grant Extension to discuss the proposed scope of work for a project that would hire up to five displaced fishers, one full time and four half-time, for 16 months to conduct a variety of outreach activities relating to the state's salmon recovery planning efforts. The project is named "Fishermen Extending Salmon Restoration Information" (FESRI). The purpose is to equip displaced salmon fishers (owners, operators, crew or nuclear family members) to inform and raise awareness about the State's watershed programs and the Oregon Plan for Salmon and Watersheds (OPSW) to Oregonians.

Oregon Sea Grant Extension has adopted a team leadership approach for the program with each of the team members from one of Oregon Sea Grant's three focus areas: watersheds (Frank Burris), fisheries (Kaety Hildenbrand), and marine education (Shawn Rowe). The team, with support from other OSU Extension staff, will provide management oversight and training for the FESRI information specialists. The team will officially report to OWEB on a twice-a-year basis. Project goals and additional information on the FESRI training can be found in Attachment C.

IV. Administrative Rules

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

In addition to giving OWEB the ability to apply these preference to the 2006 Salmon Season Grant program, the adopted rules contain a provision that these preferences may also be applied to other OWEB grants, including the regular Restoration, Education and Outreach, Monitoring, and Assessment and Action Plan grants.

A. Rule Application Options

The next regular grant application deadline is October 16, 2006. Staff have discussed how to apply these rules to this grant cycle and have identified a number of issues and concerns. As an alternative, staff also discussed extending the existing 2006 SSG program through the January 2007 Board meeting. These two options are outlined below.

1. Apply Preference to Regular Grants

Applying the temporary rule criteria to the regular grants would allow staff to identify those projects that could hire displaced fishers and reward these projects with a higher priority ranking or other funding incentive. Staff are concerned that the 21-week lapse between the regular grant deadline in October 2006 and Board action in March 2007 defeats the intent of assisting displaced fishers quickly.

2. Extend Salmon Season Grant program

An additional allocation by the Board towards the 2006 SSG program would extend the existing expedited application submission and review process, and assist local watershed councils and conservation districts with hiring displaced fishers now rather than in spring 2007. Staff recognize that any additional allocation would come from the Board's

existing Lottery capital funds, and would decrease the amount of funding available for awards in March 2007.

B. Permanent Rulemaking

To continue to apply these award preferences, either by continuing the 2006 Salmon Season Grants or by applying the preferences to regular grants, beyond the January 21, 2007 expiration of the temporary rules, OWEB would need to adopt permanent administrative rules. For the Board to consider permanent rules at its January 2007 meeting, staff recommend the following rulemaking process.

Date	Actions
September 2006	Decide on scope of rulemaking, and stakeholders who should be involved. Identify Rules Advisory Committee (RAC), if needed. Develop materials and schedule meeting(s).
October 2006	RAC Meeting(s) and rule language development.
By October 13, 2006	File notice of rulemaking hearing(s) with Secretary of State for publication in November 1 st Oregon Bulletin.
November 1-30, 2006	Public comment period for rules. Draft rules available.
November 15-30, 2006	Public Hearing(s)
December 1-18, 2006	Staff drafts summary of public comments with responses, revises rules to incorporate public comments, and prepares January Board Meeting staff report.
January 24-25, 2007	OWEB Board considers adoption of permanent rules.

Based on the Board’s discussion of the rule application options outlined above, staff will identify and further refine the issues to be presented in a permanent rulemaking and will determine whether a rules advisory committee is needed.

V. Recommendation

Staff recommend the Board:

- A. Direct staff to begin permanent rulemaking, and
- B. Allocate \$500,000 of capital funding toward continuation of the 2006 Salmon Season Grants through January 21, 2007, and delegate to the Executive Director the authority to enter into appropriate grant agreements to distribute funds for the purposes outlined in this report.

Attachments

- A. Executive Order No. 06-06 and 06-07
- B. 2006 Salmon Season State of Emergency Applications Received and Funded
- C. Port Outreach Specialists and FESRI Training
- D. Temporary (Emergency) Administrative Rules



EXECUTIVE ORDER NO. 06-06

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

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

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

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

NOW THEREFORE, IT IS HEREBY ORDERED AND DIRECTED:

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



**EXECUTIVE ORDER NO. 06-06
PAGE TWO**

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

2. The Oregon Department of Fish and Wildlife, which operates under the direction of the State Fish and Wildlife Commission, is strongly encouraged to develop recreational and commercial fishing seasons, consistent with the federal framework, that help mitigate the effects of this emergency on coastal economies, and to consider establishment of additional commercial salmon fishing opportunities in state waters, as appropriate.
3. The Department of Community Colleges and Workforce Development shall pursue all available retraining opportunities for ocean fishing industry workers wishing to pursue alternative employment and shall coordinate the timely delivery of state workforce services and other human and community services to affected workers and families.
4. The Employment Department shall offer re-employment assistance programs to affected ocean fishing industry workers and shall work with the appropriate state and federal agencies to help affected individuals obtain unemployment insurance to the fullest extent available.
5. The Department of Housing and Community Services shall work with the Oregon Food Bank to provide additional food and nutritional support for affected Oregonians. Where possible, the Department is directed to work with housing partners to provide additional assistance for emergency shelter, rental housing, and permanent housing for affected households in need. The Department is further directed to work with local community based organizations to provide additional energy assistance and weatherization services to affected Oregonians as appropriate.
6. The Oregon Economic and Community Development Department shall investigate retraining opportunities for workers in the ocean fishing industry wishing to pursue alternative employment and provide technical assistance to public ports and businesses that experience adverse effects on their operations or revenues due to this emergency.



**EXECUTIVE ORDER NO. 06-06
PAGE THREE**

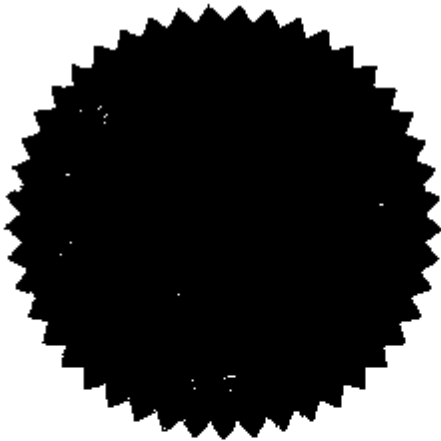
7. The Oregon Department of Agriculture shall work with Oregon Sea Grant, a marine research and education program based at Oregon State University, and their Extension programs, to encourage dialogue between Klamath Basin farmers and the coastal fishing industry regarding management of resources within the Klamath River Basin.
8. The Oregon Department of Revenue shall investigate and pursue options for affected Oregonians to obtain income tax credits and refunds and other financial assistance.
9. The Oregon Tourism Commission is directed to actively inform the public of continued recreational fishing opportunities and other tourism activities along the Oregon Coast and to highlight travel to Oregon's coast, as appropriate within their overall marketing strategies.
10. The Department of Human Services shall continue to provide mental health and treatment services, alcohol and drug treatment services, nutrition programs, domestic violence assistance, and medical assistance to Oregonians in coastal communities with particular attention to the increased needs in coastal communities caused by this emergency.
11. The Oregon Watershed Enhancement board shall provide financial resources to support fish habitat enhancement along critical salmon streams in Oregon, for the purpose of accelerating the rebuilding of fish populations and creating new and meaningful work opportunities for displaced workers.
12. The Office of Emergency Management shall pursue any and all available federal funding or resources to additionally assist in the mitigation of the effects of this emergency.
13. All other state agencies are directed to provide appropriate state resources and to seek any available private and federal dollars to provide emergency assistance to affected individuals, families, businesses and communities and to deliver such assistance in the most expeditious manner.



EXECUTIVE ORDER NO. 06-06
PAGE FOUR

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

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




GOVERNOR

ATTEST:


SECRETARY OF STATE



EXECUTIVE ORDER NO. 06-07

AMENDMENT TO EXECUTIVE ORDER 06-06

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

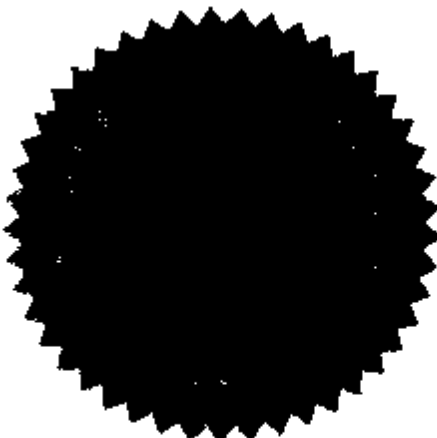
Just as the ocean is not divided by county lines, neither is fishing in those marine waters. Many of the people who live in Clatsop County, who live or dock north of Cape Falcon, nonetheless fish in waters south of Cape Falcon or will be otherwise adversely affected by the anticipated closure and limitations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

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

NOW THEREFORE, IT IS HEREBY ORDERED AND DIRECTED:

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

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




GOVERNOR

ATTEST:


SECRETARY OF STATE

**2006 Salmon Season State of Emergency
Applications Received and Funded**
(Updated Every Tuesday)

TABLE SUMMARY OF FUNDED APPLICATIONS*

	E-BOARD FUNDS ALLOCATED	TOTAL OWEB FUNDS AWARDED	TOTAL OWEB FUNDS REMAINING	NUMBER OF DISPLACED FISHERS TO BE HIRED
Restoration (no limit)	\$700,000	\$553,366	\$146,634	18.5
Project Development (PD; \$40,000 cap)	\$500,000	\$39,882	\$460,118	0
Inventory and Data Collection (IDC; \$50k cap)	\$250,000	\$116,679	\$133,321	9.5
TOTAL	\$1,450,000	\$559,927	\$740,073	28

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

TABLE SUMMARY OF RECEIVED APPLICATIONS*

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

* Shaded rows are funded applications.

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

Date Rcv'd/ Date Mailed	Fund/ No Fund Date	Applicant No. & Type	Amount Requested of OWEB/ Total Cost	Project Summary/ Use of OWEB Funds	Number of Fishers/ Wage Rate	Duration/ Time of Year
8/4/06 8/7/06	FUND \$39,882 8/15/06	Coos WSA 206-1007 resubmit of 1003 PD	\$39,882 \$50,822	This is a resubmission of 206-1003. The project now anticipates participation from about 45 lowland landowners, and ultimately hiring a restoration crew of about 4-5 displaced fishers for at least a 24-month period.	4-5 fishers \$15/hr crew \$20/hr leader (future restor project only)	24 mos. following completion of the PD project, 2007- 2008.
8/10/06 8/11/06	FUND \$44,064 8/22/06	Coos WSA 206-1008 IDC	\$44,064 \$54,617	OWEB funds will be used to hire a 2-person fisher crew to assist in operating adult fish traps and smolt screw traps for monitoring salmonid life cycles on two high-intrinsic potential coho salmon streams in Coos Bay lowlands. 74% of the OWEB request, or \$32,790, is budgeted for the fisher crew labor and training.	2 fishers \$162/day for a total of 220 days	8 months Oct. 2006 – May 2007
8/11/06 8/11/06	FUND \$22,669 IDC \$127,331 Restore 8/22/06	L. Rogue/S. Coast WSC 206-1009 [Resubmission of 1004 (Restor- ation) & clarify- cation of 1005 (IDC)]	\$277,214 \$317,980	OWEB funds will be used to hire a 3-person fisher crew to plant 20,000 trees at multiple sites and perform tree maintenance. A companion grant (206-1005) will provide survey work for the fishers. Fishers will receive on-the-job training from Curry SWCD staff. 50% of the OWEB request, or \$122,946, is budgeted for the fisher crew labor.	3 fishers (1.5 to IDC & 1.5 to Restore) \$15/hr. 0.75 FTE	2 yrs. Aug. 2006 – Sept. 2008
8/11/06 8/11/06	FUND \$141,296 8/22/06	TEP 206-1010 Restoration	\$141,296 \$163,851	OWEB funds will be used to hire a 5-person fisher crew to conduct riparian tree-release on 54 acres; eradicate knotweed in the Trask River watershed; and to support the Native Plant Cooperative, which provides trees for county-wide enhancements. 62% of the OWEB request, or \$87,180, is budgeted for the fisher crew labor.	4 fishers (\$15/hr.) 1 fisher leader (\$18/hr.)	1 year Nov. 2006 – Nov. 2007
8/21/06	Inelig; request exceeds \$50,000 allowable	Benton SWCD 206-1011 IDC	\$204,206 \$248,056	OWEB funds will be used to hire two teams of displaced fishers (4 total) over nine months to conduct field surveys and landowner outreach for the purposes of developing a limited inventory in several high-priority sub-watersheds to refine the training methods and survey process used by volunteers. 54% of the OWEB request, or \$110,760, is budgeted for the fisher crew labor.	4 fishers (\$15/hr. plus benefits)	9 months Feb-Oct 2007

Date Rcv'd/ Date Mailed	Fund/ No Fund Date	Applicant No. & Type	Amount Requested of OWEB/ Total Cost	Project Summary/ Use of OWEB Funds	Number of Fishers/ Wage Rate	Duration/ Time of Year
8/25/06		Siuslaw WSC 206-1012 Restoration	\$116,529 \$149,931	OWEB funds will be used to hire 3 fishers over a 12-month period to provide protective devices for trees, assess tree survival rate, and perform late-season release/invasives removal. 40% of the OWEB request, or \$46,800, is budgeted for the fisher crew labor.	3 fishers (\$15/hr.)	12 months Sept 2006- Sept. 2007
8/25/06		MidCoast WSC 206-1013 IDC	\$50,000 \$55,500	OWEB funds will be used to hire five fishers for nine weeks to gather information on the location, extent, and abundance of beaver dams, ponds, and channels in the Yaquina and Alsea basins and selected other streams. They will also gather stream morphology data for verifying the draft "High Intrinsic Potential" maps. 70% of the OWEB request, or \$34,820, is budgeted for the fisher crew labor.	5 fishers (4 in field, 1 in office) (\$18/hr. for surveyors; \$15/hr. for landowner contact and data entry)	9 weeks Sept-Nov 2006
8/25/06		Douglas SWCD 206-1013 IDC	\$29,215 \$34,175	OWEB funds will be used to hire a two-person fisher survey crew to complete an inventory of culverts in the L. Umpqua and Middle Umpqua rivers, as well as in a portion of the Lake Crk watersheds. 54% of the OWEB request, or \$15,840, is budgeted for the fisher crew labor.	2 fishers (\$12/hr.)	11 weeks Sept-Nov 2006

OWEB 2006 Salmon Season State of Emergency Response – Additional Information

Fisher Eligibility Process

The Oregon Salmon Commission eligibility registration form is a simple, one page application that requests: 1) the fisher's name and address, including county; 2) the name and documentation or registration number of the vessel(s) the fisher either owned, operated or crewed; 3) a letter of confirmation from the owner, if not the vessel owner, that the fisher worked on the vessel during the qualifying seasons; 4) some form of certification if a "nuclear family member" instead of owner, operator or crew; and, 5) whether the fisher would be interested in working both in and/or out of the county of residence. The Commission hired seven Port Outreach Specialists whose job it was to get the word out to the fishers about the OWEB program and help them complete and submit the form (information on the Port Outreach Specialists is included below).

Once complete, the fisher sends the form to the Commission where the information is put into a database. The Commission keeps that list updated at least weekly and adds to it by including whether a fisher has been interviewed and hired for a position or simply interviewed and not hired. The database will also be updated when a fisher leaves a position, allowing their name to subsequently be submitted to other potential employers.

The OWEB 2006 Salmon Season Grant (SSG) application forms all include the Commission contact information and advice to contact them for names of eligible and interested fishers. Upon notification of receiving an SSG award, the OWEB grantee contacts the Commission administrator, Nancy Fitzpatrick, with information on how many fishers are needed and where the work will be done. Nancy then: 1) compiles a list of all those fishers on her list that live in the respective county where the project will occur and supplements those names with those non-county resident fishers that have indicated a willingness to work outside of their respective county; 2) sends that list to the OWEB grantee; and, 3) updates her database accordingly.

It is then the responsibility of the grantee to call as many of the fishers on that list as desired, describe to them the positions being offered and bring them in for interviews. Upon selection and hiring of a fisher, the grantee notifies the Commission of the fishers hired as well as those interviewed and not hired. The Commission then updates their database, removing those fishers hired (for the time being), so that other SSG grantees don't receive the names of the fishers employed elsewhere.

Port Outreach Specialists

In late June, the Commission, with considerable help from the Governor's office, received a \$25,000 grant from the Department of Community Colleges and Workforce Development (CCWD), the purpose of which was to hire seven Port Outreach Specialists (POS) to deal with the various outreach needs brought on by the commercial troll salmon disaster. The seven positions were spread along the entire Oregon coast, one each in: Brookings/Gold Beach; Port Orford; Bandon/Coos Bay/Charleston; Winchester Bay/Florence; Newport/Depoe Bay; Pacific City/Garibaldi; and Astoria. The positions all went to local women with strong ties to the salmon industry.

The POS positions were created to accomplish two primary tasks: 1) to help members of the salmon industry (vessel owners, operators, crew, and the owners or employees of the ancillary businesses such as processors, ice plants, fuel docks, gear stores, etc.) identify the various state emergency service agency programs that could be used during this crisis and to help the fishers interact with those agencies and; 2) to help fishers (owners, operators, crew and the nuclear family members of same) register their interest in taking part in any of the OWEB grant-funded fisher job opportunities.

With the advent of the Governor's disaster assistance direct payment program, the \$500,000 administered through the Oregon Department of Agriculture (ODA), the POS position tasks included helping the

fishers understand and complete applications for those funds. Because of the pressure of ODA's July 28, 2006 application deadline in order to be accepted for the direct payments, much of initial month of POS work was taken up helping fishers with that program.

Even with the pressure of incorporating both the direct payment program and the new Small Business Administration Disaster Loan Program in their work, the POS have helped 56 fishers sign up for the OWEB job opportunities. In addition, they've helped dozens of salmon fishing industry members interact with a variety of emergency assistance programs, including food stamp eligibility processes, enrollment in retraining programs, visits to mental health clinics to deal with depression issues, and other emergency service needs.

Fishermen Extending Salmon Restoration Information

Goals and Objectives

Goals	<ol style="list-style-type: none"> 1) Target audiences will be more aware of the state's watershed and salmon recovery efforts. 2) OWEB will understand these audiences' perceptions and knowledge about the state's watershed and salmon recovery efforts.
Objectives	<ol style="list-style-type: none"> 1) To provide training to the FESRI information specialists about OWEB, the OPSW, watersheds, fisheries management and the process of awareness building through community outreach. 2) To encourage FESRI information specialists in their professional development and outreach efforts. 3) To inform and raise awareness of the target audiences and the general public about the State's watershed and salmon programs. 4) To listen to and compile target audiences' perceptions and knowledge of the issues, and convey them back to OWEB.

Training Contents

Watersheds, Salmon, and Oregon's Recovery Efforts	<ol style="list-style-type: none"> 1. Watershed and stream processes 2. Fresh-water salmon biology 3. Soils, erosion, and conservation 4. Riparian area functions and management: role of vegetation 5. Stream assessment and restoration 6. Wetland and estuary evaluation and restoration 7. Water quality and salmon 8. History of salmon policy in Oregon and beyond
Salmon Fisheries and Fisheries Management	<ol style="list-style-type: none"> 1. The Oregon salmon fishery – from ocean to plate 2. Fisheries management overview 3. Oregon salmon management 4. Impacts of pinniped predation on salmon recovery
Outreach and the Learning Process	<ol style="list-style-type: none"> 1. What is outreach 2. Considerations for targeting message to various audiences and outcomes 3. How individuals and groups listen, perceive, process, and learn.

695-005-0100

2006 Salmon Season State of Emergency Grants

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

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

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

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

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

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

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

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

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

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

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

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

August 28, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager

**SUBJECT: Agenda Item G: Oregon Plan Monitoring
September 19-20, 2006 OWEB Board Meeting**

I. Introduction

This staff report asks the Board to fund two specific Oregon Plan Monitoring projects that have been before the Board in one form or another over the course of the last year. The first project is for water quality monitoring equipment for the Department of Environmental Quality. The second project is developing web-based access to OWEB's restoration database and web portal enhancements.

II. Background

At the January 2006 Board meeting, the OWEB Board approved a spending plan which reserved \$110,000 for Oregon Plan Monitoring and \$690,000 for Oregon Plan Products from the federal fiscal year 2006 allocation of Pacific Coastal Salmon Recovery Fund (PCSRF) monies to Oregon.

III. Oregon Plan Monitoring Projects

A. Department of Environmental Quality (DEQ) Volunteer Water Quality Monitoring Program Equipment Needs

The DEQ provides access to equipment, training, database support, and analytical assistance for watershed councils and soil and water conservation districts through the Volunteer Water Quality Monitoring Program funded by OWEB. The equipment, which is provided to local groups for use in conducting water quality monitoring, periodically requires refurbishment or replacement. The budget in Attachment A provides a detailed accounting of the equipment and reagents which are in need of updating. The total proposed budget for the equipment is \$27,322.75.

B. OWRI Web Access, Oregon Explorer, and Conservation Registry

At the March 2006 Board meeting, the Institute for Natural Resources (INR) and Oregon State University (OSU) Libraries approached the Board with a revised proposal to fund the Umpqua Basin Explorer in lieu of a \$150,000 Education grant that was not recommended for funding. The revised proposal was designed to focus on Umpqua Basin specific data through development of an Umpqua web portal. The Board approved funding for the proposal at \$37,500.

Subsequent to the March 2006 Board meeting, the INR and OSU Libraries approached staff with a proposal to fund the statewide Oregon Explorer infrastructure for \$75,000. Staff reiterated the Board's reservations expressed at the March Board meeting to fund the statewide web portal infrastructure when it was not recommended for funding by the Education grant review committee, and with the lack of detail provided regarding the use of the Willamette and North Coast Explorer Web portals to date. INR staff have provided a description of the varied funding they are currently pursuing from state agencies and private foundations, including the Department of Administrative Services and the Governor's office. INR staff recognize that OWEB cannot and should not fund the lion's share of the start up and maintenance of the statewide web portal.

Staff have worked with the INR to develop the current proposal (Attachment B), which would meet data management needs for both OWEB and the INR. The proposal provides a necessary and useful product for the Board, OWEB staff, and the public by making the Oregon Watershed Restoration Inventory data and maps available on the World Wide Web. In addition, the INR and OSU Libraries will develop data entry web based tools to allow grant recipients the capability to enter mandatory project completion data online. The current proposal also involves joint OWEB/OSU training for local groups on the use of the data and mapping tools, and will include and provide linkages to information from the Defenders of Wildlife Conservation Registry database, which is currently being developed.

All data and tools made possible through this proposal, if funded, would be made available through the statewide web portal and all other geographically or subject matter based web portals developed by the INR and OSU Libraries. An Oregon Statehood Day ceremony is planned for February 24, 2007, for the unveiling of the Oregon Explorer enhancements found in this proposal, including the OWRI web access. See Attachment B for more detailed information.

IV. Recommendation

Staff request Board approval of:

- A) \$27,322.75 to fund an Interagency Agreement with the Department of Environmental Quality for the replacement and refurbishing of volunteer monitoring equipment; and
- B) \$75,000 to fund an Interagency Agreement with the Oregon State University Institute for Natural Resources for the development of web access to and tools for the Oregon Watershed Restoration Inventory, statewide Oregon Explorer web portal enhancements, and Registry of Conservation Actions.

Attachments

- A. DEQ Volunteer Monitoring Equipment Budget
- B. Oregon Explorer Proposal

Volunteer Monitoring Equipment Needs

Parameter	Item	Quantity	Unit Cost	Total Cost
Bacteria	Colilert-18 Reagents	0	\$700.00	\$0.00
	Enterolert Reagents	0	\$700.00	\$0.00
	Colilert WP200 Reagents	0	\$642.37	\$0.00
	Quantitray 2000 trays (100)	0	\$110.00	\$0.00
	Bottles	0	\$90.00	\$0.00
	Color Comparator	0	\$6.00	\$0.00
	QC Kit	0	\$120.00	\$0.00
				subtotal= \$0.00
Conductivity	Meter- YSI Model 30	4	\$530.00	\$2,120.00
	Meter- YSI Repairs	4	\$250.00	\$1,000.00
	primary standard (16oz) - 100 umhoms	0	\$20.00	\$0.00
	primary standard (16oz) - 1000 umhoms	0	\$20.00	\$0.00
				subtotal= \$3,120.00
Habitat	Abney Level	2	\$150.00	\$300.00
				subtotal= \$300.00
Macroinvertebrates	D-Frame Kick Nets	2	\$25.00	\$50.00
	Ethanol	0	\$50.00	\$0.00
				subtotal= \$50.00
Dissolved Oxygen	Reagents for HACH Kits	0	\$107.70	\$0.00
	DO Titrant J-Hook Delivery Tubes	0	\$3.20	\$0.00
	HACH Digital Titrator Oxygen Kit	3	\$190.75	\$572.25
				subtotal= \$572.25
pH	pH Electrode	0	\$231.00	\$0.00
	ATC probe	0	\$149.00	\$0.00
	pH Buffers (20 L) 4, 7 and 10	0	\$70.00	\$0.00
	Electrode Storage Solution	0	\$37.00	\$0.00
	Ionic Strength Adjuster	0	\$88.00	\$0.00
				subtotal= \$0.00
Stream Discharge	Marsh-McBirney Flo-Mate Current Meter	0	\$3,295.00	\$0.00
	Top-Setting Wading Rod (Std USGS setup)	0	\$400.00	\$0.00
	Tape Measure	0	\$25.00	\$0.00
	Staff Gauge Plates	6	\$40.00	\$240.00
				subtotal= \$240.00
Temperature	Vemco Continuous Data Logger (Refurbish)	29	\$50.00	\$1,450.00
	Vemco Continuous Data Logger (New)	150	\$109.35	\$16,402.50
	Vemco Minilog Computer Interface	2	\$122.00	\$244.00
	NIST thermometers	4	\$250.00	\$1,000.00
	YSI series 400 thermistor probe	3	\$40.00	\$120.00
				subtotal= \$19,216.50
Turbidity	HACH Turbidimeter 2100P	4	\$811.00	\$3,244.00
	HACH Turbidimeter 2100P- Repair	3	\$100.00	\$300.00
	HACH StabCal Primary Standard	0	\$193.00	\$0.00
				subtotal= \$3,544.00
Sample Collection	Sampling Bucket	2	\$140.00	\$280.00
				subtotal= \$280.00
			Grand Total =	\$27,322.75

**OWEB Oregon Explorer Proposal – August 2006
OSU Libraries and INR
\$75,000**

OWEB Staff Project Description

The Oregon Explorer will provide web-based access to comprehensive natural resources information by 1) providing on-line access to the OWEB Oregon Watershed Restoration Inventory, with tools for searching and creating graphs and reports from this database, 2) developing a prototype online reporting tool for the Oregon Watershed Restoration Inventory, 3) offering training sessions for watershed councils and soil and water conservation districts, 4) creating the Oregon Explorer framework that serves as the primary link to statewide information to support natural resources decision-making, and 5) enhancing existing web portals for the Willamette, North Coast and Umpqua basins. Oregon Explorer will ensure that Oregonians have integrated access to natural resources data, tools, and expertise.

INR and the OSU Libraries propose to:

- 1) Provide on-line access to the OWEB Oregon Watershed Restoration Inventory (OWRI), with tools for searching and creating graphs and reports from this database.

With the OWEB funding, INR and the OSU Libraries will make the OWRI accessible through a GIS, map based tool that displays the locations of projects in the OWRI and allows users to obtain detailed information on any project from the map. We will also build tools that allow users to create charts and graphs from the data, based on the primary questions identified by OWEB staff, watershed councils, and other targeted users. These tools will be made available both through the Oregon Explorer statewide portal and individual basin portals. We will also include information on the Oregon Explorer from the Registry of Conservation Actions database currently being developed cooperatively by the Defenders of Wildlife, the Institute for Natural Resources, and the Oregon and Washington Departments of Fish and Wildlife. All projects from the OWRI will be incorporated into the Conservations Actions database.

- 2) Prototype an online data-entry tool for the OWRI.

INR and OSU Libraries will work with collaboratively with OWEB to identify several categories of high-priority information within the OWRI to focus on for development of a prototype data entry tool. The data entry tool development occurring as part of the Registry of Conservation Actions project will be useful in assisting the OWEB, INR, and OSU Libraries team in developing a very user friendly data entry tool. When the Registry of Conservation Actions site is completed, all of the information included in this database will be available through the Oregon Explorer.

- 3) Offer training sessions to watershed councils, soil and water conservation districts, and other interested users.

The Oregon Explorer and the Registry of Conservation Actions are being developed to meet both basic and advanced uses in mind. The map and data entry tools in these resources can include extensive, complex and detailed information. Because of this, joint OWEB-OSU Libraries training for users of the sites will focus in particular on online entry tools, mapping tools and capabilities, and production of graphs and charts using reporting tools. These trainings will be offered to watershed councils, soil and water conservation districts, extension staff, interested state and local agency staff, and other potential users.

- 4) Build the Oregon Explorer home page and preliminary architecture (or “back end”) of the Explorer framework, including basic information about the state’s 12 water basins, eight ecoregions, and all Oregon counties, and expand information in the prototype Oregon Explorer pages (<http://oregonexplorer.info>, accessible online as of 11/1/2005). The OWEB information will be touted and made available along with other new and refined site content at the proposed public release of this site, Oregon’s Statehood Day, February 24, 2007.

The template for the Oregon Explorer page is online, but many of the features are not functional yet. The newly developed searching tools are not implemented, the ability to save files to the library (via OSU’s Scholar’s Archive) is not functional, and the primary pieces of information on Oregon’s basins, counties and ecoregions are only partially populated. If funded, we will enable the searching and library uploading tools, and sufficiently populate the geographic place pages with enough data to address the majority of the questions the public might have. This content will be based on information priorities that have been identified by various needs assessments and user trainings conducted by OSU Libraries as part of the Oregon Explorer effort. In addition, information from the existing basin portals and in-development subject portals (i.e., wildlife and wildfire risk) will be displayed through the Oregon Explorer site. The objective here is to show the depth and breadth of information about Oregon which can be provided at a site.

- 5) Enhance the existing, basin-level prototype web portals—the North Coast Basin Explorer (<http://northcoastexplorer.info>), the Umpqua Basin Explorer (<http://umpquaexplorer.info>), and the Willamette Basin Explorer (<http://willametteexplorer.info>).

Since development of the Willamette Explorer pilot natural resources digital library, additional improvements have been made and continue to be made as part of the growth of the Oregon Explorer project. With OWEB funding, INR and the OSU Libraries will add all the new tools to each of the existing sites:

- Menus of the sites will be updated to match those of the Oregon Explorer, and will be able to provide a broader selection of information.
- New search tools will allow users to select data from numerous sources simultaneously, including images, documents, spreadsheets, journals, books, and articles.
- A data entry tool allowing any user to share and permanently store information at the OSU Libraries (a library submission tool which relies on OSU Libraries’ ScholarsArchive@OSU online repository) will be added to all sites.

- The tools developed for the North Coast Explorer that allow users to upload data to the Oregon Department of Fish and Wildlife's NRIMP's Data Clearinghouse will be enabled on the Willamette, Umpqua and statewide Oregon Explorer portals.
- In Spring of 2007, the user-friendly interface for accessing the Pacific Northwest Water Quality Exchange database will be included on each site.
- The data developed in the Wildlife and the Wildfire Risk Explorers will be made available to the existing basin portals, as will any completed information on land use or sustainable agriculture that is being compiled for upcoming Explorer projects. Similarly, as new subject matter portals are developed, their information will automatically be accessible to the basin portals.

Budget - Imagery Portal Scoping and Development						
Phase 1 - Oregon Explorer		FTE	Monthly Salary	Benefit Rate	Project Months	Project Cost
	Project Manager	0.65	\$ 2,261	0.73	1.5	\$ 5,867
	Web Developer	1.00	\$ 2,915	0.65	2.0	\$ 9,620
	Programmer	0.75	\$ 3,936	0.55	2.5	\$ 15,252
	Project Advisor, Outreach	0.45	\$ 3,060	0.25	2.0	\$ 7,650
	Asst. Programmer	0.63	\$1,750	0.11	2.5	\$ 4,856
	Project Advisor	1.00	\$4,836	0.49	0.2	\$ 1,441
subtotal - salaries						\$ 44,686
Service Contract- John Ame (for science writing)						\$ 5,000
Service Contract - Edge Design (for web design)						\$ 1,000
Service Contract - U. Oregon InfoGraphics Lab (for maps and design)						\$ 7,500
Service Contract - The Other Firm (conservation actions portal)						\$ 7,500
Supplies						\$ 1,100
Travel						\$ 1,000
Other						\$ 400
Total - direct expenses						\$ 68,186
OSU Overhead @ 10%						\$ 6,819
Total Phase 1 Oregon Explorer Costs						\$ 75,005

August 29, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Lori Warner-Dickason, Policy Specialist

**SUBJECT: Agenda Item H: Request to Apply for Watershed Council Support
September 19-20, 2006 OWEB Board Meeting**

I. Introduction

This report discusses the two requests received from watershed councils who would like to apply for watershed council support funding separately from their current funding partners and provides options for the Board to consider in response to these requests.

II. Background

In previous council support grant cycles, the Board has adopted policies to encourage watershed councils to consolidate and apply jointly for council support grants. The objectives of these policies were to encourage similar councils to take advantage of economies of scale and to restrict the number of councils who apply for grants from a limited funding source.

In April, 2003, the Board adopted four funding principles that were applied to the 2003-2005 council support grants. They were:

1. No staffing increases from the 2001-2003 FTE levels.
2. Limit funding for new watershed councils to \$37,500 per biennium, regardless of their merit rating.
3. Establish a financial disincentive to council splintering off from an existing group and not fund councils that form within existing hydrologic watershed areas that have been served, or could continue to be served by an existing watershed council.
4. Encourage staff consolidation by identifying councils that could combine operations, take advantage of economies of scale and submit a joint council support application.

The administrative rules adopted by the Board in November 2004 formalized the policy to keep councils together. The administrative rules for Watershed Council Support Grants, OAR 695-040-0030(1)(a)(A) state: "In the situation where a watershed 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 Board." Councils who desire to break off from a group of councils and apply independently must obtain Board approval prior to submitting the application.

III. Watershed Council Requests for 2007-2009 Biennium

OWEB received requests from two watershed councils who would like to apply for council support funding separately from their current funding partners: the Elk Creek Watershed

Council (Elk Creek) and one from the Luckiamute Watershed Council (Luckiamute). Their requests are attached to this report.

A. Elk Creek Watershed Council Request (Attachment A)

1. Background

The Elk Creek and Smith River watershed councils were both formerly part of the larger Umpqua Basin Watershed Council (now the Partnership for the Umpqua River). In 2001 and 2002, through support of Douglas County, the Smith River and Elk Creek watershed groups were split off from the Umpqua Council and formed their own separate watershed councils.

The two councils submitted a joint application in 2002 for the 2003-2005 biennium. In April 2003, the Board applied the funding principle that recommended no funding be provided to “splinter councils” (funding principle number 3, above) to the Smith River and Elk Creek application. After requests from the Smith and Elk Creek watershed groups at the May 2003 meeting, the Board reconsidered this principle and the councils were awarded a total of \$42,500 for the 2003-2005 biennium. Together they applied for and received \$23,010 for the 2005-2007 biennium.

2. Solo Funding Petition

Based on the petition submitted by Elk Creek and review of the files for the Smith/Elk Watershed Council Support Grants, it appears that the councils have significant differences in watershed issues, biology, geography, priorities and project types. The council partners are also very different, mainly due to geography. While the two councils are adjacent geographically, road access is poor and there are significant travel constraints. This has presented an obstacle for cooperation and resource sharing.

The two councils have used their limited council support funds in very different ways. Elk Creek hired a part time coordinator who focused on applying for other grants to subsidize the coordinator salary. Elk Creek has secured over \$146,000 in other OWEB funds for various projects. Smith River has not hired a coordinator and has secured \$37,000 in other OWEB funds for two projects. This demonstrates a significant difference between the two groups in their efforts to leverage very limited funding.

Since their inception, the two councils have operated totally independently and collaboration appears to be limited to the council support application and subsequent fiscal reporting on the council support grant. This lack of collaboration is reinforced by the differences in watershed issues, council partners, strategies for providing watershed services, and travel constraints.

The petition reports that the entire Elk Creek Council supports solo funding. Elk Creek has requested a letter from Smith River to indicate their support for solo funding, but such a letter has not been received. Because grant awards are based on the merit ranking of each application, it is impossible to predict what each council will received if they were to apply independently.

B. Luckiamute Watershed Council Request (Attachment B)

1. Background

The Rickreall Watershed Council (Rickreall) was formed in 1997 and received individual council support funding in the 1999-2001 and 2001-2003 biennia. In 2001, the newly formed Luckiamute received their first council support start-up grant in the amount of \$1,000.

Through the grant evaluation process and in application of the funding principles in April 2003, the Luckiamute and the Rickreall were identified as candidates for consolidation (funding principle four in Section II above). As a consequence, they initially received a joint council support award of \$85,000 for the 2003-2005 biennium. In 2003, the two councils were joined by the Glenn-Gibson Watershed Council (Glenn-Gibson), which is also located in Polk County and had previously been supported through the Salem Keizer Area Watershed Councils. The three councils formed an umbrella organization that provided coordination services for the three groups. The councils received \$100,776 and \$108,584 for the 2003-2005 and 2005-2007 biennia, respectively, to be shared between them. For these two grant cycles, the Board applied a monetary bonus to their grant award for support to multiple watershed councils and being an umbrella organization.

Currently, the Rickreall and Glenn-Gibson share a staff person who also works with the coordinating body for the umbrella organization. The Luckiamute has contracted for coordinator services separately.

2. Solo Funding Petition

According to the petition, the Luckiamute serves a much larger watershed and has more forest land than the other two councils. Review of the previous council support files shows that all three watershed councils have many of the same habitat and species concerns. The Luckiamute and Rickreall watersheds have similar agricultural land use issues and percentages of public and private land.

The Luckiamute works with two county governments, two soil and water conservation districts, and two universities. While this added level of collaboration requires more time, it also offers more opportunities to develop meaningful partnerships, some of which are shared by all three councils.

It is unclear whether an independent application will result in improved watershed services to the Luckiamute watershed, unless it results in more staff funding for the council.

Review of the OWEB files indicates that the three groups have been effective in sharing resources and regularly collaborate on projects, especially related to outreach and capacity building. They share some administration functions, which may have reduced their operating costs. The councils have some partners in common, which results in some increased efficiencies. The current arrangement does not preclude the opportunity to develop partnerships specific to the needs of the watershed. In their petition, the Luckiamute contends that the umbrella organization dilutes their “efforts and hinders” their “ability to implement watershed improvement activities.”

The combined council support grant has resulted in a level of collaboration that is beneficial in terms of resource sharing and efficiency. If the Luckiamute is allowed to apply separately, it may or may not result in improved watershed restoration service, depending on the outcome of the funding from the council support grant application.

The petition indicates that there is broad support for the Luckiamute to apply independently for council support funding. Both the Rickreall and the Glenn-Gibson watershed councils have indicated they will not oppose actions to allow the Luckiamute to apply for solo funding.

IV. Evaluation of Solo Funding Petitions

In anticipation of requests for independent funding, staff developed a list of items for watershed councils to address in their petition to the Board. The list focuses on trying to determine whether requiring multiple councils to combine operations has resulted in any efficiencies in terms of watershed services. The list includes whether:

- The council represents unique ecological or social conditions that are significantly different from that of its funding partners.
- Solo funding would result in a significant improvement of service to the watershed and its residents compared to the level of service possible under the present funding arrangement.
- There is widespread and broad-spectrum community awareness of and support for the change.
- The split-off will not result in significant detrimental effects to previous funding partners.

If councils could demonstrate that the above conditions exist, then it might be appropriate to allow them to apply separately and not force them into a funding partnership. Staff have evaluated the petitions and OWEB files to develop three options and a recommendation based on the items listed above. The options are described below.

A. Option 1: Approve petitions based how effective the consolidation has been in the delivery of watershed services.

In light of the four criteria, it seems appropriate to allow the Elk Creek to apply for a council support grant separately because there is no indication that these councils are collaborating or sharing resources to take advantage of economies of scale or efficiencies.

Applying the same criteria leads staff to recommend that the Luckiamute not be allowed to apply independently because the similarities may present significant opportunities for collaboration that outweigh any impediment due to the differences. The three councils are sharing resources and collaborating, especially on capacity building activities.

Allowing the Elk Creek to submit a separate application because their partnership with the Smith River has not been effective and not allowing the Luckiamute to apply independently because the partnership has been somewhat successful sends a mixed message. It could be viewed as punishing the group that has made progress toward sharing resources and rewarding the councils who do not work together. This may provide a disincentive for councils to continue to try to work together.

B. Option 2: Deny both petitions based on the funding principles adopted in April 2003.

Funding principle number four from April 2003, “encourage staff consolidation by identifying councils that could combine operations, take advantage of economies of scale and submit a joint council support application,” could be applied to these petitions and the Board could deny both requests to apply independently. The Board could then explore ways to assist the councils in effective collaboration.

Denying both councils the opportunity to apply independently may accomplish OWEB’s objective of restricting the number of council support applications from a limited funding source. At the same time, forcing them to collaborate is inconsistent with the local formation and designation of watershed councils. This puts the Board in the position of deciding who works with whom.

C. Option 3: Allow both to apply separately.

Under this option, OWEB would allow councils to apply independently if they choose. If collaboration and consolidation are important, the Board could incorporate additional merit incentives to reward councils that share staff and apply together. The rules currently allow for and require consideration of “sharing resources, staff or project responsibilities with other entities” as part of the review criteria for council support applications. This merit incentive could be in addition to the existing bonus for umbrella organizations, since not all councils that apply together meet the definition of “umbrella council.” Further, OWEB could create a monetary disincentive (such as applying funding principle number 1, no staffing increases, described in Section II above) to discourage councils from breaking away from an established group.

Councils who have applied together, or were “forced” together through grant awards, believe they have received less funding as a result. They believe that if they are able to apply independently, then they will have the opportunity to compete with other councils for a “full share” of funding. OWEB could address this disincentive for councils to consolidate by creating more financial incentive for councils to combine operations, share staff and increase their efficiency.

Allowing both councils to apply independently, if they choose, while providing a monetary incentive to those who combine operations, takes OWEB out of the role of council manager. The drawback is that unless the incentive is high enough, it may result in a dramatic increase in council support applications and reduce the average award amount.

V. Recommendation

Staff recommend that the Board approve Option 3 and allow the Luckiamute Watershed Council and Elk Creek Watershed Council to apply for council support independently, if they choose. It is also recommended that staff work with the Board subcommittee to explore incentives for council consolidation for use in the 2007-2009 grant cycle.

Attachments

- A. Elk Creek Watershed Council request
- B. Luckiamute Watershed Council request

August 28, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator

**SUBJECT: Agenda Item J: Local Innovation Fund
September 19-20, 2006 OWEB Board Meeting**

I. Introduction

In this report, staff describe the Phase II Local Innovation Fund (LIF) request for proposals, the applications received by the June 15, 2006, deadline, the evaluation process applied to these applications, and lessons learned through this phase of the pilot program to link restoration funding with economic and community benefits. Staff also seek Board approval for funding of three Phase II LIF grant applications.

II. Background

In September 2005, the OWEB Board authorized staff to create a special grant offering that more expressly linked watershed restoration to economic and community benefits called the Local Innovation Fund. The purpose of the LIF is to encourage innovative projects that provide ongoing economic and community incentives for the restoration and protection of fish and wildlife habitat, water quality, and watersheds. The LIF differs from OWEB's regular grant program, which provides funding for all phases of watershed restoration and protection projects, by explicitly seeking projects that also directly connect to and benefit the local economy and community.

In October 2005, staff issued a Call for Innovation requesting proposals to the newly created Local Innovation Fund. This request was for the first in a two-phase pilot program, and it offered funding for the development of projects that benefit the local watershed, economy, and community. In January 2006, the OWEB Board awarded eight Phase I LIF grants totaling \$100,000 for projects in three categories: 1) Creation of Market Incentives for Ongoing Watershed Restoration and Protection; 2) Creation of a Sustainable Family Wage Restoration Workforce; and 3) Providing a Model for More Sustainable Sand and Gravel Mining.

III. Phase II Local Innovation Fund

On May 1, 2006, staff issued a Request for Proposals for Phase II of the two phase pilot program to provide funding for on-the-ground watershed restoration activities that benefit and provide connections to the local economy and community. The announcement described the intent as seeking projects that make explicit connections between environmental restoration activities and pressing social and economic needs, effectively "leveraging" a conservation investment for positive outcomes in the community and economic spheres. Grant applications were due on June 15, 2006.

Fifteen applications were received by the deadline. An initial staff review identified two applications that were ineligible because they did not propose on-the-ground watershed restoration activities. The remaining twelve applications (Attachment A) were copied and mailed to the appropriate OWEB Regional Review Team for evaluation of the application's watershed benefits, and to a single Statewide Review Team for evaluation of the economic and community benefits. Attachment B shows the regional and statewide review team recommendations and rankings.

A. Regional Review Teams Evaluation and Recommendation

OWEB's Regional Review Teams (RRT) met between July 6 and July 19, 2006, to review the April 2006 restoration and acquisition applications (see Agenda Item E), and to review only the Phase II LIF applications from their respective region. Applications were reviewed for their technical merit and watershed benefits, and each was given a fund/no fund recommendation by its RRT. When more than one application was recommended for funding in a region, the RRT prioritized the recommended applications. The RRTs recommended funding for six of the twelve LIF applications.

B. Statewide Review Team Evaluation and Recommendation

The Statewide Review Team (SRT) met on August 2, 2006, to evaluate the overall quality of the proposals and the economic and community benefits of all twelve applications. The SRT was formed from the Phase I Review Panel and included the following members:

- Bill Blosser, consultant and former Oregon Sustainability Board member;
- Julia Doermann, consultant and former Natural Resources Advisor to Governor Kitzhaber;
- Mike Hibbard, Director, Institute for Policy Research and Innovation, University of Oregon;
- Tom Nelson, Oregon Economic and Community Development Department; and
- Krystyna Wolniakowski, Director, NW Regional Office, National Fish and Wildlife Foundation.

The SRT was provided with copies of the RRT evaluations and was asked to evaluate and rank each application on whether the project:

- represents an economic solution or incentives for market change;
- addresses social conflict, improves diverse stakeholder collaboration, or strengthens local social capacity to achieve watershed restoration outcomes;
- explicitly connects watershed protection and restoration activities and pressing social or economic needs, or helps to reduce perceived conflicts between the environment, economy, and community; and/or
- proposes on-the-ground watershed restoration activities that create long-term local economic and community benefits.

The SRT recommended seven applications for funding. The SRT's recommendations matched the RRT recommendations except for the application from Region 1. For project 207-139, Pacific Shrimp Company Water Conservation Project, the SRT concluded economic and community benefits, but agreed with the RRT's conclusions about a lack of clear watershed benefits.

C. Staff and Board Subcommittee Recommendation

OWEB staff worked with the Board’s Local Innovation Fund Subcommittee, Dan Heagerty and Dan Carver, to review the RRT and SRT recommendations and to develop a Board funding recommendation. Generally, the Subcommittee agreed that few of the Phase II proposals really address and benefit all three criteria, environment, economy and community, and that many of the proposed projects, as noted by the RRTs and SRT, could be submitted and funded as regular restoration grants.

The Subcommittee felt that three of the projects recommended by both teams could be developed or enhanced in ways that more comprehensively achieve the Phase II Local Innovation Fund goals. The Subcommittee and staff have identified the top three SRT recommended projects as having that potential if the conditions and challenges identified below are addressed.

Project # and Name	Conditions
207-139 South Coast Cranberries	<ol style="list-style-type: none"> 1. Implement pre and post project water quality monitoring on the streams associated with project sites in conjunction with local Oregon Department of Environmental Quality (DEQ) staff. OWEB staff are working with DEQ and the applicants to develop monitoring plans and estimated costs. 2. Increase grower match contributions for the bog renovation and reservoir stabilization activities. 3. Document local economic benefits from certification or marketing efforts.
207-148 Mosier Community Groundwater Management	<ol style="list-style-type: none"> 1. Involve the City of Mosier in the project, especially as a committed partner in the community discussions. 2. Document yield changes from implementation of irrigation efficiency and mulch practices. 3. Report economic and community benefits (i.e. agricultural yields, water conservation results, community results).
207-142 Salmon-safe Applegate Restoration Initiative	<ol style="list-style-type: none"> 1. Collect data about economic conditions before and after implementation (i.e., number of farms and employees, gross sales per business, and payroll). 2. Report economic and community benefits of training and certification.

The Board Subcommittee also recommends that OWEB develop partnerships with the Oregon Economic and Community Development Department and other relevant agencies to assist in the enrichment of these projects to meet the three LIF goals. They also recommend that the Board awards be flexible to allow staff to complete discussions with the applicants, on the conditions described above, that may occur following the September Board meeting.

IV. Funding Considerations

The Agenda Item E Overview describes the capital funding remaining for Board allocation in the 2005-2007 biennium. The LIF projects recommended by the Board Subcommittee and staff will require \$218,200 of capital funds and at least \$8,200 of non-capital funds. (Attachment C)

V. Local Innovation Fund Lessons Learned and Next Steps

The Local Innovation Fund has been a pilot program to assist in implementing OWEB's 2004 Sustainability Plan. Staff intend to collect feedback this fall from LIF grant applicants in addition to the feedback provided by the RRTs and SRT. That feedback will be reviewed with the Subcommittee and provided to the Board at a meeting next year with recommendations on how to proceed with any future LIF solicitations.

The comments and questions from the RRTs and SRT during Phase II include:

- Whether the on-the-ground activities should be innovative or proven restoration or enhancement techniques. Or whether the focus should be on proven techniques that haven't been implemented before.
- Many applications appear to be demonstration projects, but were proposing on-the-ground implementation of things that have been demonstrated before. How much demonstration of certain techniques is really needed or were projects portrayed in those terms to appear more innovative?
- Should the on-the-ground activities be trying to answer untested questions?
- Many applicants struggled with addressing the economic or community benefits criteria. Future training and/or guidance materials should be developed to help restoration specialists meet these new criteria.
- OWEB needs to be clearer about its criteria and project expectations so that the evaluation process can be more thoughtful.
- OWEB could look for other economic development and or community improvement groups such as the Governor's Economic Revitalization Team to partner with to make the offering more robust and connect with other groups.

VI. Recommendation

Staff recommend the Board approve funding for the three Phase II Local Innovation Fund projects shown in Attachment C with the conditions described in Section III(C) above. Staff also recommend that the Board delegate authority to the Director to approve final grant amounts and conditions, after consultation with the Board Subcommittee, when staff and applicant discussions are complete.

Attachments

- A. June 15, 2006 Phase II Local Innovation Fund Grant Applications
- B. Phase II LIF Regional and Statewide Review Team Recommendations
- C. Phase II LIF Staff Recommendation

Local Innovation Fund Applications June 15, 2006

Region 1 – North Coast

Grant #	Applicant	Project Name	Amount Requested
207-139	MidCoast Watersheds Council	Pacific Shrimp Company Water Conservation Project	\$47,585

Region 2 – Southwest Oregon

Grant #	Applicant	Project Name	Amount Requested
207-140	South Coast WCs	South Coast Cranberries	\$92,705
207-141	Applegate River WC	Applied Forest Restoration, Milling & Manufacturing from private lands	\$29,311
207-142	Applegate River WC	Salmon-safe Applegate Restoration Initiative	\$20,167

Region 3 – Willamette Basin

Grant #	Applicant	Project Name	Amount Requested
207-143	Johnson Creek WC	Watershed Wide – Youth Engaged	\$26,024
207-144	Columbia Slough WC	Lower Columbia Slough Habitat Restoration and Education Project	\$44,545
207-145	Friends of Zenger Farms	Zenger Farm – Upland Habitat Restoration and Water Quality Project	\$49,226
207-146	Columbia Slough WC	Columbia Sedge Meadow Restoration	\$57,900
207-147	Verde	Crystal Springs Restoration and Enhancement Project	\$42,860

Region 4 – Central Oregon

Grant #	Applicant	Project Name	Amount Requested
207-148	Wasco County SWCD	Mosier Community Groundwater Management	\$113,548

Region 5 – Eastern Oregon

Grant #	Applicant	Project Name	Amount Requested
207-149	SE Oregon RC&D	Juntura Malheur River Stream Protection Project	\$146,243
207-150	Malheur WC	County Fair Settling Pond	\$11,465

Total Requested: \$681,579

**Local Innovation Fund Projects Recommended for Funding by the RRT and SRT
June 15, 2006 Grant Cycle**

OWEB Region	Project	Project Name	Request	Regional Review Team		Statewide Review Team		RRT & SRT Recommendations	
				Rec.	Priority	Rec.	Priority	Capital	Non-Cap
1	207-139	Pacific Shrimp Company Water Conservation Project***	47,585	DNF		Fund	5	27,683	935
2	207-140	South Coast Cranberries**/**	92,705	Fund	1 of 2	Fund	1	85,705	7,000
2	207-141	Applied Forest Restoration, Milling & Manufacturing from private lands	29,311	DNF		DNF		0	0
2	207-142	Salmon-safe Applegate Restoration Initiative***	20,167	Fund	2 of 2	Fund	3	18,967	1,200
3	207-143	Watershed Wide – Youth Engaged	26,024	DNF		DNF		0	0
3	207-144	Lower Columbia Slough Habitat Restoration and Education Project	44,545	DNF		DNF		0	0
3	207-145	Zenger Farm – Upland Habitat Restoration and Water Quality Project	49,226	DNF		DNF		0	0
3	207-146	Columbia Sedge Meadow Restoration**	57,900	Fund	1 of 2	Fund	4	52,850	5,050
3	207-147	Crystal Springs Restoration and Enhancement Project**	42,860	Fund	2 of 2	Fund	6	40,760	2,100
4	207-148	Mosier Community Groundwater Management***	113,548	Fund	1 of 1	Fund	2	113,548	0
5	207-149	Juntura Malheur River Stream Protection Project**/**	146,243	Fund	1 of 1	Fund	6	50,289	800
5	207-150	County Fair Settling Pond	11,465	DNF		DNF		0	0
Total Requested			\$681,579	Total Recommended				\$389,802	\$17,085

** Regional Review Team (RRT) Fund with Conditions

*** Statewide Review Team (SRT) Fund with Conditions

DNF = Do Not Fund

**Local Innovation Fund Projects Recommended for Funding by the
RRT, SRT, and OWEB Staff
June 15, 2006 Grant Cycle**

OWEB Region	Project #	Project Name	Capital Funds	Non-Capital Funds
2	207-140	South Coast Cranberries	\$85,705	\$7,000
2	207-142	Salmon-safe Applegate Restoration Initiative	\$18,967	\$1,200
4	207-148	Mosier Community Groundwater Management	\$113,548	\$0
Total Recommended			\$218,220	\$8,200

August 29, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item L: Recovery Planning
September 19-20, 2006 OWEB Board Meeting**

I. Introduction

This report requests Board action to allocate \$600,000 of Pacific Coastal Salmon Recovery Funds (PCSRF) to support ongoing efforts to develop salmon conservation and recovery plans throughout the state.

II. Background

The State of Oregon is investing significant resources to develop conservation and recovery plans for salmon and steelhead. This multi-agency planning effort is being coordinated by the Governor's Office, and is one of the more complex and far-reaching initiatives undertaken as part of the Oregon Plan for Salmon and Watersheds. The plans will meet both state and federal objectives for the recovery of salmon and steelhead populations.

For the 2005-2007 biennium, the Legislature earmarked \$1.5 million in PCSRF funds split evenly between the Oregon Department of Fish and Wildlife and OWEB to assist in the development of conservation/recovery plans. In addition to these funds, the Board approved an allocation of \$200,000 to support local involvement in recovery planning during its September 2005 meeting. To date, OWEB has allocated a total of \$853,943. Individual allocations by OWEB are listed below.

PCSRF Funding for Salmon and Steelhead Recovery Planning

Name	ESU	Amount
Oregon Dept. of Forestry	All	\$175,000
Department of State Lands	All	\$51,578
Water Resources Department	All	\$89,961
Oregon Dept. of Fish and Wildlife	Coastal Coho	\$66,000
Governor's Office	All	\$37,500
Portland State University	Coastal Coho	\$65,000
Cogan-Owens-Cogan	Willamette	\$150,000
University of Oregon	Coastal Coho	\$80,000
Printing	Coastal Coho	\$7,904
Coho Stakeholder Workshops	All	\$10,000
Councils and Districts	Coastal Coho	\$27,500
Councils and Districts	Lower Columbia	\$20,000
Councils and Districts	Mid Columbia	\$40,000
Councils and Districts	Snake	\$33,500
TOTAL		\$853,943

At the January and March 2006 Board meetings, staff proposed and the Board approved an additional reserve of \$600,000 for conservation/recovery planning from the 2006 PCSRF funds.

III. Current Status and Request

The development of conservation/recovery plans is a high priority for the State of Oregon. Completed plans will provide additional guidance for future board restoration grant investments. Attachment A lists the planning efforts by “Recovery Domain.” It shows the first plan targeted to become final in early 2007 and others to be finalized throughout 2007.

The development of each plan requires technical support and stakeholder team facilitation and support. Funds are also needed to augment staff participation from other agencies to support facilitation and consultant services, meet data management needs, and act as a reserve to address unanticipated needs. Only \$79,000 remains from the \$200,000 allocated to support local group participation in recovery planning, and only \$17,057 remains of the \$750,000 legislative allocation to OWEB.

At this time, specific support requirements and future funding needs are unknown. However, we fully expect additional funding needs to arise during the remainder of the biennium. To date, the Board has delegated authority to distribute funds for conservation/recovery planning to the Executive Director in order to have the flexibility to respond rapidly to funding needs as they occur. The Director works with the Governor’s Office to determine the specific purposes for the funds and the timing of distribution. Staff propose continuing this approach for distributing funds. Staff will regularly report on the progress of conservation/recovery plan development and use of the funds. Updates from the Governor’s Office or other state agencies involved in this effort may also be scheduled at future board meetings.

IV. Recommendation

Staff recommend the Board allocate up to \$600,000 of PCSRF funds for the purposes of continuing and completing salmon and steelhead conservation and recovery plans. Staff further recommend the Board delegate the authority to distribute these funds to the Executive Director, who will make specific distributions in consultation with Governor’s Office staff.

Attachment

- A. Oregon Salmon and Steelhead Recovery Planning Schedule

Attachment A

Oregon Salmon and Steelhead Recovery Planning Schedule

DOMAIN	Misc.	REVIEW TIMELINES	MEETING DATES		DRAFT	FINAL
			Planning Team	Stakeholder		
Coast		7/21/06 Agency Review 7/24/06 to Stakeholder for Review Sept/Oct 06 Public Review & Town Hall Mtgs		Fri, 8/4/2006 Tues, 9/26/06	Oct 06 Public Draft Dec 06 ODFW Commission Draft	Jan 2007 to ODFW Commission for approval
Lower Columbia			Mon, 7/24/06 Tues, 9/12/06	Tues, 8/1/2006 Wed, 9/20/2006 Thurs, 11/9/2006 Thurs, 12/7/2006 Thurs, 1/11/2007	Dec 06 Federal Register Notice	Mid 07
Upper Willamette			Wed, 8/9/06 Wed, 9/12/06	Thurs, 7/13/06 Thurs, 9/21/06 Thurs, 11/2/06 Thurs, 12/14/06 Thurs, 1/25/07	Spring 07 Federal Register Notice	Fall 07
Mid Columbia			Wed, 7/26/06	Wed, 6/14/06 Wed, 7/26/06 Tues, 8/29/06 Thurs, 9/20/06	Nov 06 Federal Register Notice	Mar 07
Snake				Tues, 8/22/06 Oct 2006	Nov 06 Federal Register Notice	Mar 07
SONCC	8/18/06 Start up meeting				July 2007 (likely to be later)	Dec 2007 (likely to be later)

August 28, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Ken Bierly, Deputy Director

**SUBJECT: Agenda Item M: Restoration Priorities Adoption
September 19-20, 2006 OWEB Board Meeting**

I. Introduction

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

II. Background

The Board has identified the development of funding priorities as a significant need for project review and evaluation in OWEB's grant program. In September 2002, the Board authorized staff to contract for the facilitation of efforts to develop restoration priorities in two pilot basins.

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

III. Status and Approach

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

Attachment B shows the limiting factors matrix for the Hood and Fifteenmile basins. A discussion of the approach that converts the analysis of habitat conditions to limiting factors is provided in Attachment A.

Following discussions with local conservation partners, this form makes sense with the following change: the Hood Basin priorities are appropriate but they would prefer smaller divisions of the basin (6th field HUCs). With the proposed changes the OWEB matrix will closely reflect the recently drafted Hood Basin Aquatic Habitat Restoration Strategy with additions to address upland habitat conditions. A minor change to the Fifteenmile Basin limiting factors to include recent information about the presence of pesticides in the watershed had made it complete given today's information about the basin.

The Hood and Fifteenmile Basins Limiting Factors Summary matrix is also available on the OWEB web site at www.oregon.gov/OWEB/restoration_priorities.shtml.

IV. Columbia Basin Next Steps

The approach and content of the most recent two restoration priorities for the Columbia Basin are part of a series of products proposed for use from subbasin plans developed by the Northwest Power and Conservation Council. OWEB staff has contracted with a consultant to take the analysis used in the development of subbasin plans and systematically convert the information into restoration priorities. The delivery schedule below identifies the approximate times that draft products will be available. OWEB staff will review the draft products with local conservation groups before bringing them to the Board.

Delivery Schedule for Restoration Priority Products

Date	Basin
August 25, 2006	Deschutes
September 8, 2006	Malheur
September 8, 2006	John Day
September 22, 2006	Grande Ronde
October 6, 2006	Owyhee
October 20, 2006	Powder
October 27, 2006	Umatilla
October 27, 2006	Walla Walla

V. Recommendation

Staff request the Board approve the approach and content of the Hood and Fifteenmile basins regional restoration priorities.

Attachments

- A. EDT Limiting Factors Cross Walk Memo
- B. Hood and Fifteenmile Basins Limiting Factors Matrix

Memorandum

DATE: August 03, 2006
TO: Ken Bierly, OWEB
FROM: John Runyon, Adolfsen Assoc., and Steve Bauer, Watershed Professionals Network
RE: **Process for Determining Columbia Basin Limiting Factors (Regional Priorities)**

I. Introduction

OWEB is establishing regional priorities to be used as guidance in reviewing grant applications to help ensure a clear and strategic approach to prioritize project funding. The ultimate goal is to establish investment priorities for each of the 15 Oregon Plan reporting basins based on technical information provided in subbasin plans, local watershed assessments, ESA recovery plans, and water quality management plans. This memo outlines the process for summarizing watershed-scale limiting factors within the Columbia Basin.

II. Status and Approach

The development of watershed limiting factors for the Columbia Basin builds upon the policy framework adopted by the OWEB Board and described in the document: *Improvement Priorities at Basin and Watershed Scales*. This project further builds on the experience gained in identifying watershed-scale limiting factors and developing restoration priorities for the Rogue and Willamette basins. A subtle but critical difference in this process is the emphasis on identifying limiting factors rather than specifically identifying priorities. Limiting factors are based on a technical evaluation of the current resource condition; priorities should address these limiting factors but may also logically address the technical feasibility, cost, and benefits of a particular restoration approach. This project is only identifying the limiting factors.

The identification of limiting factors emphasizes a “ridgetop-to-ridgetop” perspective, encompassing terrestrial, riparian, and aquatic habitats, multiple fish and wildlife species, and watershed functions. This broader watershed context is the basis for developing restoration project priorities that address key factors that limit watershed function.

In the Columbia Basin, the project team is compiling information on watershed-scale limiting factors primarily from the Northwest Power and Conservation Council (NWPCC) Subbasin Plans for the following basins: Hood-Fifteen Mile, Deschutes, John Day, Umatilla, Grande Ronde, Powder, and Owyhee-Malheur. The subbasin plan information is supplemented with local watershed assessments and action plans, ODFW’s Conservation Strategy, Agricultural Water Quality Management Plans, NOAA-Fisheries recovery planning documents, and DEQ 303(d) water quality databases. This information is used to develop a list of limiting factors at

the 5th field HUC (Hydrologic Unit Code) scale for each of Columbia subbasins defined through the NWPCCC's planning process.

The outcome of the project is a list of watershed-scale limiting factors that are as objective and transparent as possible, given the large geographic area and the diverse set of information and data available for each of the subbasins. The project team has developed a clear, logical framework for "translating" the Subbasin Plans and other information into a consistent set of limiting factors for the Columbia Basin region.

III. Examples

A key piece of information in the subbasin planning process was the use of Ecosystem Diagnosis and Treatment (EDT) and Qualitative Habitat Assessment (QHA) models in evaluating watershed limiting factors. EDT/QHA factors were rated by local expert panels prior to processing this information through models. We are using the rating inputs to identify limiting factors, not relying on the model outcomes that predict fish population response. This approach takes advantage of the technical basis for EDT/QHA and avoids the potential pitfalls associated with complex model assumptions and predictions.

The EDT/QHA ratings provide information on aquatic and riparian limiting factors, but the outputs do not always align with the OWEB limiting factors list. As a result, the project team has developed a framework and criteria for translating the reach-scale EDT results into the OWEB-defined limiting factors at the watershed scale.

Two examples of how the EDT attributes provide information on limiting factors:

- The EDT attribute (Level 2 Attribute) "Confinement – Hydromodifications" is a reasonable approximation for the OWEB limiting factor, *Floodplain Connection*.
- The EDT attribute (Level 2 Attribute) "Riparian Function" reasonably translates into the OWEB limiting factor, *Riparian Habitat Fragmentation / Connectivity*.

In cases where there are no EDT/QHA model results, or the model attributes do not directly translate over to limiting factors, the limiting factors ratings are determined based upon information contained in the subbasin plans, watershed assessments, and other local assessments. Limiting factors ratings for terrestrial habitats are based on wildlife evaluations from the subbasin plans, ODFW's Conservation Strategy, and other documents.

For all of the limiting factors we are documenting the source of information and the degree of confidence in the rating based on the quality of the information. This process provides the ability to adjust the ratings as new information becomes available.

Three examples from the Hood-Fifteen Mile Subbasin of completed limiting factors ratings, rational, and documentation:

Hood River Subbasin, Fifteenmile Creek 5th-field HUC

Limiting Factor: Riparian – Altered Habitat Structure

Rating: High Impact.

Rating Confidence: Low.

Rational: EDT Riparian Function (75th percentile of 3.8, High) indicates a degraded riparian function. Fifteenmile Creek had a low percentage of riparian vegetation meeting expected vegetation composition, 49% (Watershed Assessment, page 42).

Source: Fifteenmile Subbasin Plan, 2004.

Hood River Subbasin, Middle Columbia River – Eagle Creek 5th-field HUC

Limiting Factor: Aquatic – Habitat Complexity

Rating: Moderate Impact.

Rating Confidence: High.

Rational: Impacts confined to the lower watershed. The upper watershed is primarily wilderness and not significantly impacted. "Pool habitat and large woody debris in lower stream reaches do not meet the aquatic habitat standards in the Mt. Hood National Forest Land and Resource Management Plan" (p. 104). The damming of the Columbia River inundated high quality anadromous fish habitat in the lower stream reaches (p. 107).

Source: Hood River Subbasin Plan, 2004.

Hood River Subbasin, Fifteenmile Creek 5th-field HUC

Limiting Factor: Terrestrial/Upland – Altered Disturbance Regime

Rating: High Impact.

Rating Confidence: Low.

Rational: Subbasin Plan, page 75 - 89, describes increase in fire frequency in the cheatgrass dominated sites, conversion of interior grasslands to forested habitats due to fire suppression, and decrease in openings due to fire suppression. Because the assessment is at the ecoregion scale and not specific to the watershed, the confidence is rated low.

Source: Fifteenmile Subbasin Plan, 2004.

Hood/Fifteenmile Subbasin Limiting Factors Summary

Watershed	Upland Precipitation and Storage	
	Soil Erosion	Roads and Impervious Surfaces
1707010501: Middle Columbia River	Impact Undocumented	Impact Undocumented
1707010502: Fifteenmile Creek	Moderate Impact	Moderate Impact
1707010503: Fivemile Creek	Moderate Impact	Moderate Impact
1707010504: Middle Columbia River-Mill Creek	High Impact	High Impact
1707010505: Mosier Creek	Moderate Impact	High Impact
1707010506: East Fork Hood River	Moderate Impact	Moderate Impact
1707010507: West Fork Hood River	Moderate Impact	Moderate Impact
1707010508: Hood River	Moderate Impact	Moderate Impact
1707010509: Middle Columbia River-Grays Creek	Moderate Impact	Low Impact
1707010513: Middle Columbia River-Eagle Creek	Moderate Impact	Low Impact

Watershed	Terrestrial / Upland Habitats				
	Habitat Fragmentation / Connectivity	Altered Disturbance Regime	Habitat Loss	Invasive Terrestrial Species	Domestic Animal Impacts
1707010501: Middle Columbia River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707010502: Fifteenmile Creek	High Impact	High Impact	High Impact	Moderate Impact	Impact Undocumented
1707010503: Fivemile Creek	High Impact	High Impact	High Impact	Moderate Impact	Impact Undocumented
1707010504: Middle Columbia River-Mill Creek	High Impact	High Impact	High Impact	Impact Undocumented	Impact Undocumented
1707010505: Mosier Creek	High Impact	High Impact	High Impact	Low Impact	Impact Undocumented
1707010506: East Fork Hood River	High Impact	High Impact	Moderate Impact	High Impact	Impact Undocumented
1707010507: West Fork Hood River	High Impact	High Impact	Moderate Impact	High Impact	Impact Undocumented
1707010508: Hood River	High Impact	High Impact	High Impact	High Impact	Impact Undocumented
1707010509: Middle Columbia River-Grays Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented
1707010513: Middle Columbia River-Eagle Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Impact Undocumented

Watershed	Riparian / Floodplain Habitats			
	Habitat Fragmentation / Connectivity	Loss of Shade / Cover	Altered Habitat Structure	Invasive Species
1707010501: Middle Columbia River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707010502: Fifteenmile Creek	High Impact	Moderate Impact	High Impact	Impact Undocumented
1707010503: Fivemile Creek	High Impact	High Impact	High Impact	Impact Undocumented
1707010504: Middle Columbia River-Mill Creek	Moderate Impact	Moderate Impact	High Impact	Impact Undocumented
1707010505: Mosier Creek	High Impact	Moderate Impact	High Impact	Impact Undocumented
1707010506: East Fork Hood River	Low Impact	Moderate Impact	High Impact	Moderate Impact
1707010507: West Fork Hood River	Low Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707010508: Hood River	Moderate Impact	Moderate Impact	High Impact	High Impact
1707010509: Middle Columbia River-Grays Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707010513: Middle Columbia River-Eagle Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact

Hood/Fifteenmile Subbasin Limiting Factors Summary

Watershed	Aquatic / Channel Habitats						
	Habitat Fragmentation / Connectivity / Fish Passage	Altered Disturbance Regime	Changes in Species Composition	Invasive Aquatic Species	Altered Habitat Complexity	Inputs of Bacteria	Altered Thermal Regime
1707010501: Middle Columbia River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707010502: Fifteenmile Creek	Moderate Impact	High Impact	No Impact	No Impact	High Impact	Low Impact	Moderate Impact
1707010503: Fivemile Creek	Low Impact	High Impact	No Impact	No Impact	High Impact	Low Impact	High Impact
1707010504: Middle Columbia River-Mill Creek	Low Impact	Moderate Impact	Impact Undocumented	Impact Undocumented	Moderate Impact	Low Impact	High Impact
1707010505: Mosier Creek	Low Impact	Moderate Impact	Impact Undocumented	Impact Undocumented	High Impact	Low Impact	Moderate Impact
1707010506: East Fork Hood River	Moderate Impact	Moderate Impact	Low Impact	No Impact	High Impact	Low Impact	Moderate Impact
1707010507: West Fork Hood River	High Impact	High Impact	Moderate Impact	No Impact	High Impact	Low Impact	High Impact
1707010508: Hood River	High Impact	High Impact	Moderate Impact	No Impact	High Impact	Low Impact	High Impact
1707010509: Middle Columbia River-Grays Creek	Moderate Impact	Low Impact	Low Impact	Impact Undocumented	Moderate Impact	Low Impact	Low
1707010513: Middle Columbia River-Eagle Creek	Moderate Impact	Low Impact	Low Impact	Impact Undocumented	Moderate Impact	Low Impact	Moderate Impact

Watershed	Aquatic / Channel Habitats						
	Limited In-Channel Wood	Inputs of Pesticides / Toxins	Floodplain Connection	Excessive Inputs of Nutrients	Altered Hydrologic Regime	Altered Sediment Regime / Excessive Inputs	Instream Flow
1707010501: Middle Columbia River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707010502: Fifteenmile Creek	High Impact	Moderate Impact	High Impact	Moderate Impact	High Impact	Moderate Impact	High Impact
1707010503: Fivemile Creek	High Impact	Moderate Impact	High Impact	Moderate Impact	High Impact	Moderate Impact	High Impact
1707010504: Middle Columbia River-Mill Creek	Moderate Impact	Low Impact	Impact Undocumented	Low Impact	High Impact	Moderate Impact	High Impact
1707010505: Mosier Creek	Moderate Impact	Low Impact	Impact Undocumented	Low Impact	Low Impact	Moderate Impact	Moderate Impact
1707010506: East Fork Hood River	High Impact	Low Impact	Moderate Impact	Low Impact	Moderate Impact	High Impact	Moderate Impact
1707010507: West Fork Hood River	High Impact	Low Impact	Moderate Impact	No Impact	Moderate Impact	High Impact	Moderate Impact
1707010508: Hood River	High Impact	Moderate Impact	Moderate Impact	Moderate Impact	High Impact	High Impact	High Impact
1707010509: Middle Columbia River-Grays Creek	Moderate Impact	Low Impact	Moderate Impact	Low Impact	Moderate Impact	Low Impact	Low Impact
1707010513: Middle Columbia River-Eagle Creek	Moderate Impact	Low Impact	Moderate Impact	Low Impact	Moderate Impact	Low Impact	Low Impact

Watershed	Wetland Habitats					
	Habitat Fragmentation / Connectivity	Habitat Loss	Altered Hydrologic Regime	Altered Species Composition	Invasive Species	Altered Soil Condition / Compaction / Fill
1707010501: Middle Columbia River	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707010502: Fifteenmile Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707010503: Fivemile Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707010504: Middle Columbia River-Mill Creek	High Impact	High Impact	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707010505: Mosier Creek	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented	Impact Undocumented
1707010506: East Fork Hood River	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	High Impact	Moderate Impact
1707010507: West Fork Hood River	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	High Impact	Moderate Impact
1707010508: Hood River	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	High Impact	Moderate Impact
1707010509: Middle Columbia River-Grays Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact
1707010513: Middle Columbia River-Eagle Creek	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact	Moderate Impact

August 29, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Melissa Leoni, Senior Policy Coordinator
Lori Warner-Dickason, Policy Specialist

**SUBJECT: Agenda Item O: Conservation Easements and Stewardship
September 19-20, 2006 OWEB Board Meeting**

I. Introduction

This staff report is a follow-up to a January 2005 Board meeting staff report and discussion about conservation easement management. In this report, staff provide information about why OWEB uses conservation easements, the legal basis for conservation easements in Oregon, and OWEB's easement provisions and management implications. Additional research and text has been provided by Kathryn Moore, OWEB's legal intern in 2005 who assisted in developing OWEB's preliminary easement stewardship protocols.

II. OWEB Land Acquisition Background

Under Article XV, Section 4b of the Oregon Constitution, the OWEB Board is directed to allocate funding for land acquisition projects that, in its judgment, further the goal of protecting and/or restoring wild salmonids, fish and wildlife habitat, watersheds, or water quality in Oregon. The Board may provide funding for interests in land to the following groups: local, state and federal agencies, tribes, nonprofit land conservation organizations and trusts, state institutions of higher education, independent nonprofit institutions of higher education or political subdivisions of this state, as long as the entity continues to use the land or water for the purposes specified under Section 4b, Article XV of the Oregon Constitution. OWEB does not hold fee title to property pursuant to Oregon Administrative Rules 695-045-0020.

Since 2000, OWEB has awarded 29 grants for land acquisition projects. These awards include both fee simple title and conservation easement projects. Whenever the OWEB Board funds an acquisition grant, the agency requires that the grant recipient provide OWEB with a property interest. When OWEB provides funding for the purchase of the entire property interest (fee simple title), OWEB holds a conservation easement on that property. When OWEB provides funding for the purchase of a conservation easement, OWEB receives a third party right of enforcement to the conservation easement that is held by the OWEB grant recipient.

OWEB holds a property interest (conservation easement) on all funded acquisitions because of the statutory requirement to ensure that the property will continue to be used for purposes specified under Article XV, Section 4b of the Oregon Constitution. More specifically, an easement is the tool by which OWEB ensures that the conservation purposes for which it

awarded a land acquisition grant are protected in perpetuity. The Oregon Attorney General's office has advised OWEB that conservation easements are the strongest legal tool available in Oregon for perpetual conservation protection. The main source of this strength is that conservation easements are statutorily defined. (ORS 271.715 to 271.795). In fact, the main reason for the development of statutory law authorizing conservation easements is to avoid the common law barriers to deed restrictions and other tools.

At the time of writing this staff report, the Oregon Watershed Enhancement Board is the primary holder of 17 conservation easements (fee simple title projects). OWEB has third party rights of enforcement in eight conservation easements where another entity, most often a local land trust, has the primary responsibility for monitoring and enforcing the easement (mostly conservation easement projects). However, in two of the easements with OWEB third party rights, OWEB provided funding for fee simple title acquisition, but jointly developed the easement with a funding partner to minimize duplication. Four funded projects are still in the process of closing and will result in at least three more OWEB held easements and one third party right of enforcement in an easement. As holder of a conservation easement OWEB gains some very important property rights, but it also takes on a responsibility to monitor the property and enforce the terms of the easement.

III. Conservation Easement Background

A conservation easement is a legal agreement between a landowner and an eligible organization that restricts certain activities on the property to protect important conservation values in perpetuity. The landowner retains title to the property and may use it for any purpose not inconsistent with the terms of the conservation easement. Most states have defined conservation easements statutorily. State statutes also define who can hold conservation easements. Entities that may hold conservation easements in Oregon include nonprofit land trusts, state, county, metropolitan service district, soil and water conservation district, city or park and recreation district acting alone or in cooperation with any federal or state agency, public corporation, political subdivision, or Indian tribe (ORS 271.715).

As defined by Oregon statute, a third party right of enforcement means a right provided in a conservation easement to enforce its terms. In Oregon, this right can be granted to a governmental body or land trust (ORS 271.715). The third party enforcer is qualified to hold the easement, but is not the *primary* holder. Generally, the language of the easement gives the third party the power to enforce the easement alongside the primary holder, or alone if the primary holder fails to enforce.

Conservation easements are flexible tools. The parties to the easement determine what activities are restricted by the easement and can craft language to meet their goals. Terms of an easement can be simple and straightforward or can be very complicated. For example, an easement may restrict all commercial activities, allow just the commercial sale of thinned trees for forest health, or allow unlimited commercial use within a specific zone on the property. The more complicated the provision, or the more flexibility allowed, the more complicated it may be to monitor and enforce the easement over time.

IV. OWEB Conservation Easements

When OWEB developed new grant materials in 2005 in response to its 2004 adopted land acquisition administrative rules, staff developed a template conservation easement.

(Attachment A) The template includes OWEB's statutory requirements to ensure that the property will continue to be used for purposes specified under Article XV, Section 4b of the Oregon Constitution; that the Board is given the authority to approve, approve with conditions, or deny future sales or transfers of the land; and that the Board does not allow a sale or transfer that results in any profit, as defined in rule, to any person.

The template also includes generic provisions that restrict division, commercial activities, construction, dumping, off-road vehicle use, certain vegetation removal, water course alteration, billboards, and other actions that may impact the conservation values. Each applicant is asked to review the list of generally permitted and prohibited uses, and identify specific provisions for their project that still protect the property's conservation or ecological values.

OWEB has also developed a guide for applicants who are proposing funding for a conservation easement to make OWEB's expectations and requirements more clear. The guide identifies that each easement submitted to OWEB for funding must provide specific legal protections for the habitat proposed for protection, restoration, and/or enhancement, and grant a third party right of enforcement to OWEB. The guide includes required language for OWEB's third party right of enforcement and its other statutory terms. (Attachment B)

Since conservation easements may be crafted to fit the goals of each project, each conservation easement OWEB holds may have different provisions. This isn't much of an issue when the total number of conservation easements remains small, but can become more difficult to track as the number of easements increases.

V. Conservation Easement Stewardship

Holding a conservation easement or a third party right of enforcement carries significant stewardship responsibilities. Conservation easement stewardship is the term used to describe an organization's ongoing commitment to monitor, defend, and enforce its conservation easements. Conservation easement stewardship broadly refers to all aspects of managing a conservation easement after OWEB makes a grant award payment to an acquisition grantee: monitoring, landowner relations, recordkeeping, processing amendments, landowner notices and requests for approval, and enforcement and defense.

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

A. Monitoring. How OWEB staff will monitor its easement properties regularly and in a manner appropriate to the size and easement restrictions of each property. How staff will collect and maintain documentation (such as reports, updated photographs and maps) of each monitoring activity.

B. Landowner Relations. How OWEB maintains regular contact with grantees and/or owners of easement properties and a process to track changes in land ownership, especially for funded conservation easements where OWEB isn't required to approve the sale of the underlying fee title interest.

C. Recordkeeping. How OWEB will keep and maintain written records for each acquisition project, including baseline documentation reports, legal agreements, critical correspondence and appraisals.

D. Amendments and Approvals. How OWEB will handle requests for approvals or easement amendments and develop a system to track notices, approvals and the landowner's exercise of any reserved or permitted rights. OWEB has adopted procedures related to the review and approval of the sale or transfer of the interest purchased in part with OWEB funds, consistent with ORS 541.376.

E. Enforcement and Defense. How OWEB will respond to a potential violation of an easement, and what the role the parties involved (Board members, staff, Department of Justice, and partners) play in any enforcement action.

VI. Recommendation

This is an informational item. No Board action is requested at this time. Staff wish to further engage the Board in more discussion on easement stewardship and return with a possible course of action to the January 2007 Board meeting.

Attachments

- A. OWEB Conservation Easement Template
- B. OWEB Easement Elements Guide

After recording, return to:
[Lori Warner-Dickason
Oregon Watershed Enhancement Board
775 Summer St. NE #360
Salem, Oregon 97301-1290]

CONSERVATION EASEMENT TEMPLATE

This Conservation Easement is entered into pursuant to ORS 271.715 to 271.795 this ____ day of _____, 2006, between the **INSERT NAME** (hereinafter “Grantor”) and the State of Oregon, acting by and through its Oregon Watershed Enhancement Board, an agency of the State of Oregon, as holder (hereinafter “OWEB”).

RECITALS:

- A. The Grantor is **INSERT TYPE OF ORGANIZATION**;
- B. The Grantor is the sole owner in fee simple of certain real property located in **INSERT COUNTY**, Oregon, described in Exhibit A (“the Property”);
- C. The Property possesses (**SELECT APPROPRIATE**: natural, scenic, educational, recreational), and fish and wildlife habitat values (collectively called “Conservation Values”, as further described in Section 3, below) of great importance to the Grantor and to the citizens of the State of Oregon;
- D. OWEB is an agency of the State of Oregon directed under Article XV, Section 4b of the Oregon Constitution and ORS 541.375(9) to allocate funding for land acquisition projects that, in its judgment, further the goal of protecting and/or restoring wild salmonids, fish and wildlife habitat, watersheds, or water quality in Oregon. Interests in these lands may be held by local, state, and federal agencies, tribes, not-for-profit land conservation organizations and trusts, state institutions of higher education, independent not-for-profit institutions of higher education, or political subdivisions of this state, as long as the entity continues to use the land for the purposes specified under Article XV, Section 4b of the Oregon Constitution;
- E. The Grantor has purchased the Property with funds provided, in part, by OWEB. In exchange for the receipt of such funds, the Grantor has agreed to grant to OWEB a Conservation Casement as provided in this Easement;
- F. OWEB has determined that the acquisition of the Conservation Easement is in the public interest and has publicized and held public meetings in compliance with ORS 271.735;
- G. ORS 541.375(9) requires that real property acquired with funds from the Watershed Improvement Grant Fund be used for purposes specified under Article XV, Section 4b of the Oregon Constitution, attached as Exhibit B;

H. The purpose of this Conservation Easement is to ensure that the Property will continue to be used for purposes specified under Article XV, Section 4b of the Oregon Constitution, in satisfaction of the requirements of ORS 541.375(9), to protect the Conservation Values enumerated in Section 3 of this Easement, and to accomplish the goals described by Grantor in its grant application to OWEB (No. xxx-xxx) on file with OWEB, upon which basis OWEB awarded Grantor funding to assist with acquisition of the Property.

AGREEMENT

1. Grant of Conservation Easement. In consideration of \$000,000.00 (the “Funds”), and of the mutual promises, terms, conditions, restrictions and undertakings herein set forth, Grantor hereby voluntarily grants and conveys to OWEB a Conservation Easement in perpetuity upon the Property of the nature and character and to the extent hereinafter set forth.

2. Rights of OWEB. To accomplish the purpose of this Easement the following rights are conveyed to OWEB by this Easement:

- a. To preserve and protect the Conservation Values of the Property;
- b. To enter upon the Property at reasonable times in order to monitor compliance with and otherwise enforce the terms of this Easement; provided that, except in cases where OWEB determines that immediate entry is required to prevent, terminate, or mitigate a violation of this Easement, such entry shall be upon prior reasonable notice to Grantor, which may be by telephone, and OWEB shall not in any case unreasonably interfere with Grantors’ use and quiet enjoyment of the Property; and
- c. To prevent any activity on or use of the Property that is inconsistent with the purpose or Conservation Values of this Easement and to require the restoration of such areas or features of the Property that may be damaged by any inconsistent activity or use.

3. Conservation Values. Grantor and OWEB have identified the following specific Conservation Values that shall be preserved, protected, and/or enhanced under this Easement:

- a. Healthy watershed function;
- b. **INSERT** specific habitat types;
- c. **INSERT** specific plant community types;
- d. Native fish and wildlife and their habitat, including:
 - i. **INSERT** specific fish and wildlife species;
- e. **INSERT** specific water quality goals;

4. Permitted and Prohibited Actions. The uses of the Property are limited to those consistent with Article XV, Section 4b of the Oregon Constitution, the Conservation Values listed in

Section 3 of this Easement, and the Approved Management Plan as described in Section 5 below. In general, the Property may be used for **INSERT USES/ACTIVITIES**.

Any activity on the Property, or use of the Property, inconsistent with the purposes of this Conservation Easement or detrimental to the Conservation Values listed in Section 3 is expressly prohibited, and the Grantor agrees not to engage in or permit any such activity or use.

By way of example, the following is a description of activities and uses that are explicitly permitted or prohibited, except to the extent additional specific activities or uses are expressly permitted in the Approved Management Plan or approved in writing by OWEB as described in Section 9 below:

- a. Division. Any division, partition or subdivision of the Property is prohibited.
- b. Commercial Activities. Commercial or industrial activity is prohibited.
- c. Construction. All construction, improvements and/or other man-made modifications such as buildings, structures, fences, roads and parking lots are prohibited, except for:
 - i. Boundary fences that are “wildlife friendly” as defined by the Oregon Department of Fish and Wildlife or a successor agency, providing opportunity for deer and elk ingress and egress.
 - ii. Temporary fences built for the protection of trees and vegetation, including protection from wildlife damage, that are limited to isolated and small areas (individual trees or bushes) or small plantings (less than 1/5 of an acre).
 - iii. Maintenance of existing roads to allow preservation, protection, and/or enhancement of the Conservation Values identified in Section 3 of this Easement.
- d. Vegetation. Any cutting or removal of trees or vegetation is prohibited, except for the purpose of noxious weed control, removal of danger trees, or removal of obstructions to permitted roads.
- e. Land Surface Alteration. Any mining, quarry, gravel extraction, grading, excavation, or alteration of the land surface is prohibited.
- f. Dumping. Waste and unsightly or offensive materials are not allowed and may not be accumulated on the Property.
- g. Water Courses. Natural water courses, lake shores, wetlands or other water bodies may not be altered.
- h. Off-Road Vehicle Use. Except for vehicles needed to facilitate implementation of the Approved Management Plan, motorized off-road vehicles such as snowmobiles, dune buggies, all-terrain vehicles and motorcycles may not be operated on the Property. Bicycles may not be operated on the Property except on existing roads.

- i. Firearms. No shooting of firearms, guns, or rifles for professional or recreational purposes, on or from the Property, is allowed.
- j. Hazardous Materials. Grantor shall not, by any act or omission, cause, contribute to, allow, or exacerbate a release of hazardous substances on or about the Property. As used herein, the term “Hazardous Substances” includes, without limitation, any material or substance that is defined as a “hazardous substance” under any federal, state or local law, oil, asbestos, fertilizers, herbicides, pesticides, and their residues. As used herein, the term “release” includes any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment, including the abandonment or discarding of barrels, containers and other closed receptacles containing any hazardous substance, but excludes the proper application of fertilizers, herbicide, and pesticide in accordance with all product and manufacturer instructions as to use and application rate and with all applicable laws, rules, and permits.

The Grantor shall promptly notify OWEB of the presence or release of Hazardous Substances in, on, or about the Property, whether caused or discovered by the Grantor or any other person or entity. The Grantor shall take any action required by law to contain, remove, and remediate the Hazardous Substances. In addition, the Grantor shall take all appropriate actions to contain, remove or remediate the Hazardous Substances to the extent necessary to protect the Conservation Values identified in Section 3 this Conservation Easement. The Grantor shall cooperate fully with any investigation, removal or remedial action on or about the Property and shall not hinder or delay entry to, investigation of, or removal or remedial action on the Property by the Environmental Protection Agency, Oregon Department of Environmental Quality, or their authorized representatives.

If Hazardous Substances are found or released on the Property, the Grantor shall keep OWEB informed on a quarterly basis about the progress of any actions to remove, remediate, or contain Hazardous Substances on the Property, or decisions that no removal, remediation or containment will be necessary.

- k. Public and River Access. Limited access for activities sponsored by the Grantor, that doesn't harm the Conservation Values for educational, restoration or monitoring purposes, is permitted. Access not permitted by Grantor and trespass on the Property is prohibited.
- l. Billboards and Signs. Billboards and signs are prohibited. Signs may, however, be displayed to state the name and address of the Property, the owner's name, the area protected by the Easement, prohibition of any unauthorized entry or use, restoration activities implemented, or public access rules. Signs may also be displayed for educational purposes consistent with protection of the Conservation Values described in Section 3 of this Easement.
- m. Domestic, Exotic or Farm Animals. No domestic, exotic, or farm animals of any kind are allowed on the Property unless expressly permitted in writing by OWEB and consistent with preservation, protection, and/or enhancement of the Conservation Values described in Section 3 of this Easement.

5. Management Plan.

- a. Grantor shall prepare a proposed management plan that describes the manner in which Grantor commits to enhance, protect and/or preserve the Conservation Values on the Property. The proposed management plan shall address **INSERT**.
- b. Grantor shall submit its proposed management plan to OWEB for approval no later than 18 months after the effective date of the Easement. OWEB may not withhold its approval of a proposed Management Plan unless it, in its good faith opinion, believes: 1) that there are material issues related to the protection, restoration or enhancement of the Conservation Values that are inadequately addressed in the management plan; and 2) that reasonable alternative provisions will result in better protection of the Conservation Values. Should Grantor and OWEB be unable to agree on specific provisions of the Management Plan, the parties agree to utilize the dispute resolution process outlined in Section 7 (a) below.
- c. If Grantor fails to submit an acceptable management plan to OWEB within 18 months after the effective date of the Easement, OWEB will have the right, but not the obligation, to prepare its own management plan, or contract with a third party to prepare an acceptable management plan. Grantor will pay all OWEB costs and expenses for the preparation of such plan. Such remedy shall be in addition to any other remedies provided for in Section 7, below.
- d. After a proposed management plan has received final approval by OWEB, or has been prepared by OWEB pursuant to Section 5 (c) above, (the "Approved Management Plan"), Grantor will manage the Property in a manner consistent with the terms of the Approved Management Plan and this Conservation Easement.
- e. After the initial Management Plan has been submitted to and approved by OWEB, subsequent amendments or updates may be necessary. Proposed changes to an Approved Management Plan shall be submitted to OWEB in writing. OWEB shall have 60 days to review, and comment on the proposed changes. OWEB shall approve or disapprove the proposed amendment or update according to the standards set forth in Section 5 (b) above. If, at the end of 60 days, Grantor has not received notification of OWEB's approval or disapproval of the proposed changes, the proposed changes shall be deemed denied. Should Grantor and OWEB be unable to agree on specific provisions of the amended Management Plan, the parties may utilize the dispute resolution process outlined in Section 7 (a) below.

6. Duration, Burdens, and Benefits. The covenants and restrictions of this Conservation Easement are binding on the Grantor and its successors and assigns, and shall run with the Property in perpetuity. The benefits of this Conservation Easement are in gross and are assignable, but only to an eligible holder specified in ORS 271.725(1).

7. OWEB's Remedies.

- a. It is the desire of the parties to meet to discuss and amicably resolve any disputes or disagreements. Such efforts may lead to formal mediation. If the parties agree to pursue

mediation, they shall select a mutually acceptable qualified third party mediator and each party shall share the costs of mediation equally. However, if OWEB in its good faith discretion determines that informal dispute resolution or mediation may not be fruitful or may otherwise threaten the Conservation Values, OWEB may at any time pursue the following remedies.

- b. **Notice of Violation; Corrective Action.** If OWEB determines that a violation of the terms of this Easement has or may have occurred or is threatened, OWEB shall give written notice to the Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Property resulting from any use or activity inconsistent with the purpose of this Easement or the Approved Management Plan, restoration of the portion of the Property so injured to its prior condition in accordance with a plan approved by OWEB.
- c. **Management Plan.** If an Approved Management Plan is not adopted within 18 months of the effective date of this Easement, or if the Grantor fails to properly implement the Approved Management Plan, then OWEB will have the right, but not the obligation to:
 - i. Prepare a management plan as provided in Section 5 (c), above;
 - ii. Perform, or cause to be performed, the obligations under the Approved Management Plan, in which case 1) the Grantor will reimburse OWEB for all costs incurred thereby; and 2) grant to OWEB or its designees a license to enter the property and perform the duties under the Approved Management Plan; and/or
 - iii. Require the Grantor to repay to OWEB the grant amount (\$000,000), which shall bear interest from the effective date of this Agreement at the rate provided for in OAR Chapter 695, as amended from time to time. Upon repayment to OWEB, OWEB will release this Conservation Easement and the Grantor's obligations hereunder.
- d. **Legal Action.** If the Grantor fails to cure the violation within thirty (30) days after receipt of notice thereof from OWEB, or under circumstances where the violation cannot reasonably be cured within a thirty (30) day period, fails to begin curing such violation within the thirty (30) day period, or fails to continue diligently to cure such violation within the thirty (30) day period, or fails to continue diligently to cure such violation until finally cured, OWEB may alternatively:
 - i. Bring an action in equity in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation, ex parte as necessary, by temporary or permanent injunction, and to require the restoration of the Property to the condition that existed prior to any such injury; or
 - ii. Bring an action to recover damages for violation of the terms of this Easement or injury to any Conservation Values protected by this Easement, including, without limitation, damages for the loss of scenic, aesthetic, or environmental values.

- iii. In addition, OWEB shall be entitled to recover damages for costs or expenses incurred due to the failure of the Grantor to perform its obligations under the Approved Management Plan.
- e. Emergency Enforcement. If OWEB, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values of the Property, OWEB may pursue its remedies under this Section 7 without prior notice to the Grantor or without waiting for the period provided for cure to expire.
- f. The parties stipulate and agree that OWEB has acquired this Conservation Easement for the purpose of providing protection of the Conservation Values listed herein, and that this interest can not be adequately compensated in money damages. As such, the Grantor agrees that OWEB's remedies at law for any violation of the terms of this easement are inadequate and that OWEB shall be entitled to the equitable relief described in Section 7 (c) (i) (both injunctive and specific performance), in addition to the other remedies listed in Section 7 (c) (ii) and (iii).
- g. Liquidation Value. The parties stipulate and agree that OWEB has an interest in the real property that has a monetary value to be established as set forth below (hereinafter referred to as the "Liquidation Value"):
 - i. Establish the fair market value of the Property, as if unencumbered by the Conservation Easement, and unencumbered by any other lien or mortgage on the property ("the Gross Fair Market Value").
 - ii. Subtract from the Gross Fair Market Value the value (if any) of any capital improvements that have been made upon the Property by the Grantor after the date the Conservation Easement was recorded, provided such improvements are otherwise permitted pursuant to Section 4 above ("the Net Fair Market Value"),
 - iii. Multiply the Net Fair Market Value by __% (which constitutes the percentage of the consideration paid for this Easement of the total fair market value of the Property at the time of the grant).

Notwithstanding any other provision of this Section 7, the parties agree that OWEB shall have the option of seeking as a remedy the recovery of the Liquidation Value, in the event OWEB, in its good faith opinion, determines that the purposes of this Easement can no longer be realized. Upon payment of the Liquidation Value to OWEB, OWEB shall execute and record a document terminating this Conservation Easement.

- h. Remedies Cumulative. OWEB's remedies described in this Section 7 shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.
- i. Attorney Fees. In any action or suit to enforce any right or remedy under this Agreement the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs. OWEB's obligation under this Section 7 is subject to the limitations of Article XI, section 7 of the Oregon Constitution.
- j. Forbearance. Forbearance by OWEB to exercise its rights under this Easement in the event of any breach of any term of this Easement by the Grantor shall not be deemed or construed to be a waiver by OWEB of such term or of any subsequent breach of the same

or any other term of this Easement or of any of OWEB's rights under this Easement. No delay or omission by OWEB in the exercise of any right or remedy upon any breach by the Grantor shall impair such right or remedy or be construed as a waiver.

- k. Waiver of Certain Defenses. The Grantor hereby waives any defense of laches, estoppel, or prescription.
- l. Acts Beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle OWEB to bring any action against the Grantor for any injury to or change in the Property resulting from causes beyond the Grantor's control, including, without limitation, fire, flood, storm, natural earth movement, and trespassers. In addition, the Grantor shall not be responsible for any prudent action, taken by the Grantor under emergency conditions, to prevent, abate, or mitigate significant injury to the Property resulting from such causes.

8. Rights of Action Against Third Parties. OWEB may bring any action it deems necessary or prudent against third parties if, in its good faith judgment, it believes such third parties' actions may impair the Conservation Values identified in Section 2 above.

9. Notice and Approval.

- a. Notice. For purposes of this agreement, notices may be provided to either party, by personal delivery or mailing by First Class Mail a written notice to that party at the address shown below, or at such other address as a party may instruct by notice given the other pursuant to this paragraph. Service will be complete upon the earlier of delivery or 2 business days after depositing the properly addressed notice with the U.S. Postal Service with sufficient postage.

GRANTOR:

Name
Organization
Street Address
City/State/Zip
Phone

OWEB:

Executive Director
Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, OR 97301-1290
(503) 986-0178

- b. Notice to Undertake Certain Permitted Actions. The purpose of requiring Grantor to notify OWEB prior to undertaking certain activities, as provided in Section 4, is to afford OWEB an adequate opportunity to monitor the activities in question to ensure that they are designed and carried out in a manner that is not inconsistent with the purpose of this Easement. Whenever notice is required, Grantor shall notify OWEB in writing not less than seventy-five (75) days prior to the date Grantor intends to undertake the activity in question. The notice shall describe the nature, scope, design, location, timetable, and any other material aspect of the proposed activity in sufficient detail to permit OWEB to make an informed judgment as to its consistency with the purpose of this Easement.
- c. OWEB's Approval. Where OWEB's approval is required, unless otherwise described, OWEB shall grant or withhold its approval in writing within 60 days of receipt of Grantor's written request therefor. OWEB's approval may be withheld only upon a good faith determination by OWEB that the action as proposed would be inconsistent with the

purpose of this Easement. If, at the end of 60 days, Grantor has not received notification of OWEB's approval or disapproval, the request shall be deemed denied.

10. Maintenance or Repair, Taxes or Assessments. OWEB shall have no obligation or liability for maintenance or repair of the Property, or for the payment of any real estate taxes or assessments levied on the Property.

11. Indemnification. The Grantor shall defend, save, hold harmless and indemnify OWEB and the State of Oregon and their officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any nature whatsoever resulting from, arising out of, or relating to the activities of Grantor or its officers, employees, subcontractors or agents on the Property.

To the extent permitted by Article XI, section 7 of the Oregon Constitution and the Oregon Tort Claims Act, ORS 30.260 to 30.300, OWEB shall defend, save, hold harmless, and indemnify the Grantor, its officers, employees and agents, from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses for personal injury (including death), and damage to real or tangible personal property resulting from, arising out of, or relating to the activities of OWEB or its officers, employees, subcontractors or agents on the Property.

12. Representations and Warranties. Grantor represents and warrants that, after reasonable investigation and to the best of its knowledge:

- a. No substance defined, listed, or otherwise classified pursuant to any federal, state, or local law, regulation, or requirement as hazardous, toxic, polluting, or otherwise contaminating to the air, water, or soil, or in any way harmful or threatening to human health or the environment exists or has been released, generated, treated, stored, used, disposed of, deposited, abandoned, or transported in, on, from, or across the Property;
- b. There are not now any underground storage tanks located on the Property, whether presently in service or closed, abandoned, or decommissioned, and no underground storage tanks have been removed from the Property in a manner not in compliance with applicable federal, state, and local laws, regulations, and requirements;
- c. Grantors and the Property are in compliance with all federal, state, and local laws, regulations, and requirements applicable to the Property and its use;
- d. There is no pending or threatened litigation in any way affecting, involving, or relating to the Property; and
- e. No civil or criminal proceedings or investigations have been instigated at any time or are now pending, and no notices, claims, demands, or orders have been received, arising out of any violation or alleged violation of, or failure to comply with, any federal, state, or local law, regulation, or requirement applicable to the Property or its use, nor do there exist any facts or circumstances that Grantors might reasonably expect to form the basis for any such proceedings, investigations, notices, claims, demands, or orders.

- f. There are no liens or easements on the property that would allow activities inconsistent with protection of the Conservation Values.

13. **Control.** Nothing in this Easement shall be construed as giving rise, in the absence of a judicial decree or judgment providing otherwise, to any right or ability in OWEB to exercise physical or managerial control over the day-to-day operations of the Property, or any of Grantors' activities on the Property, or otherwise to become an operator with respect to the Property within the meaning of The Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended ("CERCLA"), or ORS 465.255.

14. **Severability.** In the event any provision of this Conservation Easement is determined by a court to be void and unenforceable, all other terms of this Conservation Easement shall remain valid and binding.

15. **Assignment or Disposal.** The Grantor may not assign or transfer its rights or delegate its responsibilities under this Conservation Easement or sell, lease, exchange, or otherwise dispose of the Property without prior written approval from OWEB, which approval shall not be unreasonably withheld. Once noticed, the OWEB Board will consider transfer of the interest in land acquired with OWEB's assistance at the next regularly scheduled public business meeting according to the criteria specified in OAR Chapter 695, as amended from time to time. Such approval will not be granted if a profit, as defined by OWEB in OAR Chapter 695, as amended from time to time, will result from conveyance of the Property. If Grantor plans to grant additional conservation easements on the Property, Grantor must provide thirty (30) days notice of the proposed easement to OWEB, and an opportunity to consult on the proposed easement language.

16. **Modification.** This Conservation Easement may not be modified, changed, amended, deleted or eliminated without the express written consent of both parties, their successors or assigns.

17. **Condemnation.** If all or any part of the Property is taken by exercise of the power of eminent domain or acquired by purchase in lieu of condemnation, whether by public, corporate, or other authority, so as to terminate this Easement, in whole or in part, Grantor and OWEB shall act jointly to recover the full value of the interests in the Property subject to the taking or in lieu purchase and all direct or incidental damages resulting therefrom. As between Grantor and OWEB, OWEB shall be entitled to receive the Liquidation Value of the property condemned (as such term is defined in Section 7 (g)) except that the term "Property" in that section shall refer only to the property area being condemned. All expenses reasonably incurred by Grantor and OWEB in connection with the taking or in lieu purchase shall be paid out of the amount recovered.

18. **Oregon Law:** This Conservation Easement will be construed in accordance with Oregon Law.

19. **Liberal Construction:** This Conservation Easement shall be liberally construed in favor of maintaining the Conservation Values of the Property, as described in Section 3, above.

IN WITNESS WHEREOF, the Grantor and OWEB have executed this Conservation Easement on this ____ day of _____, 2006.

Accepted by INSERT as Grantor:

By: _____
Its: _____

STATE OF OREGON)

) ss.

County of _____)

The foregoing instrument is acknowledged before me this ____ day of _____, 2006, by _____, of _____, on its behalf.

NOTARY PUBLIC FOR OREGON

My commission expires: _____

Accepted by OWEB as Grantee:

By: _____

Its: Executive Director

STATE OF OREGON)

) ss.

County of _____)

The foregoing instrument is acknowledged before me this ____ day of _____, 2006, by _____, of _____, on its behalf.

NOTARY PUBLIC FOR OREGON

My commission expires: _____

EXHIBIT A
Property Description

INSERT

EXHIBIT B
Oregon Constitution Article XV

Section 4b. Use of net proceeds from state lottery for salmon restoration and watershed and wildlife habitat protection. Moneys disbursed for the public purpose of financing the restoration and protection of wild salmonid populations, watersheds, fish and wildlife habitats and water quality from the fund established under Section 4 of this Article shall be administered by one state agency. At least 65 percent of the moneys will be used for capital expenditures. These moneys, including grants, shall be used for all of the following purposes:

- (1) Watershed, fish and wildlife, and riparian and other native species, habitat conservation activities, including but not limited to planning, coordination, assessment, implementation, restoration, inventory, information management and monitoring activities.
- (2) Watershed and riparian education efforts.
- (3) The development and implementation of watershed and water quality enhancement plans.
- (4) Entering into agreements to obtain from willing owners determinate interests in lands and waters that protect watershed resources, including but not limited to fee simple interests in land, leases of land or conservation easements.
- (5) Enforcement of fish and wildlife and habitat protection laws and regulations.

[Created through initiative petition filed March 11, 1998, and adopted by the people Nov. 3, 1998]



OWEB Easement Guide

Developing Conservation Easements to be Submitted for OWEB Funding

The Oregon Watershed Enhancement Board considers applications for Conservation Easements that protect existing high quality habitat, protect and restore habitat, and protect and restore habitat in partnership with continued forest, farm or ranch uses. Applicants and landowners typically begin negotiating proposed Easements long before submission to OWEB for funding. This document is intended to assist applicants in their drafting of Easements by making OWEB's expectations and requirements more clearly defined early on in the Easement development process.¹

In every case, the Conservation Easement submitted to OWEB for funding must provide specific legal protections for the habitat proposed for protection, restoration, and/or enhancement, and grant a third party right of enforcement to the Oregon Watershed Enhancement Board. OWEB and its attorneys will review draft Easements and may request language changes in order to protect OWEB's investment of public funds and to improve the legal enforceability of the habitat protection and restoration provisions. The following comments should be used as a guide in preparing your proposed Conservation Easement.

I. General Conservation Easement Language and Format

In general, OWEB recommends that any Conservation Easement proposed for funding include the following provisions:

- Recitals, including legal description, property description, qualifications of Grantee, and other issues related to the proposed acquisition (fund restrictions, landowner intent, etc.).
- Conservation Values, including a list that matches the ecological and habitat values described in the OWEB grant application.
- Purpose statement.
- Rights of Grantee, including protection of Conservation Values, enforcement, and right of entry.
- Prohibited Uses, including a prohibition against impairment of the Conservation Values. These should be as detailed and specific as possible so that there is little ambiguity as to what specific activities can, and can not, occur on the property.

¹ OWEB strongly encourages applicants to review the OWEB Conservation Easement template and consider using the template as a starting point in preparing a proposed Conservation Easement. A copy can be found online at www.oregon.gov/OWEB/GRANTS/acquisition_grants.shtml. One of the most time-consuming and costly aspects of considering and approving an application involves negotiations concerning the final form of the Conservation Easement. Applicants that propose Conservation Easements based on the OWEB template (with the addition of OWEB's third party right of enforcement language and other language recommended in Section II) will save significant time and money. OWEB will accept proposed Conservation Easements that are not based on the OWEB template.

A provision for preparation and approval of a management plan should be considered as an option for describing how restoration or management activities, that may appear to be a prohibited use, will be carried out.

- Reserved Rights. If reserved rights may adversely affect the Conservation Values, the Easement should describe how the Grantor will protect against adverse effects, and if possible, describe how Grantee and a third party can measure adverse effects.
- Notice and Approval including Grantee approvals.
- Mediation, Arbitration, or Dispute Resolution provisions. OWEB will not accept binding arbitration provisions.
- Grantee's Remedies, including notice of violation, injunctive relief, damages, emergency enforcement, forbearance, etc.
- Access.
- Costs, Liabilities, Taxes and Environmental Compliance.
- Valuation, Extinguishment and Condemnation.
- Assignment and Subsequent Transfers, including OWEB's approval of Grantee transfers and OWEB's "no-profit" rule (see Section II for language).
- Notices.
- Recordation.
- General Legal Provisions including liberal construction, severability, joint obligation, successors, counterparts, etc.
- Third Party Right of Enforcement (see Section II for more detail).

As a general reference for Easements, and for sample Easement language, OWEB recommends the Land Trust Alliance (www.lta.org) Conservation Easement Handbook (to be updated in 2005) and Model Conservation Easement.

II. OWEB Required or Recommended Language

If you receive an OWEB grant award to assist with the purchase of a Conservation Easement, the Board takes a third party right of enforcement in the Easement to protect its investment of public funds. This section contains the language that OWEB has determined must be included and issues that must be addressed in any funded Easement. Where OWEB has identified issues to be addressed, examples are provided.

Applicants should discuss these provisions with the landowner and other project participants during negotiations and ensure that they are acceptable. These provisions should be included in the proposed Conservation Easement submitted to OWEB. If not included in the draft attached to the application, these provisions must be included in the version submitted for Due Diligence review. If the following language is not acceptable, attach a description of the modifications you are requesting to the proposed Easement with an explanation of why those modifications are necessary. The proposed modifications should not be lengthy.

A. Recitals

The following language must be added:

“This Easement is acquired in part with a grant from OWEB, agency of the State of Oregon whose statutory mission includes providing funding to support the acquisition of lands and waters, or interests therein from willing sellers, for the purpose of maintaining or restoring watersheds, fish and wildlife habitat, and native salmonids. Interests in these lands and waters may be held by local, state and federal agencies, tribes, not-for-profit land conservation organizations and trusts, state institutions of higher education, independent not-for-profit institutions of higher education or political subdivisions of this state, as long as the entity continues to use the land or water for the purposes specified under section 4b, Article XV of the Oregon Constitution. OWEB is a third-party beneficiary of certain rights under this Easement.”

B. Valuation/Condemnation/Extinguishment

The proposed Conservation Easement should include a section describing how the market value of the Easement will be determined over time. Typically this is a constant ratio of the value of the Easement at the time of the Easement acquisition to the value of the Property unencumbered by the Easement.

The proposed Easement should also include language in this section acknowledging that when condemnation or extinguishment of the Easement results in payments to Grantee, then Grantee is required to pay OWEB a percentage of the payment received equal to the percentage of OWEB’s investment in the purchase of the Easement.

Example: “In the event of condemnation, pursuant to Section X, or extinguishment, pursuant to Section Y, of the Easement, OWEB is entitled to Z% of any proceeds attributable to the value of the Easement.”

C. Amendments

OWEB must be listed as a party to any amendment of the Easement.

Example: “If circumstances arise under which an amendment to or modification of this Easement would be appropriate, Grantor and Grantee are free to jointly amend this Easement; provided **that Grantor and Grantee first obtain the written consent of OWEB...**”

D. Assignment

In addition to OWEB’s required Third Party language in Section IIE, the Easement must include language requiring the Grantee to obtain OWEB’s approval of any assignment of the Easement.

Example: “This Easement is transferable, but Grantee may assign its rights and obligations under this Easement, **with prior approval of OWEB**, only to another

“qualified organization,” within the meaning of Section 170(h) of the Internal Revenue Code of 1954, as amended, or any successor provision...”

The following language related to OWEB’s “no profit” rule and the OWEB grant agreement is also required:

“Approval from OWEB will not be granted if a profit, as defined in OAR 695-045-0150, as amended from time to time, will result from conveyance of the Easement. As condition of such transfer, Grantee shall require that assignee comply with the terms of that certain watershed acquisition grant agreement (#xxx-xxx) between OWEB (“OWEB Grant Agreement”) and Grantee.”

E. Third Party Right of Enforcement

When OWEB awards a grant for purchase of a Conservation Easement, the Board takes a third party right of enforcement in the Easement. The following language is required:

“OWEB is an intended third party beneficiary of this Easement and, pursuant to ORS 271.715, OWEB is hereby granted third party right of enforcement. As such, OWEB may exercise all of the rights and remedies provided to Grantee herein, and is entitled to all of the indemnifications provided to Grantee in this Easement. OWEB and Grantee each have independent authority to enforce the terms of this Easement; provided, however, that OWEB expects that Grantee shall have primary responsibility for monitoring and enforcement of the Easement. In the event that OWEB and Grantee do not agree as to whether the Grantor is complying with the terms of the Easement, OWEB or Grantee may proceed with enforcement actions without the consent of the other. If OWEB elects to enforce the terms of this Easement, it shall first follow the provisions applicable to Grantee, including notice of violation, opportunity to cure and mediation as appropriate; provided, however, that OWEB shall not be obligated to repeat any non-judicial dispute resolution steps already taken by Grantee. This third party right of enforcement will automatically transfer to another State agency charged with maintaining or restoring watersheds, fish and wildlife habitat, water quality and native salmonids in the event OWEB is dissolved or reorganized.

In accordance with OAR 695-045-0150, in the event that the Easement is transferred or assigned by Grantee without the consent of OWEB, OWEB may require that OWEB funds shall be repaid by the Grantee with interest due and payable from the effective date of the OWEB Grant Agreement at the rate provided for in ORS § 82.010, as may be amended from time to time.

In the event that the Property is used by Grantor in a manner that is not consistent with the Purpose and Objectives of this Easement, the terms of that certain OWEB Grant Agreement, or the purposes specified in Section 4(b), Article XV of the Oregon Constitution, and OWEB in its sole discretion determines that the Conservation Values of the Property have been diminished to the extent that the purpose of the OWEB grant can no longer be accomplished, then OWEB shall have the right, in addition to any other remedies described in this Easement, to require that Grantor pay to OWEB the sum that would otherwise be recoverable by OWEB as a result of a

condemnation or extinguishment of the Easement under Section X. Upon payment under this paragraph, Grantee and OWEB agree to record an amendment to this Easement releasing all of OWEB's third-party enforcement rights under the Easement.”

F. Joint Enforcement

OWEB recommends adding either an independent section, or another paragraph to the Third Party language, to address how Grantee and OWEB will jointly exercise their rights under the Easement.

Example: See Exhibit A.

G. Notices: Add OWEB with the following contact information:

Executive Director
Oregon Watershed Enhancement Board
775 Summer Street NE, Suite 360
Salem, Oregon 97301-1290
503-986-0178

III. Additional Easement Considerations

In addition to including the above language, you should also consider adding the following language to your proposed Easement.

A. Maintenance/Management Plans

For a Conservation Easement project that protects existing important habitats, OWEB recommends that the Easement describe how the specific Conservation Values will be monitored by the Grantee, including type and frequency of monitoring. The Easement or a management plan should address how existing habitats will be maintained and how public access, if any, will be managed to ensure protection of the Conservation Values.

For a Conservation Easement project that includes both the protection and restoration of important habitats, the Easement should require development of a management plan that describes how the conservation values will be enhanced or restored. The management plan, or Easement, should also include provisions for monitoring by the Grantee, including type and frequency of monitoring.

For a Conservation Easement project that involves restoration, protection and continued economic use, OWEB will require development of a management plan that addresses how continued commercial uses (forestry, farming or ranching) will be carried out in a manner that ensures protection of the Conservation Values. The Easement, or management plan, should also include a monitoring component to describe how Grantee will evaluate the effect of commercial uses on the Conservation Values. The required management plan should be updated at least every five years to incorporate monitoring results.

B. Updating Baseline Documentation

If requesting funding for an Easement on a property to both protect existing habitat, and restore or enhance potential habitats, OWEB recommends that you add a provision in the Easement to update the baseline documentation once restoration or enhancement activities have occurred to improve protection of that enhanced habitat or function through the term or life of the Easement (Exhibit B).

C. Working Farm, Ranch or Forest Easement Options

Lands that are to be protected for conservation purposes and retain some economic use can be complicated documents to prepare to meet both landowner and OWEB needs. One option is to identify zones on the property that identify where economic uses will occur, including zones where habitat protection and/or restoration is the primary purpose, with explicit Conservation Values and prohibited uses for each of those zones. Another option is to identify specific ecological or habitat goals and a method for regular evaluation of those goals in conjunction with the retained economic uses. For example, the Purpose section of the Easement could identify the protection of a specific habitat type present on the property, describe annual monitoring of the condition of that habitat type, and identify how the results of the monitoring are used to review management activities in the farm, ranch or forestry operation plan.

If the proposed working farm, ranch or forest Easement also includes restoration or enhancement of habitat types, the Grantee should also include a provision in the Easement to periodically update the baseline condition documentation as conditions improve (see Exhibit B).

Exhibit A

Joint Enforcement Language Example 1 (Grantee and OWEB)

Before either Grantee or OWEB exercises its rights to undertake mediation or legal action as provided for in Sections (*insert remedies section*), the party contemplating such action agrees to confer with the other party as to whether they will join the mediation or legal action and share costs and expenses related to such action; provided, however, that this agreement to confer shall not be construed as a limitation on the ability of Grantee or OWEB to exercise its enforcement and other rights under this Easement. If Grantee and OWEB decide to join in the action and share costs and expenses related to the action, the parties joining in the action and sharing costs and expenses related to the action shall apply any recovery to reimburse such parties for their costs and expenses provided that any amount received (a) based on loss of value to the Easement, or (b) resulting from condemnation and/or extinguishment of the Easement shall be shared with OWEB as described in Section (*insert reference to Valuation section – see Section IIB*) only after reimbursing each party for its costs and expenses.

If Grantee or OWEB chooses not to undertake mediation or legal action as provided for in Sections (*insert remedies section*), and/or share costs and expenses related to such action, such party shall not be entitled to any recovery for enforcement costs; provided, however, that any amount received (a) based on loss of value to the Easement, or (b) resulting from condemnation and/or extinguishment of the Easement shall be shared with OWEB as described in Section (*insert reference to Valuation section – see Section IIB*) only after first reimbursing any party for its costs and expenses that are not otherwise separately paid as part of any award or judgment.

Joint Enforcement Language Example 2 (Three Parties)

Before either Grantee, OWEB or the (*insert party*) exercises its rights to undertake mediation or legal action as provided for in Sections (*insert remedies section*), the party contemplating such action agrees to confer with the other parties holding enforcement rights under this Easement as to whether they will join the mediation or legal action and share costs and expenses related to such action; provided, however, that this agreement to confer shall not be construed as a limitation on the ability of Grantee, OWEB or the (*insert party*) to exercise its enforcement and other rights under this Easement. If Grantee, OWEB and/or the (*insert party*) decide to join in the action and share costs and expenses related to the action, the parties joining in the action and sharing costs and expenses related to the action shall apply any recovery to reimburse such parties for their costs and expenses provided that any amount received (a) based on loss of value to the Easement, or (b) resulting from condemnation and/or extinguishment of the Easement shall be shared by OWEB and the (*insert party*) as described in Section (*insert reference to Valuation section – see Section IIB*) only after reimbursing such parties for their costs and expenses.

If Grantee, OWEB and/or the (*insert party*) chooses not to undertake mediation, arbitration or legal action as provided for in Sections (*insert remedies section*), and/or share costs and expenses related to such action, such party shall not be entitled to any recovery for enforcement costs; provided, however, that any amount received (a) based on loss of value to the Easement, or (b) resulting from condemnation and/or extinguishment of the Easement shall be shared by OWEB and the (*insert party*) as described in Section (*insert reference to Valuation section – see Section IIB*) only after first reimbursing any party for its costs and expenses that are not otherwise separately paid as part of any award or judgment.

Exhibit B
Updating Baseline Documentation Language Example

Every (*insert number*) years after the Effective Date of this Easement until (*insert condition trigger*), Grantee shall prepare a new baseline report to update the Baseline Documentation (“Updated Baseline Report”). The purpose of each Updated Baseline Report is to inventory and assess the condition of the (*insert*) habitats and ecological functions on the Property, in order to establish new and updated Baseline Documentation for identifying the then current Conservation Values to be protected hereunder. If Grantor and OWEB concur in writing that the updated Baseline Report is an accurate representation of the Property, then the Grantor, Grantee, and OWEB shall execute and record an Acknowledgement of Conservation Easement Baseline Documentation and this Updated Baseline Report shall supplant all previous reports and be incorporated into this Easement as the current Baseline Documentation by this reference. Failure to timely compile or record any Updated Baseline Report shall not affect the enforceability or validity of any other provisions of this Easement.

August 28, 2006

MEMORANDUM

TO: Oregon Watershed Enhancement Board

FROM: Greg Sieglitz, Monitoring and Reporting Program Manager
Courtney Shaff, Effectiveness Monitoring Specialist

**SUBJECT: Agenda Item P: Effectiveness Monitoring Report
September 19-20, 2006 OWEB Board Meeting**

I. Introduction

This staff report provides an update to the Board regarding OWEB's Effectiveness Monitoring Program accomplishments from March 2006 to September 2006.

II. Background

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

III. Effectiveness Monitoring Program Activities

A. Western Juniper Removal Project Evaluation

OWEB contracted with CSR Natural Resources Consulting, Inc. to perform an evaluation of juniper removal projects in Crook and Wheeler counties in 2005 and 2006. The final report, data, and findings are attached (Attachment A) and available on the OWEB web site (www.oregon.gov/OWEB/). Recommendations from the report include:

1. Conduct a Juniper Management Workshop for training OWEB staff, Regional Review Team members, and local representatives;
2. Draft and distribute guidelines for Juniper Project site selection and implementation;
3. Establish a protocol for pre-treatment data collection;
4. Expand monitoring efforts to the remaining counties where OWEB funds juniper removal projects; and
5. Continue to support Juniper removal research.

In response to these recommendations OWEB is planning a Juniper Removal Workshop in the spring of 2007 and is working with CSR Natural Resources Consulting to begin evaluation of juniper removal projects in Lake, Harney, Grant, and Klamath counties.

B. Effectiveness Monitoring Workshop

In coordination with the Independent Multidisciplinary Science Team (IMST) OWEB held an Effectiveness Monitoring Workshop on April 18-19, 2006, in Corvallis. The workshop was well attended and many topics were discussed, including cooperation with the Washington State Salmon Recovery Funding Board for some types of monitoring, the development of a Statistical Help Center, and the sharing of OWEB grantee monitoring reports, which is now being done through posting of some reports on the OWEB Monitoring and Reporting web page (www.oregon.gov/OWEB/MONITOR/). Staff will provide a brief summary of the workshop at the Board meeting.

C. Riparian Livestock Exclusion Monitoring

In response to recommendations from the Effectiveness Monitoring Workshop, and as a result of collaboration with the Washington State Salmon Recovery Funding Board, OWEB has initiated a pilot project evaluating the effectiveness of livestock exclusion projects in riparian areas. A request for proposals was posted in May 2006 and a contractor was hired in early June 2006. Monitoring was conducted this summer at seven locations on five OWEB funded riparian livestock exclusion projects. The projects are located in Lane, Harney, Coos, and Union counties. The final report for the first year of monitoring will be presented at the OWEB Biennial Conference in October 2006.

IV. Recommendation

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

Attachment

- A. OWEB Juniper Treatment Effectiveness Monitoring Final Report

CSR Natural Resources Consulting, Inc.

**OWEB Juniper Treatment
Effectiveness Monitoring
Final Report**

This report is submitted to the Oregon Watershed Enhancement Board (OWEB) as a summary of findings made during the summer of 2005 on seven OWEB-funded western juniper treatment projects in the John Day/Clarno Ecoregion of central Oregon. The purpose of this effort is to determine the effectiveness of the OWEB Juniper Treatment Program. The sites reviewed are in private ownership and are located in the Deschutes and John Day River Basins. Since all treatments had been applied during 2001 through 2003, the sites visited had at least two years of response time before being monitored. This study was funded under OWEB Contract No. 204-937, as amended and was conducted by CSR Natural Resources Consulting, Inc. of Vancouver, Washington.

The report summarizes the observations and measurements made at each project location and are presented in a format similar to that contained in the individual project monitoring summaries. Included in the report are a description of methodology employed in monitoring, a set of recommendations intended to support OWEB grant program effectiveness, technical quality, the success of future projects and the sound investment of public funds.

I want to thank Glen Hudspeth of the Crook County Soil and Water Conservation District and Sue Greer of the Wheeler County Soil and Water Conservation District for their assistance in arranging site visits, in helping to locate the project sites and providing additional information that added valuable background and detail to this report. Thank you, Pete Jameson, OWEB grantee, for your contagious enthusiasm for OWEB Program and this monitoring project.

I want to recognize and thank John and Lynn Breese of Prineville for their kind hospitality during the 2005 field season. Their support helped keep costs down which meant more projects monitored and resulted in a broader array of information for this report.

Submitted in satisfaction of OWEB Contract No. 204-937, as amended,

Richard H. Barrett, Jr.

CSR Natural Resource Consulting, Inc.

Introduction

In the late 1990's the Oregon Watershed Enhancement Board (OWEB) began funding grants to promote watershed restoration in the uplands of central and eastern Oregon. Among the projects OWEB began to fund was the control of western juniper, a species native to Oregon in post-glacial times. Miller, in his recently published compendium on western juniper: *The Biology, Ecology and Management of Western Juniper*, states that western juniper woodlands occupy about 2.2 million acres in Oregon and is increasing in extent at about 3 percent per year, its greatest rate of expansion in the past 130 years - the period of European settlement and occupation (Miller, et al., 2005). He further states that this expansion is the result of a number of factors working in combination: a period of wet, mild climatic conditions in the late 1800's and early 1900's coinciding with the post-settlement period; the introduction of, and season-long grazing by, large numbers of domestic livestock beginning in the late 1800's that reduced fine fuels and reduced the frequency and effect of naturally occurring fires, exacerbated by increasingly sophisticated fire suppression, and the increase in industrial carbon dioxide as identified by significant increases in annual sapwood growth since the 1950's when compared with earlier periods. Additionally, the cessation of aboriginal burning is considered to have had significant influence in the expansion of western juniper (Dr. Lee Eddleman, OSU Rangeland Ecologist, personal communication, 2003). Eddleman also suggested that the primary mechanisms of seed dispersal supporting the expansion are birds that ingest the seed and disperse it through the environment and the downslope transport of seed by overland flow and concentrated flow in ephemeral gullies and washes – all common in juniper dominated sites.

An interest in controlling juniper has been held by rangeland managers and landowners for many decades. Initially, the control of juniper was a way to improve forage production for grazing livestock by reclaiming lands encroached upon and dominated by juniper. But in recent years, with the growing appreciation of ecosystem function and the understanding of the importance of the hydrologic function as a major driver in functioning systems, the negative effects of in Oregon and the West is better appreciated.

Juniper, once established in the rangeland plant communities is a shrewd competitor for moisture, for space, sunlight and nutrients. Its affects are not only negative to native plant community integrity and the hydrologic function of arid and semi-arid watersheds, but also detrimental to valuable wildlife habitat, and the productive capabilities of private lands.

Juniper belongs in the landscape but, being intolerant of fire, is most suited to places in the landscape of low fire frequency or that do not produce ground fuels capable of carrying fire or producing flame lengths that lift fire into the tree canopy. These locations are readily identified as shallow or unproductive soils, rock outcrops, and rim rock.

Juniper control should not aim at juniper eradication but to back juniper out of the deep, productive soils it has encroached upon with the reduction in normal fire frequency and the other factors promoting its spread.

Project Methodology and Results

This monitoring effort was undertaken to determine the effectiveness of OWEB-funded juniper treatments in restoring hydrologic function to juniper dominated lands in Oregon as well as project effects on other important aspects of ecological function including soil stability and condition, biotic integrity, plant community composition and production.

Methodology

Projects to be monitored were selected from a list of about 17 projects provided by OWEB staff. Approximately 12 of the treatments involved felling juniper with chainsaws without any further treatment; three projects were accomplished with larger equipment (dozer, track hoe and brush beater) and incorporated seeding, and two projects included felling with chainsaws and dozing into piles for burning. From these three groups, seven projects were selected that would provide the opportunity to observe the effects these treatment categories. The sites selected for review are located within watersheds associated with anadromous fisheries in the Columbia Basin system in the Deschutes and John Day River Basins.

Sites were located on the ground with the assistance of Soil and Water Conservation District representatives (Glen Hudspeth of Crook SWCD and Sue Greer of Wheeler SWCD) who had first hand knowledge of the projects in their respective districts, or by the landowners (the grant applicants) themselves.

During a site visit, the treated and adjacent un-treated areas were walked and general observations made. Typifying areas within both the treated and un-treated sites were chosen for more detailed analysis. Soil pits were dug in each representative area to determine soil depth, surface and sub-surface soil texture and other distinguishing soil characteristics or limitations, if any. Adjacent, un-treated sites were considered for sampling only when their soil, steepness of slope and slope orientation were the same as those on the treatment area. Two projects lacked these un-treated comparison areas.

Vegetation sampling was done using the pace transect method described by Herrick (Herrick, et al., 2005). Photographs of the transect areas in both the treated and untreated areas were taken and included an identifying marker containing the project number and date of the visit.

A rangeland health assessment was conducted for both the treated site and un-treated comparison area. The assessment was based on the method described in *Interpreting Indicators of Rangeland Health* (Pellant, et al., 2000) which resulted in determinations of ecosystem function relating to soil stability, hydrologic function and biological integrity for each site. Individual project reports containing the data and information recorded at the site, along with a summary discussion of observed and measured effects, landowner comments and resource management implications were then drafted.

Summary of Effects

The following summarizes the general changes observed on a project-wide basis with significant exceptions noted. For more specific details regarding project effects at the various project sites, please refer to the individual project reports:

Changes in Plant Community Composition

Of all the changes observed in this monitoring project, change in plant community composition is the most obvious but, nonetheless, rich with information. While the reduction in, or removal of the juniper canopy was common to all sites, the responses of the previously existing understory vegetation or subsequent seedings varied considerably.

Four projects (#'s: 18-02-014, 18-02-013, 201-253 and 99-604) included tree removal only and relied on the existing understory vegetation for site reoccupation. In three of these cases, there had been a sufficient amount of native grasses, forbs and shrubs in the juniper understory to support their full reoccupation of the site. However, one project (# 99-604) had an apparently (no comparison area available) very sparse stand of native perennial plants in the pre-treatment understory. In this case the treatment exposed the site to occupation by annual grasses and forbs with only scattered remnants of desirable native grasses, forbs and shrubs found on the site.

Three projects (#'s: 18-02-009, 18-04-003 and 200-166) were seeded with grass and forb mixtures, two of which were seeded with a seed drill following tree removal - both seedings are successfully established. Project # 200-166 was broadcast seeded before tree removal but it appears that the released, existing native grasses forbs and shrubs may have been able to re-occupy the site. This left some question regarding the need for the seeding at this location. There appeared to be an adequate stand of live native perennial grasses in the adjoining un-treated area to indicate an adequate stand already existed in the treated area.

Changes to Soil Surface Conditions

There were two situations in which changes to soil surface conditions were most apparent: where downed trees were pushed into piles with a dozer or the site was seeded with a drill seeder after felling and piling. Where trees were dozed into piles, plant litter and soil surface organic matter was removed or displaced, creating bare soil and an erodible condition in the short term and, in one case (Project 99-604); the un-seeded site was open to invasion by non-native annual grasses and forbs (weeds).

Drilled seedings continue to show furrows or drill rows which contribute to the surface roughness aiding in detention of overland flow and supporting infiltration and subsequent soil moisture storage.

Sites on which trees were felled and left in place showed no surface disturbance and in all cases the release of understory vegetation, accumulating plant litter (including downed trees) and biological crusts were protecting the soil surface from raindrop impact, detaining overland flow,

promoting infiltration and aiding in soil moisture retention. Sheet erosion, which was common in the un-treated comparison area, was not in evidence on these treatment areas. Active rills and gullies were common in the un-treated areas, whereas in the treated areas no rills were observed and gullies were healing as native perennial plants were re-establishing and sediment was being trapped by the recovering vegetation.

A brush-beater was used to control the young (less than 40 years old), small diameter trees at the site of project # 18-04-003. Prior to treatment, the site had been dominated by mountain big sagebrush. Juniper was subordinate in the plant community at the time of treatment - Phase 1 of Miller's woodland succession (Miller, et al. 2005). Both species were controlled by brush beating and the resulting slash and plant litter effectively dissipate raindrop impact, detain overland flow, promote infiltration and, by shading the soil surface, aid in retaining soil moisture for the seeding that was done following treatment.

Changes to Site Hydrology

All grant applications addressed the restoration of hydrologic function as a major project objective. In all cases, plant responses following release or seeding appear to provide effective soil surface protection against raindrop impact. In addition, accumulating plant litter is detaining overland flow, promoting infiltration and aiding in soil moisture retention by shading and insulating the soil surface. Often overlooked is the effect of removing the intercepting canopy cover of juniper. According to Dr. John Buckhouse, OSU Rangeland Hydrologist, a juniper canopy cover of 25 percent on a site can intercept and thereby reduce the amount of moisture reaching the soil surface and understory vegetation layers by 25 percent (Personal comm. 2004), a significant amount in the 12 to 14 inch annual precipitation zone where most western juniper occurs. The intercepted moisture is lost back to the atmosphere by evaporation or sublimation, or through stemflow, which is directed to the base of the individual tree for its sole benefit. Most treatment locations are estimated to have supported juniper canopy covers in the range of 15 to 30 percent prior to treatment.

With one exception (Project # 99-604), all indicators: plant productivity, plant density, plant litter accumulation, biological crusts, minimal amounts of bare ground and the lack of evidence of overland flow, sheet, rill and gully erosion at all project locations, point to the recovery of infiltration rates expected in functioning systems. In the case of this exception, the site was re-occupied by annuals grasses and forbs that lack long-term dependability in soil surface protection and hydrologic function.

Western juniper is, according to Dr. Lee Eddleman, OSU Rangeland Ecologist, capable of taking up and transpiring soil moisture during every month of the year (Personal comm., 2003). The return to winter-dormant plant communities that occurred following the treatments has improved the opportunity for the soil profile to store all (keep in mind the potential for additional moisture made available by reducing interception), or most, of the precipitation received on site during late fall, winter and early spring – which amounts to 60 to 70 percent of annual precipitation (USDA-SCS, 1990). It becomes axiomatic that, following these treatments and with the right conditions of soil texture and soil depth and sub-surface geology,

there is the enhanced probability that surplus soil moisture contributes to groundwater recharge (e.g., in moderately deep soils over fractured basalt) or that surplus moisture may move safely downslope as lateral flow (sub-surface flow, parallel to the slope) to supply flow to seeps, springs and riparian areas and, eventually, may promote long duration flows of cool, quality water to streams and other water bodies. This is in contrast to the situation in which juniper, in the codominant and dominant stages of woodland succession (Miller, et al., 2005), is capable of consuming the available soil moisture stored in the soil during any season of the year.

The exception, Project # 99-604, is dominated by annual grasses and forbs which can be ephemeral by nature, with unpredictable annual productivity, and may not support long-term infiltration and soil surface protection. Fire will remove all accumulated litter and plant stems on annual sites, leaving the soil prone to heavy overland flow, severe erosion and sediment yield.

At project # 201-253, “young” (probably 20 – 60 year old) trees were removed while mature trees were left standing. It is expected that a short-term improvement in hydrologic conditions may have been served, but in the long-term there appears to be enough live mature trees remaining to fully occupy the site and have the competitive advantage in acquiring the available moisture and nutrients at the site. According to Dr. John Buckhouse, eight to nine mature, healthy trees per acre, because of the extensive root systems are capable of fully occupying a site and commandeering its resources (Personal comm., 2006).

It is interesting to note that at one project location, a stock pond was installed in an area of heavy juniper concentration. Before treatment, the pond filled every year with surface runoff from the bare soils in the juniper stand immediately upslope. Following the removal of juniper, the stock pond is dry year-round - the result of improved infiltration and deep moisture percolation, it is believed.

Changes in Spring, Seep, and Stream Flow

There has been limited research on the effects of juniper reduction on rangeland hydrology. Specific questions regarding changes in soil-plant-moisture relationships, groundwater recharge and changes to spring, seep and stream flow have not been well addressed by the research community. However, the anecdotal record is replete and growing with observations and evidence of the positive hydrologic effects of returning juniper to its rightful place in the landscape – relieving it of the awesome responsibility of dominance.

At two project locations, grant recipients credit juniper removal with restoring spring flows and in one case, reviving a wet meadow in areas downslope of the treatments. At project #18-02-009, a spring, formerly a seep, below the 240 acre juniper treatment now yields 20 gallons per minute year-round. A similar situation was reported, and observed on the same property in which an area of damp soil became a spring with a 20 gallon per minute year-round flow following the clearing of 40 acres of juniper immediately above the site. The landowner built a pond at the spring discharge point and now raises rainbow trout at the site of the spring.

At project # 18-02-013, the recovery of flow of several springs and the revival of a two to five acre meadow is attributed to upslope juniper control.

At the remaining project locations, no observations were reported nor are there records of past or present flows that would indicate change.

Changes in Wildlife Habitat

Pre-treatment conditions at all locations provided thermal and escape cover to deer and elk and habitat for several species of tree dwelling birds, however this form of cover and habitat is not believed to be a limiting factor for any of these wildlife species in this region of the state. The treatments have restored critical habitat elements including forage, water, important edge-effect and a mosaic of habitats for a broad complex of mammalian, avian and amphibian species. Untreated areas adjacent to the projects continue to retain their limited habitat values and provide habitat connectivity throughout the landscape.

Changes in Forage Production

Of the seven projects monitored, all but one (Project # 201-253) are used for livestock grazing. Two projects (#'s 18-02-009 and 18-04-03) were seeded with a drill. On both seeded sites, forage production in the pre-treatment condition was so low (about 150 pounds per acre or less) that livestock were not grazed in the areas. Post-treatment forage production is estimated to be in the range of 1,000 to 1,200 pounds per acre (lbs/ac.), or about 1.0 to 1.5 acres per animal unit month (AUM).

Project # 200-166 was broadcast seeded before tree removal. Conditions in the adjacent comparison area indicate that seeding may not have been needed. According to Dr. Lee Eddleman, OSU Rangeland Ecologist, 2.5 plants (of desired native grasses) per square meter (or 2 plants per 10 sq. ft in Miller) indicate an adequate source of plant material and seed for the re-occupation of treated sites (Eddleman. Pers. comm. 2003 and Miller, et al., 2005).

The design of project #'s 18-02-014, 18-02-013 and 99-604 counted on the release of, and re-occupation by, the existing native understory vegetation. In both former instances, forage production is estimated to have doubled or tripled following release: an estimated increase of from 500 pounds per acre to 1,000 lbs/ac., and from an estimated 300 lbs/ac. to 900 lbs/ac, respectively. Results differed on project 99-604 in that the site probably supported a less than optimum density of desirable species and was over-taken by annual grasses and forbs of limited seasonal value and with high variable and unpredictable annual production.

Results of Rangeland Health Assessment

Rangeland health was assessed at each site, in both the un-treated comparison area and in the treatment area. The assessment method uses a qualitative approach in determining the degree of function for three essential elements: soil stability, hydrologic function and biotic integrity (Pellant. 2000). Ratings descriptors used in this assessment are: functioning, functioning-at-risk and non-functioning. A “functioning” rating implies that the indicators for a specific element being assessed are at, or very near, the ecological potential expected for the site. A rating of “functioning-at-risk” means that evidence inferred from the observation of indicators suggests that the site departs to a moderate degree from its potential. Within this rating is the recognition of trend toward or away from site potential. Finally, a “non-functioning” rating means extreme or severe departure from potential.

Soil Stability

With few exceptions, soil stability in all pre-treatment or comparison areas rated as non-functioning with strong evidence of sheet, rill or gully erosion occurring in the juniper understory. The first exception was found on a flat slope with little potential for water erosion, with a stabilizing biological crust to protect against raindrop impact, and a dense stand of sagebrush to protect the soil from wind erosion. The second exception showed herbaceous vegetation in the inter-spaces between trees adequate of maintaining soil stability. In all cases but one, function was restored in the treated areas by increased plant cover and accumulating plant litter. Rills and evidence of sheet erosion were not observed and gullies were healed or healing. The exception is a site that was occupied by annual grasses and forbs which may, in the long term, not provide the mechanisms for soil protection offered by perennial vegetation. It was rated as functioning-at-risk with no apparent trend.

Hydrologic Function

Hydrologic function was rated as non-functioning at each pre-treatment comparison area. Canopy interception and low infiltration rates were the prevalent issues on these sites. Excessive soil moisture transpiration by juniper was also considered in the assessment - a common feature on most pre-treatment areas. Following treatment, all but two sites were determined to be fully functioning. Those were, once again the site dominated by annuals which was rated as functioning-at-risk with no apparent trend. The other exception, rated as functioning-at-risk, was more of a juniper thinning project than control. It is anticipated that the excessive transpiration of soil moisture will increase in the near and mid-term.

Biotic Integrity

All pre-treatment or comparison areas rated as non-functioning in biotic integrity. Where potential vegetation would have included a wide array of perennial native grasses, perennial and annual native forbs and shrubs, these areas were dominated by shallow-rooted perennial grasses or very sparse stands of deep rooted grasses with some forbs and, in many cases, the skeletal remains of shrubs – victims of competition. In other words, the diversity of functional plant groups (e.g., deep rooted perennial grasses, mid- and shallow rooted perennial grasses,

leguminous forbs, etc.) was sparse, or poorly represented – the crux issue in biotic integrity. Biotic recovery is slow. The physical parts of the system need to recover before the vegetation can respond. In all but one of the treatment areas ratings were, for the most part functioning-at-risk because limited but returning species diversity. One site is considered to be fully functioning and the last, the annual grass and forbs dominated site, is rated as non-functioning.

Recommendations

The site visits to the seven treatment areas illustrated the values accrued to the land and its ecological function; to wildlife, and to the economic sustainability of the landowner. There was not a landowner interviewed who was not ecstatic with the outcome of their project and proud to show its results. These landowners were all very positive about OWEB's role in promoting this activity and hoped the program flourished throughout the region.

Aside from the positive outcomes on the land and in the minds of the program participants, there are lessons to be learned from this review. If applied to future projects, these lessons could help improve the likelihood of greater project success at higher efficiencies of cost.

Among the projects reviewed, there were those whose design (including site selection), implementation and follow-up were flawless. There were projects, on the other hand, where a pre-treatment inventory and the application of the information derived therein, would perhaps have avoided higher than necessary costs or would have helped insure a more positive response from the treatment.

The findings and recommendations of the interim project report submitted in August, 2005 are incorporated herein by reference and further recommendations intended to improve program effectiveness follow: Recommendation 1 Conduct a Juniper Management workshop which would include site visits for appropriate OWEB Regional Representatives and staff along with selected SWCD and Watershed Council staff. A workshop of this nature would allow those personnel most directly related to the grant application process to observe and to discuss project results as influenced by site selection, pre-treatment conditions, treatment methods and follow-up treatments related to the degree of projects success. Since these are the people working most directly with grant applicants, they are in the ideal position of influencing project design and implementation within OWEB standards.

Recommendation 2 Draft and distribute guidance for use by OWEB, SWCD and Watershed Council staff and landowners regarding the various elements to be considered and employed in the design, implementation and management of juniper treatments. The document might include discussions of: site selection, determination of project need and priority, pre-treatment assessment and inventory and their application to the selection of treatment methods and post-treatment management.

Recommendation 3 Establish a protocol for the pre-treatment collection of soil, plant and hydrologic information that would serve two purposes: 1) to be used as the basis of treatment

design (e.g., the need for seeding, the disposal of slash, etc.) and, 2) to provide base data for future monitoring of changes in tree density and canopy cover, plant composition, overland flow and soil erosion and the presence and flow of springs and seeps. The use of such a protocol would help to insure that the essential elements of a project are considered in its design and that un-needed treatments are avoided. Such a protocol would have provided information that was either unavailable or indirectly available (through the examination of adjacent un-treated sites) to establish comparisons in the 2005 review.

Recommendation 4 Continue the current monitoring effort and expand the process to include other regions of the state beyond the anadromous fisheries basins. Support an effectiveness monitoring program in eastern and south central Oregon as those areas are also in need of ecological and especially, hydrologic recovery and rehabilitation – there are more lessons to be learned that will continually improve the effectiveness of the OWEB program.

Recommendation 5 Promote and support research in the rehabilitation (and maintenance) of watershed uplands in the juniper dominated regions of Oregon as OWEB has with the DeBoot Doctoral Paired-Watershed Research Project in central Oregon.

Conclusion

Uplands make up about 98 percent of the land area of most watersheds. It follows that uplands are in the position to receive and process that proportion of the precipitation falling in the watershed. When functioning to their potential, uplands effectively capture that moisture at the soil surface, store it in the soil profile for plant use and other forms of biological activity, and safely release any surplus moisture to recharge groundwater or support the flow of seeps, springs and streams. Followed to its logical conclusion, a functioning watershed can support vegetation and plant communities, habitats and economies according to its productive potential. Inasmuch as its potential provides, functioning uplands can contribute significantly to the quality and quantity of long duration seep, spring and stream flows.

In contrast, upland hydrologic dysfunction, or the inability of upland soils to capture, store, and/or safely release moisture, produces negative effects downslope and down stream. This contrast was evident in most of the treatment areas visited in this project where comparison areas were identified. While the identification of some effects (e.g., changes to site hydrology, etc.) is qualitative, they are based in concepts of climatology, soil science, soil-plant-water relationships and the dynamics of rangeland plant communities and rangeland ecology. Other identifiable effects such as changes in plant community composition and changes in forage production are readily quantified.

In the opinion of this observer, the project visited and the information gathered from conversations with landowners and from personal observation and measurement the value and effectiveness of the OWEB Juniper Treatment is clear.

Literature cited:

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**Approved by the Board January 24, 2007
Oregon Watershed Enhancement Board**

**September 19, 2006
OWEB Board Meeting
Bend, Oregon**

Minutes

OWEB Members Present

Gary Briggs
Miles Brown
Bobby Brunoe
Dan Carver
Alan Christensen
Dan Heagerty
Skip Klarquist
Jim Nakano
Jane O'Keeffe
Patricia Smith
Diane Snyder
Mary Lou Soscia
Dan Thorndike
Helen Westbrook
Ken Williamson

OWEB Staff Present

Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Douglass Fitting
Bev Goodreau
Wendy Hudson
Karen Leiendecker
Melissa Leoni
Tom Shafer
Courtney Shaff
Greg Sieglitz
Teresa Trump
Roger Wood

Others Present

Jas Adams
Steve Stampfli
Kyle Gorman
Sarah Hubbard-Gray
Glenn Kline
Brad Nye
Bruce Taylor
Bob Bower
Steve Johnson
Elmer McDaniels
Carl Yee
Berta Yoatie
Michael McNamara
Jan Lee
Tod Heisler
Ryan Houston
Jeff Samuels
Charlie Corrarino
Jo Morgan
Margaret Nover
Sven Anderson
Bev Sparrowk
John Buckley
David Bowers

Members Not Present

Scott Reed
Michael Tehan

A. Board Member Comments

Representatives on the OWEB Board commented on recent activities and issues facing their respective agencies. Board Co-Chair Dan Heagerty introduced new Board members Mary Lou Soscia representing the U.S. Environmental Protection Agency while Dave Powers is on special assignment, and Gary Briggs representing the Natural Resources Conservation Service.

B. Minutes

Minutes of the following Board meetings were unanimously approved:

- May 16, 2006 Board meeting in Oregon City approved with one typographical correction (*Oregon State Police not Policy*)
- May 17, 2006 Board meeting in Oregon City
- July 20, 2006 Special Board meeting via telephone conference call

C. Executive Director Update

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

1. Biennial Conference

The OWEB 9th Biennial Conference will be held October 25-27, 2006, at the Seaside Convention Center in Seaside, Oregon. The conference theme is: **Communities Working for Healthy Watersheds** – *Celebrating Oregon Plan Accomplishments & Looking Ahead*. Board members were invited and encouraged to attend.

2. 2005-2007 Biennial Report

Melissa Leoni, OWEB Senior Policy Specialist, is lead staff for preparing the 2005-2007 Biennial Report on the Oregon Plan for Salmon and Watersheds. OWEB is required by statute to submit a report to the Governor and Legislative Assembly by January 15 of each odd-numbered year that assesses the statewide and regional implementation and effectiveness of the Oregon Plan. OWEB staff are working with Oregon Plan partners to collect project data, voluntary restoration information, and agency program accomplishments for the report.

3. Agency Request Budget

Director Byler briefly described the budget process, and OWEB's policy package requests. OWEB's budget was prepared on the assumption that no new federal Pacific Coastal Salmon Recovery Funds (PCSRF) would be awarded to OWEB. OWEB submitted the following nine policy packages in its budget.

Package 110: Program Continuity – \$980,197, 5.00 FTE

Package 115: Carryforward for Committed Grants – \$1,000,000

Package 120: Program Reorganization – (\$8,195)

Package 130: Watershed Council Support – \$1,941,121

Package 200: Capital Grants – \$49,895,703

Package 140: Non Capital Grants – \$8,401,950

Package 150: Program Enhancements – \$633,240, 4.00 FTE

Package 300: Research Grants – \$7,449,188

Package 160: Independent Multidisciplinary Science Team – \$268,603

4. Customer Service Survey

Greg Sieglitz, Monitoring and Reporting Program Manager, reported on a customer service survey that was conducted as a requirement of the Oregon Progress Board and Legislature to evaluate the level of customer service provided by each agency. OWEB sent the survey to 50 of the agency's grant recipients and received responses from about half. Overall, OWEB customer service was ranked in the good and excellent range for all measures.

5. Database

In February 2005, OWEB began the process to replace its Grants Administration database. On April 17, 2006, OWEB officially migrated to the new system called OGMS (OWEB Grant Management System). The system is available via the Internet to staff and OWEB grantees to track payments, grant balances, outstanding grant reports, and project end dates.

OWEB staff have been working on a new phase of the project to convert the Oregon Watershed Restoration Inventory (OWRI) into the OGMS database.

6. Conservation Reserve Enhancement Program (CREP)

Director Byler reported that the OWEB Board has allocated \$2.5 million for CREP this biennium and those funds are about to be exhausted. Enrollment has increased as more people become aware of the program. Future funding for CREP may be considered at the January Board meeting. The staff report included graphics showing the growth of the program in the last five years.

D. Public Comment – Restoration/Acquisition/Technical Assistance Grants

Wayne Hoffman, MidCoast Watersheds Council, thanked Board members and staff for their support for Application Nos. 207-046 (Starr Creek Fish Passage Project) and 207-047 (Green River Large Wood Placement and Effectiveness Monitoring) which were recommended for funding.

Jan Lee and Todd Heisler, Deschutes River Conservancy, thanked Board members and staff for their support for Application No. 207-096 (Middle Deschutes Streamflow Restoration Phase I) , which was recommended for funding.

Ryan Houston, Upper Deschutes Watershed Council, supported funding for Application No. 207-033 (Stream Channel Restoration Design at Rimrock Ranch/Whychus Creek), which was not recommended for funding, and expressed concerns about the review team process.

Brad Nye, Deschutes Basin Land Trust, supported funding for Application No. 207-033 (Stream Channel Restoration Design at Rimrock Ranch/Whychus Creek), which was not recommended for funding.

Michael McNamara, Wallowa-Whitman National Forest/Baker County/Powder Basin Watershed Council, briefed Board members on Application No. 207-040 (Sumpter Valley Dredge Tailings – Floodplains Restoration Action Plan), which was not recommended for funding by the review team, but was recommended for funding by OWEB staff.

Margaret Nover, City of Portland, supported funding for Application No. 207-022 (Crystal Springs Stream Design and Permit Project at Eastmoreland Golf Course), which was not recommended for funding, and thanked Board members and staff for their support of Application No. 207-092 (Tryon Creek State Natural Area: Iron Mountain Stream and Wetland Restoration Project).

Bev Sparrowk, Drews Valley Ranch, briefed Board members on Application No. 207-097 (Drews Creek Fish Passage/Screening), which was recommended for funding.

Sven Anderson, formerly from Oregon Parks and Recreation Department, briefed Board members on Application No. 207-087 (Sodom Dam Project), which was recommended for funding, and thanked OWEB staff for their assistance in working through the issues associated with the application.

Jerry Erstrom, Ken Diebel, Kelly Weideman, Lower Willow Creek Working Group, supported full funding in this biennium for Application No. 207-138 (Willow Creek Restoration Phase I), which was recommended for funding as a staged award -- \$1,050,568 from 2005-2007 funds, and \$900,000 from 2007-2009 funds to be awarded in September 2007.

John Buckley and Steve Stampfli, East Fork Irrigation District, briefed Board members on Application No. 207-107 (EFID Central Canal Pipeline Project – Lower Phase), which was recommended for funding as a staged award -- \$900,000 from 2005-2007 funds, and \$500,000 from 2007-2009 funds to be awarded in September 2007.

Robert Bower, Walla Walla Watershed Council, supported funding for Application No. 207-116 (Johnson Creek Reconnection), which was not recommended for funding. He explained the importance of the project and why timely funding was important to the success of other actions.

E. Board Consideration of Restoration/Acquisition/Technical Assistance Grants

Roger Wood, Grant Program Manager, briefed the Board on the applications received. A total of 138 grant applications seeking a total of \$19,119,992 were received by the April 24, 2006, deadline.

Restoration	94	\$15,774,874
Acquisition	3	\$2,056,500
Technical Assistance	41	\$1,288,618

After being screened for eligibility and completeness, the applications were sent to the appropriate review teams, who developed recommendations for individual projects on their merit for funding, and numerically ranked the recommended projects for funding. OWEB staff used the review team priorities developed to prepare the funding recommendation for Board consideration taking the budget into account.

The three acquisition applications received this cycle were first reviewed by a board acquisition subcommittee that recommends whether staff should proceed with due diligence review or whether the application be denied and no due diligence review would occur. The applications are also reviewed by the regional review teams for ecological and educational values. Staff then consider all evaluation criteria, the subcommittee's recommendation, and available funding resources to develop a funding recommendation to the full board.

Two of the acquisition applications were withdrawn by the applicant, and one is recommended for deferral (see Region 3).

REGION 1, NORTH COAST

Roger Wood, Grant Program Manager
Tom Shafer, Regional Program Representative
Melissa Leoni, Acquisitions
Greg Sieglitz, Monitoring and Reporting Program Manager

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report.

Acquisition Projects

Svensen Island (Application No. 206-259) is deferred pending completion of due diligence.

Tenmile Creek Corridor Easement Project (Application No. 206-058) is deferred pending completion of due diligence.

Board member Helen Westbrook requested a future Board discussion about the balance of applications received from region to region, noting that Region 1 has fewer applications than other regions. She also requested further information from staff on the number of funded watershed councils by region, and how staff balance the proposed funding recommendations for each region.

REGION 2, SOUTHWEST OREGON

Roger Wood, Grant Program Manager
Melissa Leoni, Acquisitions
Greg Sieglitz, Monitoring and Reporting Program Manager

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report.

Acquisition Project

Due diligence materials for the Deer Creek Ranch acquisition project (Application No. 206-277) have been reviewed and approved by legal counsel, with exceptions on the title to be removed and some remediation to be completed.

Board members unanimously approved staff's funding recommendation for this project on the condition that title issues be resolved and site remediation be completed.

REGION 3, WILLAMETTE BASIN

Roger Wood, Grant Program Manager
Wendy Hudson, Regional Program Representative
Melissa Leoni, Acquisitions
Greg Sieglitz, Monitoring and Reporting Program Manager

Board members unanimously approved staff's funding recommendations as shown in the "shaded area" of Attachment A of the staff report with the following change:

Application No. 207-091, Brownsville Dam Removal and Restoration of the Calapooia River: The following funding amounts were approved

Non-Capital Funds: \$ 6,340

Capital Funds: \$669,371

Total: \$675,711

Board members also approved language for the grant agreement indicating the applicants need to work with OSU on their proposal to monitor Chiloquin and Savage Rapids dams. Also, the applicants need to work with OPRD on Sodom Dam removal monitoring needs with a budget to go before the Board in January 2007.

Acquisition Projects

McKenzie Oxbow Acquisition (Application No. 207-073) was withdrawn by the applicant.

Sandy River Conservation Acquisition (Application No. 207-072) was recommended for deferral pending completion of due diligence review.

REGION 4, CENTRAL OREGON

Roger Wood, Grant Program Manager

Rick Craiger, Regional Program Representative

Greg Sieglitz, Monitoring and Reporting Program Manager

Board Co-Chair Jane O’Keeffe recused herself from voting on Application Nos. 207-102 (not recommended for funding) and 207-107 (recommended for funding) citing a conflict of interest.

Board members unanimously approved staff’s funding recommendations as shown in the “shaded area” of Attachment A of the staff report.

Monitoring

Application No. 207-096 (Middle Deschutes Streamflow Restoration Phase I) was approved with grant agreement provisions indicating the applicants will work with WRD, ODFW, OWEB, and others to develop an effectiveness monitoring component of the project.

Application No. 207-111 (Direct Seed/No-Till Incentive Program) was approved provided a monitoring plan is developed and reviewed prior to issuing the grant agreement.

Acquisition Project

There are no outstanding acquisition projects in Region 4.

REGION 5, EASTERN OREGON

Roger Wood, Grant Program Manager

Karen Leiendecker, Regional Program Representative

Greg Sieglitz, Monitoring and Reporting Program Manager

Board members unanimously approved staff’s funding recommendations as shown in the “shaded area” of Attachment A of the staff report minus Application Nos. 207-116 and 207-138, which were voted on separately.

Application No. 207-116 (Johnson Creek Reconnection). Board members voted (Jane O’Keeffe and Dan Carver voted no) to award funding with the condition that the technical issues be reviewed and accepted by the regional review team before providing funding for the project.

Application No. 207-138 (Willow Creek Restoration Phase I): Board members unanimously approved funding of this application as two projects/grants as follows:

- #1 Pipe portion totaling \$896,186
- #2 Wetland, pumpback, and road crossing totaling \$154,382

Monitoring

Application No. 207-131 (Burnt River Early Intervention Juniper Control & Riprap Project II) was approved with additional pre-implementation monitoring photopoints and vegetation surveys. Also, Board members indicated the re-seeding mix includes non-native species and should be evaluated before funding the project.

Application No. 207-135 (Chicken Creek Juniper Removal Project) was approved with the inclusion of additional pre-implementation photos and streamflow.

Acquisition Projects

Zumwalt Prairie (Application No. 207-114) was withdrawn by the applicant.

Pilcher Creek (Application No. 206-339) was deferred pending completion of due diligence.

Local Partner Presentations and Tour Introduction

Prior to leaving on the tour, the following representatives from local watershed and conservation organizations made presentations to the Board.

- *Jeff Rola, Deschutes Soil and Water Conservation District*
- *Jason Dedrick and Berta Younte, Crooked River Watershed Council,*
- *Ryan Houston, Upper Deschutes Watershed Council,*
- *Brad Nye, Deschutes Basin Land Trust*
- *Tod Heisler, Deschutes River Conservancy*
- *Jan Lee, Swalley Irrigation District, Deschutes Water Alliance*
- *Elmer McDaniel, Tumalo Irrigation District, Deschutes Water Alliance*
- *Steve Johnson, Central Oregon Irrigation District, Deschutes Water Alliance*

Tour

OWEB Board members and staff toured projects in Bend and Tumalo, including the:

- *North Unit Diversion Dam to discuss water withdrawals, the new fish screen and flows in the Middle Deschutes;*
- *Riverbend Park to discuss the riparian/park project done collaboratively between the Upper Deschutes Watershed Council and Bend Metro Parks and Recreation District; and*

- *Tumalo Creek to visit the completed and construction phase of a channel stabilization project being done by the Upper Deschutes Watershed Council and the U.S. Forest Service.*

After the tour, William Smith Properties, the Deschutes Resources Conservancy, and the Upper Deschutes Watershed Council sponsored an informal reception for OWEB Board members, staff, watershed partners, and local officials.

**Approved by the Board January 24, 2007
Oregon Watershed Enhancement Board**

**September 20, 2006
OWEB Board Meeting
Bend, Oregon**

Minutes

OWEB Members Present

Gary Briggs
Miles Brown
Bobby Brunoe
Dan Carver
Alan Christensen
Dan Heagerty
Skip Klarquist
Jim Nakano
Patricia Smith
Diane Snyder
Mary Lou Soscia
Dan Thorndike
Helen Westbrook

OWEB Staff Present

Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Douglass Fitting
Wendy Hudson
Karen Leiendecker
Melissa Leoni
Tom Shafer
Courtney Shaff
Greg Sieglitz
Teresa Trump
Roger Wood

Others Present

Suzanne Knapp
Jas Adams
Margaret Nover
Alan Hipolito
Jo Morgan
Steve Hanson
Jeff Samuels
Michael Cairns
Carl Yee
Bruce Taylor
Jimmy Kagan
Wayne Hoffman
Michael Morrissey
Charlie Corrarino
Glenn Kline
Lee Russell

Members Not Present

Jane O'Keeffe
Scott Reed
Michael Tehan
Ken Williamson

F. Coastal Salmon Fishing Emergency Response

Ken Bierly, Deputy Director, updated Board members on OWEB's response to the 2006 Salmon Season State of Emergency.

Due to a combination of factors causing a dramatic decline in the number of Klamath River Basin Chinook Salmon available for harvest along the coasts of Oregon and California, commercial and sport fishing along the Oregon coast has been severely restricted by NOAA Fisheries. On April 24, 2006, Governor Kulongoski issued Executive Orders Nos. 06-06 and 06-07 declaring a state of emergency for Oregon's coastal counties impacted by the fishing restrictions. In response to the executive order, OWEB staff developed the following five concepts:

1. Funding work opportunities for displaced fishers to gather data on salmon stocks in the ocean;
2. Funding to implement coastal salmon restoration projects;
3. Funding work opportunities for displaced fishers for inventory and assessment activities that would lead to salmon restoration;
4. Funding accelerated development of restoration projects; and

5. Funding recovery planning outreach.

The June 2006 Legislative Emergency Board allocated \$2.2 million in Measure 66 Lottery Funds to allow OWEB to carry out these efforts.

1. Ocean Research: \$586,391
At its May 2006 meeting, Board members approved this allocation to implement the initial year of a DNA research project. Up to \$40,000 of these funds were used to purchase equipment prior to the start of the June 4, 2006, opener.
2. Restoration Implementation: \$700,000
Of this amount, \$553,366 has been awarded; \$146,634 remains
3. Inventory and Assessment: \$250,000
Of this amount, \$116,679 has been awarded; \$133,321 remains
4. Development of Restoration Projects: \$500,000
Of this amount, \$39,882 has been awarded; \$460,118 remains
5. Recovery Plan Outreach: \$175,000
OWEB has met with representative of the Oregon State University Sea Grant Extension for a project that would hire up to five displaced fishers for 16 months to conduct a variety of outreach activities relating to the state's salmon recovery planning efforts.

Since the May 2006 Board meeting and E-Board approval of OWEB's funding request, staff developed an expedited competitive grant process for three activities: 1) restoration; 2) project development; and 3) inventory and data collection. Applications were accepted on a rolling basis and reviewed weekly by a small team of staff and experts. The Oregon Salmon Commission determined eligibility requirements for the displaced fishers and their nuclear family members, and acts as the point of contact for grantees with employment needs.

As of the September meeting: 15 applications have been received; six applications have been funded for \$559,927; and 28 displaced fishers have been hired.

OWEB staff estimate that an additional \$500,000 is needed to continue the special grant program. If qualified applications are not submitted, these funds will not be used and will be available for allocation by the Board in March 2007.

Board members unanimously approved allocation of \$500,000 of capital funding toward continuation of the 2006 Salmon Season Grants through January 21, 2007, and delegated authority to the Executive Director to enter into appropriate grant agreements to distribute funds for the purposes outlined in the staff report.

Melissa Leoni, OWEB Senior Policy Coordinator, briefed Board members on the process to adopt both temporary and permanent administrative rules. In response to legal advice, staff developed temporary emergency administrative rules to give OWEB the ability to apply award preferences related to the employment of displaced fishers, providing fish habitat benefits, and addressing identified watershed needs. The Board approved the temporary rules in a special meeting held via telephone conference call on July 20, 2006.

The temporary rules expire on January 21, 2007. To continue to apply the award preferences beyond the expiration of the temporary rules, OWEB needs to adopt permanent administrative

rules. It was recommended that staff look at framing the permanent rules similar to the Water Resources Department's drought rules.

Board members unanimously directed staff to enter into permanent rulemaking in order to be ready for Board adoption at its January 2007 meeting.

Dr. Michael Morrissey, Director of the Oregon State University Seafood Lab gave a presentation on the at sea research by the Collaborative Research on Oregon Ocean Salmon (CROOS). The June 2006 Legislative Emergency Board allocated \$585,000 to OWEB, who directed the funds to the Oregon Salmon Commission for at sea research. The research is a unique joint industry-university research project to identify salmon stocks in the ocean.

Researchers at the Coastal Oregon Marine Experiment Station at the Hatfield Marine Science Center in Newport, working in cooperative partnerships with Oregon salmon fishers, will combine at-sea and laboratory research in developing refined spatial and temporal identification of stocks to significantly reduce by-catch of weak salmon stocks and avoid long term closures of the salmon fishery. Spatial and temporal location data (i.e., locations and times salmon samples are taken) will be combined with oceanographic information to let salmon researchers begin to understand the relationships between salmon locations, their stream of origin, their movement in Oregon's Pacific waters, and physical and environmental factors such as ocean currents and locations.

Additional information is available at www.projectCROOS.com.

G. Oregon Plan Monitoring

Greg Sieglitz, Monitoring and Reporting Program Manager, was joined by Jimmy Kagan, Oregon State University Institute for Natural Resources, and Steve Hansen, DEQ Volunteer Monitoring Program, to discuss two Oregon Plan Monitoring projects funding requests. At its January 2006 meeting, Board members approved a spending plan which reserved \$110,000 for Oregon Plan Monitoring and \$690,000 for Oregon Plan Products. The requested funding would come from the above-noted reserved amounts.

- A. DEQ Volunteer Water Quality Monitoring Program Equipment Needs. \$27,322.75 (non-capital funds from Oregon Plan Monitoring reserve) is requested to fund an interagency agreement with DEQ for the replacement and refurbishing of volunteer monitoring equipment.

DEQ provides access to equipment, training, database support, and analytical assistance for watershed councils and soil and water conservation districts through the Volunteer Water Quality Monitoring Program funded by OWEB. Steve Hansen briefed board members on the program, which provides technical assistance to local groups on the best way to collect data. Now that the data is in the database, that data can be used on a larger scale. All data is available, however, only data that meets the data quality requirements is used.

Board members unanimously approved the request.

- B. Oregon Watershed Restoration Inventory (OWRI) Web Access, Oregon Explorer, and Conservation Registry. Seventy-five thousand (non-capital funds from Oregon Plan

Products reserve) is requested to fund an interagency agreement with the OSU INR for the development of web access to and tools for the OWRI, statewide Oregon Explorer web portal enhancements, and Registry of Conservation Actions.

Jimmy Kagan briefed Board members on the request for funding which will allow OSU INR to improve the current Oregon Explorer, and to add the complete OWRI database thereby allowing web access. The final piece is to work on the cooperative registry to integrate all the data. INR is working with tight timelines so the product will be available by Oregon Statehood Day in February 2007. He added that the INR is committed not to come to the Board for funding in the future for the baseline Oregon Explorer support, and that they will seek additional funding through other sources as well as the Oregon Legislature. Greg Sieglitz added that improvements can be made to both sites by adding new tools and information to enhance interest for users of the OWRI and the Oregon Explorer.

Board members unanimously approved the request.

H. Request to Apply for Watershed Council Support

Public Comment:

Lee Russell, Elk Creek Watershed Council, supported the council's request to apply independently for council support funding, and answer any questions from Board members.

Ken Bierly, Deputy Director, presented this item to the Board. He provided background information on council support funding. In April 2003, the Board adopted four funding principles that were applied to the 2003-2005 council support grants, including encouraging watershed councils to consolidate and apply jointly for council support grants.

Two watershed councils are seeking Board approval to apply for council support funding separately from their current funding partners. The Elk Creek Watershed Council seeks to separate from the Smith River Watershed Council, and the Luckiamute Watershed Council seeks to separate from the Rickreall and Glenn-Gibson Creeks watershed councils.

Both councils identified reasons to the separation. The Elk Creek Watershed Council wants to be judged on their merits and not on the merits of their partner watershed council. The Luckiamute Watershed Council wants to be independent and their partner councils support their separation.

Due to the limited amount of watershed council support funding available, Board members are concerned about councils splintering from partner groups. Board members supported offering an incentive to councils to apply for funding as a group and not individually.

Board members unanimously approved staff's recommendation to allow the Luckiamute and Elk Creek watershed councils to apply for council support independently if they choose. In addition, staff will work with the Board subcommittee to explore incentives for council consolidation for use in the 2007-2009 grant cycle.

I. Public Comment – Local Innovation Fund Grants

Alan Hipolito, Verde, supported funding for Application No. 207-147 (Crystal Springs Restoration and Enhancement Project), which was not recommended for funding by OWEB staff.

Glenn Kline, Southeast Oregon Resource Conservation and Development, supported funding for Application No. 207-149 (Juntura Malheur River Stream Protection Project), which was not recommended for funding by OWEB staff.

Wayne Hoffman, MidCoast Watersheds Council, supported funding for Application No. 207-139 (Pacific Shrimp Company Water Conservation Project), which was not recommended for funding by the review team or OWEB staff.

J. Board Consideration of Local Innovation Fund Grants

Melissa Leoni, OWEB Senior Policy Coordinator and LIF Fund Manager, briefed Board members on the Phase II Local Innovation Fund May 1, 2006, request for proposals, the applications received by the June 15, 2006, deadline, the evaluation process applied to these applications, and lessons learned through this phase of the pilot program to link restoration funding with economic and community benefits.

Fifteen applications were received by the June 15, 2006, deadline. Two applications were ineligible and 12 applications were sent to OWEB’s regional review teams and a statewide review team. The statewide review team recommended seven applications to OWEB staff for funding. OWEB then worked with the Board’s LIF subcommittee (Dan Heagerty and Dan Carver) to review the team recommendations and to develop the Board funding recommendation. The subcommittee recommended three projects for funding. The subcommittee also recommends that OWEB develop partnerships with the Oregon Economic and Community Development Department and other relevant agencies to assist in the enrichment of these projects to meet the three LIF goals (environment, economy and community). They also recommended that the Board awards be flexible to allow staff to complete discussions with the applicants on conditions for funding.

The three projects recommended by the Board subcommittee and OWEB staff for funding include:

- Application No. 207-140 (South Coast Cranberries), South Coast Watershed Council
- Application No. 207-148 (Mosier Community Groundwater Management), Wasco SWCD
- Application No. 207-142 (Salmon-Safe Applegate Restoration Initiative), Applegate River Watershed Council

Board member Jim Nakano expressed concern over funding Application No. 207-140 (South Coast Cranberries).

The Board unanimously approved funding for the three Phase II Local Innovation Fund projects show in the Revised Attachment C with the conditions recommended by staff, and that the Board delegate authority to the Executive Director to approve final grant amounts and conditions, after consultation with the Board subcommittee, when staff and applicant discussions are complete.

The Board also voted unanimously to add Application No. 207-147 (Crystal Springs Restoration and Enhancement Project), Hacienda CDC - Verde, to the “do fund” list awarding \$40,760 in capital funds, and \$2,100 in non-capital funds.

K. Public Comment -- General

Bruce Taylor, Defenders of Wildlife, asked the Board to keep in mind that there is a line where OWEB’s mission stops and the ODFW mission starts regarding harvest management. He noted that the restoration priorities are coming along, but stated a need to develop priorities and look at the most important habitats such as sagebrush habitat and the endangered species in those habitats.

L. Recovery Planning

Ken Bierly, OWEB Deputy Director, and Sue Knapp, Governor’s Natural Resources Office, updated Board members on the multi-agency planning effort to develop conservation and recovery plans for salmon and steelhead throughout the state. The effort is being coordinated by the Governor’s Office and lead by Ms. Knapp.

The development of each plan requires technical support and stakeholder team facilitation and support. The salmon and steelhead recovery planning schedule for Oregon domains was presented. The process includes the review timelines, planning and stakeholder meetings, due date for the draft recovery plan, and estimated completion date for the final plan.

Coast	Scheduled to be completed in January 2007
Mid Columbia	Scheduled to be completed in March 2007
Snake	Scheduled to be completed in March 2007
Lower Columbia	Scheduled to be completed in Mid 2007
Upper Willamette	Scheduled to be completed in Fall 2007
SONCC	Scheduled to be completed in December 2007 or later

Only \$17,057 remains of OWEB’s half of a \$1.5 million PCSRF fund split between ODFW and OWEB which was earmarked by the Legislature for the 2005-2007 biennium. In September 2005, the OWEB Board approved a \$200,000 allocation to support local involvement in recovery planning, of which \$79,000 remains. To date, OWEB has allocated a total of \$853,943 to support salmon recovery planning.

OWEB staff expect that additional funding will be needed during the remainder of the biennium, and are requesting Board approval to allocate the \$600,000 that was reserved in January and March 2006, and delegate authority to the Executive Director to distribute funds for conservation/recovery planning in order to have the flexibility to respond rapidly to funding needs as they arise. The Executive Director will work with the Governor’s Office to determine the specific purposes for the funds and the timing of distribution.

Board members unanimously approved the \$600,000 allocation and delegate authority to the Executive Director to distribute the funds as noted above.

M. Restoration Priorities Adoption

Ken Bierly, Deputy Director, briefed Board members on the Hood and Fifteenmile basin restoration priorities. The priorities are intended to be used as guidance by OWEB in the review

of grant applications and to help ensure a clear and strategic approach to prioritizing the funding of projects. At the March 2006 meeting, the Board adopted the priority approach for the Rogue and Willamette basins, and the South Coast Basin at the May 2006, meeting.

Following is the delivery schedule for completion of the remainder of the Oregon Plan basin regional priorities.

Date	Basin
August 25, 2006	Deschutes
September 8, 2006	Malheur
September 8, 2006	John Day
September 22, 2006	Grande Ronde
October 6, 2006	Owyhee
October 20, 2006	Powder
October 27, 2006	Umatilla
October 27, 2006	Walla Walla

Board members unanimously approved the approach and content for the Hood and Fifteenmile basin regional restoration priorities.

N. Council-District Collaboration Update

John Moriarty, Network of Oregon Watershed Councils, and John McDonald, Oregon Association of Conservation Districts, updated Board members on progress made on the collaborative effort between OWEB, ODA, SWCDs, and watershed councils.

As reported at the May Board meeting, a core message and strategy have been developed. Over the summer, Moriarty and McDonald took the message and strategy around the state to find out what kinds of questions to ask and answer; what needs should be met, and what is coming up in the future. They met with conservation and agriculture interest groups, as well as the Senate Interim Committee on Natural Resources, and received a positive and supportive response. They also have set appointments to meet with Legislators. They have now entered into the next stage which is refining and implementing the strategy and getting back into the communities.

They are hearing that Oregonians want clean water, and to get clean water, we need to focus on the watershed, ridgetop-to-ridgetop. It is important to have both organizations out there doing it. They are at a point now that they can have conversations about process and help to negotiate the issues/problems.

O. OWEB Conservation Easements and Stewardship

As a follow-up to a Board discussion at the January 2005, meeting, Melissa Leoni, OWEB Senior Policy Coordinator, used a Powerpoint presentation to provide Board members with information about conservation easement management.

OWEB holds a property interest through a conservation easement on all funded land acquisition projects because of the statutory requirement to ensure that the property will continue to be used for purposes specified under Article XV, Section 4b of the Oregon Constitution. Under Article XV, OWEB is directed to allocate funding for land acquisition projects that, in its judgment, further the goal of protecting and/or restoring wild salmonids, fish and wildlife habitat, watersheds, or water quality in Oregon.

To date, OWEB has funded 30 land acquisition projects. Of those, OWEB holds 18 conservation easements, has third party rights in nine conservation easements, and three of those projects are not complete and will add several more separate easements.

OWEB began using a generic easement in 2001-2003. In 2003, on advice received from legal counsel, OWEB began using an easement form that included specific allowed and prohibited uses. In 2004, OWEB adopted new administrative rules for land acquisition grants, and in 2005, staff developed an easement template and guide which was based on the Land Trust Alliance Model Conservation Easement. In order to protect OWEB's right to enforce the terms of its easements, OWEB staff have begun to develop and engage in a consistent, regular easement stewardship program with the following elements:

- A. Monitoring
- B. Landowner relations
- C. Recordkeeping
- D. Amendments and approvals
- E. Enforcement and defense

OWEB staff are now working to complete recordkeeping and monitoring forms for all projects/properties; to conduct site visits; develop procedures for amendments/approvals and enforcement/defense; and will continue to update Board members at future meetings.

P. Effectiveness Monitoring Report

Courtney Shaff, Effectiveness Monitoring Specialist, and Greg Sieglitz, Monitoring and Reporting Program Manager, updated Board members on OWEB's Effectiveness Monitoring Program accomplishments.

OWEB contracted with Hugh Barrett, CSR Natural Resources Consulting, Inc. to monitor the effectiveness of juniper removal projects in Wheeler and Crook counties. The final report was submitted to OWEB staff in July 2006. OWEB staff are working to expand this monitoring in Grant, Harney, Lake, and Klamath counties next year, and will use the results from this monitoring to develop recommendations and guidance for future projects.

Ms. Shaff also reported on the following efforts that are taking place by OWEB staff:

1. Coordinate with Washington state reach scale effectiveness monitoring program. She has spent time out in the field and landowners are excited about the pre and post implementation monitoring that will go on.
2. The need for a Center for Statistical Design – hold one session at biennial conference so folks can ask questions of the experts.
3. A need to be consistent among monitoring protocols and key parameters.
4. Better tracking of what occurs in monitoring grants. Tracking by working with grant program to revise applications and agreements. Also developing monitoring database that requires grantees to provide information.
5. Dissemination of OWEB grantee monitoring reports. OWEB started posting monitoring reports online.

Greg Sieglitz, Monitoring and Reporting Program Manager provided a thumbnail sketch of where headed.

1. Continue discussion and actions on center for statistical design. Not unique, has been identified in other areas as well. Lots of interest and so want to see this move forward.
2. Funding package for dam removal monitoring – to get better understanding about what we are learning from these projects with cutting edge technology.
3. Establish second year livestock exclusion monitoring
4. Complete modifications to grant agreement forms.
5. Framework for intensively monitored watersheds
6. Complete OWRI migration into grant database.
7. Clearly establish irrigation efficiency monitoring framework.

Q. Other Business

There was none.

Having no further business, the meeting was adjourned.