

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

**Minutes**

**OWEB Members Present**

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

**OWEB Staff Present**

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

**Others Present**

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

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

**Members Not Present**

Jim Nakano

**A. Board Member Comments**

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

**B. Board Co-Chair Election**

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

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

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

**C. Minutes**

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

#### **D. Executive Director Update**

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

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

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

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

**Digitization of National Wetlands Inventory Maps**

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

**Compliance and Effectiveness Monitoring of Wetlands Projects**

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

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

**E. Legislative and Budget Overview**

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

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

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

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

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

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

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

#### **F. Budget and Spending Plan Update**

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

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

#### **G. Policy Issue Discussion**

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

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

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

#### **H. Public Comment**

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

## **I. Partnership Investments – Special Investment Partnerships**

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

### Deschutes SIP

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

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

### Willamette SIP

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

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

## **J. Middle Willamette Local Partner Presentations**

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

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

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Melissa Leoni  
Greg Sieglitz  
Cindy Silbernagel

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

**Others Present**

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

**Members Not Present**

Jim Nakano

**K. Oregon Parks and Recreation Department Presentation**

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

**L. Partnership Investments**

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

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

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

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

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

#### **L-1. Oregon Plan Products**

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

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

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

##### **B. Stream Flow Measurement with Oregon Water Resources Department**

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

### **C. Watersheds Research Monitoring Equipment**

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

### **M. Monitoring and Research Program**

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

#### **A. Coastal Storm Assessment Report**

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

#### **B. Research Priorities and Research Solicitation Processes**

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

#### **C. Agency Investments in the Wetland Effectiveness Monitoring Program**

(See also Agenda Item D-7.)

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

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

### **N. Public Comment**

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

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

## **O. Deferred Acquisitions**

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

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

### Big Creek Acquisition (209-105)

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

### Coastal Wetlands Grants for Land Acquisition

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

## **P. Communications Update**

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

### ***Goal***

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

### ***Outcomes***

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

Staff and the Subcommittee have focused on the following:

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

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

**Q. April 2009 Grant Cycle**

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

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

**R. Other Business**

Brownsville Dam Grant Amendment

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

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

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

Ecosystem Workforce Program

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

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

Having no further business, the meeting was adjourned.