

MINUTES ARE NOT FINAL UNTIL APPROVED BY THE BOARD

Oregon Watershed Enhancement Board

September 18, 2007

OWEB Board Meeting

La Grande, Oregon

Minutes

OWEB Members Present

Miles Brown
Bobby Brunoe
Dan Carver
Alan Christensen
Dan Heagerty
Jim Nakano
Jane O’Keeffe
Dave Powers
Diane Snyder
Michael Tehan
Dan Thorndike

OWEB Staff Present

Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Mark Grenbemer
Miriam Hulst
Karen Leiendecker
Melissa Leoni
Tom Shafer
Courtney Shaff
Greg Sieglitz
Roger Wood

Others Present

John Ward
Tom Straughan
John Buckley
Jeff Oveson
Paul Siebert
John Moriarty
Walter Powell
Wayne Hoffman
Holly Michael
Bruce Taylor
Heather Swartz
Phil Shepherd
Randy Tweten
Tod Heisler
Justin Furren
Julie Twehus
Chuck Wilcox
Max Nielsen-Pincus
Phil Chang
Margaret Taylor
John McDonald

Members Not Present

Jim Johnson
Skip Klarquist
Meta Loftsgaarden
Patricia Smith
Helen Westbrook
Ken Williamson

Others Present

Jas. Adams
Rennie Ferris
Charlie Corrarino
Chris Heffernan
Ted Taylor
Curt Mykut
Ryan Houston

**Due to the absence of a Board quorum for both days of the meeting (September 18-19, 2007), voting members were polled regarding recommended funding decisions. Voting to expend funds was postponed until a telephone conference call was scheduled with Board members to fulfill the quorum requirement. Funding recommendations discussed at the meeting were revisited and voted on during the teleconference on September 24, 2007.*

A. Board Member Comments

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

B. Minutes

Minutes of the following Board meetings were unanimously approved:

May 15-16, 2007 Board meeting in Salem

July 9, 2007 Special Board meeting via teleconference

C. Executive Director Update

Executive Director, Tom Byler, briefly described the following items.

1. 2007 Legislative Session

Funding for OWEB's capital grant program increased by 41 percent to \$59.5 million, funding for local watershed councils and soil and water conservation districts was increased to \$5 million, and for the first time OWEB will have an expenditure limitation of \$7.7 million for research funds.

The Legislature approved, and the Governor signed the following bills impacting OWEB: HB 2114-Stewardship Agreements; HB 2992-Allows a division of a parcel in a forest zone for conservation purposes; SB 514-Conservation Easement Special Assessment; and SB544 related to public record requests that is addressed in Agenda Item O.

There will be a special legislative session beginning on February 4, 2008, and adjourning no later than February 29, 2008.

2. Agency Report

The following staff changes will take place this biennium: Roger Wood will continue to work on the SIP effort; we will recruit for a new Grant Program Manager, and upon hiring the Grant Program Manager, Ken Bierly will return to managing the Policy and Oregon Plan Coordination section. In addition to the above changes, the following new positions were authorized and funded by the Legislature as part of OWEB's 2007-2009 budget: Regional Program Representative; Technical Assistance Coordinator; Oregon Plan Communications Coordinator; and Data Analyst.

3. Annual Performance Measure Report

Each year, OWEB reports on progress made on key performance measures (KPMs) adopted by the Legislature. The report due September 30, 2007, will report on KPMs adopted by the 2005 Legislature. During the 2007 session, the Ways and Means Joint Subcommittee on Natural Resources recommended that OWEB delete four of the 13 KPMs, and return to the JLAC or Joint Interim Committee on new KPMs by February 1, 2008.

4. Board Meeting Locations

OWEB staff have developed the following Board meeting dates and locations for 2008-2009:

2008 Meeting Dates

January 16-17
March 19-20
May 20-21
September 16-17

Meeting Location

Astoria (R1)
Medford (R2)
Ontario/Burns (R5)
The Dalles (R4)

2009 Meeting Dates

January 21-22
March 18-19
May 19-20
September 15-16

Meeting Location

Salem (R3)
Portland/Salem (R3)
Salem (R3)
Klamath Falls (R4)

5. Board Planning Session Report

This report updated Board members on follow-up assignments from the Board planning session held July 17-19 in Maupin at the Imperial River Company.

6. Land Acquisition Grant Update

None of the following three land acquisition projects deferred at previous Board meetings were ready for consideration by the Board at the September 2007 meeting.

Newton Creek Wetlands (207-301)

Lostine River (207-324)

Pilcher Creek (206-339)

Director Byler also reported on the following:

Board member changes:

The Legislature appointed Co-Chair Dan Heagerty to another four-year term (August 1, 2007 to July 31, 2011). This is Co-Chair Jane O’Keeffe’s last meeting and Diane Snyder was appointed to fill her public at large position (October 1, 2007 to September 30, 2011). Board Member Alan Christensen is retiring in October from the U.S. Forest Service therefore this is his last OWEB Board meeting in that capacity. A new USFS representative will be named at a later date.

Mid-Coast Watersheds Council Investigation

At the May 15-16, 2007, Board meeting, the Board Cindy Ashy, a citizen from Newport, testified during the two public comment periods about the Mid-Coast Watersheds Council (MCWC). In her testimony Ms. Ashy made a number of allegations about the council during deliberations on watershed council support grant applications. The Co-Chairs committed OWEB to look into the issues raised in her testimony and report on their findings to the Board.

Director Byler provided Board members with a summary of OWEB’s investigation and findings.

OWEB staff worked closely with the Board Co-Chairs to prepare a report on their findings that was finalized and sent to Board members and interested parties on August 30 and 31. The final report was presented in three parts: an Overview, Attachment A (summary list of the allegations investigated and the related findings), and Attachment B (detailed report of the allegations, staff findings, and recommendations, and the analysis associated with each issue). Director Byler explained the general methods used for the investigation, and emphasized that staff focused the investigation only on the allegations determined to be pertinent to OWEB’s programs and policies, and not issues raised relating to a pending legal matter between Ms. Ashy and the council.

The report identified the following areas that may merit further consideration by OWEB:

1. OWEB should review the umbrella watershed council policies and rules, and evaluate council support application requirements to ensure that OWEB is receiving the necessary documentation.
2. OWEB should explore opportunities to provide watershed councils training on contracting and public meetings law.
3. OWEB should strengthen its communications and relationships with local government regarding watershed council formation, functions, and responsibilities.
4. OWEB should better identify its expectations for watershed councils, especially its expectations for citizen and landowner involvement.

5. OWEB should consider offering funding to provide mediation or other forms of assistance to help the MCWC strengthen its community relationships.

The investigation also identified opportunities for the MCWC to take steps to improve its situation. These include:

1. OWEB strongly encourages the MCWC conduct a full external audit that, at minimum, focuses on its policies and procedures related to the selection and use of contractors.
2. OWEB strongly encourages the MCWC to identify and implement ways to improve relationships and communications between watershed councils in the Midcoast area.
3. OWEB strongly encourages the MCWC to identify and implement ways to more successfully engage and involve citizens who may have different viewpoints without sacrificing the council's core mission.

Although none of the recommendations in the report required Board action at the September meeting, some recommendations may require further consideration by OWEB staff and the Board members. OWEB staff will develop a process to consider the recommendations along with other program adjustments, and report back to the Board at a future meeting.

Co-Chair Heagerty accepted the report on behalf of the Board, and commended staff for their objectivity during an investigation that dealt with sensitive issues at the local level.

Biennial Conference

OWEB's 9th Biennial Conference is tentatively scheduled to take place in Eugene November 5-7, 2008.

Hooley Bill

Congresswoman Darlene Hooley recently introduced H.R.3574 in Congress. The Willamette River United Act will enhance recreation, cultural heritage, river health, and community development along the Willamette River.

Director Byler attended the Congresswoman's kick-off celebration in Eugene on September 4 to unveil the Act, and offered OWEB's support of the bill.

D. 2007-2009 Biennium Spending Plan

Public Comment:

Bruce Taylor, Defenders of Wildlife, supported \$1 million for Oregon 150 grant investment with Oregon Department of Fish and Wildlife.

Justin Ferrell, Lakeview, Fort Rock Silver Lake SWCDs, supported additional funds for the small grant program.

Director Byler and Melissa Leoni, Senior Policy Coordinator walked Board members through staff's proposed 2007-2009 Spending Plan.

Board member discussion raised concerns regarding the lack of funding for watershed assessment grants, Oregon Plan products, and outreach.

Oregon's Sesquicentennial "Oregon 150"

Oregon will celebrate its 150th birthday in the year 2009. Planning for this event has already begun. At this meeting, OWEB staff are recommending that the OWEB Board allocate \$1 million for a joint effort with the Oregon Department of Fish and Wildlife to fund projects that will benefit Oregon's symbolic species, such as the state animal (beaver), the state fish (Chinook salmon), state bird (Western Meadowlark) and state insect (Oregon Swallowtail Butterfly). The goal is to have the projects selected, and to the degree possible, completed by the time of the 2009 celebration. As part of this discussion for allocating \$1 million for Oregon 150 Grants, Director Byler stated that the Oregon Department of Fish and Wildlife Conservation Strategy would guide solicitation and evaluation of grants received. Since some Board members were not familiar with the Strategy, Holly Michaels, ODFW Strategy Leader, briefed Board members on the Strategy. The Strategy focuses on habitat restoration and maintenance to address the needs of game and non-game species — healthy fish and wildlife populations need healthy habitats. It has a habitat focus because a healthy habitat benefits all species. It includes what species and habitat are at risk in Oregon, and the key conservation issues facing species and habitat. OWEB's basin-scale priorities and ODFW's conservation strategy are somewhat similar in that they both focus on priorities for conservation.

Board members supported the following allocations as recommended by staff in Section VI.B. of the staff report, and delegated authority to the Executive Director to distribute the funds through appropriate contracts or agreements consistent with the staff report:

- a. Allocate \$1 million of capital funds to the Oregon 150 Grant effort.
- b. Allocate \$1.5 million of non-capital funds to support the development and implementation of recovery plans.
- c. Allocate \$100,000 of non-capital funds to support the completion of regional restoration priorities.
- d. Allocate \$50,000 of non-capital funds to support the 2008 OWEB Biennial Conference.
- e. Allocation \$50,000 of non-capital funds to support agency outreach.
- f. Allocate \$25,000 of non-capital funds to support training opportunities.

At the January Board meeting, after the Communications Coordinator is hired, OWEB staff will initiate a detailed outreach strategic planning process looking toward 2014 for Board member discussion and involvement.

E. Public Comment on Pending Grant Applications

Tod Heisler, Deschutes River Conservancy, supported 208-4028, which was recommended for funding at a reduced amount.

Wayne Hoffman, Mid-Coast WSC, supported 208-1003 and 208-1004 which were both recommended for funding.

John Ward, Bear Creek WSC, asked Board members to reconsider funding for 208-2012, which fell below the funding line, and was ready to start the first of October.

John Buckley, East Fork Irrigation District, thanked Board members and staff, and provided an update on 207-107, a pipeline project funded last cycle, and supported the staff recommendation for the remaining funding of the project.

Julie Twehues, Monument SWCD, supported 208-5021, which fell below the funding line.

Max Nielsen-Pincus, Crooked River WSC, supported funding for 208-4034, which fell below the funding line.

Phil Chang, Juniper Working Group of Prineville, supported 208-4014, and indicated what was special and unique about this project.

F. Board Consideration of Pending Applications

Ken Bierly, Deputy Director, briefed the Board on the applications received. A total of 191 grant applications seeking a total of \$21,026,905 were received by the April 23, 2007, deadline.

Technical Assistance	59	\$ 1,914,289
Acquisition	3	\$ 737,375
Restoration	129	\$18,375,241

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.

Two new land acquisition applications and a water right acquisition application received this cycle were first reviewed by the 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 acquisition 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.

One of the land acquisition applications was withdrawn by the applicant (Zena Property, 208-101); another is not ready for a funding because the due diligence materials are not complete (Shangrila Creek Wetlands, 208-103); and the water right acquisition application is not recommended for funding (Farmers Irrigation District, 208-102).

The one statewide technical assistance application (208-7000) that was received was not recommended for funding.

REGION 1, NORTH COAST

Ken Bierly, Deputy Director

Tom Shafer, Regional Program Representative

Board members unanimously supported staff’s funding recommendations as shown in the “shaded area” of Attachment A of the staff report.

REGION 2, SOUTHWEST OREGON

Ken Bierly, Deputy Director
Mark Grenbemer, Regional Program Representative

Board members unanimously supported staff’s funding recommendations as shown in the “shaded area” of the revised Attachment A of the staff report, and allocate up to \$681 to the Coos Watershed Association (207-293) for fiscal administration.

REGION 3, WILLAMETTE BASIN

Ken Bierly, Deputy Director

Board members unanimously supported staff’s funding recommendations as shown in the “shaded area” of Attachment A of the staff report.

REGION 4, CENTRAL OREGON

Ken Bierly, Deputy Director
Rick Craiger, Regional Program Representative

Board Co-Chair Dan Heagerty and Board member Bobby Brunoe recused from voting on 208-4028 citing a conflict of interest.

The remainder of Board members unanimously supported staff’s funding recommendations as shown in the “shaded area” of Attachment A of the staff report.

Also, Board members unanimously supported the allocation of an additional \$500,000 in capital funds for the East Fork Irrigation District project (207-107), and an additional \$987,250 in capital funds for the Middle Deschutes Streamflow project – Phase II (207-319).

REGION 5, EASTERN OREGON

Ken Bierly, Deputy Director
Karen Leiendecker, Regional Program Representative

Board members unanimously supported staff’s funding recommendations as shown in the “shaded area” of Attachment A of the staff report.

At the conclusion of the grant awards, staff identified additional funds available to address some of the needs identified in public testimony. Board members were asked to consider the following additional projects for funding:

Capital funds

As noted in Agenda Item D: 2007-2009 Spending Plan, \$425,000 remained unallocated or unreserved and was available for grant awards this biennium. Staff recommended that Board members use those funds for the following projects.

208-2012	Bear Creek Riparian Restoration	\$50,000
208-4034	Prineville Reservoir Southern Watersheds Restoration Project	\$330,000
208-5021	Monument’s Attack on Medusahead	\$50,000
	TOTAL	\$430,000

Board members unanimously supported the above capital grants, which were located just below the do fund line as prioritized by the regional review teams and OWEB staff.

At the conclusion of the day's meeting, OWEB Board members, staff, and local partners toured projects in the Ladd Marsh and Catherine Creek areas. The tour was jointly sponsored by the Grande Ronde Model Watershed and the Union Soil and Water Conservation District. OWEB Board members, staff, and invited guests returned to the Ladd Marsh ODFW Headquarters for an informal reception and barbeque sponsored by the Grande Ronde Model Watershed.

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September 19, 2007

OWEB Board Meeting

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Minutes

OWEB Members Present

Miles Brown
Bobby Brunoe
Dan Carver
Alan Christensen
Dan Heagerty
Jim Nakano
Jane O’Keeffe
Dave Powers
Diane Snyder
Michael Tehan
Dan Thorndike

OWEB Staff Present

Bonnie Ashford
Ken Bierly
Tom Byler
Rick Craiger
Miriam Hulst
Karen Leiendecker
Melissa Leoni
Tom Shafer
Courtney Shaff
Greg Sieglitz
Roger Wood

Others Present

Jas. Adams
John Moriarty
Margaret Taylor
John Ward
Marty Suter
Carol Duntun
Glen Hudspeth
Mitch Mund
Frank Burns
David Wouster
Ted Taylor
Jeff Oveson
Wayne Hoffman
Jeff Uebel
Phil Shepherd
Heather Swartz
Bruce Taylor
Lois Loop
Tom Straughan
Mitch Mund
Kim Jones
Erin Melville
Scott Peets
Tod Heisler
Ryan Houston
Charlie Corrarino

Members Not Present

Jim Johnson
Skip Klarquist
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Helen Westbrook
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G. Co-Chair Election

Due to the absence of many Board members at this meeting, this item was delayed until the January 2008 Board meeting.

H. Local Capacity Funding

OWEB Director Tom Byler, and Deputy Director, Ken Bierly, updated Board members on additional non-capital funding to support local capacity, which includes funding for watershed councils (councils), soil and water conservation districts (districts), the Network of Oregon Watershed Councils, and the Oregon Association of Conservation Districts.

At the May 2007 Board meeting, Board members approved watershed council support awards totaling just over \$5 million, and signaled its intent to consider awarding additional funding if funding was available in OWEB's legislatively adopted budget. OWEB's budget, which included funding at \$5 million each for watershed councils and districts, was approved by the Legislature on June 1, 2007, and signed by the Governor on June 28, 2007.

As presented in Agenda Item D: 2007-2009 Spending Plan, the OWEB staff and Board recognize the important role that councils and districts in developing and implementing local restoration projects with landowners, and improving community awareness of and interest in watershed health. Due to increasing capital funds and a seven-year window for Measure 66 grant investments, OWEB staff recommended an additional \$1 million each for councils and districts with the understanding that the additional funds will be allocated differently to each group.

John Moriarty, Network of Oregon Watershed Councils, and John McDonald, Oregon Association of Conservation Districts, updated Board members on their joint efforts last biennium, and stated their intent to build on those accomplishments. It will be important to keep communication open and they have committed to face issues head on. Together they met with legislators to deliver a common message of the work that local groups are doing and the importance of funding for local capacity. Although the Legislature seemed to have increased understanding of local capacity issues, as 2014 approaches, outreach will be more important.

Board members unanimously supported the following allocations:

- A. \$986,066 for watershed council support grants as reflected in Attachment A of the staff report.
- B. \$1 million for soil and water conservation districts as identified in the staff report.
- C. \$100,000 to the Network of Oregon Watershed Councils and \$100,000 to the Oregon Association of Conservation Districts as described in Section IV of the staff report.

I. Public Comment – General

Rennie Ferris, Lincoln SWCD and Mid-Coast WSC member, and Wayne Hoffman, Coordinator, Mid-Coast WSC, provided comments on the Mid-Coast Watershed Council Investigation Report.

Phil Shephard, The Nature Conservancy, provided an update on Zumwalt and offered comments on each of the SIP identified in agenda Item J, as well as suggesting the list include projects on invasive species, and on climate change, especially in the coastal areas.

Jeff Oveson, Grande Ronde Model Watershed, commented on the Oregon Plan's way of doing business in eastern Oregon, which is based on partnerships, and the necessity of focusing efforts on a solid set of evidence to the public on how Measure 66 funds are being used.

Jeff Uebel, U.S. Forest Service, provided a status report on Whole Watershed Restoration Partnership.

John Ward, Chair-Elect of Bear Creek WSC, supported SIP funding of the Wise Project.

Marty Suter, Carol Dunten, and Frank Burns, Harney SWCD, Colen Hudspeth, Harney County WSC/Landowner, and Mitch Mund, Oregon Department of Forestry, presented Board members with a funding request for emergency fire rehabilitation in eastern Oregon.

Erin Melville, Wallowa Resources, thanked Board members for funding a noxious weed program in Wallowa County, shared that Wallowa Resources was nationally recognized for steelhead passage, and supported funding for Assessments.

Theodore Taylor, Grande Ronde Model Watershed, commented on the importance of monitoring restoration projects.

J. Special Investment Partnerships

The intent of the special investment partnerships (SIP) effort is to focus on complicated proposals or special partnerships for projects with substantial funding or long-term funding needs, that would not normally fit into OWEB's regular grant program, and that would benefit economic and community sustainability. It is not meant to replace OWEB's grant program which will remain whole.

OWEB staff are asking the Board to approve the following:

- A. Reserve \$12 million of capital funds for SIP for the 2007-2009 biennium;
- B. Reserve \$6 million of the \$12 million for implementation of a Willamette River Partnership;
- C. Allocate \$200,000 of non-capital funds (75 percent from recaptured non-capital funds) for SIP administration and the costs associated with fully developing Partnership Agreements and work plans; and
- D. Express support for tentative future reserves of at least \$12 million per biennium from capital funds in the 2009-2011, 2011-2013, and 2013-2015 biennia.

Roger Wood, Special Projects, and the Board SIP subcommittee (Dan Heagerty, Diane Snyder, Dave Powers, and Ken Williamson) have met regularly over the past year to discuss goals, program characteristics, process, and specific partnership opportunities. Board members have been updated on progress at the March and May 2007 meetings as well as the Board planning session in July.

The subcommittee has identified that partnerships through SIP are defined by these characteristics:

- 1. Ecological significance.
- 2. Importance of OWEB's contribution.
- 3. Robust partnerships.
- 4. Triple bottom line.
- 5. Captures the imagination/high visibility.
- 6. Ripeness.

The SIP process involves identifying and evaluating potential SIP investments, developing partnerships, committing funding through Board decisions, formalizing agreements, and administering agreements.

After taking all of the above into consideration, OWEB staff and the Board subcommittee have identified the following SIP opportunities:

- A. Willamette River: Hydrologic Reconnection for Habitat and Water Quality.
- B. Deschutes River: Restoration of Fish Passage, Habitat, and Flow.
- C. Rogue River: Restoration of Fish Passage, Habitat, and Flow.
- D. Biomass Utilization: Improving Range and Forest Health.
- E. Coastal Lands: Estuary and Tideland Restoration and Protection.
- F. Klamath Basin: Restoration of Fish Passage, Habitat, and Flow.

Of these, the Willamette, Deschutes, and Rogue have developed most quickly over the past half year; the other three have also evolved; and all six continue to develop. Staff will continue to work with these partnerships and return to the January 2008 meeting with more information.

Board members unanimously supported the staff recommendation to reserve \$12 million of capital funds for SIP for the 2007-2009 biennium.

Additionally, OWEB staff have identified the Willamette partnership as being the most ready for funding consideration at \$6 million of the \$12 million reserve. This amount would illustrate OWEB's commitment to help maintain leadership of the partnership effort, and OWEB expects that other partners will follow suit once they see OWEB's commitment. *Board members unanimously supported the reservation of \$6 million this biennium specifically for the Willamette SIP.*

Although Board members are excited about the SIP effort, they are cautious about reserving any amount of funding each biennium through 2015. They did, however, *express their support to provide SIP funding in future biennia without specifying a dollar amount.*

Board members also had suggestions for the SIP process: developing MOUs, using all our tools to see how the pieces fit together, doing a handful of projects at a time, engaging more Board members in the process such as designating two board members on each project to ensure the outreach component; returning each investment back to the board for approval with benchmarks.

Board members unanimously supported a \$200,000 non-capital allocation for SIP administration and the costs associated with fully developing partnership agreements and work plans.

K. Research Awards

Greg Sieglitz, Monitoring and Reporting Program Manager, provided background information on OWEB's solicitation of research proposals.

For the first time, the 2007 Legislature gave OWEB the expenditure authority for the Board to allocate funds from the Restoration and Protection Research Fund. The Research Fund is made up of all interest earned from Ballot Measure 66 Lottery Funds. The Research Fund is projected to grow to approximately \$7.7 million in revenue by the end of the 2007-2009 biennium. The

research funds are subject to the 35 percent non-capital and 65 percent capital distribution as are all Measure 66 dedicated lottery funds.

Using a process approved by Board members in May 2006, OWEB worked with the Sea Grant program at Oregon State University to assist in the peer review of the research grant solicitation. Of the 33 pre-proposals received, OWEB staff requested full proposals from 14 of the applicants. Ten proposals were received and reviewed, and OWEB staff are recommending approval for funding nine of the 10 research proposals.

Based on discussions at the Board planning session in July, OWEB staff will develop a schedule and plan for research offerings for the remainder of the 2007-2009 biennium. The offering will focus on the Board's desire to establish a strategic approach to offering and awarding research funding based on investing in research that: 1) has relevance to OWEB's core programs; 2) is likely to be completed or yield results before 2014; and 3) focuses on the types of questions that have the greatest need to be answered by 2014.

Board members asked for clarification on some of the proposals, which were addressed by Greg Sieglitz and additional information was provided by Dr. Dave Wooster, OSU, Dr. Desiree Tullos, OSU, and Kim Jones, ODFW.

Board members unanimously supported funding all nine of the staff-recommended research proposals contained in Attachment C of the staff report at approximately \$3.1 million in Restoration and Protection Research funds, and that the Board direct staff to work with the recipient of award 208-8004 to ensure the research products include recommendations and guidance that informs OWEB programs.

L. Dam Removal Effectiveness Monitoring

Courtney Shaff, Effectiveness Monitoring Specialist, reported on staff's request for funding for Oregon State University to complete pre-project and post-project effectiveness monitoring on the removal of Brownsville and Sodom dams on the Calapooia River.

The proposal is to monitor Brownsville Dam one and two years after dam removal, and monitor at Sodom Dam before and during dam removal, and one and two years after removal. The proposed monitoring will assess the recovery of the river following the removal of both dams and it will serve to inform other project proponents and interested parties in the science of small dam removal. Products from the proposed monitoring will include: 1) Documentation of physical and biological response of the Calapooia River to dam removal; 2) Demonstration, testing, and documentation of effectiveness monitoring procedures for small dam removals; and 3) Annual presentation and documentation of findings to OWEB and local stakeholders and peer-reviewed publications advancing dam removal science.

Board members unanimously supported the staff recommendation to allocate \$308,410 of capital research funds to Oregon State University for effectiveness monitoring of the Brownsville and Sodom dam removals.

M. Non-Capital Grant Cycles

Ken Bierly, Deputy Director, presented a proposed funding target for the October 22, 2007, grant cycle, which in addition to a solicitation for restoration/acquisition would include a non-capital grant offering for the October 22, 2007, deadline as listed in the following table:

Grant Type	Amount
Technical Assistance	\$500,000
Monitoring	\$1,500,000
Education/Outreach	\$500,000

Staff propose to come back to the Board at a future meeting for approval of grant offerings and funding targets for grant deadlines beyond October 22, 2007

Board members unanimously approved the staff recommendation for grant types and targets as outlined in Table 1 of the staff report.

N. Conservation Reserve Enhancement Program (CREP)

Melissa Leoni, Senior Policy Coordinator, Ken Bierly, Deputy Director, and Lois Loop, Farm Services Agency, discussed the status of the Oregon CREP and a request for \$4 million of Measure 66 capital Lottery Funds for CREP in the 2007-2009 biennium.

Public interest in CREP has increased significantly over the past three years, and the number of participants and the number of stream miles treated has grown dramatically along with OWEB’s investment in the program. In 2003-2005, OWEB invested \$800,000 in CREP cost share payments; and since May 2005, the Board has allocated a total of \$3.825 million for CREP cost share payments, and now staff believe that an allocation of \$4 million will cover cost share payments in the 2007-2009 biennium.

There is a new federal farm bill pending, and once approved, Oregon and the U.S. Department of Agriculture will need to negotiate a new CREP agreement. During this process, OWEB could explore ways to limit or focus its participation in the program.

Board member Diane Snyder talked about wanting to get to zero by changing landowners. Board member Dan Carver does not want to continue CREP funding. Discussion also concerned OWEB’s obligations to pay on signed contracts, and how the program fits into OWEB’s priorities.

Board members unanimously supported allocating \$4 million in Measure 66 Lottery capital funding for CREP cost-share payments and to form a subcommittee to identify content for negotiating a new CREP agreement.

O. Public Records Administrative Rulemaking

Melissa Leoni, Senior Policy Coordinator, briefed Board members on the requirements of Senate Bill 554 that was passed this session, and becomes effective on January 1, 2008, related to public records requests. One of the requirements of the new law is that government entities must make available to the public a written procedure for public records requests, which includes contact information and fees associated with a public records request. In some instances, if a public body’s sole funding for a particular program is from funds that are constitutionally, statutorily, or

otherwise legally dedicated, the public body has very limited options to waive fees. This is the case for OWEB.

OWEB's primary source of funding is constitutionally dedicated lottery revenues from Measure 66. OWEB also receives funding from the PCSRF, which is restricted by agreement with NMFS to uses that "further the goal of protecting and restoring anadromous salmon and steelhead species subject to provisions of the federal Endangered Species Act." And, OWEB receives funding from the sale of salmon license plates, which is statutorily restricted. Because of the limits placed on OWEB's funding, the Attorney General's office has advised OWEB that it does not have discretion to waive or reduce fees for making records available, unless the cost of charging for the documents would approach or exceed the cost of furnishing the information.

In order to comply with the recent legislation and based on legal advice, OWEB staff plan to develop proposed administrative rules to address public records requests to present to the Board in January 2008, with anticipated adoption in March 2008. Since the law is effective on January 1, 2008, OWEB plans to post a notice on its web site to meet the requirement.

Board members unanimously approved the staff recommendation to initiate rulemaking to address public records requests.

P. Other Business

There was none.

Having no further business, the meeting was adjourned.