

APPROVED BY THE BOARD JANUARY 18, 2012
Oregon Watershed Enhancement Board
September 13, 2011
OWEB Board Meeting
Roseburg, Oregon

Minutes

OWEB Members Present

Alan Henning
Debbie Hollen
John Jackson
Jim Johnson
Skip Klarquist
Doug Krahmer
Meta Loftsgaarden
Will Neuhauser
Lisa Phipps
Eric Quaempts
Patricia Smith
Dan Thorndike
Karl Wenner
Ken Williamson

OWEB Staff Present

Kyle Abraham
Bonnie Ashford
Lauri Anun
Ken Bierly
Tom Byler
Rick Craiger
Renee Davis-Born
Carolyn Devine
Sue Greer
Mark Grenbemer
Karen Leiendecker
Melissa Leoni
Tom Shafer
Courtney Shaff
Greg Sieglitz
Cindy Silbernagel

Others Present

Jerry Nicolescu
Tom O'Brien
Derek Johnson
Gail Perrotti
Bruce Taylor
Catherine Pruett
Nancy Nichols
Randy White
Pam Reba
Lisa Seales

Members Not Present

Mike Haske
Kim Kratz
Jennifer Phillippi

A. Board Member Comments

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

B. Board Co-Chair Election

Board Co-Chair Dan Thorndike, provided background information on how the Board has elected Co-Chairs in the past. There was Board consensus to continue the practice of Board Co-Chairs. Eric Quaempts was nominated to fill the vacant Co-Chair position. He was unanimously elected complete the remainder of Daniel Heagerty's two-year term expiring in January 2013.

Co-Chair Thorndike also briefed Board members on having Board members serve as Chairs of the different Board Committees. Board members were asked to let Dan Thorndike or Tom Byler know of any interest to serve on a Board Committee or if any Board members would like to chair a Committee.

C. Minutes

Minutes of the June 14-15, 2011, Board meeting in Bend were unanimously approved.

Due to a copying error resulting in the omission of page two, approval of the July 14, 2011, Board meeting minutes via teleconference was postponed until the January 2012 Board meeting.

D. Executive Director Update

Executive Director, Tom Byler, briefly reported on the following program updates:

1. Statewide Regional Review Team (RRT) Retreat

With the passage of Measure 76, there are a lot of ideas about how OWEB might do things differently with the long-term funding horizon in front of us. In order to seek feedback from RRT members OWEB is planning a statewide retreat for October 26-27, 2011, at St. Benedicts Retreat Center in McKenzie Bridge. This selection was chosen because of its setting and opportunities to interact. Lodging and food will be well below per diem. Board members were asked to encourage their agency members to attend.

2. Ecosystem Services

The following updates were provided:

- **Willamette Basin Ecosystem Services Pilot Project**
In March 2010, the Board supported submission of a Conservation Innovation Grant (CIG) by the Willamette Partnership and The Freshwater Trust to the USDA. Federal funding was initially declined; however the applicants were encouraged to submit a refined proposal to the 2011 CIG program. On August 19, 2011, USDA announced final decisions for the CIG grants, including \$966,722 for the Willamette Basin Ecosystem Services Pilot Project.
- **Eastern Oregon Rangeland Ecosystem Function Project**
In the spring of 2010, Ecotrust secured funding from BLM to develop and lead an Oregon Rangeland Ecosystem Function (OREF) project. OWEB is a collaborating partner in this effort. Phase 1, which is now complete, resulted in development of a Rangeland Function Tool that predicts the potential for specific ecological sites to deliver specific ecological benefits. The partners have secured funding for related work, are pursuing additional funding for testing and refinement of the Rangeland Function Tool, and are expanding the partnership to include other agencies interested in testing and applying the rangeland tool in the context of voluntary restoration projects. The Governor's Office is interested in ecosystem services as it relates to sage grouse issues.
- **Klamath Watershed Partnership CIG Proposal**
A project proposed by the Klamath Watershed Partnership was proposed to the NRCS for funding under its 2011 CIG program, intended to improve coordination and better measure the effectiveness of restoration and conservation. The KWP project was not awarded funding. OWEB staff will continue working with local partners in the Klamath Basin about the potential for OWEB projects to provide a test-bed for using ecosystem services measurement tools to quantify the results of the agency's investment in restoration projects.
- **House Bill 3109**

HB 3109 did not have a hearing scheduled prior to the end of the legislative session; however, the bill's proponents and sponsors have signaled intent to introduce a similar legislative concept during the 2012 session.

3. 10-Year Plan for Oregon

The 10-Year Plan for Oregon project is one of Governor Kitzhaber's first initiatives aimed to fulfill his "Rebuilding Oregon's House" promise. The project will work to establish a vision for Oregon's future by targeting specific outcomes and identifying strategies to help make incremental progress towards meeting those outcomes. The project is divided into two phases: setting the ten year plan and determining the two year budget process. With the Department of Administrative Services, the Enterprise Leadership Team (ELT) comprised of 20 agency directors will lead the effort. OWEB does not sit on the ELT. By December 2011, state agencies should receive information on a revised process for developing 2013-2015 budget proposals. Staff will update the Board as this process continues.

Director Byler updated Board members on OWEB's budget. The Lottery funds are still down, and we don't know whether we will receive 2012 PCSRF funds. Director Byler also reported that the Governor's Office is looking at reviving and re-energizing the Oregon Plan for Salmon and Watersheds.

E. OWEB Planning Session Report

Public Comment

Russ Hoeflich, The Nature Conservancy, acknowledged work on Ballot Measure 76. He commented that OWEB needs to do business planning and needs to deliver a service while planning. He suggested using stakeholders to help on Board Subcommittees.

Following the end of the 2011 legislative session, the OWEB Board and staff met in Maupin, Oregon, July 25-27, to begin framing key issues and focus areas for the agency under the new Measure 76 era.

Tom Byler, Executive Director, highlighted the following key priorities identified by the Board at the planning session.

A. Approach the 2011-2013 biennium as a transition period.

Measure 76 and SB 342 created an opportunity for OWEB to assess its programs and priorities with a long-term investment horizon in mind. These discussions will take time and need to involve Board members, staff, and stakeholders. Board members are sensitive to the challenge of taking on these discussions while at the same time maintaining the delivery of essential program services. Staff are considering various options to meet the workload challenge during the transition period, such as, streamlining the council support grant application process for 2013-2015, deferring the 2011-2013 biennial conference, temporarily move from two to one grant cycle in 2012 and 2013. Staff will continue discussions with the Board and stakeholders on different options, and will develop a work plan to address what needs to be done.

B. Assess business practices in OWEB programs.

OWEB has not undertaken an organized review and assessment of its program processes and practices since 2004. This transition period is an opportune time for such an effort. Staff

made some initial inquiries to explore options and recommended that the Board award \$100,000 to support business practices assessment work this biennium.

C. Consider OWEB's programs, policies and priorities under Measure 76.

With the passage of Measure 76 and SB 342, it is necessary to better align OWEB's rules and programs with the new law. Agenda Item K addresses required changes; however, more changes are needed that will involve discussions with the Board, staff, and stakeholders.

D. Other Items

In Agenda Item G, staff have prepared a proposed spending plan for the 2011-2013 biennium, and have provided an updated Board subcommittee list.

Board members provided feedback on the options presented as well as offering new options for staff to consider.

- Generally supportive of deferring the Biennial Conference, but would like to see other options for organizational gatherings, maybe with OACD or the Network of Oregon Watershed Councils.
- Generally concerned about how stakeholders would be affected by dropping one grant cycle. If one grant cycle is dropped, the remaining cycle must be sensitive to the timing needs of applicants.
- Raise the level of a small grant from \$10,000 to \$15,000 or \$20,000 to allow smaller projects to get funding.
- Create a block grant program.
- Keeping restoration money on the ground is most critical.
- Look at programs differently to be more efficient.
- Align restoration priorities with Measure 76.
- Need to make the grant process less time consuming.
- Need strong communication.
- Need stakeholder involvement/input.

Staff will continue to work with the Board and stakeholders in the coming months to create a work plan to address issues this biennium.

F. Public Comment – General

- Tom O'Brien, Network of Oregon Watershed Councils, supported additional funding for Council and Districts, and suggested that staff use stakeholders to facilitate subcommittee discussions.
- Gail Grogan Perrotti, Seven Basins Watershed Council, commented on the importance of outreach to OWEB's mission. Outreach is critical to success of watershed restoration. She raised a concern that if the Biennial Conference doesn't happen this biennium, perception could be that OWEB cares more about culverts than bringing people together.
- Pam Reber, Coast Fork Willamette Watershed Council, supported local capacity support, thanked RPRs, and supported streamlining the council support process.
- Nancy Nichols, Siuslaw Watershed Council, supports additional funding for councils and districts, and would like OWEB to keep two grant cycles a year.

- Russ Hoeflich, The Nature Conservancy, commented on PCSRF funding opportunities and challenges. He encouraged the Board to tell stories to Congress supporting PCSRF funding.

G. 2011-2013 Spending Plan

Tom Byler, Executive Director, briefed Board members on the proposed spending plan, showing recommendations for funding awards in September 2011.

A. Local Capacity	\$2.3 million
<i>Watershed Council Support</i>	\$1 million
<i>Soil and Water Conservation Districts</i>	\$1 million
<i>Network and OACD</i>	\$100,000/each
<i>Local Capacity Fund</i>	\$100,000
B. Small Grant Program	\$2.8 million
C. Restoration Grants	\$8.1 million
D. Partnership Investments	\$5.3 million
<i>CREP</i>	<i>Deferred to January 2012</i>
<i>CREP TA</i>	\$800,000
<i>Deschutes SIP</i>	\$4 m (\$2.5 m award in Sept 2011)
<i>Willamette SIP</i>	\$3 m (\$1.75 m award in Sept 2011)
<i>Klamath SIP</i>	<i>Deferred to January 2012</i>
<i>WWRI</i>	\$250,000 for 2011-2012
E. Technical Assistance	\$705,366
F. Acquisition Grants	\$1.75 million
G. Acquisition Program Capacity	\$200,000
H. Business Practices Assessment	\$100,000
I. Oregon State Weed Board Grants	\$2,544,125
J. Monitoring Grants	Deferred to January 2012
K. Outreach Grants	Deferred to January 2012
L. Assessment Grants	Depends on PCSRF
M. Ecosystem Services	Deferred to January 2012
N. Research/Information/Communication	Deferred to January 2012
O. Oregon Plan Products	Deferred to January 2012
P. Effectiveness Monitoring and Reporting	Deferred to January 2012

A number of items in the proposed spending plan were discussed and considered under separate agenda items. Board members expressed concern with not having the entire spending plan at once, noting that a number of items in the spending plan are not going to be considered until the January 2012 Board meeting, and some items are ongoing and some are one-time funding.

Board members unanimously approved the proposed spending plan in Attachment A of the staff report.

Board members also unanimously approved the following allocations and delegate distribution authority to the Executive Director to distribute the funds through the appropriate agreements:

- \$2.3 million to support councils, districts, the Network, OACD, and to support additional capacity building efforts as described in Section III.A. of the staff report.

- \$2.8 million for the Small Grant Program, as described in Section III.B. of the staff report.
- \$100,000 for a business practices assessment process, as described in Section III.H. of the staff report and in Agenda Item E.

H. Oregon State Weed Board Grants

Melissa Leoni, Senior Policy Coordinator, was joined by Tim Butler and Shannon Brubaker, ODA, to discuss the Oregon State Weed Board (OSWB) Grant Program.

Until June of 2011, the ODA Noxious Weed Control Program and OSWB Grant Program were funded by Measure 66 “capital” funds. For the 2011-2013 biennium, ODA Noxious Weed Control staff are funded with Measure 76 operating funds, while the OSWB grants are to be funded with Measure 76 grant funds. The legislative intent is for ODA and the OSWB to continue to administer the OSWB grants, and to work closely with OWEB on the management of the grants and the issuance of payments.

Staff at OWEB and ODA identified a process for implementing weed grants that retains existing processes to the greatest extent while still meeting the requirements of the Measure 76 grant fund. Board members were briefed on the Weed Board Grants standards and guidance, including application requirements, criteria, evaluation process, agreement conditions, and distribution of funds.

Board members voted unanimously to:

- Approve the Weed Grant standards, guidance, and processes identified in Section III and Attachments B and C of the staff report;*
- Award \$2,544,125 for Weed Grants for the 2011-2013 biennium; and*
- Delegate authority to the Executive Director to distribute funds for Weed Grants consistent with the criteria and processes identified in Section III of the staff report.*

I. Conservation Reserve Enhancement Program and Technical Assistance Grants

Melissa Leoni, Senior Policy Coordinator, updated Board members on Oregon’s investment in the Conservation Reserve Enhancement Program (CREP) and discussed a proposal for funding CREP technical assistance (TA) in the 2011-2013 biennium.

In September 2009, OWEB awarded \$1.3 million to CREP cost-share payments. Of that amount, approximately \$800,000 remains for CREP projects. Staff will monitor cost-share payments through the fall and return in January 2012 with a more informed estimate of the need.

As described in the staff report and Agenda Item R, staff are developing a study plan to evaluate riparian restoration projects funded through CREP and the regular OWEB grant program. The Plan will be developed this winter and data collection may begin as early as next spring.

The first grants for CREP TA were funded in 2002. In 2007, funding for CREP TA was shifted to be a portion of the additional SWCD capacity funds. With the passage of Measure 76, CREP partners have developed a CREP TA grant proposal separate from SWCD funding and from OWEB’s regular TA grant offering. Bridge funding between the existing funded position and the proposed new grants due November 3, 2011, staff recommended and the Board approve a six month continuation of the existing positions.

The CREP partnership will report regularly to the OWEB Board, ODA, and the SWCC, and will complete a program evaluation and make a recommendation to OWEB on whether to continue the grant program by September 2013.

Board members voted unanimously to:

- A. Approve the CREP TA grant standards, guidance, and process identified in Section V of the staff report;*
- B. Award \$800,000 for CREP TA grants;*
- C. Delegate authority to the Executive Director to distribute the CREP TA grants consistent with the criteria and processes identified in Section V of the staff report.*

At the conclusion of the day's meeting, OWEB Board members and staff toured the Wolf Creek Restoration Project with the Partnership for the Umpqua Rivers and BLM staff. The partners emphasized the rigorous monitoring effort being made to document effects of restoration actions.

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Lauri Aunan
Ken Bierly
Tom Byler
Rick Craiger
Renee Davis-Born
Carolyn Devine
Sue Greer
Mark Grenbemer
Wendy Hudson
Miriam Hulst
Karen Leiendecker
Melissa Leoni
Tom Shafer
Courtney Shaff
Greg Sieglitz

Others Present

Michael Pope
Chrysten Lambert
Lisa Seales
David Ferguson
Chris Gannon
Joe Moll
Craig DeHart
Pam Wiley
Dan Bell
Catherine Pruett
Kendra Smith
Jamison Cavallaro
Nicholas Coffey
Jesse Jones
Jennifer Holderman
Janelle St. Pierre
Liz Vollmer-Buhl

Members Not Present

Kim Kratz
Jennifer Phillippi

J. Acquisition Program/Work Group Report

Public Comment:

- Bruce Taylor, Defenders of Wildlife, commented on the land acquisition grant program. OWEB is the only source of state funding for land acquisitions in Oregon, and funding is needed in order to leverage federal funds. He also supports the staff recommendation for more staff support for OWEB's acquisition program. He feels that during the Measure 76 transition process would be a good time to discuss OWEB's role in land acquisitions.
- Derek Johnson, The Nature Conservancy, commented on the importance of the land acquisition program, wants to help OWEB get through issues to streamline the acquisition grant application process as well as the work group process, and is concerned about the impacts of changing to one grant cycle next year.
- Joe Moll, McKenzie River Trust and President of the Coalition of Oregon Land Trusts (COLT), offered to help OWEB in its review the acquisition process or to serve on Board Subcommittees.

Ken Bierly, Deputy Director, presented this agenda item to the Board. Requests for funding land acquisitions have increased significantly. OWEB dedicated a position to land acquisition for the

first time in the 2009-2011 biennium. OWEB has contracted and outsourced much of the technical review. For the last year and a half, OWEB has part time temporary support staff position dedicated to the acquisition program, and in February 2011, hired part time temporary technical staff to help with the backlog. OWEB requested a full time position in the 2011-2013 budget process, but it did not make it into the Governor's Balanced Budget. OWEB currently has a backlog of more than 30 properties that are in some phase of review or due diligence review.

OWEB established a work group to identify issues and work on approaches to address concerns of the land trust community. A number of good ideas emerged, but unless there is some break in the ongoing work, it will be difficult to follow up on the suggestions of the work group. OWEB is committed to find ways to work more effectively with COLT and the land trust community.

Board members voted unanimously to allocate \$200,000 from remaining uncommitted Measure 66 Non-capital and Salmon Plate funds, and delegate authority to the Executive Director to distribute the funds through appropriate agreements and staffing, including support for a full-time limited duration land acquisition specialist position and clerical support, to support the land acquisition program capacity as discussed in Section III.A. of the staff report.

K. Administrative Rulemaking

Melissa Leoni, Senior Policy Coordinator, briefed Board members on proposed administrative rule amendments needed to update administrative rules directly affected by the passage of Ballot Measure 76 and its implementing legislation SB 342. She also briefed the Board a statutorily required five year review of the rules in Division 7, Salmon Season Grants, which must be completed by February 1, 2012.

SB 342 is the bill passed by the 2011 Legislature to make the necessary statutory changes to implement Ballot Measure 76. Staff identified several immediate updates to OWEB's administrative rules that are needed to ensure a smooth transition with ongoing programs early in the biennium. In the longer term, staff recognize the need for the Board, staff and stakeholders to discuss potential changes in programs, processes, and policies resulting from Measure 76 and any new statutory guidance.

Amendments to the following rules were proposed:

- Grant Fund Name Change (OAR 695-010-0030, 695-010-0060, 695-015-0030, 695-030-0060, and 695-035-0010).
- Small Grant Program (OAR 695-035-0050(1)(d) and 695-035-0060(1)(d))
- Restoration Grant Evaluation Criteria (OAR 695-010-0060(2))

ORS 183.405 requires new rule adopted after January 1, 2006, to be reviewed no later than five years after adoption. As a result of Executive Order No. 06-06, OWEB adopted administrative rules for the Salmon Season State of Emergency Grants (Division 7) in January 2007. They were amended in 2008. All of the rules in this division are subject to the five year review requirement by February 1, 2012. OWEB last awarded a grant under these rules in 2008, and there have been no new executive orders. Staff will consult with stakeholders involved in the creation of the initial rules to determine whether rulemaking is needed to repeal or amend these rules, and will initiate the process if rulemaking is needed.

Board members unanimously approved the proposed administrative rules contained in Attachment A of the staff report and authorized the five year rule review process and potential rulemaking for Division 7, Salmon Season Grants, as described in Section VI of the staff report.

L. Partnership Investments

Public Comment:

The following provided public comment to support continued funding for the Willamette SIP.

- Michael Pope, Greenbelt Land Trust
- Dan Bell, The Nature Conservancy
- Richard Bates and Eric Hartstein, South Santiam Watershed Council
- Kendra Smith, Bonneville Environmental Foundation
- Joe Moll, McKenzie River Trust
- Pam Wiley, Meyer Memorial Trust

The following provided public comment to support continued funding for the Deschutes SIP.

- Tod Heisler, Deschutes River Conservancy
- Chris Gannon, Crooked River Watershed Council
- Ryan Houston, Upper Deschutes Watershed Council
- Brad Chalfant, Deschutes Land Trust

The following provided public comment to support funding for a proposed SIP in the Klamath Basin.

- Krystyna Wolniakowski, National Fish and Wildlife Foundation
- Chrysten Lambert, Klamath Basin Rangeland Trust

Ken Bierly, Deputy Director, briefed Board members on OWEB's four active partnership investments, including CREP, WWRI, Deschutes SIP, and Willamette SIP. He also discussed the status of the candidate SIPs including the Upper Klamath Basin Partnership and the Wild Coast Initiative. OWEB staff are working with the Klamath SIP partners to develop a list of projects and a review process for Board consideration at the January Board meeting. He presented the recommended partnership investment funding recommendations to the Board.

Board members provided feedback on the partnership investments:

- How and when do we wean off the SIPs?
- When do we decide to discontinue the SIP investment in the Deschutes and direct it elsewhere?
- OWEB has built expectations with both Council Support and SIPs.
- Decisions at this meeting set the stage for the next two years.

Board members unanimously voted to:

- A. *Award \$250,000 for projects approved through the Whole Watersheds Restoration Initiative grant process and delegate to the Executive Director the distribution authority through grant agreements for projects resulting from the selection process.*

- B. Reserve \$4 million for the biennium and award \$2.5 million for the initial set of projects for the Deschutes SIP, and delegate the distribution authority to the Executive Director.
- C. Reserve \$3 million for the Willamette SIP for the biennium with an award of \$1.75 million, and delegate the distribution authority to the Executive Director.
- D. Allocate \$280,000 of NRCS funds to the CREP TA grants approved in Agenda Item I, and delegate distribution authority to the Director.

M. Public Comment – General

- Jerry Nicolescu, OACD, thanked Board members for their support for local capacity funding and invited Board members to attend the 2011 Council and District Joint Conference in November.

N. Public Comment – Pending Grant Applications

- Catherine Pruet, Salmon Drift Creek WC, opposed the proposed change to one grant cycle per year, and supported funding for 212-1009 which fell below the funding line.
- Craig DeHart, Middle Fork Irrigation District, supported funding for Phase 2 of application 211-4002, which was awarded funding for the first phase in September 2010.
- Chris Gannon, Crooked River WC, provided Board members with a progress report on 211-4010, which was awarded funding for year one in September 2010.
- Jennifer Holderman, Lower Nehalem WC, supported funding for 212-3000.
- Janelle St. Pierre, Scappoose Bay WC, supported funding for 212-3000 which fell below the funding line.
- Melyssa Graeper, Necanicum WC, supported funding for 212-1002, 212-1003, and 212-1007, which are recommended for funding.
- Kristle Volin and Bruce Follensbee, Coquille Watershed Association, supported funding for 212-2004 which fell below the funding line.
- Jamison Cavallaro and Nick Coffey, Pudding River WC, supported funding for 212-3011, which fell below the funding line.

O. Board Consideration of Pending Grant Applications

Lauri Aunan, Grant Program Manager, provided Board members an overview of the April 18, 2011, grant cycle. One hundred forty four grant applications seeking a total of \$21 million were received.

The following identifies the number of applications received by application type and the amount of OWEB funds requested:

Technical Assistance	37	\$ 1,445,486
Acquisition	10	\$ 5,617,360
Restoration	<u>97</u>	<u>\$14,146,766</u>
TOTAL	144	\$21,209,612

After being screened for eligibility and completeness, the applications were sent to the appropriate review teams, who made recommendations to OWEB staff regarding “fund” or “no fund” for individual projects on their merit and numerically ranked the projects recommended for funding. OWEB staff then developed funding recommendations for Board consideration.

The funding recommendations are based on funding availability, the rankings of the reviewers, and staff's evaluation of reviewer recommendations.

Acquisition Applications

Nine new land acquisition applications and one water acquisition application were received during the April 2011 grant cycle. The Board Acquisition Subcommittee reviewed the applications before the regional review team evaluation of the ecological merit and recommended whether staff should proceed with due diligence review. Three of the nine applications have been withdrawn by the applications. Three land acquisition applications are not recommended for funding. The remaining land acquisition applications are recommended for deferral. The water acquisition application is recommended for funding.

One land acquisition application previously deferred by the Board is ready for a funding decision.

Staged Awards

Middle Fork Irrigation District (MFID) Evans Creek Fish Passage and Water Quality Improvements Phase 3 (211-4002)

In September 2010, the Board awarded \$144,714, and committed to fund the remainder of the request (\$222,345) contingent on the grantee's progress report. Staff received a positive progress report, with the first portion of the project costing less than originally projected. In addition to the second stage of funding, the grantee expects to need the remaining \$13,800 from the first award. Staff recommended the Board award the remainder of the staged award.

Horse Heaven Creek Watershed Restoration (211-4010)

The project in the Horse Heaven Creek watershed covers approximately 11,000 acres, and is the result of collaborative efforts among private landowners, federal land management agencies, and state resource management agencies working toward a common vision of improved watershed health. The project includes juniper management, off-stream water developing to remove grazing pressure from riparian areas, and seeding and weed treatments to improve native plant diversity and health. Staff recommended funding \$156,861 for 2011-2012; and \$165,529 for the final stage of the project.

At the start of each regional grant award presentation, program representatives highlighted a project in their region showing the location, issues to be addressed, solution, and expected results.

REGION 1, NORTH COAST

Lauri Aunan, Grant Program Manager
Tom Shafer, Regional Program Representative
Miriam Hulst, Acquisitions

Project Highlighted: South Fork Necanicum Fish Passage Improvement Project (212-1002), Necanicum Watershed Council

Lauri Aunan provided an overview of the Region 1 funding recommendations as presented in the staff report.

Miriam Hulst briefly described the two land acquisition applications received in this cycle.

Withdrawn: Schooner Creek Acquisition Project (212-109)

Recommended for Deferral: Dooher Wetlands Acquisition Project (212-107)

REGION 2, SOUTHWEST OREGON

Lauri Aunan, Grant Program Manager

Mark Grenbemer, Regional Program Representative

Project Highlighted: West Fork Millicoma River Engineered Log Jams 2012 (212-2020), Coos Watershed Association

Lauri Aunan provided an overview of the Region 2 funding recommendations as presented in the staff report.

REGION 3, WILLAMETTE BASIN

Lauri Aunan, Grant Program Manager

Wendy Hudson Regional Program Representative

Miriam Hulst, Acquisitions

Projects Highlighted:

- Upper Middle Fork Willamette Tributaries Enhancement Project (212-3009), Middle Fork Willamette Watershed Council, and
- South Eugene Hills (211-116), City of Eugene

Lauri Aunan provided an overview of the Region 3 funding recommendations as presented in the staff report.

Miriam Hulst briefly described the land acquisition applications received in this cycle.

Recommended for Deferral:

Bald Hill Farm Acquisition Project (212-101), Greenbelt Land Trust

Pugh Property Acquisition Project (212-108), The Nature Conservancy

Application Withdrawn: Sandy Basin Schoppert Tract Acquisition Project (212-106), City of Sandy

Not Recommended for Funding:

DupeeValley Acquisition Project (212-100), Confederated Tribes of the Grand Ronde

Lambert Slough Acquisition Project (212-104), Confederated Tribes of the Grand Ronde

East Thornton Lake and Kalapuya Interpretive Center Project (212-105), City of Albany

Recommended for Funding: South Eugene Hills (212-116), City of Eugene

REGION 4, CENTRAL OREGON

Lauri Aunan, Grant Program Manager

Rick Craiger, Regional Program Representative

Ken Bierly, Acquisitions

Project Highlighted: Badger Creek Wilderness Fish Passage (212-4012), Farmers Conservation Alliance

Lauri Aunan provided an overview of the Region 4 funding recommendations as presented in the revised staff report. Rick Craiger updated the Board on recent events regarding application 212-4008 including the discussion around how instream flow is measured and Tumalo Irrigation District's plans to convene a stakeholder meeting on this topic.

Ken Bierly briefly described the water acquisition application received in this cycle.

Recommended for Funding: Upper Sevenmile Creek Critical Habitat Instream Transfer (212-103), Upper Klamath Basin Rangeland Trust

REGION 5, EASTERN OREGON

Lauri Aunan, Grant Program Manager

Karen Leiendecker, Regional Program Representative

Miriam Hulst, Acquisitions

Project Highlighted: Giving Keating Sage Grouse a New Home (212-5005), Keating SWCD

Lauri Aunan provided an overview of the Region 5 funding recommendations as presented in the staff report.

Miriam Hulst briefly described the acquisition application received in this cycle.

Withdrawn by the Applicant: Lostine-Wallowa Rivers Conservation Easement Project (212-102), Wallowa Land Trust

REGION 6, MID COLUMBIA

Lauri Aunan, Grant Program Manager

Sue Greer, Regional Program Representative

Project Highlighted: Mountain Creek Restoration Project Phase II (212-6008), Wheeler SWCD

Lauri Aunan provided an overview of the Region 6 funding recommendations as presented in the staff report.

At the conclusion of the region funding presentations, Board members approved the following motions:

Board members voted unanimously to award the second stage of funding for the applications shown in Attachment B to the Overview staff report.

Board members voted unanimously to approve the staff funding recommendation as shown in the yellow shaded sections of Attachment A to the Region (1, 2, 3, 5, and 6) staff reports, and approved the staff funding recommendation as shown in the yellow shaded sections of Attachment A to the September 8, 2011 Revised Region 4 staff report.

Board members also voted unanimously to award funding for application 212-1009 in the amount of \$11,000.

Board members voted to award funding for application 212-3000 in the amount of \$33,700. (Ken Williamson and Karl Wenner opposed.)

P. Watershed Council Support Work Group Report

Lauri Aunan, Grant Program Manager, and Courtney Shaff, Grant Program Coordinator, were joined by Harry Hoogesteger, South Coast Watershed Council, and Liz Vollmer Buhl, Siuslaw Watershed Council, to update Board members on the Watershed Council Support Work Group.

OWEB began addressing Goal 2 of the OWEB 2010 Strategic Plan by holding six Watershed Council Listening Sessions around the state in February and March of 2010. The Council Support Board subcommittee developed draft Council Support Principles which were presented at the Biennial Conference, and the September 2010 and January 2011 Board meetings.

The 2011 Oregon Legislature included a budget note in OWEB's budget directing OWEB to review councils' activities and oversight and report back to the Seventh-sixth Legislative Assembly regarding progress and recommendations.

In May 2011, OWEB convened a council support Work Group to help work through a number of issues raised during the listening sessions. The Work Group comprised of watershed council coordinators, private foundation representatives and members of OWEB's Council Support Advisory Committee met seven times and concluded its work. The Work Group's concept is to move toward an "Outcome Based Review and Award Process" which contains similar elements to the draft Council Support Principles developed in 2010. The Work Group's concept includes:

- Moving to work-plan based application materials and periodic progress reports on accomplishments and the challenges to achieving work plan objectives.
- Streamlined review process.
- A more equitable distribution of council support funds for councils that meet the merit threshold criteria.
- A separate "capacity building" fund to address areas where councils need training or assistance.

Councils ranked "good" and "needs improvement" in the 2011-2013 review process are required to attend a work plan training held around the state in fall 2011, and submit work plans and progress reports during the 2011-2013 biennium. This will provide a learning process for OWEB and councils as details are developed around the Work Group's concept.

To allow OWEB staff time to develop the details behind the concept, communicate and seek feedback from councils, complete rulemaking and develop new application and review materials, staff will ask the Board in March 2012 to waive the 2013-2015 council support application, review, and signal its intent to "carry-forward" the 2011-2013 council support award amounts to 2013-2015. The Board would intend to make the actual award under this "carry-forward" scenario in June 2013, and the amount of the individual awards will be dependent on OWEB's 2013-2015 budget. OWEB plans to work with a subset of the Work Group between now and the March 2012 meeting to develop more details about how the "carry-forward" process would work.

Q. OWEB-ODA Partnership

Melissa Leoni, Senior Policy Coordinator, was joined by Ray Jaendl, Oregon Department of Agriculture, to brief Board members on the funding and reporting partnership between OWEB and ODA to implement the Agriculture Water Quality Management Program and soil and water conservation district support.

In OWEB's 2011-2013 budget, the Legislature allocated Measure 76 Grant Fund and PCSRF funds for SWCD support, which is now an OWEB grant. ODA and OWEB have entered into a partnership agreement outlining the roles and responsibilities of each agency related to the review and approval of grant applications, grant management, payments, and the maintenance of grant files. On August 23, 2011, OWEB and ODA staff updated the Soil and Water Conservation Commission on the status of SWCD support funding and discussed their recommendation for the use of any additional funding awarded by OWEB. The Commission concurred with the staff recommendation to make additional funding available to the SWCDs to implement annual work plan activities that are consistent with uses allowed under Measure 76 grant funds. OWEB Board member Doug Kraemer who represents the Board of Agriculture explained the Commission's involvement in the SWCD funding process.

Included in the Governor's budget for the 2011-2013 biennium was a \$1.875 million allocation of 2010 PCSRF funds to support ODA's Agriculture Water Quality Management Program. OWEB and ODA have completed the interagency agreement guiding the use of the PCSRF funds and describing the associated reporting requirements.

R. Conservation Effectiveness Partnership

Greg Sieglitz, Monitoring and Reporting Program Manager, and Kyle Abraham, Effectiveness Monitoring Specialist, were joined by Gene Foster and Ryan Michie, DEQ; Tom Makowski and Mike Merrill, NRCS; and Ray Jandl, ODA; to provide an update on the Conservation Effectiveness Monitoring Partnership developed between OWEB, NRCS, and DEQ in 2010. The partnership is designed to conduct programmatic evaluation of grant investment effectiveness at achieving improvements in water quality and watershed health. The Goals of the partnership are:

- Build an understanding of the extent of the investment in watershed improvement actions through the agencies' collective grant programs;
- Develop a better understanding of how local organizations are utilizing the agencies respective grant programs, in concert;
- Conduct an evaluation of the impacts of grant investments on water quality and watershed health;
- Produce a description of gaps in the treatment of priority limiting factors and watersheds; and
- Design tools and methods of reporting accomplishments to the public.

Two pilot watersheds were selected where initial evaluation would occur – Tillamook Bay and Upper Deschutes. The Tillamook Bay (specifically the Wilson River) evaluation focused on reductions of in-stream bacteria and the Upper Deschutes (specifically Whychus Creek) focused on a combination of increasing streamflow and decreasing stream temperatures. Results from the Tillamook Bay project indicated that the suite of conservation and restoration accomplished by the local partners have reduced the chance of exceeding the water quality standard for bacteria, and that it will continue to decrease over time. Results from Whychus Creek are also promising and point towards increasing water quality for both stream temperature and sediment parameters.

Recent discussions on the evaluation of water quality data, particularly on agricultural lands, led to an interest expressed by ODA to be included in the partnership effort. The partnership has outlined the potential steps for the inclusion of ODA under the MOU.

Staff are developing a study plan to evaluate riparian restoration projects funded through CREP and OWEB's regular grant program. A ten-year monitoring plan is being proposed to incorporate a comprehensive evaluation of OWEB-funded riparian projects and the results from past CREP effectiveness monitoring efforts.

S. Other Business

There was none.

Having no further business, the meeting was adjourned.